REPORT OF THE PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

The Tenth Meeting of the Eleventh Parliament held in the Parliament Chamber on Thursday 17th June 2010, at 10.00 a.m.

PRESENT:

Mr Speaker…….(In the Chair)
(The Hon Haresh K Budhrani QC)

GOVERNMENT:

The Hon P R Caruana QC – Chief Minister
The Hon J J Holliday – Minister for Enterprise, Development, Technology and Transport and Deputy Chief Minister
The Hon Lt-Col E M Britto OBE, ED – Minister for the Environment and Tourism
The Hon F J Vinet – Minister for Housing
The Hon J J Netto – Minister for Family, Youth and Community Affairs
The Hon Mrs Y Del Agua – Minister for Health and Civil Protection
The Hon D A Feetham – Minister for Justice
The Hon L Montiel – Minister for Employment, Labour and Industrial Relations
The Hon C G Beltran – Minister for Education and Training
The Hon E J Reyes – Minister for Culture, Heritage, Sport and Leisure

OPPOSITION:

The Hon J J Bossano – Leader of the Opposition
The Hon F R Picardo
The Hon Dr J J Garcia
The Hon G H Licudi
The Hon C A Bruzon
The Hon N F Costa
The Hon S E Linares

IN ATTENDANCE:

M L Farrell, Esq, RD – Clerk to the Parliament

PRAYER

Mr Speaker recited the prayer.

CONFIRMATION OF MINUTES

The Minutes of the meeting held on 18th February 2010 were taken as read, approved and signed by Mr Speaker.

DOCUMENTS LAID

HON CHIEF MINISTER:

I have the honour to lay on the Table the Electors (Registration) (Amendment) Rules 2010.

Ordered to lie.

ORAL ANSWERS TO QUESTIONS

The House recessed at 1.00 p.m.

The House resumed at 2.30 p.m.

Oral Answers to Questions continued.

The House recessed at 6.00 p.m.

The House resumed at 6.15 p.m.

Oral Answers to Questions continued.

ADJOURNMENT

HON J J HOLLIDAY:

I have the honour to move that the House do now adjourn to Friday 18th June 2010 at 9.30 a.m.

Question put. Agreed to.

The adjournment of the House was taken at 8.20 p.m. on Thursday 17th June 2010.

FRIDAY 18TH JUNE 2010

The House resumed at 9.30 a.m.

PRESENT:

Mr Speaker…….(In the Chair)
(The Hon Haresh K Budhrani QC)

GOVERNMENT:

The Hon P R Caruana QC – Chief Minister
The Hon J J Holliday – Minister for Enterprise, Development, Technology and Transport and Deputy Chief Minister
The Hon Lt-Col E M Britto OBE, ED – Minister for the Environment and Tourism
The Hon F J Vinet – Minister for Housing
The Hon J J Netto – Minister for Family, Youth & Community Affairs
The Hon Mrs Y Del Agua – Minister for Health and Civil Protection
The Hon D A Feetham – Minister for Justice
The Hon L Montiel – Minister for Employment, Labour and Industrial Relations
The Hon C G Beltran – Minister for Education and Training
The Hon E J Reyes – Minister for Culture, Heritage, Sport and Leisure

OPPOSITION:

The Hon J J Bossano – Leader of the Opposition
The Hon F R Picardo
The Hon Dr J J Garcia
The Hon G H Licudi
The Hon C A Bruzon
The Hon N F Costa
The Hon S E Linares

IN ATTENDANCE:

M L Farrell, Esq, RD – Clerk to the Parliament

ORAL ANSWERS TO QUESTIONS (CONTINUED)

The House recessed at 2.15 p.m.

The House resumed at 3.00 p.m.

Oral Answers to Questions continued.

WRITTEN ANSWERS TO QUESTIONS

HON CHIEF MINISTER:

Mr Speaker, I am happy to submit Written Answers to Questions submitted for written answer being questions W88/2010 to W159/2010.

BILLS

FIRST AND SECOND READINGS

THE APPROPRIATION ACT 2010

HON CHIEF MINISTER:

I have the honour to move that a Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2011, be read a first time.

Question put. Agreed to.

ADJOURNMENT

HON CHIEF MINISTER:

I have the honour to move that the House do now adjourn to Thursday 1st July 2010 at 9.30 a.m. and I am happy to indicate to the Hon Gentlemen that the House will then at that time proceed on the second reading of the Appropriation Bill.

Question put. Agreed to.

The adjournment of the House was taken at 7.00 p.m. on Friday 18th June 2010.

THURSDAY 1ST JULY 2010

The House resumed at 9.30 a.m.

PRESENT:

Mr Speaker…….(In the Chair)
(The Hon Haresh K Budhrani QC)

GOVERNMENT:

The Hon P R Caruana QC – Chief Minister
The Hon J J Holliday – Minister for Enterprise, Development, Technology and Transport and Deputy Chief Minister
The Hon Lt-Col E M Britto OBE, ED – Minister for the Environment and Tourism
The Hon F J Vinet – Minister for Housing
The Hon J J Netto – Minister for Family, Youth and Community Affairs
The Hon Mrs Y Del Agua – Minister for Health and Civil Protection
The Hon D A Feetham – Minister for Justice
The Hon L Montiel – Minister for Employment, Labour and Industrial Relations
The Hon C G Beltran – Minister for Education and Training
The Hon E J Reyes – Minister for Culture, Heritage, Sport and Leisure

OPPOSITION:

The Hon J J Bossano – Leader of the Opposition
The Hon F R Picardo
The Hon Dr J J Garcia
The Hon G H Licudi
The Hon C A Bruzon

The Hon N F Costa
The Hon S E Linares

IN ATTENDANCE:

M L Farrell, Esq, RD – Clerk to the Parliament

SUSPENSION OF STANDING ORDERS

HON CHIEF MINISTER:

I beg to move under Standing Order 7(3) to suspend Standing Order 7(1) in order to proceed with the laying of documents on the Table.

Question put. Agreed to.

DOCUMENTS LAID

HON CHIEF MINISTER:

I have the honour to lay on the Table the Report and Audited Accounts of the Gibraltar Regulatory Authority for the year ended 31st March 2010.

Ordered to lie.

HON L MONTIEL:

I have the honour to lay on the Table the Employment Survey Report October 2009.

Ordered to lie.

HON E J REYES:

I have the honour to lay on the Table the Report and Audited Accounts of the Gibraltar Heritage Trust for the year ended 31st March 2009.

Ordered to lie.

BILLS

FIRST AND SECOND READINGS

THE APPROPRIATION ACT 2010

SECOND READING:

HON CHIEF MINISTER:

I have the honour to move that the Bill be now read a second time. Mr Speaker, the Bill seeks the appropriation of this House for sums of money necessary to meet Government expenditure for the year ending 31st March 2011 from the Consolidated Fund. It seeks the sum of £311,082,000 million to fund expenditure from the Consolidated Fund as shown in Parts I and II of the Schedule, £92,500,000 of which goes towards funding the £118,959,000 million referred to below in relation to the Improvement and Development Fund. And it also seeks therefore to spend £118,959,000 million from the Improvement and Development Fund to fund expenditure in respect of the Government capital investment programme, particulars of which are shown in Part III of the Schedule.

Mr Speaker, I have the honour to present my fifteenth budget of Government Revenue and Expenditure and to report to the House on the state of public finances, the state of the economy and other issues of economic importance. Last year, I referred

to the deep global recession and the global financial crisis and credit crunch which continue even though they have eased somewhat from the levels prevalent twelve months ago. Two predictable factors, consequences of the global recession and the financial crisis, have emerged during the last twelve months. A G20 led appetite for economic and financial reform and widespread fiscal problems around the world with Government budgets in most countries running into deep deficits resulting in sovereign debt crises, tax rises, deep expenditure cuts and job losses. In several leading economies there have even been public sector pay cuts or freezes and pension freezes. This bleak global economic scenario which people in Gibraltar will see day in day out on their televisions and in their newspapers in countries all around the world but especially in Europe is the global economic environment in which our economy operates. But our position in Gibraltar could not be more different. This last year our economy has continued to grow. The Government's recurrent budget surplus stands at an all time record high and the number of jobs in our economy remains at near record highs. No budget deficits, no public service cuts, no civil service pay cuts or high Government debt problems here. There were of course some areas of our economy which suffered the consequences of global factors to some degree. Some sectors have suffered a drop in business levels. In one or two other sectors, such as construction and banking, local companies have fallen victim to the financial fate of the parent company in the UK, Spain or elsewhere resulting in bankruptcy or job disruption here in Gibraltar. Despite these challenges, it has been another good year for our economy. 2010 will also be a good year. The one that will bring its own local challenges in the form of the need to transition to the new company tax regime with effect from the 1st January 2011 when the tax exempt company regime, which has until now been the backbone of our finance centre and other important parts of our economic, finally comes to an end. This has required the reduction of all company tax in Gibraltar from 22 per cent to 10 per cent. In order to maintain Government revenue levels, it will be necessary to do some rebalancing of Government revenue streams affecting companies and I shall be announcing some increases in commercial rates, commercial electricity tariffs and employer social insurance contributions. The Government also wishes to make further progress this year with its policy of cutting personal tax rates both with a view to benefitting people already living and working in Gibraltar and also making Gibraltar an increasingly attractive personal tax jurisdiction for newcomers. This will further enhance our ability to attract quality businesses to locate in Gibraltar. In turn, this creates more and better paid jobs for our people, especially our school leavers and returning university graduates, generating also more revenue for Government. That in turn, enables the Government to cut personal taxes for everyone still further. Everyone therefore has a big interest in the success of all parts of our economy even the parts in which they do not work. As hon Members will know, there is a huge amount of Government investment going on in modernising Gibraltar and better equipping it to continue to prosper both economically and socially in the future, our housing, our roads, our parking facilities, our transport facilities, our city, our local institutions and our public services, especially our care services. I will refer to our substantial on-going capital projects programme, its funding and our plans for this year and beyond.

Mr Speaker, I am very happy to be able to confirm that despite the recession elsewhere, our economy has continued to grow throughout. It is worth reminding the House that recession means that most other economies have shrunk, that is, got smaller. Ours grew by 5.4 per cent in the year to March 2009. As the House knows, in March 2008 GDP stood at £804 million. Last year, the Government provisionally estimated that it would grow by around 6 per cent to £850 million in the year to March 2009. In fact, it stood at £869 million. That is 8 per cent higher. However Mr Speaker, some of this 8 per cent cannot be described as growth over the previous year because it results from a new and more accurate way of computing company profits which I will explain in a moment. On a like for like basis therefore, economic growth over the year was 5.4 per cent. Mr Speaker, the Government provisionally estimates that in the year to March 2010, GDP has risen to £914 million, a year on

year growth rate of just over 5 per cent again. The Government is predicting for 2010/2011 economic growth of around the same amount. That is, a further 5 per cent. That is, 5 per cent, 5 per cent and 5 per cent. Mr Speaker, and so to the explanation of the change in method relating to company trading profit estimation. With effect from 2008/2009, corporate trading profits is no longer estimated on the basis of grossing up the Government's corporation tax revenue in that year. To the extent possible, that figure now reflects the actual corporate trading profits for that year disclosed by companies in accounts already filed with the Commissioner of Income Tax. The Government Chief Statistician believes that this method produces a more accurate figure because real profits generated in that particular financial year are reflected in that year's GDP estimate. To the extent that companies have not submitted accounts for that year, an assumed amount is included pro-rata based on the figures for the companies that have reported. Sixty seven point five per cent of companies have already submitted accounts for the financial year ending March 2009. As and when the remainder submit their accounts, the assumed figure for trading profits will be duly amended on a monthly basis so as to arrive at the final figure, hopefully by October or November of this year. The new method estimates gross trading profit for 2008/2009 at £164.39 million. The same principle is also now applied to the income of the self-employed which previously was estimated on a percentage top up of male and female average earnings as shown in the Employment Survey. The new method draws on income declared in the tax returns of the self-employed. Sixty point five per cent of self-employed returns for that year have already been received. The balance is assumed and will be adjusted on a monthly basis as and when returns are received. For the year to March 2009, the figure of self-employed income currently stands at £59.77 million.

Mr Speaker, despite the global economic and financial climate and unlike much of the rest Europe and the world, employment levels in Gibraltar have held up well during 2009. As at October they stood at 20,450 jobs, a slight fall of 59 jobs from the previous year's 20,509 but still the second highest figure on record. Employment in construction fell by 356 following the demise of Haymills and Bruesa mainly affecting Spanish nationals. However, it still stands at 2,557, the second highest figure on record. Jobs also fell in financial services and education. However, these were partly offset by an increase of jobs in wholesale and retail, transport and communications, health and social work and online gambling resulting in a net overall loss of 59 jobs.

Mr Speaker, the Government's financial position remains in very good health. In the financial year just ended on the 31st March 2010, the Government produced an overall recurrent budget surplus of £29.4 million which is an all time record high. The overall surplus represents nearly 10 per cent of overall Government expenditure. This provides the Government with a comfortable fiscal buffer at a time when most Governments are struggling with fiscal deficits. It also positions the Government well to withstand any temporary fall in revenue from company tax that the transition to the new 10 per cent rate may produce.

As the House knows, the Budget Book, that is to say, the Schedules as they are technically called, states the forecast outturn figures as best they are known on the date that the book was prepared. Afterwards, the figures are firmed up, either upwards or downwards from final records. The revised figures are not usually visible until the Government accounts for the year are tabled much later on. So this debate normally takes place with only the forecast figures in the book. This year however, the Finance Ministry have been able to produce revised figures sooner than usual and I shall therefore be making those available in respect of Consolidated Fund overall and Improvement and Development Fund revenue and expenditure during my address, when they are different. In a nutshell though, revenue is £2.2 million higher than stated and expenditure is £2.1 million lower than stated resulting in surpluses of £4.3 million higher than stated and a net public debt of £9.32 million lower than stated. Consolidated Fund recurrent revenue for last year is forecast in the Budget Book at £264.5

million compared to the £244.3 million for the previous year and the £249 million estimated at the start of this year. In fact, the revised forecast figure for Consolidated Fund recurrent revenue is £266.6 million. That is up £2.5 million from the forecast figure in the Book. This represents a year on year increase of £22.3 million or 9.1 per cent. In addition, there was exceptional non-recurrent expenditure of £5.6 million but that is dealt with below the line and not reckoned for the Consolidated Fund recurrent surplus. Consolidated Fund recurrent expenditure for last year is forecast in the Budget Book at £239 million compared to the £223.1 million the previous year and £230 million estimated at the start of last year. In fact, the revised forecast figure for Consolidated Fund recurrent expenditure is £236.87 million. That is, down £2.13 million from the forecast figure in the Book. This represents a year on year increase in recurrent Consolidated Fund expenditure of £13.77 million or 6.1 per cent. In addition, there was an exceptional non-recurrent expenditure of £1 million which also is not reckoned in the recurrent Consolidated Fund budgetary surplus. Ignoring the exceptional revenue of £5.6 million and the exceptional expenditure of £1 million, this recurrent Consolidated Fund revenue of £266.6 million and recurrent Consolidated Fund expenditure of £236.87 million produced a Consolidated Fund recurrent surplus of £29.7 million. Up £4.3 million from the forecast figure in the Book and an all time record high. Including the exceptional items of both revenue and expenditure, the Consolidated Fund surplus would be £34.3 million but the Government disregards the exceptional items when citing what really is the true level of recurrent surplus. At the fiscally more meaningful overall level, because what I have said so far relates only to the Consolidated Fund which is what we are voting for in this Bill but at the more fiscally meaningful, fiscally in the sense of the real state of the Government's finances, the totality of its revenue and the totality of its expenditure, including in both cases that which is not in the Consolidated Fund and therefore is strictly not being appropriated in this Bill … So at that overall level, recurrent revenue last year was £333.9 million compared to £306.2 million the previous year and £314.6 million which we estimated at the start of that financial year. This represents a year on year increase of actual overall revenue of £27.7 million or 9 per cent. Overall recurrent expenditure was £304.5 million compared to £286.5 million the previous year and £295.6 million estimated at the start of the financial year. This represents a year on year increase of actual overall expenditure of £18 million or 6.3 per cent. The result was an overall recurrent revenue and expenditure budget surplus of £29.4 million or 9.65 per cent of recurrent overall expenditure including, as I said, exceptional items of both revenue and expenditure which the Government does not do. The overall surplus achieved would have been or would be £34 million. The main contributors to the increased revenue and expenditure were, on the revenue side: Income Tax £6.1 million, Import Duty £14.6 million, Company Tax £2.6 million, Gaming Tax £1.8 million, Gibraltar Health Authority Group Practice Medical Scheme contributions £1.9 million, revenue of the Gibraltar Electricity Authority £1.8 million and GPA increased revenue of £3 million. On the expenditure side, increases were: Government pensions came in at £2 million higher, interest on public debt at £6.2 million, Gibraltar Health Authority expenditure at £6 million, Care Agency expenditure at £1.9 million, contributions from the Consolidated Fund to the Social Assistance Fund at £1.8 million, GDC expenditure at £900,000, £0.9 million, Gibraltar Electricity expenditure fell by £3.5 million, so that is a saving and other departments increased their expenditure by £2.7 million.

Turning now to the budget of revenue and expenditure for the current financial year which as the House knows started on the 1st April 2010. We are estimating Consolidated Fund recurrent revenue of £276.7 million and expenditure of £263.5 million, resulting in an estimated surplus of £13.2 million or 5 per cent. On the revenue side, we are estimating an increase over last year of just over £10 million compared to the revised figures for last year that I have just given, or just under 4 per cent compared to the revised figure that I have just given. This year is likely to prove more volatile from the revenue perspective because we have the uncertainty of the effect on corporation tax revenue of the new 10 per cent rate and the complex transitional provisions. Existing tax payers will enjoy a reduction from 22

per cent to 10 per cent. The cost of that, assuming maintained levels of profitability, is known. What is not known with any reliable precision is how much will be contributed in its place by companies that are presently exempt from tax and will start to pay tax on the 1st January 2011. Nor do we know with certainty, what disruptive effect on revenue and particularly in terms of cash flow side of revenue, when exactly the revenue will be received, what disruptive effect on that aspect of revenue may result from the application of the transition period. We have therefore allowed for a £10 million reduction in revenue from company tax from £28.5 million last year to £18 million this year. But the reduction may be higher or indeed it could be lower. The estimated increase in import duties allows for recently announced increases in import duties on tobacco and fuel assuming similar volumes. Increases to be announced in this budget in social insurance contributions, electricity tariffs and commercial rates are also allowed for in the estimated figures. On the expenditure side, we are estimating an increase over last year's revised figures that I have just given of £26.63 million, or just over 11 per cent. Of this amount, increases in departmental expenditure are just £10 million or 5.6 per cent of last year's departmental expenditure. Twelve million pounds, that is nearly half of the increase, is to fund Community Care. Just under £1 million is to fund increases in the cost of civil service pensions and just under £4 million is to fund increases in public debt service and costs. At the overall level, we are estimating revenue of £349.6 million and expenditure of £336.7 million, thus estimated to produce an overall surplus of £13 million or around 4 per cent of overall expenditure.

As this House is aware, the Government continues with its substantial capital projects programme to modernise Gibraltar's infrastructure, city, public amenities, important institutions, housing, roads and transport. Without this investment, it is the Government's view that Gibraltar will be unable in the future to sustain its economic and social prosperity and thus its political security. At last year's budget, I estimated that the Government would spend £105 million on its projects programme last year. In fact, it has turned out to be around £1 million more. That is, £106 million. Of this, £74.3 million down £4.8 million from the £79.1 million forecast in the Book. The Book forecast £79.1 million. In fact, the revised figure is £74.3 million was spent through the Improvement and Development Fund and £47 million through company projects. I should point out to the House that of the £74.3 million, and the reason why £79.1 million and £47 million do not add up to £106 million, is that of the £74.3 million spent by the Improvement and Development Fund, £15 million was equity funding to Government companies for projects done by those companies, resulting in a net overall capital expenditure on projects of £106 million. The capital expenditure on projects done by Government companies was principally on the following projects: Waterport Terraces £8.06 million, the affordable housing schemes in the South District £12.43 million, the purchase of flats from Community Care £2.45 million, the Mid Harbour reclamation £4.45 million, the Government rental housing estate £11.83 million, repairs to Montagu Crescent, Montagu Gardens and Brympton Estate £300,000, Upper Town affordable housing £760,000, the purchase of the Theatre Royal lease £1.67 million, infrastructure works £2.34 million, the retrenchment block at Lathbury Barracks £440,000, new power station expenditure £440,000 and other minor projects of £1.9 million. The capital expenditure on projects done by the Improvement and Development Fund expenditure was on the following projects: departmental expenditure £9.39 million, Main Street South £1.06 million, Public Market £0.5 million, Dudley Ward Tunnel access £4.5 million, the new frontier road £2.5 million, the dualling of Devil's Tower Road £2.2 million, the Trafalgar Interchange £1.6 million, MOD relocations £12.31 million, other relocations £3.49 million, the new prison £2.53 million, the air terminal £14.83 million, the new women's hostel £640,000, the new law courts £1.2 million, the repairs to the revetments at Westside and the rebuilding of the promenade £1.54 million and other projects £1.01 million. For the current financial year, the Government is estimating that it will spend a total of about £150 million on projects, of which £119 million would be through the Improvement and Development Fund and £31 million through companies, mainly on the following: departmental expenditure will be about £10.5

million, Orange Bastion and Public Market refurbishments £1.1 million, Europa Point refurbishment £2 million, relocations £14 million, roads and tunnel projects £32 million, the air terminal £29 million, pumping station and other necessary infrastructure £1.9 million, Government rental housing estate £27.5 million, the new prison £1 million, completion of the women's hostel £800,000, the law courts £3 million, revetments and promenades restoration £1.5 million, playground refurbishment £0.5 million, a school and senior citizens homes at the Old St Bernard's Hospital £1.6 million, the new mental health hospital £800,000, a new Alzheimer's and Dementia facility at Naval Hospital £700,000, a new cancer relief centre £0.5 million, new urban public toilets £1.2 million, new bus shelters £1 million, the Government's take and ride, and hopefully return, bicycles project £300,000, new car parks £4 million, repairs to Montagu Estates £5 million and completion of the affordable housing schemes in the South District £4 million.

The Government's capital expenditure programme is funded, principally, by borrowing, supported by the proceeds of assets sales and premiums. Funding investment in our future in this way is possible because of the very low levels of debt that the Government has maintained and also the success of our economy. As the House knows, the relevant measure of public debt is net public debt, that is, total Government borrowings minus Government's cash reserves. The House is also aware that the Government has chosen to raise very substantially more borrowing than it needs and to hold this money in cash reserves at a significant net interest cost. In other words, the Government pays more interest to the lender from whom it borrows money, banks and Gibraltar Government debenture holders than it receives when it places the borrowed cash on deposit with the Bank of England and others as cash reserves. The Government does this for two principal reasons. Firstly, to be able to pay Gibraltar savers and pensioners who are lenders to the Government when they buy Government debentures, a higher rate of interest and with greater security than their savings would otherwise enjoy in the very low market savings interest rate and volatile security climate that currently prevails. This is a matter of social policy and secondly, to protect and secure Government's funding and liquidity requirements in the current volatile banking market created by the global financial and ensuing credit crunch. This is a matter of carefully planned and considered economic and treasury management policy. The Government has consciously decided to bear the cost of unnecessarily large amounts of borrowing in order to assure its funding and liquidity needs in the current volatile international funding market conditions. This policy has recently been complemented in a recent value for money review conducted externally on behalf of the Principal Auditor. At the start of last year, we estimated that net public debt would be £116 million as at the 31st March 2010. In fact, it stood at £139.1 million due, principally, to less receipts from assets sales that were estimated, delays in completion of affordable housing schemes resulting in delayed receipts of sales proceeds and several projects making progress more quickly than had been estimated. The figure of £139.1 million net public debt is down from the £148.43 million forecast in the Book as a result of the revenue being higher and the expenditure being lower than forecast in the Book, as I explained a moment ago. At £139.1 million, net public debt represents just 15.2 per cent of estimated gross domestic product which at March 2010 is provisionally estimated to stand at £940 million, as I have said. Even in the unlikely event that the economy did not grow by the provisionally estimated 5 per cent in the year to March 2010, current net debt would still constitute only 16 per cent of 2009 GDP. These are economically very low levels of net public debt. The net public debt is programmed to continue to rise as the Government proceeds with its capital investment programme. We are estimating that net public debt will finish this year at around £180 million, still representing only 18.7 per cent of GDP. Thereafter, it is expected to peak at around 23 per cent of GDP before starting to fall again once the projects programme is complete. The House will be aware, that the element of statutory debt ceiling formula that relates to ratio to GDP, that is to say, our legal control on the levels of Government debt, allows net public debt up to 40 per cent of GDP. That is, more than double, by reference to that particular variable, more than

double the amount of net public debt that exists now. In the UK, net public debt is about to reach 70 per cent of GDP and in much of the developed world it is approaching, and in many cases has already passed, 100 per cent of Gross Domestic Product. This puts our level of 15 per cent into its true economic size perspective. Furthermore, as this House knows and unlike what happens in the UK and elsewhere, no part of our debt is applied towards recurrent expenditure. So we do not use debt to fund annual Government running costs. The Government's treasury management policy is not limited to securing availability of cash through holding large amounts of borrowed cash in reserves, the so called Liquidity Guarantee element of the policy. The policy also extends to fixing the rate of interest on that debt as far as possible through interest swap arrangements in order to protect against the effects of an increase in interest rates. The policy also extends to lengthening the maturity dates on debt to reduce renewal or so called roll over risk in the present volatile market condition. As at the 29th June, for example, gross borrowing stood at £446 million following the drawing this week of a further £50 million from Barclays Bank, the proceeds of which have been added straight to the cash reserves. Of these £446 million, £50 million borrowed from NatWest matures in June 2015 and the interest rate is fixed at 3.58 per cent. This is in effect, therefore, a five year bond. £100 million borrowed from Barclays Bank matures in October 2019 and the interest is fixed at 4.25 per cent until July 2014 and thereafter at 4.875 per cent until October 2019. This is, therefore, in effect a 9 year bond. £50 million borrowed from Barclays Bank matures in June 2020 and the interest rate is fixed at 4.969 per cent until June 2020. This is in effect a 10 year bond. The Government debentures is structured as follows: £94.5 million are on a one month deposit notice at 3.5 per cent, £16.3 million are on a one month notice at 2 per cent, £79.5 million are fixed until the 31st December 2011 at 4.25 per cent or base if higher, £22.6 million are fixed until 30th June 2012 at 4 per cent or base if higher and £33.1 million are fixed until 31st December 2012 at 4 per cent or base if higher. Accordingly, the House will see that the Government's debt is structured with a high degree of stability both as to interest cost and maturity roll over risk, unlike so much of the currently problematic European sovereign debt where the problem is that it is held on very short maturities from markets that are reluctant to renew the debt at reasonable cost or at all in some cases.

Last year I told the House that as a further step in enhancing transparency and control of public finances, the Government would take two additional measures. It would publish a range of new economic and public finance statistics and it would amend the Public Finance Control and Audit Act so that the revenue and expenditure of Government agencies and authorities are treated as Government revenue and expenditure for all legal purposes and therefore brought formally under the appropriation mechanism of this House. Regrettably, for technical reasons, it has not so far been possible to do either during this last twelve months but the Government remains determined to do both and indeed hopes to do so before the end of this calendar year.

The Government recently announced the striking of a new £5 circulating coin which will be issued during the next couple of weeks. We were delighted that Her Majesty the Queen agreed to Her being described on it for the first time as Queen of Gibraltar. Indeed, it is the first time that She has agreed to be described in coinage as Queen of any issuing country. We shall also shortly be announcing the issue of a new series of five, ten, twenty, fifty and one hundred pound circulating currency notes.

I am very glad that those who previously used to say simply that the public sector is too big have now modified the message to one with which we can all agree, including the Trade Unions, that certain parts of the public sector need to improve efficiency, productivity and cost. To this end, I can once again tell this House that discussions with the Trade Unions on a broad package of service wide reform measures are progressing very satisfactorily for all sides. We are also involved in negotiations with Unions on specific reforms, in particular public service areas. In the year to the 31st March 2010, the number of civil servants fell marginally from 2,289 to 2,272. However, when you include all publicly funded employees, that is, civil servants,

employees of Government-owned companies and statutory agencies and authorities, the number rose by 197. From 4,293 to 4,490 reflecting, mainly, the temporary employment by a Government company of ex-Haymills construction staff and increases in GHA and Care Agency staff. Public sector jobs accounted for 22 per cent of all jobs in the economy. Government overall recurrent expenditure, as a proportion of estimated GDP in the year to March 2010 was 33.5 per cent. This compares with over 40 per cent in the UK. Finally, in relation to the public sector, and despite the parity principle, the Government has no intention of following the UK in freezing public sector pay in Gibraltar. This UK measure responds to the state of public finances, the Government's budgetary position and the very high level of public debt in the United Kingdom, none of which is the case of the Government of Gibraltar thanks to its prudent economic and public finance policies. I will be meeting with the Trade Unions to agree a formula that will allow public sector pay in Gibraltar to continue to rise without abandoning the parity link or the parity principle.

Mr Speaker, and so to a review of the private sector part of our economy. In short, there are the usual sector differences in terms of performance, although there is no getting away from the fact that the global recession and the banking crisis and resulting credit crunch are affecting everybody to some degree or other. Local businesses in every sector can be affected in a number of ways: falling external customer demand, exchange rate movements which can both affect demand and cost of stock, lack of credit availability, or the high cost of such credit as is available. In addition to such factors, some sectors suffer local effects such as cross border competition, sometimes on an unlevel playing field. The impact and significance of these factors is magnified in more difficult times and there is then a tendency to bring down the protectionist shutters. While the Government shares the objective of ending the most obvious examples of cross border competition and fairness, we equally believe that an open economy is on balance very much in Gibraltar's interests. To address these issues in specific detail and agree effective but sensible measures, I shall be convening a working group with the Chamber of Commerce and the Federation of Small Businesses in early autumn. Yet, the private sector is proving remarkably resilient and robust. Despite short term concerns, there is justified optimism across almost all sectors in the longer term. One of the factors that have significant effects on our businesses is exchange rate movements, over which we obviously have no control. A case in point is the very important local wholesale and retail trade. On the one hand, they benefit from a lower pound because it increases the purchasing power of the local currency of visiting shoppers. On the other hand, since a very high proportion of their stock is purchased in foreign currency, the cost to the businesses of stock increases with the lower pound. It would appear from recent surveys that a low pound is overall and on balance a negative factor. So the recent strengthening of the pound may provide some net benefit. All this said, and despite everything, the number of jobs in the local wholesale and retail trade increased by 65 from 2,878 to 2,943 in 2009 at the height of the global recession. Needless to say, all local text paying businesses will be significant beneficiaries of the reduction in the company's tax rate from 22 per cent to 10 per cent, despite the fiscal rebalancing that I will announce later on to contribute towards closing the Government revenue gap created by the reduction to 10 per cent. It is not realistic to expect Government to take on the chin the full effect of this more than halving of the company tax rate.

The Port had a spectacularly successful year. Several years ago we announced the policy of breaking the Port free of unnecessary bureaucratic control, better equipping it to seize and respond to commercial opportunities and converting it into a profit centre rather than a drain on public funds. I am very happy to say that all these objectives have now been achieved. The Port Authority has become fully operational. Investment in the Port continues and last year the Port contributed over £1 million after capital investment operating surpluses to the general Government coffers. The Port's business improved on all fronts. The quantity of bunker supply. The number of vessels arriving. Expanded passenger ferry links and services

and the number of vessels registered on our shipping registry. I wish to congratulate Joe Holliday and all staff at the Port Authority and indeed all port operators for their excellent work in continuing to convert the Port into a major engine of our growing economy. In response, the Government will continue to invest, not just in vessel tracking systems and other safety measures but by expanding the cruise terminal and upgrading the condition of the western arm generally.

Tourism had a mixed but on balance, given the prevailing global conditions, reasonably good year. Air arrivals rose very marginally, although those counted as tourists fell slightly. Hotel nights sold fell. Arrivals over the border rose. The number of visitors to the Upper Rock fell. Yacht arrivals rose and cruise ship numbers and cruise passenger numbers also rose. Overall, the number of visitor arrivals rose as did the amount they spent in Gibraltar. Our tourism and indeed our business sectors would benefit from an expansion of the hotel offering in Gibraltar and in this respect I am pleased to see that one or two new hotel proposals in the pipeline are now showing positive signs of becoming a reality. We also need to invigorate our product. Modernise, coordinate and improve our tourism transport infrastructure and implement once and for all a more holistic Upper Rock management plan. I have asked Joe Holliday and Ernest Britto to lead on the project in the remainder of this calendar year.

The Finance Centre has marked time and held its own well in very difficult times for it, resulting mainly from the global recession and the financial and banking crisis which have hit volumes of business and revenue especially in the banking and wealth management and wealth structuring sectors. The result has been a loss of 80 jobs. Despite this, a number of financial sectors have entrenched and developed their positions in the international market especially insurance and fund management. The Finance Centre is well placed to continue to develop and grow on the back of the new tax regime. A new era now unfolds for our Finance Centre. Our repositioning away from tax haven to mainstream international finance centre will be complete in just six months from now. Government now looks forward to working closely with the industry to make sure that the benefits of our new Finance Centre are internationally known on a wide basis. I believe that exciting and prosperous times and opportunities lie ahead for our Finance Centre. But there is still more to do. Once the new tax legislation is in place, the Government will work with the various sectors of the Finance Centre that have approached Government with proposals and ideas to develop new products and improve and modernise our legislation in other non-tax areas that will also enhance the attractiveness of our Finance Centre.

The online gaming industry continues to consolidate and prosper in Gibraltar. Employment levels rose by 180 to 2,132 in 2009. As at May this year, the figure had fallen to 1,934 and may fall a little further as industry re-organisation continues but we expect the number to rise again as recent new licensees establish and grow their operations. We continue with our selective and restricted licensing approach. However, as this still relatively new industry involves globally, we remain in a constant dialogue with its leading participants to ensure that we remain responsive and relevant to their reasonable needs. This industry is important to our economy. It generates very significant levels of direct employment, high levels of revenue to the Government and much demand and consumption in other areas of the economy where it thus also generates income and further employment. The Government is thus focussed on Gibraltar remaining attractive to and internationally competitive for this industry while not running risks with our jurisdictional reputation. In a series of extraordinary rulings, the European Courts have, in effect, removed the online gaming industry from the EU Treaty provisions relating to freedom to provide services within the European Union. Even the UK appears to have abandoned the upholding of that one sacred principle. So, it now seems inevitable that Europe and the world will move to a system whereby each country will licence and tax international operators in respect of business done with its residents. Our new tax legislation accommodates this fully by giving our gaming companies full credit in respect of such income taxed

abroad. Gibraltar will ensure that by remaining at the forefront of international regulatory standards, our online companies will be eligible to provide services in other countries when the new licensing and tax system comes into effect.

I have already mentioned the restricted credit facilities that exist for both commercial and personal borrowers as a result of the international credit crunch. Gibraltar general retail banking needs are principally provided by two banks, Barclays and NatWest who both provide an extensive service and have shown and continue to show a very welcome and much valued commitment to Gibraltar. Nevertheless, both these banks operate within policies relating to such things as lending criteria, risk assessment, project lending limits and country lending limits which are not decided in or specifically for Gibraltar. Furthermore, the Government believes that a market such as ours should have at least three general retail and commercial banks serving its needs. Gibraltar would therefore benefit from having a local home grown and home managed bank. To this end, the Government is exploring the viability of establishing such a bank in partnership with private sector interests. A project paper has been prepared and will shortly be circulated to selected local private interests to test their appetite for such a venture.

Another issue that is causing the Government concern is the general lack of available office space in Gibraltar. This is proving to be an obstacle to companies seeking to establish or expand operations in Gibraltar and is thus curtailing our economic growth and development. Usually, demand for offices in the private sector is met by private sector developers. However, because of the international banking crisis and credit crunch, it is almost impossible for private developers to obtain appropriate bank finance for such projects. Accordingly, the economic needs of Gibraltar for more office space are going unsatisfied, not because of lack of demand for office space here, but because bank finance is unavailable for reasons that have nothing to do with Gibraltar. Therefore, the Government is considering stepping in to remedy the situation. We are not willing to lend tax payers money to developers to allow them to make a profit with it. So, the Government is negotiating with the developers of the Mid-Town project for it, the Government, to become a majority shareholder in the development of the first phase of that project thus ensuring that tax payers get their fair share of development profits and that incoming investors have office space available to enable our economy to continue to grow and develop.

As I have said, the international financial crisis has resulted in a huge decline in private sector building activity. Also, the Ministry of Defence, due to its own budgetary problems, has also cut the amount of work it gives out to local construction companies. This has all resulted in a precarious situation for the local construction industry which is short of work. On the other hand, there is, as the Government knows, a significant Government capital works programme underway and access to this work has therefore become much more important to all companies in the prevailing market conditions and circumstances that I have just described. There are other factors that have contributed to the current challenging scenario for many local construction companies and local suppliers of building materials and plant and equipment. These include, the fact that large, non-Gibraltar contractors tend not to sub-contract or source locally. A number of recent financial failures amongst construction companies that have left many local sub-contractors and suppliers with significant unpaid invoices and this in turn has led to a loss of confidence by suppliers in extending credit to the construction industry. Separately, many of the failed companies left unpaid PAYE and Social Insurance liabilities to the Government, a practice facilitated by the proliferation in the use by foreign construction companies of brass plate, single purpose vehicle companies as sub-contractors or labour contractors. For its part, the Government attaches importance to the continued existence in Gibraltar of a vibrant and competitive local construction industry, populated by a variety of financially solid and well-managed and resourced construction companies and building supplies and equipment companies. Much as the Government values its own company, GJBS Construction

Limited, it is not desirable or acceptable that others should not survive and prosper as well for lack of work. The Government is therefore about to launch a temporary scheme to assist the construction industry, the objectives of which are the following. Firstly, in so far as it is both lawful to do so in the context of EU procurement and tendering Directives and also the Government is able to protect the tax payers' interest to obtain value for money, the plan is to modify the Government procurement system to allow the Government to ensure a fair distribution of its construction work so as to sustain the greatest number of local construction and building supply companies and thus jobs. This would require the temporary suspension of the tender system and the fair distribution of work among eligible construction companies by the direct allocation of contracts on the basis of transparent measured rates or an informal market testing system. Secondly, to minimise the Government's risk of being left with unpaid PAYE, Social Insurance contributions and other payments by deducting and requiring others to deduct PAYE and Social Insurance contributions from all payments made by the developer to contractors and by contractors to sub-contractors. Thirdly, to support the Employment Service in its task of helping its clients find work in the local construction industry, especially the long-term unemployed. Participation in the scheme will therefore be conditional on co-operating with the Employment Service in jobs for its clients. Fourthly, controlling the use of sub-contractors to minimise abuses by labour-only sub-contractors and where the Government allows the use of sub-contractors, protecting them and their employees by controlling the possibility of contractors unduly delaying payments to sub-contractors. Fifthly, ensuring a fair share of business for local building materials and plant hire companies.

As the House will by now be aware, the Government has published a pre-legislative briefing paper explaining the main proposed changes to our tax system together with the text of the proposed amended and consolidated Income Tax Act. The Government expects to publish the Bill formally in mid August with a view to this House considering it in October. As I said recently elsewhere, thousands of jobs, a large proportion of Government revenue and therefore our public services depend on Gibraltar having an internationally competitive tax system that can attract companies to establish, but more immediately important that can persuade existing companies to remain in Gibraltar. This is absolutely vital to our economy. Many such companies have been tax exempt until now and therefore have been paying no tax on their profits. They will now start paying tax here at the same rate and on the same basis as domestic or onshore companies. Hence the need for the rate for all companies to be very moderate and attractive. The historical distinction between offshore and onshore companies ends on the 31st December this year. I therefore now formally and in this House announce that company tax will fall from 22 per cent to 10 per cent with effect from the 1st January 2011 and will be paid by all companies except utility companies which are defined as telecommunications, electricity, water, sewage and fuel companies which will pay tax at 20 per cent. I do not want to go into detail about the content of the proposed legislation since it is not yet before the House and I do not want to pre-empt our debate of it in due course. It introduces a number of important changes which I will of course explain to the House during my speech on the Second Reading of the Bill. I said earlier that the reduction in the company tax rate required some corresponding revenue rebalancing measures affecting companies. Accordingly, with effect from the 1st July 2010, employer's social insurance contributions will rise by 10 per cent from a maximum of £29.97 per week to £32.97 a week. Secondly, commercial rates will increase by 12 per cent as to poundage, 1 per cent as to salt water and also the early payment discount is halved from 10 per cent to 5 per cent generally and from 20 per cent to 10 per cent for wholesale and retail premises, bars and restaurants. Thirdly, commercial electricity tariffs will rise by 10 per cent. As the standing charge will not rise, the average commercial electricity bill is expected to rise by around 6 per cent. I know that some people had hoped that the Government would more than halve the company tax rate without clawing back some of the windfall enjoyed by existing 22 per cent corporate tax payers. This is not fiscally realistic. The limited claw back represented by these increases still leaves existing company tax

payers potentially very much better off. It is also worth remembering that whilst this year tax will fall from 22 per cent to 10 per cent the Government has since 2007, that is only two years ago, reduced the company tax rate from 35 per cent to 10 per cent. A reduction in the company tax rate of over 70 per cent in that relatively short period. In the hitherto benign tax administration climate, small businesses have tended to undervalue tax cuts which are only payable, obviously on declared profit and to focus on taxes and costs that are payable regardless of profit which are also harder to avoid.

The Government's fiscal balance cannot forever be hostage to the view that businesses are forever teetering on the verge of loss making. Nor is it logical to think that a business can survive for long, really, in that permanent condition. In other words, unviable businesses cannot be sustained by the tax system or subsidies. The new company tax rate of 10 per cent is therefore a trade-off under which Government adds a little to business fixed costs, thereby taking a little more from them from above their line and in return, more than halves the rate at which it taxes the remainder. There is no other viable way.

I do, however, wish to flag up something about the new legislation which I said in the House during the last Question Time, namely that the legislation when passed will also carry Gibraltar over a threshold into a new era of tax administration. Gone will be the era of benign and gentle tax administration. In its place, there will be a new, more aggressive approach with intent, fully resourced to ensure that everyone pays their dues and to systematically and forensically root out default and evasion. In short, part of the deal that delivers low tax is a new era of compliance and so, the legislation and its administration will seek to create this new climate of compliance so that by ensuring that everyone pays the taxes that they should, it will be possible to progressively continue to lower tax rates for everyone else as well. For its part, the legislation contains various tough measures in this respect including strict anti avoidance provisions to prevent avoidance and evasion. Strict financial penalties and fines for default based not just on fixed sums but also hefty proportions of the amount of tax sought to be avoided or delayed. Fraudulent evasion of tax will be prosecutable as a serious criminal offence with imprisonment as penalties. Company directors and managers will be made criminally liable and civilly personally liable for unpaid or delayed PAYE or Social Insurance contributions. Provision is made for a system of naming and shaming of defaulters. The Government's determination to impose a new climate of tax compliance is not just the result of the new lower company tax rate. It also responds to the fact often raised in this House and also by the Principal Auditor in his reports of defaults and arrears and other non-compliance in the area of company and business taxes and employment requirements. Everybody seems to agree. Parliament and Government lament the loss of public revenue. Business organisations lament the unlevel playing field created between defaulters and compliers and trade unions lament the abuse of workers and violations of their rights that so often goes hand in hand with tax default. Accordingly, working together with these social partners, the Government will separately announce a series of measures to aid this climate of compliance and to extend it beyond tax to the employment field. These will include amongst others, stricter enforcement of fair cross border trade and customs rules. More and more focussed, unified and co-ordinated resources to police and enforce tax and employment compliance, including the use of illegal labour and respect for the statutory minimum wage. Sector by sector approach to enforcement. Stricter laws where required. Statutory provisions for forfeiture of business licences by defaulters. Provisions for forfeiture of Government contracts by defaulters. Stricter deduction obligations in respect of PAYE and Social Insurance obligations from payments made to contractors or by contractors to sub-contractors. Personal liability of employers and managers for unpaid PAYE and Social Insurance contributions. Stricter criminal penalties including liability to imprisonment. Closer compliance monitoring to avoid build up of arrears. Naming and shaming of defaulters. Sector by sector targeting after a warning period has been issued to that sector. An end to so called Phoenixing, the practice whereby shareholders, directors and managers of failed

companies immediately re-emerge in often the same business under another name. A reasonable transition period regime to allow businesses to fall into line with the new regime. Following a meeting held in February attended by all sides, the Chamber of Commerce, the Gibraltar Federation of Small Businesses and the union UNITE have each now submitted their detailed, suggested proposals to tackle these common objectives. I intend to reconvene the meeting in early September with a view to reaching consensus on measures to be adopted to eradicate these unlawful or undesirable practices and their fiscal and commercial consequences and their adverse effect on the interests of workers.

I have said on several occasions that a system of low corporate tax and very much higher personal tax is not politically or physically sustainable over the long term. Furthermore, the GSD is the tax cutting party having done so as a matter of political conviction year in year out since 1996. We therefore wish to make still further progress this year on our well-established tax cutting agenda. In addition to these two reasons for wanting to further lower personal taxes, there is a third reason. The level of personal taxation is an important factor in an investor's, in a professional's organisation and in a businesses decision to locate or not to locate a business activity in or to Gibraltar. Personal tax rates therefore also have to be internationally competitive to attract businesses to come to Gibraltar which in turn creates economic growth, employment and further Government revenue. Gibraltar now operates two parallel systems of personal tax. The Gross Income Based System which benefits people without significant allowances and the Allowances Based System which benefits people with allowances such as mortgage relief, life insurance and pension contributions. Accordingly, the relevant measure of tax cuts is not so much headline rates from which people in the two systems will benefit very differently, but rather progress in reducing effective tax rates. That is, the tax rate that people actually pay. The following personal tax reduction measures will apply from the 1st July 2010. Firstly, all personal allowances under the Allowances Based System will rise by 2.8 per cent. No one earning less than £8,000 a year will pay income tax at all. There are now 2,000 low paid workers who pay no income tax having been taken out of the tax net by our low income earners' tax concessions. Secondly, for the 3,900 tax payers who earn less than £16,000 a year, the tax rate on the first £10,000 is cut by two points from 10 per cent to 8 per cent, representing a tax cut ranging from 20 per cent for those earning £8,000 to 9 per cent for those earning £16,000. As a result, no one who earns less than £16,000 a year will pay an effective tax rate greater than 12.5 per cent. The effective tax rate for people earning between £8,000, below that they pay nothing, between £8,000 and £16,000 will therefore range between 8 per cent and 12.5 per cent. Thirdly, for the 4,300 tax payers who earn between £16,000 and £25,000 a year, there will be an additional £1,000 of tax free income. As a result, no one who earns less than £25,000 will pay an effective rate of tax greater than 18.5 per cent. The effective rate of tax of people who earn between £16,000 and £25,000 will therefore range from 12.5 per cent to 18.5 per cent. Fourthly, for tax payers who earn between £25,000 and £35,000, the maximum effective rate is reduced to 20 per cent. As a result, no one who earns less than £35,000 will pay an effective rate of tax greater than 20 per cent. The effective rate of tax for people earning between £25,000 and £35,000 a year, will therefore range from 18.5 per cent to a maximum of 20 per cent compared to 19.2 per cent to 22.6 per cent currently. This amounts to between £200 and £900 tax saving in a year for tax payers in this category. Fifthly, the effective rate of tax payable by tax payers who earn between £35,000 and £100,000 a year will fall by half of 1 per cent. As a result, no tax payer that earns less than £100,000 will pay an effective rate greater than 26.25 per cent. The effective rate of tax for people earning between £35,000 and £100,000 will therefore range from 20 per cent to 26.25 per cent, depending on whether they are in that income band, compared to 22.6 per cent to 26.75 per cent currently, amounting to tax savings of between £200 and £900 a year. The effective rate of tax is thus reduced for all income tax bands. The top rate of 35 per cent is abolished, so the top rate of tax in Gibraltar will now be 29 per cent. In order to make Gibraltar attractive to high earners to set

up their businesses here, the rate of tax at high income levels will peak at 29 per cent up to £353,000 of income and will then decline to 20 per cent and 10 per cent and 5 per cent as follows: the first £25,000 will attract tax of 20 per cent; from £25,001 to £353,000 of income, it will be taxed at 29 per cent; between £353,001 and £704,800, that portion of their income will be taxed at 20 per cent; from £704,801 to £1 million, that portion will be taxed at 10 per cent and income in excess of £1 million will be taxed 5 per cent. The effective rate of tax on £1 million income will thus be 20 per cent with any excess at 5 per cent. In connection with these measures to make Gibraltar more attractive to high income earners and therefore to businesses to establish here in conjunction with our low corporate tax rate, it is worth pointing out some relevant facts. Only six tax payers currently pay more than £100,000 tax in a year. Only seven existing tax payers had income in excess of £275,000. Only three existing tax payers will be better off by the reduction in rate for income over £353,000. So the changes that I have just announced to high income earning tax are truly geared to attracting a new tax base to Gibraltar and attracting new economic activity to Gibraltar which will more than pay for the relatively small cost of this measure now. With effect from the 1st July 2009, tax relief on contributions to retirement annuity contracts and personal pension schemes will be limited to the lesser of 20 per cent of earned income or £35,000. Category II individuals will pay a minimum tax of £22,000 up from £20,000 and the maximum amount of income chargeable to tax will rise from £70,000 to £80,000. The income of Higher Executives Possessing Specialist Skills known as HEPS that is chargeable to tax, will rise from £100,000 to £120,000. Before moving on, I would like to comment that there are a significant number of tax payers, currently paying unnecessary levels of tax and who could substantially reduce the amount of tax they pay simply by opting to transfer to the Gross Income Based System, but they have not yet exercised their right to do so. Eventually, the Commissioner will do it for them when he raises an assessment for current years and will pay them back arrears. However, in the meantime, PAYE payers could get the benefit immediately by opting to change and getting a new tax code which will result in less tax being deducted from their pay packet immediately without having to wait for assessments which always take a couple of years to catch up with them. This only requires either a visit to the tax office or downloading an application form on line and submitting it to the tax office by post. I remind tax payers that there is a tax calculator available on the Government's website which will calculate for them and they will be able to see at a glance the system Gross Income Based or Allowances Based under which they would pay least tax given their income levels and the amount of allowances that they have available to them.

The policy of the Government is to exclude affordable homes from liability to stamp duty whilst raising a little more stamp duty for more expensive and luxury properties. We first introduced this policy by exempting properties costing up to £160,000. This figure is now increased to £200,000. Accordingly, there is no stamp duty payable on property purchases or sales with a consideration up to £200,000. For transactions with a consideration between £200,000 and £350,000, the rate will be 2 per cent on the first £250,000 and 5.5 per cent on the next £100,000, giving an effective rate of between 2 per cent and 3 per cent. For transactions with a consideration above £350,000, the rate will be 3 per cent on the first £350,000 and 3.5 per cent in respect of the excess above £350,000.

And so to a series of other budget measures. I have already said that employers' Social Insurance contributions will rise by 10 per cent. Self-employed contributions will also rise by the same amount. Employee maximum contributions will rise by £1.42 a week or 6 per cent. Low income earners will not see any increase in their contributions. Since the minimum contribution rates are not being increased, workers with earnings of less than £12,000 a year will not be affected by this increase. Married women contributions will rise by 74 pence a week and voluntary contributions by 78 pence a week. All increases will be effective from the 1st July, that is today. Domestic electricity tariffs will increase by 5 per cent. Because the standing charge will not increase, the average household

electricity bill will rise or is expected to rise by about 3 per cent. Water tariffs will rise by 3.5 per cent. In order to restore Gibraltar's regional price competitiveness, *ad valorem* duty of 5 per cent on cigars is abolished and the per kilo duty is raised from £3.25 to £6.50. In the past, I have signalled Government's desire to use the import duty system to pursue its environmental policy objectives. In order to advance further along that path, I now announce the following measures: Import duty on pedal cycles which is currently 12 per cent is reduced to zero; Import duty on electric cars is reduced to zero; Import duty on hybrid cars is halved for dealers to 6.25 per cent, 7.5 per cent and 8.5 per cent for cars of less than 1500cc, 1500cc to 2000cc and above 2000cc's respectively; for private imports, those figures with 12.5 per cent, 15 per cent and 17 per cent, respectively. Two-stroke engines in motorcycles create more pollution than four-stroke engines yet the duty on two-stroke under 50cc is only 6 per cent whilst the duty on a 125cc four-stroke, which is less polluting, is 30 per cent. We need to discourage, not encourage the use of two-stroke engines which in fact have been banned in many countries. Accordingly, the duty on two-stroke engines under 50cc rises to 30 per cent for dealers. It is already 30 per cent for private imports and all two-stroke engines regardless of cubic capacity will have a duty rate of 30 per cent. In contrast, the duty on four-stroke motorcycles of any cubic capacity is cut from 30 per cent to 15 per cent for dealers. Private imports will remain at 30 per cent except four-stroke under 50cc which will remain as it is at present, namely, 6 per cent for dealers and 12 per cent for private imports. These measures have the effect of encouraging the purchase of less polluting motorcycles, discouraging the purchases of more polluting motorcycles and overall encouraging the purchase of motorcycles which decongest our traffic and generally cause less pollution than motor cars. Import duties on motor vehicles is increased for dealers as follows: for vehicles less than 1500cc by 2.5 per cent from 12.5 per cent to 15 per cent; for vehicles from 1500cc to 2000cc by 3 per cent from 15 per cent to 18 per cent and for vehicles over 2000cc by 4.5 per cent from 17.5 per cent to 22 per cent. They remain unchanged for private importers. Import duty on solar panelling and related equipment is reduced to zero.

The statutory minimum wage was last increased in January 2009. The minimum wage is the mechanism by which we can ensure that the lowest paid workers in our society are not by-passed in the distribution of benefits of our increasingly prosperous economy and society. It is therefore important that it should rise regularly. Accordingly, it will rise by 8 per cent from £5.00 to £5.40 an hour with effect from 1st January 2011. The Government will also take statutory measures to ensure that the minimum wage is effectively adhered to and is not reduced in practice by any type of deductions by employers from their employees' minimum hourly rate, other than taxes imposed by the Government.

Finally, Gibraltar is justifiably proud of the number of our youngsters that we send to university and who represent our most important investment in our future. The Government is aware that parents struggle to financially supplement and support their children at university, as we Gibraltarian parents like to do to the very best of our financial possibilities and making whatever other sacrifices have to be made at home. The Government therefore wishes to continue to provide increasing support for this. Accordingly, university student grants will increase by 10 per cent with effect from the coming academic year worth an extra £543 to students in the London area and £441 to students outside the London area. Mr Speaker, I commend the Bill to the House.

Discussion invited on the general principles and merits of the Bill.

HON J J BOSSANO:

The Bill that we are being commended to vote on is of course the one that votes the expenditure not the revenue and consequently all the measures that have just been announced,

which many years ago used to be put in a Finance Bill and be voted separately, will not require a vote from us. But, clearly, there are many things here that are justified and that are welcome in the sense that it will make it easier, for example, the last measure of our students to survive in the climate that there is in the United Kingdom and it is worth pointing out that when Gibraltar introduced the statutory grants way back in 1988, the mandatory grants, it was at the time when it used to be the same in the United Kingdom and in the United Kingdom it was subsequently replaced by loans and here we have maintained the grant. I think it might be worth it if the hon Member, in the context of having mentioned the additional grants that are being provided, tells us, when he replies, whether the loan system which I think at one stage he told us might be reviewed because it was creating problems in subsequently collecting, whether it is still intended to make use of the loan system in the United Kingdom and then reimburse students when they need to pay that back or if the matter has now been given further thought.

Mr Speaker, the contribution to this year's budget that I am about to make bases itself on much that was said last year which was totally different in content in reality to what has been said this year, although many of the factors mentioned last year are relevant to what is happening this year. As the House is well aware, I have been regularly asking for a breakdown of the figures produced by the Government in Employment Survey Reports. There has never been any problem in providing the information that I have requested until this year. The reaction of the hon Member opposite who answers for employment statistics, as he does for most other areas of Government, was to introduce two new policies this year. One, that no information would be given if things were in progress or not yet published in the final form, for example, in the case of the results of surveys. This meant that when I asked in February this year how many survey forms had been sent in October of the previous year, or whether the survey had already been closed, the information was refused. Why? Because it seems that what had been considered reasonable requests for information until 2009 were not thought to be so in 2010. Clearly, the Government is free to provide whatever information it wants or to provide it when it wants but it is difficult to understand why it has chosen to stop providing this year what it has been willing to provide in the previous twelve years. The other reason given for not providing the information on labour statistics appears to be, given the manner in which the hon Member expressed it, that his perception of my requests is that number crunching is a hobby of mine which he is prepared to indulge me on, if it paralyses the Statistics Office for one day. But that the increase in a number of questions means that the Statistics Office will be paralysed for a week and that this was going too far. I have not been able to persuade him to provide the information in the last two meetings at question time, although I acknowledge that the report for the October 2009 statistics, of which I had an advance copy yesterday, does include some of the answers not yet asked in respect of the questions that I would have been putting about the October 2009 figures but not the ones I asked about October 2008. I feel I need to show him and the House that the details I seek are important and relevant to our understanding of what is taking place in the labour market and not some pet hobby of mine that I want to indulge in and, as a by-product, bring the machinery of the Government to a standstill, or even worse, that I do it precisely to bring about this standstill and not because I am interested in the information. I really have difficulty in understanding how disclosing figures which are inputted into excel files, which is all that the survey report consists of, can involve such onerous increases in the workload of the department, especially after the huge increases in computing power that the Government tells us they have introduced in the last twelve years and which we have voted funds for in this Parliament. Last year the Government said the Employment Survey for October 2008 and quoted it in the Budget debate. The Opposition still had to rely on the 2007 figures and did not get a copy of the 2008 report, which had been completed in March, until the start of the session in June, too late to make use of it. There seems to be no purpose in holding back this information other than to make it impossible to challenge or question the interpretation that the Government puts on the most recent survey results until a year later at the next Budget

and that is what I propose to do now. The 2008 report showed an increase of 813 jobs between 2007 and 2008, quoted by the hon Member opposite last year. Of this, 749, were full-time. This 749 is the net effect of a drop of 60 in the number of Gibraltarians in full-time employment from 8,629 to 8,569 and an increase of 809 non-Gibraltarians in this category. Last year the House was told that the Employment Survey Report for 2008 showed that 36 extra Gibraltarians were in employment. Not so Mr Speaker, it is not true. The figure of 36 comes from Table 1. It is the net result of the drop of the 60 full-time jobs that I have just mentioned and an increase of 96 part-time jobs also shown in that table. The part-time jobs, firstly, do not necessarily imply more people working. This is well known since it is the jobs not the persons that are being counted and in this case the number of part-time Community Officers employed by Community Care increased by 80. So, out of the 96, 80 were Community Officers as compared to the figures included in the Employment Survey Report of October 2007. As a result of the Government requesting the charity to offer part-time employment to males over 60 employed already but earning under £20,000 per annum. This 80 are therefore not extra Gibraltarians in employment and therefore the increase of 36 is not an increase of Gibraltarians in employment. At best the 36 convert into a decrease of 44. This is made up of the 60 full-time job losses and the 16 part-time increase in jobs after we remove the 80 giving a net effect of 44 held by Gibraltarians less compared to October of the previous year. Of course, the Government argues, when the statistics show less Gibraltarians in employment, that this can be because they are misclassified as non-Gibraltarian British citizens in the tables. But when the figure goes up, as the hon Member thought it had last year, then the misclassification clearly is dropped and the explanation given that there is an increase of 36 more Gibraltarians in 2008 compared to 2007. The position between 2007 and 2008 was that less Gibraltarians had jobs despite there being more jobs in the economy. Almost every year since 1996, the Government's view has been that unemployment was non-existent or that the kind of jobs available were not wanted by Gibraltarians. The reality is that in recent times there have been a number of occasions with unemployment levels higher than 330 of May 1996 which the Government, since, has often described as a level which amounts to full employment. Clearly, there will always be a certain number of people in between jobs and this is the short-term unemployment that our system is designed to cater for. However, unemployment reached 363 in October 2008 and 443 in October 2009 and the 443 is a substantial increase on the 330 that there has been there in 1996 and on many occasions in between. In fact, throughout 2009 unemployment was above the level of 400. One factor in the competition for jobs is the trend in the numbers and proportions of frontier workers that have been a feature of the employment surveys every year, with year to year increases. This was again reflected in the 2008 report and prior to 2008, we have been monitoring this in terms of the breakdowns provided in answers to questions as to the composition of public sector entities and wholly owned companies which were included in the private sector until 2007. The effect of the figures as published until 2007 was to show a picture of a lower level of dependence on frontier workers by the private sector than was really the case. Since the ratio of residents in employment was higher in the entities that had been reclassified as private on being converted from Government departments to agencies, authorities et cetera. On the basis of the classification introduced in 2008, we can see that in 2007 full-time employees in the private sector as defined until then was 13,021 made up of 8,597 males and 4,424 females. Comparing the relevant tables on the presence of frontier workers this showed that they amounted to 5,377 made up of 3,322 males and 2,055 females. The relationship between the two figures, that is, the total employment in the private sector and the frontier workers, shows that frontier workers came out at 39 per cent of all male jobs and 46 per cent of females. In the new definition which excludes the public sector entities, the private sector in 2008 showed 12,940 full-time employees of which males were 8,571 and females 4,369. In spite of a reduction in the numbers by the removal of the public sector entities, the frontier workers increased and now accounted for 5,778, 3,699 of which are males representing a 43 per cent ratio compared to the total and 2,099 females which

now amounted to 47 per cent. This is simply one further step in the increasing share of the private sector jobs which has been going on since 1996 and we are now only a couple of years away, subject to the analysis that I have to do of this year's figures which I have only had yesterday, only a couple of years away, if the trend continues, from a situation where frontier workers will outnumber resident workers in the private sector as a whole. We know that the Government, and we have different views on this, and we know that the hon Member last year said he was delighted that we provide so many jobs to frontier workers which he believed was even higher than the official figures shown, presumably, because he believes there is a lot of illegal labour which will be put right with all the measures he has now introduced. Nothing that I say in this Budget is going to change his mind, in this or any other issue, since he made clear a year ago that he considers that I contribute nothing to our annual debate and that it matters little whether I am here or not to express my views. I am sure he feels the same way about the views of any of my colleagues or anyone else that disagrees with him or any other matter. So I know he is not discriminating against me. He just treats my views with the same royal disdain that he treats everyone else's. The frontier worker influx, which is now an avalanche, does worry many people who feel that the competition for jobs makes it very difficult to secure employment. Recently, for the first time, the Government, in some of their statements, appeared to recognise the need to do more for local people and I assume and I hope that, in fact, it is this motive that in part accounts for some of the measures that the member has mentioned, like making sure the minimum wage is observed and making sure that opportunities are given to locals and Government contracts. Something he has mentioned before in other Budgets but I hope that this time it produces more results and that we will see this reflected in future employment surveys. The presence of frontier workers in ever increasing numbers is taking place in almost every industry in the private sector and not just in the traditional area of new construction. The construction sector has to have an element of imported and frontier workers in order to meet peak demands which will come down when the projects are completed. This has always been the case, even in the days of the closed frontier. However, the present situation is that Gibraltarians are hugely outnumbered in almost every building project to a degree that they feel as if they are the immigrant workers. That they often get sacked first and that outsiders are kept or taken on in their place. The Government may not believe this or may not wish to believe it but I have heard the same story from far too many people not to believe it myself. I cannot give details of how dependent on frontier workers the construction industry is from the published statistics but it is evident from simply seeing the evidence of what has been the composition on Government financed projects in recent redundancies. The tables in the report do not provide a breakdown by industry for resident or frontier workers but they do provide a nationality breakdown and this puts the number of Gibraltarians at 387 in 2008 out of 2,289 or just under 17 per cent. In April 1996, a date which Members opposite like making comparisons with, the industry was much smaller, 997 male construction jobs, out of which 531 were Gibraltarians, over 53 per cent. It might be acceptable to argue that if the stable level of the industry is around 1,000, then we should import workers in the peak period when we need 2,000 or 3,000. But that the policy objectives should be to have as many as possible of the permanent 1,000 jobs held by our own people and hope that this will be the kind of result we see from some of the measures that are being introduced from this year on. What cannot be considered acceptable is that less Gibraltarians should be employed in the industry now when there were many more jobs in 2008 than there were in 1996. Of course, if the view of the Government is that it does not matter or that Gibraltarians do not want to work in the industry, or they are all working for more money elsewhere, then clearly nothing that I say today is going to have any effect and we shall see a continuance of this regrettable trend. Another example quoted by the hon Member last year, which again he has mentioned this year, was the growth in the wholesale and retail trade which he described as a very important part of the economy. Indeed, until 2007 it was the largest industry in terms of employment and in 2008 it was overtaken by the construction industry and the figures of 2009 which show a drop in the construction industry

and an increase in the retail and wholesale means that again it has become the biggest industry in terms of employment. The wholesale and retail sector was traditionally a large area of Gibraltarian employment and the decline over the years has been explained away by the Government as evidence that Gibraltarians now do not want to work in this industry because they can get better paid jobs elsewhere. An explanation that we do not believe is the reason for the decline in Gibraltarian employment in the area, even though it may be true of some individual cases. If we look at what the hon Member told the House last year, he said the sector had been able to increase employment levels by 62 jobs to 2,878. This information is in column 3 of table 1 of the 2007 and 2008 reports. However, when we look at table 12 which provides the nationality and gender breakdown we see that the male employment increased by 9 to 1,551 from 1,542, whilst the number of male Gibraltarians fell by 23 compared to 2007, falling from 720 to 697. So, in fact, the situation was that although more people were employed, there were less Gibraltarians, after the increase of employment, than before. The female Gibraltarians employees actually did increase by 21 but it still left a net loss of Gibraltarian employment in this very important part of our economy and I believe from an early look at the figures that a similar pattern has emerged in this year in the retail and wholesale trade. The figure for 2008 of 697 male employees out of 1,551 and 652 females out of 1,327, compares with 734 out of 1,542 males and 697 out of 1,125 females in the wholesale and retail trade in 2002 according to the Employment Survey Report of that year. This means that in six years the industry grew by 279 and the number of Gibraltarians employed in it fell by 102. The share of Gibraltarians in the wholesale and retail industry had dropped by 2008, in just six years, from 56 per cent to 48 per cent. Another industry where our people are now in a minority. The two largest industries in the private sector are now providing more jobs for non-Gibraltarians than for Gibraltarians and other local residents who are in a minority and declining.

Another area which we have previously highlighted is the Social Insurance, now the Statutory Benefits Fund. The position of the Statutory Benefit Fund does not feature either in the level of the reserves of the Consolidated Fund, the formula for adjusting gross to net debt or the concept of cash reserves but it undoubtedly constitutes a contingent liability. The view that has always been taken was that in the event of there being insufficient resources to pay social insurance benefits, the shortfall was to be met by advances from the Consolidated Fund. The effect of the Statutory Benefits Fund in this year's budget is that the contribution is being reduced by £1 million compared to last year, namely £7.5 million instead of £8.5 million. I assume that this is taking into account the increases in Social Insurance which have just been announced in the closing of the mover's speech on the Bill. The balance in the Fund given in answer to Question No. 631 of 2010 is that the reserves stand at almost £18.5 million. The decision of the Government to reduce a contribution is, presumably, on the basis that they expect this year's deficit to be £7.5 million and that the estimated reserves in 2011 will still be £18.5 million. That is to say, I am not assuming, unless we are told to the contrary later on, that the contribution is to increase the level of reserves but simply to meet the shortfall. The Government's original plan for Social Insurance was to increase its reserves. It then argued, some years later, that it had always been a Pay As You Go fund, which in fact was not correct. It had always been, since 1955, operated on the premise that the Fund would run a recurrent surplus, build up reserves and pay benefits by a combination of investment income and insurance contribution receipts. It will be recalled that between 1988 and 1996, continuing the policy of the previous Government up to 1988, the reserves went up from over £18 million to some £36 million. They are now therefore, in cash terms, at the 1988 level. When one considers that the Statutory Benefits Fund now has to meet the cost of industrial injuries and insolvency payments it represents, in fact, a lower ratio of reserves to payments than 22 years ago. In the audited accounts for 2007/2008, the reserves of the four Social Insurance Funds increased from £17.9 million to £18 million after a £10 million Consolidated Fund contribution with £23.9 million in payments from the Fund. If we adjust the 2008/2009 audited accounts of the Statutory Benefits Fund to

leave out the £2.2 million Insolvency Fund transferred in, so that we can compare like with like, the annual accounts show payments of £25.1 million and reserves of £18.5 million. On this basis, we are talking about reserves being equal to some nine months of expenditure as opposed to thirty months in 1988. A comparable level of cover to that which existed in 1988 would now require reserves in excess of £60 million. In our view, it is not possible to secure its long-term future, as the fund is presently structured. If we take the current year, as was also the case last year, the reduction in the contribution from the Consolidated Fund is made possible by a combination of increasing contribution rates and increasing numbers of contributors. If the balance of the Fund was being brought about by increasing contributions by a higher percentage than the percentage increase in benefits, which is what seems to be happening, and if that policy were what the Government was following without having spelt it out, then this would only work in the long run if there was a stable ratio between contributors, the working population, and the beneficiaries, that is the pensioners. This, however, is not the case. At present, the numbers of both beneficiaries and contributors is increasing. The pensioner figure for March 2010 was 8,289, according to the answer to Question No. 630 of 2010. This compared to 7,923 in March 2009, according to the answer to Question No. 386 of 2009. At the same time, the number of workers has been increasing. This is especially so in the construction sector which in the first five months of the year, according to the Employment Survey records, went up from 2,529 to 2,883. However, this trend could and, almost certainly, will change in the future. In fact, they did change in respect of the employment in October 2009 reflected in the survey we have had tabled today, although it is likely that it is going up again given the Government's capital works programme which is running at over £100 million. Each contributor is potentially a future beneficiary. If we consider the ratio of beneficiaries to contributors using as guidance Employment Survey Reports of full-time employees, since we have no information on insurance contribution records, the picture is as follows. The pensioner/worker ratio in October 2008 was the following, pensioners 7,866 and full-time employees 17,437, that is 2.2 workers per pensioner. So, for the system to be on that basis, Pay As You Go, it would mean that the contributions of 2.2 workers was sufficient to pay the pension of one pensioner. Clearly, it is not. That is why there is a shortfall and, of course, if there is an increasing number of pensioners every year and the parallel increase in number of workers slows down or goes into reverse, then this ratio will and could change quite dramatically. As well as the issue of the long-term survival of the Fund, of the solvency of the Fund, the overlapping criteria used for different non-contributory payments has, in our view, created a situation where there are anomalies as to what is considered the level of non-contributory income support that residents should be provided with and this will also have to be addressed sooner or later.

A few weeks ago the hon Member criticised me because I had said that the Government had allowed Gibraltar Community Care to run out of money. He then revealed, for the first time, that the fact that the private charity had no money left was no accident. Not a question of benign neglect. Not an oversight but the result of a 15 year policy not to provide funds to the charity so that when the reserves, which they had built up before 1996, ran dry, as they were bound to, as the charity started using up its capital to pay beneficiaries, the Government would replace the support that the charity had been providing to our pensioners since 1989, with alternative arrangements. I have to say I cannot see how the hon Member expects me or anyone else in Gibraltar to know that such a secret plan existed, or that he had intended to replace the support given by the charity with other arrangements, which he has stated will be financed from the Government's budgetary finance, when he has made no previous mention of any such policy in any other year or budget or occasion. Well, the estimates give no such indication of such a plan being put into effect this year. Moreover, if the plan was to put other arrangements in place, then I presume the hon Member must have informed Community Care Trustees at some stage, especially after he announced in a previous budget that he had asked them to extend the employment of part-time Community Officers to persons aged 60 to 65 even though they

already had full-time employment. A new obligation which the charity took on, which in effect was bound to increase the use of their much depleted reserves and which resulted in an increase in 80 in the number employed as part-time Community Officers in October 2008 and, as we have learnt today, a further 196 in October 2009. Of course, this further 196 is one of the factors in the results of the Employment Survey that allegedly shows an increase in some areas of employment. If the Government had planned to deliberately run down the reserves of Community Care in order to replace it with different arrangements, why on earth did they take the decision to withdraw £5 million from the Social Insurance Fund in 2001/2002 and transfer it to the Social Assistance Fund. At the time, it was stated that this was done to facilitate the transfer out of the Social Assistance Fund of £5 million to make a grant to Community Care of this money. Still, if the Government has come to the conclusion that there is a risk of Spanish pensioners claiming Community Care payments, as he said in his New Year message, and has had a plan and an alternative to Community Care which will be more advantageous to pensioners, then the sooner he does it the better. We shall judge whether and, if so, how advantageous it is, when we see it. If he has had something better than Community Care for 15 years then it is certainly a mystery why he has not done it before. What he said in his New Year message was that current Spanish workers might eventually decide to mount an EU challenge and claim Community Care. He then added, "Whatever we may think of the merits of any such claim it represents a financial time bomb ticking away under our children and grandchildren". I have got both. He has only got children at this stage. So, I share concern if there is a time bomb ticking away under my children and grandchildren, for which they cannot have recourse to the UK. I am not willing to bequeath this potential lethal legacy of a massive and unaffordable back dated claim to our future generations and so this year the Government will, as I said at budget time, introduce significant reforms to protect Gibraltar from this possibility. This reform will not result in financial loss to our pensioners or recipients of Community Care. As far as we are concerned, the support that Community Care has been given since 1989 is in no way linked to social security benefits. It is not covered by Community law and, moreover, it was never compensation for frozen pensions resulting from the decision of the United Kingdom to first freeze and then unfreeze the pensions of pre-1969 frontier workers as has been proved since they were unfrozen because the Household Cost Allowance continued to be paid by the charity with unfrozen pensions. In the New Year message the Member said that he had mentioned the reforms he had in mind in his 2009 budget speech and I would be grateful if the hon Member would refer to what he said last year as I have been unable to identify it in the Hansard and certainly he has made no mention of it this year and I would have thought that, given the flesh creeping language of this time bomb ticking under our children and grand children, it would have been at the top of the agenda of the Government to diffuse the time bomb as soon as possible. There is nothing in today's budget or in the budget speech, having announced a lot of things and a lot of measures that the Government is going to be taking in relation to the economy and fiscal measures, about an alternative which he has said would, in fact, be paid out of the Government's budgetary finance. So, I can only assume that, notwithstanding the fact that he announced that he was not prepared to allow that legacy to be there for the future and that he was going to be doing something this year, that it is not going to be done this year and that therefore it will have no effect on the Book that there is before us and on the expenditure that we are voting because I cannot imagine that giving £12 million to Community Care this year out of the Social Assistance Fund, which is I think the figure he mentioned in his speech, in order to enable the existing Household Cost Allowance and the existing social wage of Community Officers to be kept for one more year, is going to be the alternative. It is simply a perpetuation of what has been there all the time only that it will be on the basis of being kept on a year to year basis, presumably, because of this other alternative and until that other alternative comes in. I hope that the hon Member will be able to shed more light on this issue when he exercises his right of reply.

The public sector, we were told last year, was not getting bigger or more expensive by any economically literate relevant measure of these two things. In no debate on the budget has this side of the House made a statement to the effect that the public sector was getting bigger or more expensive. The ones that do so regularly have been the leaders of the business community in Gibraltar and therefore, on that occasion last year, the evaluation of being economically illiterate, usually reserved for me, must have been addressed to them, as it followed a quote from the Chamber of Commerce that the public sector was bloated. I had not come across the quote but he actually referred to it in his speech last year. We share the view expressed by the Government that the services delivered by the public sector are not necessarily more expensive than the services that have been contracted out to the private sector. Having agreed that, whether the public sector is too big or bloated is a matter of opinion, I have to say that I cannot agree with the selective statistics quoted by the hon Member opposite or that they proved anything at all. He argued that in April 1988 the Government accounted for 31 per cent of all employment with 4,028 jobs out of 12,995. That in 1996 the public sector provided 2,118 jobs out of 12,975 coming in at 21 per cent and that in October 2008, the Government accounted for 3,998 jobs out of 20,509, representing 19.5 per cent. Presumably, what he was trying to prove was that his administration was the least bloated of all the Governments of the last 21 years. I am afraid that this does not seem to me to be a particularly economically literate way of defining the level of employment in the public sector. If tomorrow the number of construction workers in the private sector declines, as has happened in October 2009, and thereby the percentage of jobs held by the public sector rises, that, in our view, will not be evidence that it is getting bigger, that it is big or that it is bloated. If we take his example of 31 per cent for April 1988 on the basis of the number employed in the Government and the numbers in the total economy, then the same number of Government employees would have fallen to 26.6 per cent of the total in October 1991 simply because of an influx of construction workers in the private construction developments that took place in that year but it said nothing about the size of the public sector. The public sector, in our view, has to employ the number of people it requires to deliver the range of services that the Government of the day decides should be delivered and that this Parliament decides to fund by approving the necessary public expenditure. There is no magic number that indicates the ratio between private and public that is correct. Having said that, we find it strange that the 2008 figure quoted last year for numbers employed in the public sector was not the public sector figure given in table 1 which showed 4,286 out of 20,509, namely 21 per cent which would have been the same percentage as in 1996 and would have given the same ratio, but a figure of 3,998. We have assumed that this is taken from table 11b by adding up columns 2 and 3 and excluding column 4 which covers the wholly-owned Government companies including Community Projects Limited and which adds up to 3,998. Of course, even this figure is suspect because in the absence of a breakdown between full-time and part-time employees, one of the questions the Government has refused to answer this year, the more accurate ratios cannot be calculated. An approximate estimate can be obtained by using public sector data in table 3, 712 and table 4, 3,120 which comes to 3,832. I am assuming that the 288 employees in column 3 of table 11b are all full-time giving us 3,544 full-time jobs out of a total of 17,437, not counting the wholly-owned companies, using the same comparison as the hon Member had done last year which would have produced a ratio of over 20 per cent. Of course, the whole purpose of this calculation in last year's budget appears to have been in order to claim that in October 2008 the level of employment accounted for by the Government was the lowest it had ever been, ever Mr Speaker, emphasised last year, apparently in our entire history. Not content with this claim to fame, of the lowest ever public sector, he then went on to ram the point home. He said that this was in spite of the fact that many funded jobs in private trusts like Dr Giraldi and Mount Alvernia, which were Government funded labour posts, were included since 1996 in the private sector and not in the public sector. Well, it is not true that this was the case since 1996 for the cases he mentioned. They were always in the private sector. But in any event, if it had been since 1996, it

would have been the hon Member opposite who would have put them there. If these jobs were shown for the first time in 2008 as public sector, then he should have said last year that since 1996 the GSD had converted previous Government departments into agencies and put them in the private sector and taken them out of the public. One of the few breakdowns that the hon Member was kind enough to provide in answer to my questions about the 2008 Employment Survey Report was the answer to Question No. 45 of 2010. Of the six wholly-owned Government companies which up to 2007 had been shown as part of the private sector, namely, Europa Incinerator Company Limited, Gibraltar Bus Company Limited, Gibraltar Community Projects Limited, Gibraltar Industrial Cleaners Limited, GJBS Limited and GRP Investments Company Limited, only two were included and had employees before 1996. All the rest joined the private sector subsequently. Of the ten statutory authorities and agencies, namely, Elderly Care Agency, Gibraltar Development Corporation, Gibraltar Electricity Authority, Gibraltar Health Authority, Gibraltar Police Authority, Gibraltar Regulatory Authority, Office of the Public Service Ombudsman, Port Authority, Social Services Agency, Sports and Leisure Authority, only one, the Gibraltar Health Authority, was included in the private sector before 1996 and indeed since its creation in 1987. The other nine were put un-transparently into the private sector after 1996 only to be removed transparently and put in the public sector in 2008, as we learned last year. So, if a change in the October 2007 Employment Survey Report was, as the hon Member described it, transparently bringing them back into the public sector, by his logic between 1996 and 2007 the Government was un-transparently taking them out of the public sector and showing them as part of the private. If the hon Member were to limit himself to stating the facts, as he has done this year, even before he received any advice from me, on his own initiative, instead of trying to spin everything as evidence of some great achievement, there would be no need to point any of this out to put the record straight. Let me remind the House that, in asking for the breakdowns in 2007 and in previous years, I have never once accused anyone of lack of transparency or seeking to distort the employment levels in the private sector or having any other ulterior motives, quite apart from the fact that the rules of the House do not permit it. Let me hasten to add that, though we have never felt this was an issue of transparency, we do agree that the 2008 classification provides a more accurate definition of the size and structure of the private sector of the economy at least as regards employment. So, what has all this manipulation of misinformation in aid of last year? Was it just to be able to boast that the Government sector was in October 2008 at the lowest percentage proportion of the working population that it had ever been? It would seem so. Since not content with this, in case anyone disagreed with the analysis which we all know is not permitted anymore in Gibraltar, he went on to order commentators, presumably in the media, to note that the public sector measured as he had just measured it, which was the only way, that is, the only permitted way, that it was measured by economies, was not getting bigger. It was getting smaller. One imagines that the purpose of this contribution to the debate on the state of the nation was to produce the headline saying, “Public Sector Getting Smaller”. As far as we are concerned, the analysis was unnecessary and proves nothing. We are voting the funds required to pay for the services and employ the people that are needed to deliver them in the judgement of the Government, a judgement which they have been elected to exercise and whether the ratio of the public sector job happens to be 21 per cent as it was in 1996 or 19.5 per cent as he tried to argue that it was last year or 22 per cent as it is this year, makes no difference at all. In fact, the jobs that directly depend on the money in last year’s Appropriation Bill or spent in 2008/2009 which generated the jobs recorded in the October 2008 Employment Survey was, in our view, considerably more than the figures and the percentages quoted in last year’s budget would suggest. But that is not a matter with which we take issue.

The only area that the Government appears to think is too expensive in terms of size and cost of the public service is the Civil Service pension scheme which the Government had previously said in answer to a question, it was not their policy to end as such but that all they were engaged in was in a

discussion with the staff representatives on the future of the scheme as part of a wider reform of the Civil Service. Presumably, that is the continuing talks to which he has now referred in this year's budget. More recently, they have been more specific, describing the provisions as a millstone around the neck of future generations unless it was brought to a close by not offering it to new entrants. I must say the future of our children and grandchildren with a millstone round their neck and a time bomb ticking away is worse than the dire effects of global warming that others predict. It is true that the cost of a final salary pension scheme, such as the Civil Service has, is expensive. It is also true that many changes have been made to the scheme since 1996 by the present Government which has made it more expensive than it was before that date. It seems a contradiction to have a policy of increasing the cost of what was already there if the view is that it was already too expensive as it stood. The Government's most recent statement is that public servants in the agencies that have replaced the departments are now on the Provident Fund which provides a lump sum payment but not a guarantee of a pension on retirement and that they already number some 800 and that this is the system which applies to new entrants to such agencies and should also apply to new entrants to the Civil Service. The Government has confirmed that this will not apply to anyone, he said this in answer to a question from me, that had been employed prior to such an agreement being entered into with the Unions to terminate final salary pension rights from a given day and would only apply to people commencing work after such a date. I doubt very much whether any such agreement will be achieved by the Government. So, I think the whole issue is academic and will not happen. Therefore, from our perspective, the final salary Civil Service pension scheme is here to stay and it is a question of ensuring that the resources are available to meet the obligations to retiring civil servants in the future. But if the Government attaches so much importance to this policy and they have already applied it in respect of persons recruited in the agencies who replace those who leave and were previously from the Civil Service and on the final salary pension scheme, why does the Government continue to give contract employees a 25 per cent tax free payment as compensation for not enjoying a final salary pension scheme when others are being recruited at the same time and being offered a Provident Fund which costs the agencies 10 per cent. The most recent example of this is the recruitment of a Press Officer from outside the Civil Service on a salary of £1000 a week and a tax free payment of £250 a week in lieu of a Civil Service pension. When recently questioned on the status of the person, and this is not a criticism of the individual involved or any reflection on his abilities, the hon Member announced, strangely enough, that he had personally made the appointment in accordance with the established practice for this post. Well, it has only happened once before and it was not an established practice when it happened in 1996, it was an innovation introduced at the time by him. Before 1996, the Government Press Officer was an employee of the Crown, was part of the Civil Service and was a post filled within the existing members of the Civil Service. We do not support the arrangements that have been introduced by the Government since 1996, nor do we see the justification for this 25 per cent tax free gratuity, which, in fact, I understand is now paid to everyone on such contract terms on a monthly basis making it, in practical terms, more expensive for the Government since it is no longer paid at the end of the three year contract as used to be the case. This 25 per cent gratuity at the end of the contract of three years which was introduced in the House shortly after I joined it in 1972 by the Financial Secretary at the time and has been in place ever since, was on the basis that it would give expatriates in short-term contracts the equivalent value to the estimated cost to the Government of the Civil Service final salary pension scheme and this payment at the end of the contract was always on the basis that it was subject to the satisfactory completion of the contract. If my understanding of the present arrangements is correct and it is now paid on a monthly basis, then, in terms of what it has become, it is really no more than an extra tax free bonus on top of a handsome salary. The Government therefore has created a situation in which there are four kinds of arrangements for people in the public service. There are those of Civil Service final salary pension schemes which is, according to the

Government, the most expensive option and consequently it must follow the most valuable one for the employee. Then there are those on short term contracts with a 25 per cent tax free payment. Then there are those on a Provident Fund to which they have to contribute 5 per cent in order to get the Government to pay 10 per cent and then there are those that are not in any of these, are not permanent and pensionable and are just on open contracts as non-pensionable officers. This does not seem to be a very satisfactory way of having uniformity and equal treatment in the terms of employment and conditions of employment and I would put it to the Government that, unless this is addressed, the inevitable consequence is that sooner or later people will start putting claims in, in order to try and get better arrangements than the ones that they enjoy and which are enjoyed by others in the service.

One final point I wish to make in relation to the Press Officer appointment is the statement made by the hon Member in answer to questions earlier in this House as to what is a civil servant and what is not a civil servant and the contrast with what he says now and what he said in 2008. In answer to a recent question the hon Member opposite said, "The term civil servant does not really exist in law as such. You are a public officer if you are an employee of the Crown. You are an employee of the Crown whether you are employed on permanent and pensionable terms or whether you are employed on contract terms. This person", that is the Press Officer, "therefore together with all other civil servants", just to use his phrase, that is, the phrase of the questioner, "but subject to the explanation that I have just given like all other Government contract officers is regarded as a civil servant in that he is an employee of the Crown". Having said that, he was not clear who was the other contracting party employing the Press Officer and was not able to state it. However, in 2008 he explained the position of civil servants as follows: "Employees of Government agencies, Government authorities or for that matter Government owned companies are not civil servants. Are not employees of the Government, are not subject to the authority of the Chief Secretary as civil servants are. They are not subject to General Orders as Government employees are. They are not transferable around the civil service as Government employees are. They are not appointed by the Crown acting through the Governor as Government employees are. They are not subject to the same recruitment methods or entry requirements as Government employees are. They are not covered by the Pensions Act that pay occupational pensions as Government employees are." So which of the two is it? Is the Press Officer a civil servant or is he not a civil servant, or are the people who are civil servants in 2008 no longer civil servants now, or are those who were not civil servants in 2008 have become civil servants in 2010?

Coming now to the finances of the Government, we know that last year the Government was projecting a recurrent revenue surplus in the Consolidated Fund of £19 million with expenditure of just under £230 million and revenue of just over £9 million. The results shown in the forecast outturn, which have now been increased and updated in the opening remarks of the hon Member, showed a £9 million above the estimate turnout in expenditure, which has now been reduced, and an increase in revenue of £15.5 million at £264.5 million which has now been increased. The surplus, which was shown as having risen by £6.5 million to £25.5 million, is now put at over £29 million. Since the Government told us that the estimates of revenue were calculated on a conservative assumption and indeed predicted that they would be, in all probability, exceeded, the increased yield is not unexpected and has been cleared during the year from the answers to questions that we have put on the main revenue streams, in particular PAYE. The estimated increase in income tax yield from £109.5 million to £112 million, a £2.5 million increase, has been exceeded by £3 million to reach £115 million. The increased yield is now therefore forecast to have been £5.5 million, an increase of 5 per cent. If we compare the performance of 2009/2010 with that of 2008/2009 results, we see that in the previous financial year 2008/2009 the estimated increase in tax yield was put at £3.4 million, a £3.4 million increase and eventually came in at £7.1 million, a £6.9 million increase. Coming to this year, we have an

estimated yield going up by £6 million, an increase of £5.2 million, which is closer to the outcome for last year than to the original estimated increase and probably based on recent levels of collections. I imagine that the changes that have been announced both increases in some areas for High Net Worth Individuals and reductions in other areas, will also have been worked into the estimate for tax this year. If this is not the case then perhaps the hon Member can mention this in his reply. However, if we assume that it has all been taken into account, unless we see a much higher level of earnings or employment in the current year, it may not be exceeded to the same degree as in the last two financial years, 2008/2009 and 2009/2010. Since we are working with 2008 figures for employment and earnings, having only recently been given the 2009 report, it is not possible to draw any conclusions on the higher original estimates in this year's revenue of estimates and expenditure. The fact is that clearly an important component of the PAYE is the PAYE paid, where it is paid, by the construction industry and the measures that have been announced just now, presumably, will ensure that there are less instances of employers on Government contracts, at the very least, not paying the PAYE and the Social Insurance on the due dates. But it is clear that the contribution that has been made in the last couple of years from the construction sector in PAYE has been an important element of the year to year increase and it is clear also that given the £100 million of Government capital expenditure last year and the same order of expenditure for this year, that this in itself is generating a substantial share of those jobs and consequently an important part of the revenue uplift in PAYE. On company taxes, we have had over the two previous financial years much less difference between the original estimates and the forecast outturn for final result. In 2008/2009 it was £25.9 million compared to an original estimate of £24 million, a difference of £1.9 million. In 2009/2010, the year just ended, the estimate of £26 million has been revised to a forecast of £28.5 million. The figure estimated for the current year is for £10 million less at £18 million. This one assumes is the result of the move to 10 per cent from January next year. What is less clear is to what extent the increase from previously tax exempt companies has offset the reduced yield from local companies as a result of the uniform rate or the additional effect on tax collected from the move to current year as the tax base compared to previous year's profits in the assessment for company tax which was the case before and whether all these factors have been fully taken into account in the estimates. In fact, from the opening remarks it would appear that they have not been taken into account and that therefore the figure of £10 million, I think the hon Member said, could finally come out higher than that or lower than that. I would have thought that given the time that has transpired when this has been under consideration, since we have known that the tax exempt companies were going, given the fact that the hon Member first spent a lot of money in putting together a substitute system which had different levels of payroll taxes as substitute which eventually was withdrawn and replaced with this uniform lower rate for everybody … Given the fact that he, at one stage, told us that, in fact, in looking at the rate that would come in it was in consultation with the gaming companies which are the principal component of the tax exempt sector with a physical presence here employing people, providing jobs and providing a multiplier effect in the economy, I would have thought that there would have been a more reliable estimate of the effect. It is difficult to understand how the drop can be as big as £10 million when we are talking about a quarter of the financial year, that is to say, the 10 per cent kicks in, in January. People will be paying 10 per cent instead of 22 per cent for three months and they will be paying 22 per cent for nine months and they will be paying on top of that on the current year basis. I am not clear from what I have read whether this means that in effect we will be collecting two years' tax in the current financial year. That is, the tax that would have been collected on a preceding year basis or the tax on the current year. If the current year basis is only for the 10 per cent, then you have got nine months of the yield that would have been normal and three months of the 10 per cent which would be less because it is what they do but more because it is on current. Now, all that plus some amount of tax being paid by people who were paying zero before, I would have thought would not produce a hit, that has to be taken on the chin by the

hon Member, of £10 million. Of course, the things that he announced in terms of what is being done to make sure people pay what they ought to be paying comes after many, many years in Government when the hon Member came in saying he was introducing a system that would ensure that people pay and, for example, when asked about the low level of prosecutions or the following level of prosecutions in terms of illegal labour, his reply was that was because the very high spot fines that had been introduced had had a deterrent effect and, for fear of being caught and fined, people were no longer having illegal labour. Well look, why are we now talking about having to put people in prison for having illegal labour, being able to prosecute them civilly, if it was supposed to have been eliminated in the last fourteen years? Or is it that it has not been eliminated and it is rife? So, there are areas there which, having listened to what the hon Member has said, frankly it is difficult to give a reaction to it which … This is a serious matter which requires to be treated seriously and we do not want to produce a knee jerk reaction to this but if the primary basis is the slogan of taking it on the chin, then of course, if we are really being told there are measures being introduced which will produce the equivalent of the £10 million that is being lost, well first of all, not all the loss was going to have to be made up from the local business because the others were going to start paying something they were not paying before. Secondly, if it turns out that we have not lost £10 million then instead of the Government taking it on the chin, somebody has taken it on the chin because if we then finish next year with an additional unexpected £10 million surplus, if the collection of company tax comes in at £20 million or £28 million and he actually succeeds in collecting £10 million which is the offset that is being built in. But as I say, we accept that this is a change which has wide repercussions and, in our view, is something that requires serious thought. The latest answer to questions on company tax show that the company tax arrears for a number of the years previous, the early years, no longer feature in the statistics as being due and in more recent years the gap between tax payable and collection has tended to close. So, in fact, the announcement or very tough measures to make people comply seems to be coming at a point where, according to the statistics we are getting, the level of compliance is actually better than it was earlier. We shall monitor the receipts of company tax on a monthly basis at Question Time and see whether during the course of the year the estimates before the House appear to be realistic or not and whether, in fact, if they are not realistic whether they have been optimistic or otherwise.

One point in respect of the receipts that the Government, not the receipts of tax but the overall receipts, was not able to provide an answer to me at Question Time was where the revenue from the contracted out Upper Rock facility of the World War II tunnels was credited to and what was the amount and I would be grateful if it could be provided in respect of the last mentioned year. I raise it here because, of course, we do not go through the heads of revenue, we go through the heads of expenditure so I have got no way of doing it at Committee stage.

As regards the performance of the economy to which the Government refers in the ratio it produces for public spending, public debt and so forth, the latest available detailed breakdown we have had was £804 million for the 2007/2008 GDP. Very close to the estimate we had made in 2007 which assumed a result for that financial year of £800 million and which we published in October 2007. In 2009 the Government gave a tentative figure of £850 million during the budget as an early estimate of the result. During the last twelve months the Government has not been prepared to provide at Question Time any further information. Indeed, even today we have not got a breakdown of the figure but we have had some explanation of what has changed. Indeed, in Question Time in this meeting the Government did not even answer a question of which I had given notice which asked whether the 19 per cent grossing up figure used to calculate the company tax for GDP in 2006/2007 and 2007/2008 was also being used in 2008/2009 and told me to wait for his budget speech today. Well look, all he had to say was, no it is not being used, and that would have answered the question. He simply ignored the question. Clearly, what he has said today needs to be analysed and will be addressed in due

course, in particular the breakdowns and the composition in the Employment Survey Report which has been tabled, of which I have already done some preliminary work yesterday, as he gave me an advance copy at lunch time yesterday.

In terms of the position on the new Bill and the Tax Act that is going to be brought in in August, we note what he has said about the consultation that is taking place. We note that the Government has said that people will have until the 23rd of this month to put in their comments or their views and therefore we will reserve our position until those views are in. The Government then decides whether to change or not change the Act as they have framed it and then we will deal with the matter when the hon Member brings the Bill to the House and gives an explanation as to what is in the final thing. We do not think it is helpful for us to start commenting on something that is not yet the finished product.

Obviously, we will be voting in favour of the expenditure. We do not vote on the revenue raising measures. We note that the hon Member will be raising the level of costs to businesses which he, as he says, is intended to claw back some of the benefit of the reduction in the rate of company tax. But of course, that means that in a way he is going to be rewarding the successful companies because, clearly, there are going to be winners and losers in that situation. There will be some people who, what they benefit from tax because they have got high level of profits will be much more than what they finish up paying extra and at the other end, the people who are at the lowest level of profitability will be the ones that will be paying a bigger chunk of the new system. But as I say, given that there is more work still to be done on what is going to eventually come in on the 1st July, we think, at this stage, we will hold our fire and wait and see whether it is something that we can agree with or agree partly with or not agree at all, when it is finished and ready. Let me say that the fact that the hon Member has announced that the share of the labour market provided by Government employment is, in fact, now higher than the 19.5 per cent of which he was so proud of this year, I hope that this will not mean that now that the Chamber has apparently stopped saying that the public sector is bloated, I hope this does not induce them to go back to saying it is bloated once again.

HON E J REYES:

Mr Speaker, this Government continues dedicated to the expansion of cultural activities in Gibraltar. In keeping with our pledge, we will maintain the allocation of substantial funds towards the up keep of facilities as well as offering financial grants with increased provisions for this year to groups, individuals and associations. The Autumn Festival held for the last three consecutive years is an example of our continuing support, promotion and awareness of the arts and music. This Festival in 2009 provided a wide range of quality events specifically produced to provide entertainment and education to a wide audience. The programme included dance productions, an exclusive fashion show, a drama performance, music recitals by young performers, a choir evening, performing arts tuition and workshops by the world renowned Sylvia Young School of Performing Arts and also by The Young Americans, the popular poetry competition, Salsa and Latin Dance workshops and our well established International Arts Competitive Exhibition. Also, based upon the popularity of Zarzuela as performed locally so far in recent times, the audience were treated to an Antalogia de la Zarzuela. Our more elderly citizens always eagerly await this type of live entertainment and are constantly suggesting which musical compositions they would prefer to enjoy next. Other successful events held during 2009 were the New Year's Eve celebrations which last year was enhanced with a spell binding audio laser and fireworks display at Casemates Square. The 2010 Spring Festival proved itself exceptionally enjoyable. We have, once again, achieved to present a diverse and entertaining programme. This year we were once more delighted to have been able to offer, free of charge to over 1000 school children, a well known Shakespeare play. Indeed, Macbeth proved itself to be highly enjoyable to all youngsters who attended. To highlight this Government's continued

commitment to cultural education we added a novelty. We invited two local young actors to join the UK company "Shakespeare for Kids" on stage, thereby playing the role of Mac Duff's son. Additionally, a number of local drama students were invited to actively participate in a one day workshop with the cast of "Shakespeare for Kids". Other new Spring Festival events were a concert by the British Airways Band at King's Bastion Leisure Centre and their march pass through Main Street accompanying our very own local Re-enactments Society on a Saturday morning. In the world of fine arts, the Ministry of Culture again attracted excellent works in a competitive arts exhibition. This, together with a marvellous Young Artists' competitive exhibition held earlier on in the year, should make all of Gibraltar proud of its budding and talented artistic fraternity. Ince's Hall Theatre became the venue, and that was only a few days ago, for students from Westside School to perform their examination pieces for adjudication by the appointed examiner from the corresponding Examination Board. I take this opportunity to thank these students for also staging additional performances so that their family, friends and the general public interested in drama, could enjoy watching their performing skills. Once more, the Zarzuela production which formed part of the Spring Festival proved itself to be most entertaining. This time, El Duo de la Africana was well received by an appreciative audience. We continued to support creative writing by organising, in collaboration with the Department of Education and Training, a short story competition for school children. Furthermore, we included other well loved events, now typical of the Spring Festival, such as live brass band music at John Mackintosh Square, a dance production, two fashion shows, a comedy play and the annual competitive photographic exhibition. The highly successful Calentita food festival was again held at Casemates, forming an integral part of the festival finale which culminated in magnificent fireworks, music and laser display, all this again at our Casemates Square. The Summer Nights programme will continue this year providing twice weekly entertainment on Tuesdays and Wednesdays during the summer months and this will run from the 20th July to 12th August. This year we look forward to new and original acts, details of which will be announced very shortly. Preparations are already well underway for 2010 fair and National Week/National Day events. We again aim to include the traditional Rock Concert, a Llanito comedy, Our Gibraltar competitive photographic exhibition as well as a spectacular fireworks display to conclude our very special day's celebrations. As part of our National Week celebrations, we shall be privileged to experience a live classical concert on Thursday 2nd September at St Michael's Cave. Arrangements are already well in hand for a performance of Concierto de Aranjuez composed by Rodrigo, alongside other works by Rossini and Beethoven. Also, as part of this live performance we shall be entertained with the live singing of our own maestro's composition which is now very well known internationally, I am speaking of course of William Gomez's Ave Maria. Mr Speaker, you will recall that this House bestowed the Gibraltar Medallion of Honour on the late William Gomez and I am sure all of Gibraltar will be delighted to hear our valued friend's masterpiece, once again, in his dearly loved and treasured homeland. The Miss Gibraltar 2010 Pageant once again proved itself to be a highlight of Gibraltar's social calendar and this year it took place last Saturday at the Alameda Open Air Theatre. I take this opportunity to again congratulate Larissa Dalli, our newly crowned Miss Gibraltar and look forward to seeing her promoting local events, as well as promoting Gibraltar on the international scene, over the next twelve months. The Ministry of Culture launched a new Miss Gibraltar website last year which coincided with Kaiane Aldorino's participation at the 2009 Miss World Pageant and I am pleased now to inform this House that this website continues to receive a very high number of visitors every week. Of course, Gibraltarians will never forget the sensational triumph of Miss Gibraltar 2009 at the Miss World Pageant and our subsequent welcome home celebrations all in honour of Kaiane which made headlines around the world. Despite the very short time available for making all the necessary preparations, the welcome home festivities were well organised. We were successful in co-ordinating Kaiane's travel arrangements, security measures, provision of banners and confetti, sound and

music, of course, ending the day with a fitting fireworks display. Indeed, the atmosphere and response by Gibraltarians in jubilation of Kaiane's personal success created scenes never before witnessed by the Miss World Organisation. The Ministry of Culture continues to support Kaiane throughout her reign as Miss World and was privileged in having the reigning Miss World crown her successor as Miss Gibraltar last weekend. I have no doubt that now Larissa Dalli will proudly represent us at next year's Miss World Pageant due to be held in late 2010. Venues for cultural events will continue to be maintained as we remain committed to the ongoing refurbishment programme to all our facilities. The Casemates Exhibition Galleries have been used regularly during the past year and thanks to the refurbishment of the fifth vault, with the purchase of new display hanging equipment, the gallery continues to be the site for all of our competitive art exhibitions. The Central Hall situated near South Barracks has become increasingly popular among regular users and is also a well liked venue to host wedding receptions, birthday parties, Christmas parties and other celebrations which include a wide range of charitable and private fundraising events organised by diverse clubs and associations. Ince's Hall has been fully operational during this past year and regular and new groups benefit from the enhanced sound and lighting system. The investment on projection equipment has been a success resulting in users being able to benefit from the rear projection equipment. This, in turn, has enhanced the visual effects in productions and allows stage directors to expand upon their creativity. This Government's continued pledge to enhance and cultivate the arts has helped to deliver a much greater regularity of events and occasions contributing to the cultural enrichment of our community as a whole. This year's Estimates already makes provision for the Government's contributions towards International Dance Organisations, known in short as IDO, European Show Dance Championships and World Cup to be held on the Rock in 2011. Gibraltar should feel proud that the IDO has selected us to host the European Championships for solo and duets in the children, junior and adult categories together with the world cups for groups and formations also in these same age disciplines. These prestigious international events to be held in Gibraltar from 14th to 16th July 2011, will inevitably attract top class participants from many countries. I am certain all performers will be well received and made to feel at home in what is now our established Gibraltarian custom. I wish to take this opportunity to express appreciation to all those entities, associations and individuals who give so generously of their time in producing and providing cultural events for our enjoyment. Their ability and eagerness is fundamental and helps us to continue to develop our own cultural identity of which we are all so proud.

With regards to heritage matters, I would like to report that Government is actively reviewing the legislation and management of heritage in Gibraltar. I anticipate that significant changes will be made during the course of this financial year. The draft Heritage Bill is in advanced stages of consideration by Government and expected to be tabled before this Parliament during the course of the year. In addition, Government is considering the best way forward with regards to the management of heritage. I am very pleased with the work undertaken by the Heritage Division during the course of this year. The work has coincided with the 80th anniversary of the opening of the Gibraltar Museum in 1930 and I would like to publicly offer our collective best wishes to this institution on reaching this significant milestone. We should be proud of the fact that the Gibraltar Museum is one of the oldest museums in the Iberian Peninsula. It has become a centre of excellence, particularly in its cutting edge research on pre-history and landscape reconstruction. The Government of Gibraltar will continue to actively support the museums work and its programmes of new displays and galleries which is an essential element in its continuing renewal. One of the areas that the museum has managed very successfully since 1997, has been the organisation of the annual Calpe Conferences. This year's conference will be the 14th of the series and will centre on another important subject that Gibraltar is becoming famous for on the back of research carried out in Gorham's and other Gibraltar caves. I am referring to the evolution of bird migration and its relation to climate change, something that concerns us

all. This year's conference again will bring together major international speakers and I am particularly pleased that it will also include our own specialists who have been carrying out huge research efforts into the birds that lived here in pre-history and how they have come and gone in relation to changing climates. This conference is not to be missed and the Gibraltar Government is once again making registration free to all residents wishing to attend. Whilst on the subject of Gorham's cave, I have to again report that excavations at this cave continue suspended pending the resolution of land access to the site which the Ministry of Defence has denied for some time now. It is difficult to predict whether or not the matter will be resolved in time for this summer's work but Government is actively negotiating the transfer of this site with the Ministry of Defence. In the meantime, the museum has a contingency plan for work in another site which it has been excavating on the Upper Rock for some time now. This is Bray's cave. This site has revealed evidence of occupation during the Bronze Ages and the Medieval Period and also the latest results have taken the occupation back as far as thirteen thousand years ago. These results testify to the richness of our caves' heritage but they should also not be taken as complacency on Government's part in the resumption of the globally important research in Gorham's and Vanguard Caves which will remain a priority. The transfer of the prison to new premises will allow the exploration and investigation of the old site at Moorish Castle. It is Government's aim to secure the premises and permit a team led by the Director of the Gibraltar Museum and our own Heritage Division to undertake a preliminary survey and trial excavations during the course of this financial year. Once the team has assessed fully the nature of this site and its content, he will provide Government with a report and recommendations on the way forward. This is likely, I am informed, to involve a significant period of research, conservation and interpretation, after which it is Government's aim, if at all possible, to open the site to the public. The team will use a successful model which they implemented in the conservation of the Tower of Homage and which took two years to complete. Clearly, it is difficult at this stage to provide a timescale for completion of the project. Moreso, as it is a larger complex than the Tower and in greater need of restoration works. The museum team also continues to monitor works in different parts of Gibraltar and has watching briefs in many construction sites. These include the works at the much needed new airport terminal, the airport tunnel and at Europa Point. This work ensures that all heritage of significance is recorded and, where possible, recovered. I would like to pay tribute now to the excellent work that the museum's underwater research unit, now affectionately known as URU for the work they undertake. Moreso as this is often performed unnoticed by many of us. Most recently the unit has supervised the archaeological control of works related to the laying of an undersea telecommunications cable in our waters. This is hard work but is carried out diligently and professionally at the highest level. Government will continue to encourage publications on heritage matters and will provide funding where it is deemed appropriate. The sponsorship scheme is being coordinated by my department and each case will be assessed on its own merits. The new scheme will provide for total or partial sponsorship on publications with Government receiving a share from sales and paying the author a royalty. The meetings of the Heritage Action Committee continue on a quarterly basis and this provides me with a proactive forum for discussion between the division specialists, other Government departments and the Gibraltar Heritage Trust. Our relationship with the Heritage Trust is excellent and Government will yet again continue to provide a grant to this esteemed body within this financial year. With regards to the stewardship of our heritage, I am pleased to report that the Gibraltar Museum has been provided with a new store that replaces the vaults it had at Wellington Front. The new store provides much needed additional space for the increasing collections of the museum and, I am pleased to say, this is fast becoming a growing asset thanks to the archaeological and retrieval work being undertaken. Government also supports the purchase of art works and other mobile heritage assets as and when the situation arises. The next stage that Government is considering in the development of stores and laboratories is an open air laboratory, within the new museum stores complex, that would cater for the conservation

of objects recovered from the seabed. I have chosen to highlight these aspects of heritage, because they are of particular relevance and because they reveal Government's commitment to heritage and its conservation. There is much else that goes on routinely and which we will continue to actively support. For example, educational programmes, removal of unsightly structures from our city walls, provision of technical advice to other Government departments, improving our knowledge base, developing international contacts and attendances at international conferences and events to name but a few. The current financial year promises to be a significant point of inflection in the heritage strategy for Gibraltar. I would like to add further to this summary of heritage matters by recording the work being undertaken by Government at Calpe Barracks. This building, dating back to the early 1900's, and which was once used as married quarters by the military, is being completely refurbished into a series of two and three bedroom houses consisting of contemporary open plan designs. The project is due for completion in February or March of next year at an estimated cost of over £1.6 million. But I believe it is an excellent example of the multi faceted initiative we have taken in bringing life into our own historic town centre and would contribute towards a success of an urban regeneration. Further to this, Flat Bastion Barracks is another project we are actively involved with. In line with other converted military barracks such as those located in Town Range and Rodger's Road, this military building has been converted into modern dwellings, yet still enjoying traditional features such as high ceilings and sash windows. These two bedroom apartments offer magnificent views and have been sold with allocated parking spaces at road or terrace level. Communal gardens also form part of this development and its completion is now imminent at an estimated cost of over £1.5 million. Set within the heart of the Upper Town is No. 12 Castle Steps which is currently being refurbished and converted into three and four bedroom apartments or maisonettes sharing a common courtyard. Although sold without parking facilities, buyers of such properties will have preference if wishing to purchase a parking space in the nearby Willis's multi-storey car park. Once again, completion of this project is imminent and works carried out are estimated to be around £750,000. The examples I have just given serve to illustrate how historic buildings can be adapted and reused to serve a modern function and become assets within our urban fabric. They are not only an example of positive and sensitive development but also a way to ensure a sustainable future.

If I can now turn to sports and leisure, I wish to report that during the 2009/2010 financial year, the Gibraltar Sports and Leisure Authority continued its operations to build upon and improve the work carried out in previous years by the Sports Department. It has done this in the provision and management of: sports facilities including the community use of school scheme; technical support, assistance and advice to schools and sports associations; training, support and sports projects with the Sports Development unit; financial assistance through the Gibraltar Sports Advisory Council; the provision of facilities for non-sports events; the promotion of health and fitness generally. During this last year, teams from abroad have again visited Gibraltar to play and train on our impressive facilities and this is greatly assisting the development of local sports as well as enhancing Gibraltar's profile overseas. The Bayside Sports Centre facilities are being fully used by the community and their popularity and frequency of use is increasing on a daily basis. The multi-sport games area situated between the Tercentenary Sports Hall and the water based hockey pitch, which was specifically designed to double up as a concert venue with a capacity of up to 3,000 seats, has again been very successfully used for non-sports events. These included the Beer Festival and the International Dog Shows in September. It also offered support to the Status Quo concert and international boat show held recently nearby. A further example of the GSLA's cooperation with private sector projects was the use of our Tercentenary Sports Hall for the revived Gibraltar Song Festival. Alongside private entities, the Sports Hall facilities have also been used for Government led non sports events such as World Earth Day and Careers Fair. The Sports and Leisure Authority continues to provide support, assistance and advice to schools

and associations in the provision of facilities and equipment and in organising events such as the two international darts tournaments, the second of which, the Mediterranean Darts Championship, resulted in the Gibraltar Darts Association winning the overall team title by winning the doubles event, the teams event and achieving runner up in the individual event. Other international sports federations like the International Association of Ultra Runners also chose Gibraltar to host a fully recognised and accredited international event, namely their 50 kilometre world cup. In November 2010, Gibraltar will be hosting an even bigger event under the auspices of this same international federation, namely the 100 kilometre world and European championships. This will be the first international sports competition held in Gibraltar that will require anti doping tests as set by the international federation. In this connection, negotiations are very well advanced for Gibraltar to be included in the UNESCO Convention Against Drugs in Sport and, similarly, as a member of the World Anti-Drug Association, WADA, in our own right. This will be a very important step to afford Gibraltar international sports credibility and will enable our sports governing bodies that are already members of their respective international federations to fully comply with their obligations in respect of the use of drugs in sport. The Gibraltar Sports and Leisure Authority also continued managing certain operations in the King's Bastion Leisure Centre. The Authority provided supervisory services for King's Bastion Leisure Centre Limited and managed the ice-skating rink, the youth lounge, the disco area, the latter in partnership with the Gibraltar Youth Service. As from October 2008, the Authority also manages the fitness gym facilities at the Leisure Centre and this has proved to be extremely popular with over 1,000 different persons using the facilities on a regular basis. I am very pleased to say that the Leisure Centre continues to be a great success as a family orientated facility and many Gibraltarians, plus an ever increasing number of visitors, are reaping its benefits. As from the 1st May 2010, the Sports and Leisure Authority has taken over the management of the whole of the King's Bastion Leisure Centre. The Sports Development Unit successfully expanded the summer sports programme for youngsters last summer which included a wider variety of leisure and educational activities. This has truly been a success story and I can proudly say we will continue to expand upon it this year as even more activities will be available, especially with the use of the new sports and leisure facilities. Full details will be made available very shortly through a very detailed booklet which I am pleased to say is already at the printers and I hope to start to circulate as from early next week. In addition, the Sports Development Unit took over the running of the summer "Stay and Play" programme for children with disabilities previously run by Social Services. This proved to be a great success and we have planned to expand upon the programme for this coming summer. One of the main objectives is to have a programme that will enable participants to also enjoy projects jointly with other children taking part in the summer sports programme. This is a proactive way of encouraging, within a safe setting, integration into as many of the activities as possible. Another popular activity has been the physical activity sessions including swimming and aquaerobics for the over fifties that are jointly organised with the physical activities for mature, older adults association and which provide the young at heart with suitable sporting equipment, facilities and training in a safe and fun atmosphere. The programme continues to expand and this coming year other activities, including armchair exercise classes for the less mobile, will be developed further. The number of National Coaching Foundation courses together with other generic coaching courses from the British Sports Trust, SAQ International and the Youth Sports Trust, run for local coaches, continues to increase in order to meet demand. Assistance and support has also been provided to sports associations in the organisation of accredited coaching qualifications in athletics, basketball, cricket, football, shooting, squash, badminton, volleyball, swimming, netball, rowing, sailing, table tennis, tennis, rhythmic gymnastics and climbing. The tutors delivering these courses have included, in appropriate cases, separate school in-service training days, thus ensuring that many teachers and coaches have been able to achieve some level of accredited qualifications which will assist in the development of sports in Gibraltar through the excellent work done in our

schools. Our objectives remain to eventually achieve as much self-sufficiency as possible in the delivery of coaching and training. The Sports Development Unit also introduced schemes for outdoor adventurous activities to incorporate the older age group, with this being done in partnership with the Social Services Agency and the Cardiac Rehabilitation Group. Additionally, the Sports Development Officer continues to be a member of the Gibraltar Health Authority's Health Promotions Committee. The two members of the GSLA staff who achieved accredited UK tutor status for the "100 per cent Me" Drugs Free Sports programme have also been delivering workshops and providing support to all sporting associations but in particular, providing support to those participating in the 2010 Commonwealth Games to be held in New Delhi, India, where notice has already been received that anti-doping testing will be carried out. In addition to the Commonwealth and Strait Games, Gibraltar sports will again participate this year in many international competitions. These include hockey, basketball, cricket, sea angling, darts, tenpin bowling, netball, athletics, swimming, snooker, pool, rowing, shooting, squash and triathlon championships. The Gibraltar Sports Advisory Council and in particular its sub committees have been meeting on a regular basis. On the advice of this Council, financial assistance to the tune of around half a million pounds will continue to be provided to sporting associations through the three funds available. Gibraltar, with the support of the GSLA, will again be hosting international competitions and other events, even if not of full international status during this financial year. This provides our local sports men and women with very practical and functional competitions and also serves to expose Gibraltar and all its assets, sporting or otherwise, to visitors. The most prominent international event for this year is the IAU's 100 kilometre World and European championships, which I have already mentioned, but I will add further by saying that this is scheduled to take place on Sunday 7th November and the event will be competed for under the patronage of the International Athletics Federation. Preparations for this very complex event are well advanced and it is hoped that Gibraltar will visibly support the athletes as they strive to become world and or European champions whilst running through our very own streets. Detailed information regarding the race and the course will be made public nearer the date. Government will be providing the necessary funding as recommended through the Gibraltar Sports Advisory Council to enable participation by a large number of teams from over twenty different sports to compete both internationally and locally at different levels of officially recognised competitions. Further funding will be provided by Government to finance Gibraltar's continued participation in multi-sport official competitions such as the Strait Games which this year were hosted by Los Barrios, the Commonwealth Games in 2010 being held in New Delhi, India and the next Island Games to be hosted by the Isle of Wight in 2011. As a sign of Government support towards and international sporting fraternity, I hope to visit and personally support our worthy athletes at the Commonwealth Games as I may attend the Commonwealth Ministers for Sports meeting being held in New Delhi in conjunction with the Games. In other words, Government, on the advice of the Gibraltar Sports Advisory Council, will be maintaining the financial provision to enable our sports men and women to represent Gibraltar internationally. But not only that, sports development funding will again be provided, together with the involvement of the Sports Development Unit and the efforts of our local sports associations, to enable a large number of sports' specific coaching courses and other development projects to be held in Gibraltar. Sports facilities per se have been greatly enhanced with the coming into full operation of the Bayside Sports Centre facilities. The excellent cooperation that has been built up between the Sports and Leisure Authority, the Education Department and local schools can justly be deemed as positive, as is the continued development of the community use of our schools' sports facilities programme. The refurbishment of the Victoria Sports Hall, sometimes commonly known as the old sports hall, was enhanced this year following the replacement of the sports floor and lighting. It is estimated that other outstanding minor works such as the painting, should be completed in time for the start of the winter season 2010/2011. I should also mention that the main spectator stands at the Victoria Stadium have recently seen a facelift with

the painting of this concrete structure. The colours used are the GSLA colours which are light and dark blue but we have added a touch of red paint to the steel components so as to make the overall look somewhat a bit more patriotic. I am sure that all of us driving across the runway have already started to appreciate the pleasant aesthetic new look of our splendid stadium. As I have already previously indicated in this House, our outdoor sporting facilities will be increased once the existing CEPSA petrol station is relocated. We plan to provide additional facilities for outdoor sports such as football and, hopefully, rugby and the expansion upon sporting facilities should also see new changing rooms built to replace the existing ones which sadly are of a temporary nature and have now outlived their lifespan. Funding is once again being provided to refurbish vacant premises for allocation to associations and clubs, although this is not restricted to sporting societies. In connection with this funding provision, a study is continuing, in partnership with the Heritage Division, into the feasibility of refurbishing other areas on similar lines as North Jumpers Bastion. I am also happy to announce that the exciting project to provide rehearsal facilities for local bands and musicians is complete. This was carried out in conjunction with the Rock on the Rock Club and the Gibraltar Youth Service. Government sees these projects as a means of supporting the very valuable and active volunteer sector that Gibraltar can proudly boast about. The scheme to refurbish Lathbury Barracks Retrenchment Block is very near completion and this will, hopefully, during the course of this year, provide extra premises for allocation to charities, clubs and associations. In partnership with the Social Services Department, the swimming pool designed primarily for use by the elderly and disabled and for teaching of non-swimmers, has been fully operational. Exclusive use of this facility for the elderly and disabled is again made available over the summer period with shared use by the Gibraltar Amateur Swimming Association, educational establishments and the community during the winter season. The Sports and Leisure Authority has also responsibility for the older 25 metre swimming pool. As a result, swim joggers, sports persons and all citizens wishing to use the pool no longer need to pay a fee to do so. Both swimming pools have been extensively and successfully used and the number of users, in comparison with past years, has continued to increase. This has also meant that GASA has been able to continue their work in the promotion and development of swimming without the financial pressure and responsibility they have been shouldering until recently. In other words, this is a move that has benefitted everyone. Leisure facilities also continue to receive a high level of support. The King's Bastion Leisure Centre has become a huge success and continues to prove to be a very worthwhile investment. In order to improve the amenities available in Gibraltar, funds have been provided to enable the Authority to develop other recreational and leisure needs including playgrounds for which the Authority will be assuming full responsibility. With regards to playgrounds, a thorough revaluation was carried out with a view to not only determining the refurbishment requirements to present facilities but also the provision of new playgrounds in new locations. Government is presently considering this extensive report. The Gibraltar Sports and Leisure Authority has also been involved, and will continue to be, with events previously supported and resourced through the Ministry for Tourism such as the Blue Water Rally, the Gibraltar Regatta, the Harley Davison Rally, Veterans Car Rally, Tuna Fishing Championship and the very successful International Chess Festival which grows from strength to strength and has become, possibly, the most important open chess championship in the world attracting top level men and women from around the globe. As from 2010/2011, the Gibraltar Sports and Leisure Authority will be taking the lead in the control, regulation, support and enhancement of Gibraltar's marine leisure amenities. Initially, an extensive consultation document is to be published and it is intended to prepare legislation and a development plan for these marine activities. During 2010/2011, the Gibraltar Sports and Leisure Authority Board will again meet on several occasions to consider projects, as well as other recommendations and suggestions, in our constant efforts to improve the service being provided to the local community. This House will have recognised the important advances that have been made in sport and leisure locally during the last fourteen years of GSD Government. I am

pleased to say that advances will continue because we fully recognise that sport and leisure activities make very valuable contributions to Gibraltar's quality of life. We will therefore continue to improve upon our facilities and to support local sporting associations and others in their efforts. Government consciously recognises and are very appreciative of the very significant work and commitment demonstrated by the large number of volunteers involved in the running of sporting associations, clubs, et cetera. Their help ensures that sport and recreation thrive and development in Gibraltar for the enjoyment and benefit of all. Therefore, it is my personal desire, as well as that of all my ministerial colleagues and the Gibraltar Sports and Leisure Authority to continue building upon the excellent work and relationships we have established with all sectors of our sporting fraternity.

HON C G BELTRAN:

I will be reporting to this Parliament on my ministerial responsibilities for Education and Training giving an account of progress during the past financial year and pointing to future developments planned by the Government, many of which are either totally or partly budgeted for the forthcoming financial year.

I start, with developments on the 14 to 19 front. September 2010 sees the piloting of a Bayside School Vocational Skills Package. This has been produced for students who prefer a more practical and functional curriculum. A more accessible pathway has therefore been designed with a view to opening up an exciting alternative route into further education, training or the world of work. Students wishing to opt for this vocational and functional skills based curriculum package will have the opportunity of studying for a range of specially designed courses. All of these have been accredited by the relevant Awarding Bodies in the UK and will still provide students with a mainstream qualification. The content of the whole package is also designed to provide more than adequate preparation for any entrance examination the students may have to sit for Government apprenticeship schemes and discussions with the Ministry of Employment are underway to ensure that such requirements are met. Similarly, commercial organisations such as the Chamber of Commerce and the Federation of Small Businesses will be appraised so that they too are kept informed of the type of opportunities our young people are being provided with. The pilot scheme will provide opportunities in areas such as English functional skills, Mathematical functional skills, Applied Science, an IT award in digital applications, a Level One Certificate in Engineering and Technology or Business Enterprise and Accredited Diploma courses in Sport Leadership, Food Hygiene and First Aid. This alternative, balanced curriculum will also ensure that young people get the opportunity to study Spanish, RE, PSCHE which is Personal, Social, Citizenship and Health Education and also participate in the schools physical education and games programme, a very well balanced rounded programme as an alternative. This scheme at Bayside School is in addition to existing courses at the College such as the one in Health and Social Care that furnish young people with the skills required to work in the Health and Care Services. This scheme also provides a pathway that leads students to apprenticeship schemes in, for example, Telecommunications and also offers tuition in skills required in other areas of employment such as the Distance Betting industry.

I move on to professional development opportunities for teachers. Offering teachers the opportunity to develop their professional knowledge and skills is a top priority of the Department of Education and Training and one very much valued and appreciated by our teachers themselves. They are, after all, the single most important resource in the system. Therefore, professional development opportunities continue with a cohort of teachers entering the Master's stage of the Management and Leadership course, custom designed and accredited by Durham University. A third cohort is currently in the process of enrolling for the Certificate stage of the programme. The design and nature of the course means that

teachers can opt out at Certificate or Diploma level should they not wish to continue on to the Master's stage. The Department of Education and Training endorses both the quality and content of the programme as well as ensuring that the programme remains rooted in practical applications for schools. The Senior Education Adviser himself, Dr Joey Britto, participates in the delivery of one of the modules and also monitors feedback from teachers so that the Advisory Service can provide support should this be required. The content of these courses have been tailored to suit the local educational context and has included lectures and presentations by leading academic experts in the field. Teachers are encouraged to participate in these courses given that they provide a range of benefits both for individual teachers and the schools themselves. Apart from giving teachers the opportunity to meet and share experiences with colleagues from other sectors, the course provides an excellent forum in which technical and professional issues can be discussed from a leadership and management perspective. In depth coverage of the key areas is provided, for example, in how organisations function; forming, leading and managing teams; culture and change in the school; interpreting research literature; research methodology; undertaking educational research within schools and writing research reports. One whole module will be designed around topical issues identified by the Department of Education and Training. The teachers are required to undertake a research project of particular value to their school that is subsequently fed into the school improvement and development plan. Those not continuing on to the Master's stage are still required to base their assignments on their own schools so that results and findings can be fed back into the workplace and thus children will ultimately benefit from teachers' professional development. This is an example of the focussed, practical, professional development that our teachers enjoy and which coupled with a high level of quality resources that Government makes available to them, leads to the excellent educational outcomes that Gibraltar enjoys.

Moving on to TLR's. The House is already aware that TLR's or Teaching and Learning Responsibilities posts have replaced the old style management allowances in schools. The new TLR's are designed to shift the emphasis from managing a group of people or an academic subject to leading both the subject and the colleagues who teach it. This renewed focus on leadership encompasses issues such as the quality of teaching and learning, developing the curriculum and managing staff from a middle management perspective. Although the logistical element of this massive TLR restructuring exercise was completed last year, and training sessions on the role of the TLR's have already been provided for Headteachers and Deputies, the implementation would not be fully complete without the actual TLR post-holders being provided with training opportunities in their new roles. The Advisory Service is therefore developing a series of custom in service training courses or sessions aimed at ensuring that schools receive the full benefit of the TLR system. The Advisory Service will provide in service training sessions specifically aimed at the new TLR post-holder on areas such as: leading from the middle, assessment, whole school self evaluation and the role of the team leader in performance management. These sessions, will be spread throughout the next year and will also double as an induction course. The content will be taken from a similar training course now being prepared for senior management teams in schools starting with Heads and Deputies. This reform of the middle management structure in schools is designed to provide them with the teaching and learning environment that is much more focussed on the quality delivery of and accountability in both the academic and pastoral contents of the curriculum.

Apart from the lengthier University accredited courses I have already referred to, this financial year the Advisory Service has provided and arranged short courses for teachers on first aid, academic assessment, learning styles, child protection, team building and performance management, induction courses for senior leadership, mathematics, catering for the gifted and talented and connect 2010 which is a working together with parents course. The Advisory Service continues to develop the use of ICT and new technologies in our schools and has

provided in service training sessions in school improvement planning through the use of ICT. This substantial level of support to schools keeps our Education Service up to date with the latest developments and best practice in the United Kingdom, principally, but also in other countries. The specific needs of the Service are identified by the team of advisors working regularly and closely with teachers in schools. In this way, the high standard of teaching and levels of attainment of our school children are maintained and improved upon.

Pupil/teacher ratios. The total complement of teaching staff on a permanent and pensionable status in our schools is currently 333 as opposed to 288 when we came into office in 1996. The average teacher/pupil ratios in our schools fair well compared to schools in UK and indeed other European countries. In First Schools, the average ratio continues to fall within the agreed median with the Union. Class sizes at this level is around one to twenty. In Middle Schools, the average again falls within the agreement with the Union for class sizes which is one to twenty five. In Secondary Schools, however, the average varies somewhat depending on option subjects and the choices made by students at AS and A Level.

Pre-school education. We continue to run all eight Government nurseries as opposed to two when the GSLP were in office, catering for 315 children now as opposed to 135 prior to 1996. There is a nursery attached to every First School plus one in Varyl Begg and one in St Martin's. We continue to offer every applicant either a morning or afternoon placement. This is sound educational practice in accordance with studies at Oxford University and other leading research centres.

The Young Enterprise scheme. The Young Enterprise Gibraltar has celebrated the end of a very successful second year. The company teams participating in the Gibraltar Young Enterprise company teams programme at the College, presented their companies to the judges at the final selection session in May and the finalist from Gibraltar recently joined other finalists in Hull to present their experiences and achievements in a bid to be present at the national and European stages of the prestigious Young Enterprise competition. I am very proud indeed to report to this House that the week before last the Gibraltar College's winning team in the companies programme won the regional championship in the United Kingdom and they will now go on to compete in the national competition in London in August. I have no doubt that everyone in this House will join me in offering our congratulations and best wishes to the students in question. The Young Enterprise offers a range of programmes based on the principle of learning by doing which brings volunteers from business into the classroom to work with teachers and students. The Gibraltar Young Enterprise companies programme is now well established and firmly rooted at the College. This has enabled students to go through the whole process of setting up and running their own companies. I am informed that the students' involvement in the scheme has resulted not only in huge improvement to the students themselves, but it has also acted as an inspiration to the College as a whole. Apart from the Gibraltar College now being officially recognised as a Young Enterprise centre, I am happy to say that Bayside School is also exploring ways in which its students can benefit from this very worthwhile scheme.

Higher education. The fact that every year over 40 per cent of our annual intake gain access to higher education is proof of our success in preparing our pupils throughout their school career for public examinations and entry to higher education. This percentage that we have already achieved is one that UK education authorities have set as a target for their own schools to achieve. The statistics speak for themselves. In 2009 the GCSE pass rate, and I mean A* to C grades, was 68 per cent. A level pass rate at Bayside was 99 per cent, at Westside 98 per cent and at the Gibraltar College 95 per cent. The number of students from Gibraltar in UK universities and colleges this academic year, as at the end of April, is 583. All of them, and indeed their parents, will have been happy to hear the Chief Minister's announcement earlier this morning that maintenance grants for this year will be increased by ten per cent. Apart from the students in our schools, a substantial number of people from

our community at large continue to take advantage of our distance learning schemes and my department has supported applications for courses both academic and vocational as well as ongoing professional training. Funding has been available for a wide range of courses. Also to announce, that as from this academic year, Government will be moving away from the loan system introduced by the UK, and which we followed briefly, for the payment of tuition fees and will instead pay universities directly on an annual basis. The loan system has proved to be administratively burdensome and unreliable. My department has also been very keen throughout the year to support and guide students in making the right choices and in promoting the concept of careers in education. A series of presentations to sixth form students by participating universities is once again being planned for the autumn term. Once again, a group of prestigious universities will give a series of talks to our students on life at university and, furthermore, give presentations of cutting edge, research projects currently being undertaken by these universities. It is also planned to bring out a wider range of universities so that more of our students will benefit. Over and above these higher powered presentations that offer our prospective university students an excellent overview of what universities can offer them in terms of higher education and career opportunities, our Secondary Schools and the College are constantly reviewing the state of career and job opportunities in Gibraltar and informing and advising students on realistic pathways that they can follow.

I now go on to special needs education. In keeping with inclusive practices, our policy continues to be one of equal opportunities. All children should have access to an appropriate education that affords them the opportunity to achieve their personal potential. As far as possible, children with special educational needs will continue to be educated in mainstream schools, alongside their peers, always bearing in mind what is realistic, affordable and in the best interest of the children. Therefore, specialist provisions will continue to be available at St Martin's for those pupils for whom mainstream school is not appropriate. With suitable outreach programmes implemented based on the needs of the individual. Additionally, learning support facilities in mainstream schools will continue to operate for those children whose needs cannot be met at St Martin's or in mainstream classes. As well as providing support for pupils with learning, sensory and physical difficulties, the Department of Education and Training also supports pupils with emotional and behaviour difficulties. This support continues to be provided by the Behaviour Education Support Team or BEST as it is known. The team provides support in all three sectors with the aim of helping pupils overcome their emotional and behavioural difficulties with a view to facilitating their learning. In order to implement such a policy, effectively, the Government have well qualified teachers in this area of education in all our schools and a number of classroom aides who support children with special educational needs as well as nursery children which they also support.

Extra curricular activities. Following good educational practice, our schools provide outreach programmes to create awareness in pupils of issues and opportunities in the wider community outside the confines of the school. It is the norm today for universities and employers, in assessing applicants for entry and employment, to look for evidence of experience and commitment in other activities beyond the strict framework of the school curriculum. All our schools, therefore, continue to organise a large and varied number of extra-curricular activities for their pupils. This includes fund raising for over twenty five different local and international charities, aid agencies such as Christian Aid, Mother Teresa's House in Tangiers, Haiti Earthquake Appeal, Childline, We Care, Breast Cancer Support, Jeans for Genes, Action Aid, Cancer Research, Calpe House and the Gibraltar Mental Welfare Society, to quote a few. During the current academic year, the extraordinary total of well over £60,000 has been collected by our schools. Despite a very small minority to the contrary, this ongoing dedication to help others reflects the continuing commitment of all schools to the spiritual and moral development of our children and is the direct result of a sense of moral duty towards those who are less fortunate that is embraced and practiced by the vast majority of

our school children and young people in Gibraltar. I am sure that all of us in the House wish to put on record and express our appreciation to the children and the teachers in all our schools for this magnificent effort and sense of civic duty. Educational trips both in Gibraltar and abroad are also organised and these include visits to archaeological sites of interest in Spain, visits to our museum and other places of local interest. Secondary and Middle Schools, in particular, organise trips to the UK for a variety of academic, sporting and cultural activities. Both First and Middle Schools also involve their pupils in cultural and educational trips to Spain. A trip which has now become an annual event, for example, on Bayside Schools Calendar, is the visit to Cordoba. As part of the Muslim civilisation component of the Key Stage 3 History syllabus, Years eight and nine students spend a few days visiting the Mosque, the Alcazar and Medina Azahara as part of a very comprehensive itinerary. The Bayside School Art Department is also planning to take GCSE and A level students to Paris as part of their curricular provision for art examinations specifications where visits to art galleries and exposure to major works of art are vital. A large number of clubs and activities are also organised by the schools themselves in their premises and these include chess clubs, guitar and ocarina, line dancing, ICT, art, religion clubs and activities, sports activities including inter-school competitions, gardening and science, to name, but a few. Schools also participate in Christmas carol concerts, art competitions, the annual flower show, story and poetry competitions, the Clean Up the World campaign, music festivals, chess competitions, their annual sports and fun days, heritage events, World Environment Day, Shakespeare for Kids, which my hon Friend for Culture was referring to a few moments ago, the Young Enterprise and Future Leaders in Philanthropy schemes, plus a host of other competitions and events organised by a range of entities, private and public, such as the Strait Games that involves the participation of school children from Gibraltar, Spain and on occasions Morocco as well. Under the heading of extra-curricular activities, I also want to inform the House about the work experience project carried out by the Secondary Schools and the College as part of their wider careers programme. Once again this academic year, over four hundred students were placed for a week in areas of employment ranging from a number of Government departments to garages and workshops, banks, hotels, medical establishments, legal firms, retail outlets and so on. In the light of the educational developments which I have already explained, work experience is of significant importance in our students' preparation for future careers and in obtaining places at university. Yet another extra-curricular activity and one that has developed an increased insignificance over the last few years is the biennial Careers Fair organised by the three secondary sector institutions under the auspices of the Department of Education and Training. With the support of an increasing number of private sector employers, as well as Government departments, the Fair offers a vital and enriching environment allowing employers and potential employees to meet face to face and discuss the realities of what is now a highly competitive job market both in Gibraltar and abroad. In today's fast changing world of work with continually expanding technological and other requirements, there is a clear need to keep future employees who are still in school fully abreast of what will be required of them. In bringing public and private sector employers, as well as other service providers together in one venue, in partnership with schools and the College, the Careers Fair provides a practical, face to face dimension and opportunity for students and parents and enhances what is covered in the personal, social and health education programmes undertaken by students in schools and the College.

I now move on to Minor Works in 2009/2010. An important part of Government policy in education is to ensure that children are taught in a pleasant and safe environment. To this end, the following are some examples of Minor Works that were carried out in schools during 2009/2010. At Westside School, for example, work commenced on a much needed extension to house two large kitchens on the ground floor and a drama/dance hall on the first floor. This work will be staggered over a number of years. The cost to date is £257,425. Also at Westside, a disused area was converted into a visually impaired teaching resources area. The cost was £10,384. At the College, an

intruder alarm was installed as part of the programme which was initiated the previous financial year. This is an ongoing project throughout the system. The cost at the College was £4,653. At Bishop Fitzgerald School, a computer network was installed in the ITC suite at a cost of £4,332. At St Anne's Middle School, a classroom was converted into a food technology area, windows were replaced, the walls were painted and the flooring replaced. The necessary food technology equipment was also purchased. The cost was £19,250. The shower room and changing rooms were completely refurbished. The drainage was also renovated at a cost, all of this, of £17,885. At St Bernard's First School, the playground was resurfaced. The walls and ceilings of the stairwells and the entrance to the school were treated for dampness, where necessary. The walls were also hacked and rendered and finally painted. The cost was £41,291. At St Joseph's First School, a much needed store was constructed in the gym to house the very well PE equipped gymnasium. The cost was £5,963. At Notre Dame First School, a disused area was refurbished and converted into a bathroom and toilet for the disabled. The cost was £9,650. The Hebrew School saw a classroom which was doubling up as an ICT room, refurbished, new computer equipment installed and the school now has an ICT suite. The cost was £3,017. What I have just read out are but a few examples of works carried out in schools last year. All told, a total of £744,823 was spent during this last financial year in maintaining and improving our school buildings, including the purchasing of new furniture used by staff and pupils.

I move on now to projected works for 2010/2011. A variety of further works are planned for a possible start during this new financial year as part of our rolling maintenance programme. Notre Dame will see repairs to the dining area, rain water ingress there. There will be external painting of the school and replacement of windows in certain areas. Bishop Fitzgerald School will see repairs to Block 6 and the painting of the computer suite. Governor's Meadow will see external and internal repairs to Block C. St Anne's Middle School will see further replacement of windows on one floor and painting of walls, ceiling and doors in the reception area. Varyl Begg Nursery will see an extension and cover to its entrance. St Paul's First School will see repairs to areas affected by a certain amount of rain water ingress. St Mary's First School will see the painting of the entrance lobby and the playground floor. St Joseph's First School will see the construction of a store outside the Headteacher's office and another one in the main corridor and the upgrading of gullies in the playground. St Bernard's First School will see the closing of the top part of the arch/walls, which divide the lunch hall and classes, with panelling. Sacred Heart Middle School will see the painting of certain areas, I think that one particular class 5P has been mentioned and the painting of some playground benches and the refurbishing of a number of shutters. St Joseph's Middle School will see the construction of a ramp for the disabled and I think the painting of one corridor. Hebrew Primary School will see some refurbishment done to a certain classroom and painting of the external façade. Bayside School will see Year 8 classroom floor tiles replaced. The conversion of an old kitchen into an ICT room and also playground cover, the Year 8 playground cover provided for that playground. St Martin's School will see the installation of air vents to three units and the cover to the entrance ramp to the nursery. Westside School will see a continuation with the extension works and some works done on the play area fence. Bleak House will see the painting and repair to classrooms and offices and replacement of carpets in certain areas and the security works with alarms and so on will continue.

I now move on to my other responsibility which is training. I will continue first of all with the public sector training and other related activities such as facilities to allow people to sit examinations privately. The expansion and development of training programmes on which I shall now be reporting have been impressive and indeed very significant in the light of the importance being given in today's society, not only to professional development but also to that of life long learning. Government departments carry out short course training specific to their function at our facilities in the Bleak House Training Institute as follows. A programme of IT courses for the Civil

Service commenced in November 2008 and offered training at different levels in Microsoft Outlook, Word, Excel, Access and Power Point. By the end of the scheduled programme, there had been 220 entries that completed these courses successfully. The Care Agency has carried out extensive staff training during the year. The following courses were delivered: NVQ in Care Level 2; a course called "Train the Trainer"; Safeguarding Children; Dealing with Challenging Behaviour; Dignified Care and Responsibility Training for Care workers and the same training for supervisors; Induction for Social Care workers and a course named "Controlling Challenging Behaviour". The Technical Services Department have had courses on office safety, street works, managing safely and the code of practice course. The Electrical Authority had IPAF training, which is powered access; IT training in Microsoft and Excel. Department of the Environment: IT training; energy performance in buildings. Gibraltar Health Authority, more DCRT training. The Government of Gibraltar's essential services, AAIB which is Air Accident Investigation Course. The Royal Gibraltar Police had courses for the recruits training, First Aid and IT. The Ministry of Defence used our facilities for Child Protection/Safeguarding Children courses, Child Assessment Framework courses, Advanced Life Support and Air Accident Investigation courses. The list is almost interminable.

Vocational Training Scheme academic support. Courses in literacy, numeracy and CLAIT Levels 1 and 2 are held at Bleak House for trainees on the VTS scheme to offer them the chance of gaining recognised qualifications during their training periods. Of course, pre 1996 they saw none of this.

Public Sector Management courses. Opportunities have once again been offered to public sector employees to follow a management course delivered by Durham University's Business School and accredited by the Chartered Management Institute. We had fifty civil servants starting on the Certificate stage of the professional development programme. Further to this, and after having successfully completed the Certificate and Diploma stage, the thirty one civil servants who participated in the organisational management programme which commenced in 2007, all completed their Masters degree in March 2010.

Public sector specialised training for individual departments. Funds have also been put to very good use by individual Government departments for public sector specialised training as follows. The Department for Transport had training in Advanced Driving Instructors course. The Youth Office for Youth Officers training courses. Education and Training had updates on AAT/Professional Development courses on EU funding. The Departments for the Environment, Treasury, Income Tax and Education had accountancy training for their employees. The Statistics Department had an RSS Ordinary Certificate course. The Environment Department had Training for the Conservation Officer. Various maritime related courses for the Surveyors of the Maritime Administrative Department such as Lead Auditors course and offshore Medical Certificates, also took place. GCID had a Financial Investigation course, ibase user and designer course carried out for them. The Technical Services Department had extensive training, various courses on health and safety, first aid construction contracts, confined space courses, to mention but a few. The Treasury Department and IT, the Crown Agents attachment course. The Port Authority had a Vessel Traffic Monitor Assistant course. The Enterprise and Development Department had Building Control studies and Royal Town Planning School course. First Aid courses for several departments. Funding distance learning courses for officers from the Customs, Environment, Statistics and Treasury Departments. Parenting Support courses and UK training placements for Probation Officers. This was for the Ministry of Justice. Legislation Unit had a course on law drafting procedures.

I now turn to the Civil Service. Once this year's estimates of revenue and expenditure are approved, the Department of Education and Training will be in a position to carry out the comprehensive funding exercise which will enable the various Government departments to embark upon further specialised professional training for their own staff. Contrary to what

occurred to prior to 1996, something which the hon Members opposite dislike and do not want to hear about, but it is fact of history, it has always been and still continues to be this Government's intention to ensure that civil servants remain well trained and fully updated in the respective specialisations by following accredited courses both in Gibraltar and in the United Kingdom.

I turn to the private sector training and other activities. Local private sector companies continue to make use of our facilities for their in-house staff development programmes. Private training companies continue to use our facilities to deliver courses. These include courses in leadership and management training, supervisory skills, project management, IT management, communication skills, negotiating skills, health and safety in the work place, confined spaces training, pest control, customer care excellence and first aid. Using our facilities at Bleak …, the fact that I have raised my head when I said pest control has no bearing on anything. Using our facilities at Bleak House, Campbell's College runs a continuing programme of training leading to examinations in the ICSA's Certificate and Diploma in Offshore Finance and Administration. Certificate units include the Offshore Business Environment; Investment, Trust and Company Principles; Accounting Fundamentals. Diploma units include Offshore Trust and Companies' Administration; Business Management in Practice; Governance and Reporting and Portfolio Management. They also run a distance learning LLB course with regular classes held at Bleak House. The Gibraltar Society of Chartered and Certified Accountancy bodies continues running accounting courses as well as the ACCA qualification. Selhurst Consulting runs courses in human resources leading to the Chartered Institute of Personnel and Development Certificate in Personnel Practice.

Facilities for examinations. The Government continues to be fully supportive and committed to maintaining the highest possible standards of excellence in our finance centre related professions. We consider supporting continuing professional development, an integral part of our offering to financial services employees, in order to maintain the highest industry standards and so Bleak House continues to be validated as an examinations centre for the Open University, the Chartered Insurance Institute, the Institute of Financial Services School of Finance, the Institute of Chartered Secretaries and Administrators, OCR and Pearson view and in addition regularly hosts examinations on behalf of other UK institutions and universities thus enabling local residents to sit their examinations in Gibraltar rather than having to travel to the UK. In response to local finance companies requests, we are now also and significantly a registered examination centre for the Chartered Institute of Bankers in Scotland and a Chartered Institute for Securities and Investments. This arrangement allows local finance centre employees to sit profession examinations in Gibraltar and obtain their qualifications from the Chartered Institute of Bankers in Scotland, which is, incidentally, the only institute in the world that can award Chartered Banker designation. Those working in securities and investments will also be able to sit their examinations set by the Chartered Institute for Securities and Investments which is the largest and most widely respected professional body for those who work in the securities and investment industry. Last month, Bleak House Training Institute hosted a course run for representatives from across Gibraltar's shipping sector on a new international maritime labour convention due to enter force in 2012. This new convention will place much more emphasis on ship operators, coastal countries and flag states to ensure good conditions for crews on board merchant ships.

ICT for senior citizens. Following on from our very successful free of charge ICT courses for senior citizens delivered in previous years, we are in the process of organising a further series of courses at basic and intermediate level offering training and word processing, emails and the use of the internet. Learning the skills necessary to communicate with family and friends living abroad and also the ability to access a myriad of information via the internet continues to greatly enhance the quality of life of a growing number of our elderly but very active

citizens. I have spoken to these senior students personally and they are delighted with what my department is offering them.

The maritime sector. Still on training, in partnership with local shipping companies, it is envisaged that two further scholarships will be offered this year to enable young people to undergo training leading towards Officer of the Watch Qualification. Two trainees were sent to UK in September 2009. We currently have three trainees undertaking this course. Standard of Training Certification and Watchkeeping basic courses have also been offered during this past year at Warsash Maritime Centre.

Accountancy training. The Department of Education and Training, once again, continue to offer subsidies to students undertaking the certified accountancy examinations known as ACCA. The department has offered evening classes in preparation for respective examinations and the beneficiaries have been both from the private and public sector.

ISO training. As In previous years, a subsidy continues to be made available to the Federation of Small Businesses for training leading to ISO 9001 accreditation by local companies. The Department of Education and Training is also contributing towards other training initiatives by the GFSB such as training courses on business improvement and self development involving customer services, selling skills, management skills, health and safety and environmental issues amongst others. This, no doubt, helps improve Gibraltar's retail business product.

Investors in People. The Government of Gibraltar through the Department of Education and Training hold the necessary licence to offer accreditation for Investors in People. A programme of training sessions aimed at assisting companies to prepare for formal assessment by Investors in People, was delivered in Gibraltar in conjunction with the University of Durham. I am pleased to announce that following upon the successful conclusion of the pilot project run in Gibraltar by Durham University, we are now accepted as an Investors in People accredited country.

In conclusion, I wish to thank all the members of staff in our schools, the College and Bleak House Training Institute, as well as at the Department of Education and Training, who through their hard work and dedication, make sure that we have in Gibraltar an Education Service, in both academic and pastoral terms, that could well be the envy of any community our size anywhere else. But my Department's contribution is not limited to the education of our children, vital though this is and very well though we do it. The development and training of Gibraltar's large and growing work force engaged in a variety of professions, businesses and trades, all vital to our economic and social progress, is encouraged and supported in the various ways that I have already expounded on. Gibraltar's ability to punch above our weight is not restricted to the Miss World Pageant. There are a number of other areas in which we also excel and I say that education and training are two of them. But going on previous years' experience, I have no doubt whatsoever that the Member opposite responsible for shadowing my ministerial portfolio will, in his contribution, do his best to ignore our resounding success in education and training. He will pay scant attention to a word of what I have said and the evidence I have provided and he will no doubt repeat his perfunctory remarks in an effort to rubbish this Government's continuing, increasing and effective investment in schools, in nurseries and in life- long education for our community. He will ignore our substantial investment in teaching and ancillary staffing. He will do his best to remove from sight our annual £823,000 expenditure in educational equipment and materials which is four times as much as when the GSLP, the party that he now supports, were in Government. He will try to do the same with our investment in scholarships which currently runs at over £4.4 million, compared to only £1.5 million pre 1996. The hon Member opposite will try and deny our huge investment and success in the specialised attention given to children with special needs. He will deflect attention from the wide and growing provision in professional and vocational training available today for fear of being reminded that it was the GSLP, for the second time today, the party that he supports, who closed down all training centres in Gibraltar when they were in

Government. But in the end, he will fail yet again in his efforts to minimise our success because there is overwhelming evidence of the very high standard of education and training available to us all, young and old today in Gibraltar. These achievements are admitted and admired by one and all and, therefore, constitutes a continuing source of pride for each and every one of us in this community. The hon Member opposite, in his desire to see my Department fail, may wish to continue to pray for miracles. I, in the meantime, will continue to work for results. Thank you.

The House recessed at 1.40 p.m.

The House resumed at 3.00 p.m.

HON S E LINARES:

Thank you, Mr Speaker. Last year I started my speech saying that the GSD was running out of ideas. Taking what the Minister has said about me in his previous address, it is not only that they are running out of ideas now, I think they are now starting to run scared, which is even worse. Well, this holds true this year in that the Ministers continue to announce the same things year after year and, at times, even contradicting each other. Whilst researching through question and answer sessions and also looking at previous budget speeches of Ministers that run the portfolio that I am responsible for, I have seen that they repeat the same thing over and over again.

I will give an example of what I mean. In the year 2000, the then Minister for Education and Culture, the Hon Dr Bernard Linares, stated that the Government over the last year had carried out an extensive renovation of the Ince's Hall. He mentioned these improvements to the Ince's Hall, year after year. In 2004, the Hon Mr Beltran said about the Ince's Hall, "It is important to point out that refurbishment and renovation works have been completed in the Ince's Hall". In 2005, the same Minister said, in his budget address, "Once more the Ince's Hall has had the renovation works done to its auditorium and the old Key and Anchor premises and have been fully refurbished and improved." In 2006, we had a new Minister for Culture, the Hon Fabian Vinet, and he stated that the users of the Ince's Hall "will have been able to experience the extensive refurbishment works carried out last summer". I presume… I do not know whether he meant the summer of 2005 or the summer of 2000, "which included brand new comfortable seating and a new entrance lobby, new toilets", et cetera,. "I am happy to inform the House that phase 2 will concentrate on the stage and the installation of new light and sound equipment and work will soon start." Mr Speaker, just to say, and I emphasise the phase 2 because I put questions after the budget address in relation to the phase 2 and there was complete denial from that side that it was phased. So again, should we believe what they say is the issue? Because what I am saying is that on the one hand he says in his budget speech that there will be a phase 2, when I put the question, can the hon Member answer when phase 2 will commence, they deny that they have said the phase 2. So again, more contradictions, more spin, as I would say. In 2009, the new Minister for Culture, the Hon Edwin Reyes, said about the Ince's Hall, improvements continue to be undertaken to the much loved Ince's Hall. Installation, again, of new lighting system, projections, et cetera and he added "We shall now continue with the enhancement to the conventional auditorium". Again, are you going to refurbish the same auditorium? Which is the auditorium? Is it the one that the Hon Mr Beltran refurbished or is the one that the Hon Mr Vinet refurbished or is it the one that he has refurbished? Nobody knows. Is it the entrance lobby? Of course, I do not know. If you have three Ministers announcing the same thing in nine years. Because it is not that they are announcing it one moment, then two months later they are saying, well we are starting now, then three months later, well we brought out the tender whatever. There is a progress to the project. It seems that they are all announcing the same things all the time. No wonder the Hon Mr Beltran knows what I am going to say because the same thing that he has said this year was said last year and the year before. So can you blame

me for not listening to you any more? What was really needed in the Ince's Hall and what this Government have failed to do was the actual lift to the Main Hall which is very much needed for people with disabilities to be able to enjoy all the good shows and all the things that are happening in the Ince's Hall. That is what is needed and not announcing renovations after renovations within a period of nine years.

The same can be said about the John Mackintosh Hall where, year after year, different Ministers have announced the fact that they give monies to purchase books and monies for the refurbishment of the Hall. Last year, in fact, the current Minister gave us a long resume on what he had done in relation to the refurbishment of the John Mackintosh Hall. Yet this year, by omission, he has actually not mentioned the John Mackintosh Hall. Yes, and it is because I have put about eight to ten questions to this House about the John Mackintosh Hall and now he has realised the real state that the John Mackintosh Hall is in. The reality is that everyone who visits the library will realise that books are scarce and old, that the computers are not working and that water is penetrating the roofs which apparently have already been done and that £29,293.75 was spent on this item in 2005/2006 and, further, in 2007/2008, low and behold, they spent £29,293.75. Exactly the same amount on the same item and given to the same company and water still penetrates through those roofs.

The former Music Centre at the old BFBS building was hailed as the best thing since sliced bread. It was to be a centre where musicians would receive professional tuition from the wealth of natural talent in our people. Again, this has dissipated into nothing. The Music Centre Trust only once received funds from Government for certain refurbishment to the shutters which never materialised and the Trust was not given any funding by Government to embark on what was to be, quoting the Minister again in 2003, "an exciting venture which would be developed by providing properly qualified tuition to our youth with facilities in the way of adequate premises and funding which would come, not just from Government, but also sponsored by the private sector as a form of investment in raising our cultural profile". Again, the reality is that the Government did not give adequate funding to the Music Centre Trust, nor did they help the Trust in any way to encourage the private sector to invest in this venture. What has happened is that the building has been taken away from the Trust without any alternative and all those young people with the wealth of natural talent have to currently rely on some voluntary associations and individuals such as the one the Minister mentioned before, Rock on the Rock and others to try to ferment an interest in music. Yet another failed project of this GSD Government.

But culture is not only just putting on plays and shows or musical events. Culture also covers art works like paintings, sculptures, et cetera. On this front, despite the fact that International Art Exhibitions are held, and the Minister went through all the things that they had done, and that the Government have provided premises for the Fine Arts Association and the Arts and Crafts Association in the form of a vault at Casemates. And every year they keep on saying how many bulbs they have put up and how many plugs they have put in but we have still not seen the refurbishment of the promised communal art gallery at Watergate House. This was promised in 2002. This gallery was envisaged to house the collection which the Ministry for Culture possesses in the form of art works from local artists such as Gustavo Bacarisas, Jacobo Azagury, Rudecindo Mannia and Lenny Mifsud. In that year, it was announced, I see some muttering from the Chief Minister "is that true, is that true?", yes, in that year it was announced that £80,000 from the Improvement and Development Fund had been allocated for this purpose. That is in his budget speech. Whether it was in the book or not, I do not know, but it was in his budget speech. Further, as has been stated by the president of the Fine Arts Association only this week, Gibraltar needs a City Art Gallery or a National Art Gallery which would exhibit works produced by artists. Well, let the people know that this was promised in 2002 and, like many other things that this Government announces thereby creating the obvious expectation, they then ignore these projects and they never see the light of day.

One must not forget that this Government also believes in censorship, not only of art works, as they did with the sculpture produced by an artist, that is the G1 sculpture, which was deemed by the adjudicators of that year as one of the finalists and then removed by the Ministry of Culture who found it offensive. The act of censoring art in this way is only seen in underdeveloped countries and where citizens are treated as uneducated, not being able to make decisions of their own. That was not the only time that censorship has taken place since another art work produced by a young artist was also removed by the Ministry of Culture a few years ago. The more recent incident was that of coercing an artist not to put up a board outside the Theatre Royal so that the people could not only express their views, but also have the opportunity to put up memorabilia of the Theatre by posting photographs and old programmes of events that had taken place in the Theatre. The excuse was that the Government was going to do a commemorative event which we have, subsequently, found out that it has not been planned or organised anyway. The fact is that the Government is avoiding the embarrassment of the disaster of the Theatre Royal and to boot it censors others to at least be able to reminisce on what was there originally.

This moves me nicely to the great Theatre Royal. Yes, a vision thing. A modern theatre with echoes of the past and to make the point that the GSD announces things, creates the expectations and then ignores projects, in 2002, it was announced from that side that "Curtains will rise again in the great Theatre Royal early in 2004." Well, not only have the curtains not risen, but the building is currently now being demolished, as we speak, to give way to what they now say is a much needed car park and green area but at the cost of nearly more than £7m. If we include the demolition of what they used to say was a magnificent building and the construction of the car park and green areas, we can safely say and, to their credit, can probably enter the Guinness Book of Records as the most expensive car park and green area of its size in the world.

To finish off with culture, it is incredible that this Government want to hide the fact that they will be converting the Ministry into an agency. The reality is that we might not disagree with the concept but what we cannot do is to hide this fact, ignore the staff, ignore us in the House and ignore everyone and then unilaterally decide how it will work. I presume this is what they meant when they said that the GSD believes in open and transparent Government. The president of the Fine Arts Association, when asked the question, said that the situation needs to be clarified. He is even in the dark. This is what I intended to do when I put questions to this House which the Minister of Culture avoided like the plague.

I now move on to Education and on this front we see that this GSD Government does the same as with culture. St Bernard's School is a failure of this Government in that they have said repeatedly, and even the previous Minister for Education understood the constraints of the school due to the inadequacy of the building, that a new school needs to be either constructed or at least be done on the old St Bernard's Hospital site which this Government have said could be sited there. The fact is that more than ten years have gone by and I was going to say, yet no decision has been taken for the relocation of the school, but I will rephrase that since I have seen and the Chief Minister has said that they have put funds, at least, for the demolition and some works in the old St Bernard's Hospital. I presume it is to start off the project of St Bernard's Hospital School, ten years a bit too late. We all know that the Government have spent monies on the current building, he said it again today, but quite frankly it is a disgrace that they relocate the Department of Education from Town Range in a matter of months, which was not needed, as a matter of urgency, just because the Chief Minister wants more space for Convent Place. They ignore the plight of both teachers, staff and more importantly of the children who, I insist, are working in sub-standard conditions due to the constraints of the building. I say this because the Minister has taken about forty minutes in his speech to say all the maintenance works that he has done and how well the children work. Yes, they might be working in … but not in St Bernard's.

Despite all the criticisms from the GSD and more specifically from the Chief Minister as to the lack of preparation for schooling of children by the previous Government in relation to the demographic move of people to the Westside area, they who have now been in power for nearly twice as long as the previous administration ever were, have still not made any arrangements to build … The sensible Government have still not made any arrangements for the promised new school in the Westside area. In the year 2000, the then Minister for Education stated, "Mr Speaker, our biggest problem in the primary sector of education, from an administrative point of view, continues to be the difficulty of matching the availability of places in the primary schools with the demand in their respective catchment areas. We do believe it is important that these schools be community based and easily accessible to parents and children, particularly, in the demographic movements which have taken place in recent years with the concentration of population in the Westside and northern areas of town. But in spite of the extensions built to these schools, that is, he meant St Anne's, Bishop Fitzgerald and Governor's Meadow, they do not physically have classroom space to provide for the size of intake as from next year". We are talking about the year 2000. "Hence, our Manifesto commitment to build a new First and Middle School complex in this area". Ten years ago. Sensible Government! In 2002, again, the then Minister told this House in his budget speech, "The greatest constraint in terms of school accommodation continues to be the increased demand for school enrolments in Bishop Fitzgerald and Governor's Meadow School as a result of the great increase in population in that catchment area. Government have actually increased this year's intake of Bishop Fitzgerald from the traditional four groups of entry to five groups in order to keep class sizes within acceptable teacher/pupil ratios and we are building two temporary classrooms on one of the tennis courts adjacent to the school and we have to increase the teacher complement in the school accordingly. During this financial year we will carry out a pre-construction logistical survey and design with the aim of building a new First and Middle School complex in this area so that hopefully, very, very hopefully, by September 2003, we will have found a more permanent solution to this problem." Permanent Solution? It is now 2010, seven years down the line and yet the new facilities or a school complex is nowhere to be seen. Children by definition from the previous Minister have and still are being educated in schools which have great constraints in accommodation and the temporary structures in these schools are still being used, that is container like structures which are being used as classrooms or at times as store rooms, et cetera. I wonder what is going to happen once all Waterport Terraces is complete. What one cannot understand is how wrong they can get all their priorities. It is incredible how quickly, costly and efficiently this GSD Government made the move of the department, as I mentioned before, when space apparently was needed by the Chief Minister, why did they not use containers in the patio behind Convent Place and continue with the building of the new much needed school as they said? This promised school seems to have been forgotten by this Government since it was combined with the Mid Town project at one point which to date has not seen the light of day. Are we to assume that the school will now not be done? Or is it that since the developers of the Mid Town project who had to do a leisure centre, a park and a school all worth £10 million, have used all this money value by the construction of one thing, the Leisure Centre, which went well over the original budget by more than double. I wonder if we will ever see a school in that area as promised and announced by the GSD in its various manifestos. Further, this Government is also failing in that they are ignoring the demographic move of families to the south area, since to date they have failed to make adequate provisions for this move. I was listening attentively and seeing the Minister had actually said something new. I thought he might have announced some adequate provisions in the south to accommodate all the people that are going to move there. No visible arrangements are being made in relation to the schooling of hundreds of children who will be in the south area. So, what is currently happening in the Westside area is also going to happen in the south area. This will not only create a problem of schooling but obviously of traffic, another failing of this Government. This Government is also failing in the way they are treating the supply teachers who

at times have been employed by the Department of Education for four to five years. Despite the fact that they recognise this anomaly, they have now given up the effort of trying to draw up a contract for those who they know will be employed for a year and in some cases for more than that. It is no excuse to say that they will be able to acquire rights under EU Directives or local laws. There are many ways in which a contract can be drawn up so that this is avoided. Even the Chief Minister recognised this by stating in supplementaries in the debate which we had on the issue and he said, "The Government could consider a form of contract as opposed to just supply workers. In other words, an alternative model. The fact that one is not permanent and pensionable does not mean that it has to be on supply terms, it is possible to devise a middle model of temporary contracted workers with terms as the hon Member has said", that is me, "about leave entitlement and other terms and conditions of employment better than the supply worker. I think it is a perfectly rational suggestion which the Government should certainly look into." Well, the fact is that the current Minister is happy to ignore this and more importantly ignore the plight of those in the said situation who are currently not able to obtain initial rights and in some cases are deprived of facilities to obtain funding to be able to get on the property ladder which is hard in itself due to the cost of properties anyway. Presently, we are also encountering the problem of young students and graduates unemployment. We see that there are many teachers being graduated and not being able to get employment due to the numbers that qualify and Government should see how this can be mitigated. Using them as supply teachers indefinitely is obviously not the answer. We are also encountering unemployment even with professions such as Lawyers and this Government, to date, is presently incapable of seeing how these graduates, at least, are given the opportunity of gathering experience and earn some money at the same time. What we are seeing is that some will not return, though many do want to come back to their homeland. In relation to the curriculum in schools generally and due to the fact that in the UK education in this area has been politicised since Margaret Thatcher went in, we in Gibraltar should be exploring other jurisdictions. I have said this before, other jurisdictions systems of education. It is no longer an argument which has been used in the past that since students have to go to UK universities we therefore have to follow the England and Wales model. We should be looking at jurisdictions such as that of Scotland, Ireland, Canada, Australia and even other European countries in order in see how we can improve even further than England and Wales which is not an extremely excellent model anyway. Mr Speaker, other things which should be occupying the concerns of the Minister, as opposed to just hammering me in his budget speech even before I even give the speech, in the educational front, is the lack of safeguards for teachers and staff against, at times, malicious and, most of the time, unfounded accusations by parents. The Minister last year mentioned the fact, and he did so this year as well, that within the teacher development programme through the in-services delivery by the advisory service in the department, two of these programmes were internet safety and child protection. This is all very well, but the bottom line is that if the staff and the children are not protected by law or at least clear codes of conduct emerge from the Department of Education, all the in-services courses conducted are a waste of time and money. What is needed and urgently, is a complete review of our laws in relation to both child protection within the school environment and safeguards for teachers in relation to accusations that might come from parents. Parents nowadays know full well their rights, so do, in many instances, the children but the teachers have little or no protection from malicious accusations from parents by making irresponsible comments that tarnish the reputation and damage their careers. We have seen the impact of the Children Act and how this protects the child but there is still a long way to go and the Minister for Education should be actively involved in these issues. Other parts of Government are currently doing so as is the case in the GHA in that they have a zero tolerance policy within their premises. I am not, at this stage, saying that this is what should happen in schools, but thought about the issue and then action must be taken in order to keep up with the way society is moving. It is absurd to have what this Government has in relation to the training which is under the auspices of the

Department of Education and the budget is controlled by them, yet the courses are apparently run by the Ministry of Employment. This causes problems and most of the time it is the case of the left hand not knowing what the right hand is doing. Ultimately, it means that the ones who suffer are young people who want to do some sort of training and the staff who do not really know who to turn to, the Minister for Education or the Minister for Employment. It is also incredible to see the lack of coordination, despite what he said before, between the Departments, despite the assurances given by both Ministers on that side. One would have thought that since both Departments should be working together because of the curious anomaly of having one department in charge of the budget and the other actually spending it, that courses are conducted by the department that controls the funds. Be that as it may, it is no wonder that students who apply for Vocational Training Schemes, Construction and Training Centre and others do not last or complete these course adequately.

I now move on to the other portfolios which I am in charge of which are Government Services. The Government Services portfolio covers a large number of departments within Government and some which overlap with other portfolios. I will, therefore, touch upon these that I have been involved in Question Time. I did take note of the Chief Minister's announcement of the public sector reforms, but even so, I am just going to give examples of how he deals with public sector reforms. The Customs Department are the ignored sector and are being ostracised by this Government just because they rejected the agreement which had clauses which they were not happy. The treatment of this GSD Government towards this collective of people, who democratically voted against the agreement, goes to show not only how undemocratic this GSD Government is, but it further shows the attitude and arrogance of the Chief Minister. I have asked a number of questions in this House relating to the Customs Department and, more specifically, about the report which was commissioned by the Government, obviously at taxpayers cost. To date, not only has it not been published, as any other democratic Government should do, but we in the Opposition are not given a copy of it in order to be able to be in a position to make a value judgement whether the agreement is fair and adequate to Gibraltar's needs. In view of the fact that the report has not been made available, one can only assume that there were parts of the report that the Government did not want the public to see or it contains recommendations which did not contain the GSD's ultimate goal, which was to undermine the staff. What were the recommendations which the UK Customs and Excise gave in that report, that it is kept hidden in Convent Place? Is it that they lack resources or is it that they are understaffed? One can say and speculate whatever one wants and no one should either be criticised for saying what they wish about it since we do not know what is in it. Whatever happened to the root and branch review which was the goal of this GSD Government? Is it that they failed to achieve this goal just because the Chief Minister got into a tantrum due to the rejection by the staff? This smacks of total irresponsibility because if Government policy was to have a root and branch review, one would have thought that the report was to show the department's strengths and weaknesses and if an agreement is rejected by the staff, a responsible Government would go back to the drawing board and try to achieve the goal to fulfil the root and branch review, which, according the Chief Minister, was needed to both improve working practices of the staff and be more efficient in dealing with the public. It is therefore obvious that this Government never wanted to achieve these goals in the first place but to undermine the staff and only try to change their working practices which maybe the report did not agree was needed.

I move on to the City Fire Brigade. The Fire Service has been one which traditionally has been seen by the general public as a Department which was highly motivated and has always fulfilled its role to the highest of standards. This was true until we had the GSD Government antagonising all and sundry in this Department. The fact is that under the excuse of health and safety they were banned from having parties in the station. The fact is that one might have agreed that this should not have been happening but to use the excuse of health and safety is a

bit rich. If the Government thought that having parties was a health and safety issue, though they did not have the evidence to demonstrate this, why then did they not commission a fully fledged report on all aspects of the Fire Brigade? This is what the staff are asking for and not an internal health and safety report which is done by one of the officers who, as we all know, is very qualified in health and safety issues but ultimately accountable to the Chief Fire Officer. That member of staff can be capable of stating petty issues which can be rectified by placing stickers here and there but not do a full health and safety report which is what is needed. Again, this GSD Government have failed to deal with this department which, as I said at the beginning, has traditionally been a very efficient and highly motivated department.

All utilities also form part of my Government Services portfolio and on this front and without stepping into the shoes of other colleagues of mine, we still have not seen the beginning of the new incinerator, the sewage treatment plant and the new generating station. All of these things are promises from this GSD Government in their manifestos, time and time again. Again, this is proof that they are not capable of delivering what they set out to do. But in this case, as an environmentalist, I will not be pressing them too much on their abysmal record since I honestly believe that we should be looking at alternatives and not the ones that this Government is announcing that they will do. In this case, I welcome the fact that they promise to do these things and they have not delivered, since, if they did, they will be condemning our future generations to inadequate power stations and energy sources. It is their lack of foresight on this matter and the fact that they do not solve our energy problems, that we are encountering numerous and costly power cuts that we have recently seen.

The last issue I would like to highlight in this address is the disappointing way that all the money that was spent, around £700,000, on what was to be a major refurbishment and beautification project, which apparently has been completed, is that of the cemetery. I have had many people who visit the cemetery asking whether it has been completed and what has happened to the areas that are around the vaults which seem to be, as it looked before. I would therefore ask, whoever is the Minister in charge of the cemetery, to look at whether further improvements can be done since, ultimately, we will all end up there, whether it is the Chief Minister or myself? That is where we are all going to end up. Thank you.

HON MRS Y DEL AGUA:

I proceed to report on my portfolio comprising health and civil protection, beginning with the latter. Between the 1st June 2009 to 31st May 2010, the City Fire Brigade responded to a total of 1,560 calls. Four hundred and seventeen actual fire calls, 257 false alarms with good intent and 13 malicious calls. The Brigade also attended to 929 special services of which 520 were emergencies. It mobilised the GHA ambulance service on 3,838 occasions and the City Fire Brigade ambulance was despatched on 214 occasions. During the last financial year, Brigade officers have attended various courses held locally or abroad. The following courses were held at the Fire Service College in the UK: Incident Command Crew and Watch Manager Course; Recruit Training Course; Fire Safety Solutions Non-Residential Premises Course; Fire Safety Engineering Principles Course; Fire Safety Foundation Theory Course; Fire Safety Building Regulations Guidance Course; and the AS Ladder Testing Course held at RAF Manston UK. Additionally, the Brigade organised several locally delivered courses. These courses were fully endorsed by professional organisations with qualified tutors. The courses were the following: Chartered Institute of Environmental Health Level 3 Risk Assessment Course; Rope Rescue Instructors Course; Rope Rescue Supervisor's Course; British Sub Aqua Club Instructors Course; and Aircraft and Accident Response Seminar. There are also three officers undertaking the Durham Business School Management Course at Masters in Management Level and at Level 3 Executive Diploma. Regarding the work of the Civil Contingency Committee, better known as C3, the recently recruited

Emergency Planning Officer and the new assistant are carrying out a revision of the existing Major Incidents Response Plan and will be producing an updated public information leaflet. Government is committed to providing larger storage facilities and the procurement of large quantities of equipment and plant as part of the response to a major disaster. These range from mobile electrical power units to portable temporary accommodation. Government also intends to provide a combined mobile control unit for use by front line emergency services. The budget proposed for this new financial year provides funds for extended training of staff and improvements to the computer systems within the co-ordination centre at No. 6.

I will now proceed to provide this House with an *exposé* of the performance and activity of our Health Service during the past financial year and give details of what we can expect this year. I will start with the Nursing Directorate. The vision of nursing is to deliver top quality clinical care and the continuing realisation of that vision can be seen in the many achievements during the past year. The plan is to concentrate on Practice Development in nursing which is the term the nursing services has given to the activities which focus on improving the competence of all staff, ensuring that the care given to patients is of the highest standard and based on the latest research findings. In the clinical professions, rapid changes in diagnosis, treatment and technologies mean that from the day they qualify, all clinicians, not only nurses, have a constant task to keep abreast of research developments to ensure the practice is up to date. The development not only of the practice of nursing, but also the ambulance services and nurse education, is occurring in collaboration with others in similar professions. The goals of the Practice Development initiative are to improve all the elements of the nursing process, including patient assessment, care planning, intervention and evaluation of that intervention. Nursing Practice Development is occurring in Mental Health, in Primary Care, including home visiting and in Secondary Care at St Bernard's. There are two officers whose job is to facilitate Practice Development, one at St Bernard's and one in Mental Health. All the activity is guided through the Practice Development Forum which all nurse leaders attend. Improvements in practice are not only in the type of care that is provided, but also how care is provided. Maintaining the dignity of the patient at all times is crucial and therefore Dignity Awareness Training will again continue this year. This past year Kingston University have provided additional post graduate programmes in Gibraltar. These are models for those pursuing a nursing degree which include Advanced Research Methodology, Diabetes Care, Practice Mentorship, and Managing Change. The Nursing Directorate has also worked with Unite union's nursing section in providing medical-legal training for staff. In May 2009, Members of the GHA staff participated in the excellent Breast Care Conference organised by Breast Cancer Support Gibraltar. New links were forged with keynote speakers and, as a result, two GHA staff secured a learning secondment with the Royal Marsden Hospital. The Fourth GHA Nursing Conference took place on the 8th and 9th September. We were privileged to have hosted this tri-island conference. Along with our own staff, delegates from Guernsey and the Isle of Man attended. It was hailed as an exciting conference with participants sharing ideas for improving patient care and learning from each other. The remaining part of the improvement strategy to achieve the GHA's vision for nursing is the succession plan. This new programme which commenced in January 2010 is an important development. This is in addition to the supervisory management programme with the University of Durham which 20 members of the Nursing Directorate completed last year. As well as the individual learning attained by the 19 participants, this programme serves to enable professionals to share common goals and to develop the skills necessary to lead their staff in improving the patients' care. In addition to supervisory management, two members of the nursing management completed their Masters degree in management in the past year.

The final cohort of students of the University of Sheffield Diploma in Nursing, completed their programme last August and graduated in November. All 11 students were offered jobs within the GHA. The GHA was able to do this as a

consequence of careful planning and vacancy control by the senior nurse managers to ensure management of contract workers and their durations of contract which allowed the phasing in of newly qualified staff into vacant posts.

Over the last year, the Primary Care nursing team has continued to focus on developing their services to ensure these are accessible, responsive and of the highest quality. The Child Health nursing team has completed the catch up phase for the HPV vaccination so that girls born between 1991 and 1996 have now received their vaccine. The programme will now continue with the annual vaccination of all new entries to secondary education. Practice Nurses have this year also integrated into their existing services a Hypertension Clinic where patients are monitored and advised on lifestyle changes which help to manage and sustain their health. The GHA is presently redeveloping another part of the Primary Care Centre to provide an enhanced nursing treatment area including a dedicated dermatology unit incorporating the Ultraviolet Cabin, three treatment cubicles and a wound cleansing area. These new facilities will replace the existing nursing treatment areas which were unable to accommodate the service expansion that the GHA wished to provide. These works will soon be completed.

This brings me to the Ambulance Service. In this last year, the Ambulance Service has once again undergone massive improvement and development in the delivery of out of hospital care. The benefits of the integration of the Ambulance Service within the GHA continue including the added advantage of being able to access x-rays and CT scans to use in case reviews and reflective practice. These are being put to excellent effect in the monthly trauma workshops held in conjunction with the Clinical Director of Anaesthesia and Critical Care and the A&E Department. At the same time, our Ambulance Tutor continues to manage and provide in-house training, including refresher skills training as well as facilitating training in specialised areas like emergency child birth. The GHA has recently commissioned an E-learning package with Kingston and St George's University to develop five Emergency Medical Technicians to Paramedics over the next three years. This is another significant step in a series of recent clinical improvements for the GHA Ambulance Service. For the first time ever, an Emergency Medical Technician has passed an Advanced Life Support course held in the hospital. These courses were previously aimed at critical care doctors and nurses. Four ambulance staff members have been included in the hospital succession training programme. This is already improving the management skills of the four participants and providing good development grounding for the next generation of potential senior managers.

Moving on to Mental Health. This past year was a very significant year for the Mental Health Service. Not only are there many improvements to report but work has now commenced on the new facility which I will be expanding on later. The mental health management team which consists of nurses, doctors and allied health professionals is pursuing a very comprehensive patient care and facility improvement programme. The team's work has focussed on the patients and their needs. This approach ensures that the patients' mental health needs are met and that other physical health needs are also addressed simultaneously, such as primary care needs, eye health needs and dental health needs. Continuing with this patient focussed approach, a carers' programme which had commenced last year was continued this year. Furthermore, the training of staff has also targeted interventions to help patients gain insight into their mental health issues through the use of Cognitive Behaviour Therapy. This training was done in conjunction with Kingston University. Last year I informed this House about the implementation of the Tidal Model of care which takes into account patient and carers' views on their treatment, both during and following a period of hospitalisation. It focuses on recovery and inclusion of all parties that may be involved in a patient's care and treatment. This model of admission assessment known as the recovery model has now been piloted, audited and fully implemented across the Mental Health Services.

Turning now to the Allied Health Professional Services, 2009/2010 was yet another year of development for this highly trained group of care providers. It is important to note that this Government has continued to invest in these professional disciplines. There are now 50 Allied Health Professionals within the GHA complement, a doubling of the resources that this Government inherited in this area. The GHA is now providing the essential practical training for Gibraltarian members of these disciplines following their graduation from university. This past year has seen the completion of training for a Physiotherapist and a Dietician and the commencement of practical training for an Occupational Therapist and another Dietician and I will now give details of development in each of the disciplines.

Following Government's approval of an increase in the complement of the Nutrition and Dietetics Department, the team has been able to eliminate their waiting lists and provide additional services to their adult and children's clinics. They are also able to provide greater participation in the multi disciplinary teams caring for in-patients especially in the ITU. The GHA's approach to meeting the nutritional needs of patients has been greatly enhanced.

The Paediatric and Community Services of the Occupational Therapy Section are now fully operational with two members of staff in the Paediatric Section and also a full complement in the Community Section and they are making good progress in reducing waiting times.

Similarly, the speech and language therapy for adults has continued its vital work in helping those with special needs, especially those with complications of stroke and motor neuron disease, both of which can be catastrophic illnesses. With the acquisition of electronic communication aid systems for use with adults with severe to profound communication problems, this department has been able to launch and develop new services. The communication aids, which will greatly enhance the quality of life for patients, will be loaned out to patients as necessary and will be recalled at regular intervals for maintenance and service. Speech and language therapy for children which has recently been the subject of debate is only one part of the variety of services that are provided across the Allied Health Professional disciplines. I have just mentioned that we provided more staff to the Dietetics and Nutrition Department and the Paediatric and Community OT Services who also deal with children and vulnerable persons when that department's workload increased and this is what I mean when I talk about the GHA having to manage and prioritise its resources and that is why I say that this particular sector will be reviewed and considered along with other competing demands for service expansion which the GHA is continuously introducing. The two departments which I have just mentioned being a case in point. And the Hon Mr Costa's recent petty remark that we could provide more speech and language therapy if we slashed the salary of the Chief Executive only serves to prove my point that the hon Member does not have a clue what he is talking about when he touches on issues of healthcare budget management. Then, when I point this out to him, he accuses me of insulting him. Some of the Members opposite have got into the habit that when they become devoid of logical arguments in any given debate they try to dig themselves out of the hole by accusing us of only being capable of dishing out insults or of indulging in gutter politics. Well, if the hon Member considers that calling him childish or telling him that he is ignorant on a subject or accusing him of not knowing what he is talking about, is insulting him, he should take a leaf out of the book of insults of some of the hon Members sitting beside him. Those responsible for introducing gutter politics in Gibraltar and who have mastered the art of personal insult are the party with whom he aligned himself when he stood for election. The party whose leader stood in a podium in the middle of Main Street inciting an unruly mob of followers who were incensed because they had been deprived of their elicit income, and Mr Speaker, please excuse my use of the Spanish language because I want to quote verbatim, incited them with the words "Peter Caruana es un bicho y hay que eliminarlo". The party who proclaimed to the world that the GSD and the entirety of its supporters were the scum of the earth. Scum of the earth. If the Hon Mr Costa

cares to look up the definition of the word scum, I am sure he will be horrified to see that it means dregs of society, despicable and bad people, undesirables and vermin. That is gutter politics for you in its purest, or should I say, dirtiest form. And we do not need to go that far back in history, something which I know the hon Members resent. One only has to recall the last election campaign where they stooped to unprecedented levels of personal insults and character assassination attempts on Members of this side of the House. Even more recently, the Hon Mr Picardo described us all as a lazy bunch of caretaker Ministers, an unprovoked attack on us. Not to mention his personal attack on me when he labelled me as "a legendary, politically incompetent, havoc wreaker". And that is without mentioning the amount of times that their party political organs hung us up to dry on the back of innuendo and blatant lies. So, before the Hon Mr Costa points his finger in this direction, he should try putting his side of the House in order first. And continuing with the Allied Health Professionals.

The opening of a new Paediatric/Audiology Diagnostic Suite at the PCC means that neonatal hearing screening is soon to be implemented locally. Protocols and guidelines are now being discussed at a multi disciplinary level and once these are agreed, it is hoped that a brand new audiology service will be launched.

In the area of Orthoptics, the acquisition of a new Humphreys Visual Fields Analyser and the resulting upgrades in software, allow a more accurate analysis and interpretation of results for patients with Glaucoma, Ocular Hypertension and suspected neurological defects. This provides the Eye Clinic with the ability to more accurately assess patients and reduce the need for referrals to the UK. One of the new clinics introduced in the past year is an extra glaucoma shared care clinic which resulted in a reduction in the waiting list for all clinics.

During the past year, the GHA was able to implement the complement of Physiotherapy Assistants which means that each specialist area has freed up Physiotherapists to carry out more complex work on a greater number of patients. After a period of in-house induction and training, the assistants can now work at a higher level. They have been carrying out individual and group work in out-patients and adult rehab, assisting with mobilising patients who are in hospital and carrying out home visits in the community. Additionally, they work alongside Physiotherapists with paediatric and adult clients with special needs and in Mental Health. Clinical improvements also include the Orthotics and Prosthesis service that now provides twice monthly clinics which means a more regular service and access to many specialist orthotic items. A review of the Patients' Appliance policy is in the process of completion with the possibility of additional services including cancer treatment support for items such as the provision of wigs. Government has continued its investment in training and development which has allowed members of the Physiotherapy Department to increase their skills in respirology, stroke management, cognitive assessment, and falls risk assessment.

The Radiology Department was again extremely busy this past year, carrying out over 24,000 examinations on nearly 19,000 patients. The upgrade of the CT scan has meant that new applications are now possible. The necessary training for this programme has been provided to the radiography staff whose members also attended an ultrasonography course and other skills maintenance and upgrade courses.

The Pathology Department provides a wide range of services in all pathology disciplines, biochemistry, haematology, transfusion science, microbiology, histology, cytology and anatomical pathology. The 25 staff members provide results using modern equipment and techniques that are crucial in the diagnosis of disease and patient management. Staff members stay completely up to date by engaging in a comprehensive, continuing professional development programme which is a requirement to remain registered with the Health Professions Council and other professional bodies. The quality of the service is monitored using internal and external assessment schemes and to date the GHA's performance on these schemes

is excellent. In 2009, the department carried out three quarters of a million analyses, an increase of 46 per cent from when the hospital opened in 2005. This reflects the increasing use of pathology services, as new and improved health care initiatives are introduced in the GHA and as the department adds new tests and profiles to its existing repertoire. In the last year, the department has installed new equipment including microscopes with the latest features including teaching attachments and fluorescence capability; a new system for the identification of bacteria and fungi and for defining which antibiotics to use and new top of the range analysers for biochemistry and immunology testing. As a result of this improvement in equipment, the GHA now has the most sensitive, heart attack, blood testing system available.

The GHA's Pharmacy Department continues to provide a high quality responsive dispensing and drug advisory service to prescribers and other clinical staff throughout the GHA. The department has also continued to implement the Proactis electronic purchasing and invoicing software which provides for significant improvements in the accuracy and efficiency of the purchasing, stock control, accounting and invoicing aspects of pharmacy activity. An external review of the Pharmacy Department was commissioned in late 2009 to identify areas of excellence within the department and areas where the service could be improved.

I now turn to the GHA's Support Services. The Estates and Facilities Department continues to be engaged in numerous improvement projects as well as scheduled maintenance and repairs throughout the GHA estate. The GHA continues to invest in improvements in the Primary Care Centre with a new fire alarm system installed which is now integrated with the system at St Bernard's. In addition, new units have been refurbished to accommodate the Prescription and Pricing Advisory Unit. It is now five years since we opened the new St Bernard's Hospital and it is immensely gratifying as Minister for Health to see that the environment for our patients and staff continues to be maintained to such an excellent standard, not only attracting very favourable comments from local patients and visitors but also from international health professionals and specialists. The department has recently successfully completed a full replacement and modification programme to the oxygen supply systems at the hospital, ambulances and community domiciliary support which was required to accommodate changes necessary as a result of new EU legislation.

In order to improve the file retrieval process, the Records Department is conducting a file purging exercise to identify non-active files dating back three years. This will enable the department to update the 18,000 active files currently located in the Records Library and update the patient file database accordingly. Inactive files will be stored in the record archive stores which can be easily retrieved for subsequent use. This past year the department has provided administrative support to a total of 37,727 out-patient consultation clinic visits. The output performance at medical records for out-patient consultations continue to be maintained between 98 per cent and 99 per cent success rates monthly.

Highly regarded for the quality of their work, the Domestic Section has updated and validated the job descriptions and schedule of work for all GHA locations for the domestic staff. The new cleaning schedules consolidate best practise benchmarked against NHS established guidelines, health and safety and infection control procedures which include a new colour coding scheme. Again, the cleanliness of our facilities continues to draw extreme favourable comments from all and sundry, thanks to the hard work of our domestic staff.

The Procurement and Supplies Department is vital to the safe functioning of the Health Service. The long distances from supply centres, the prevention of stock outs and high transportation costs are particularly challenging. Having the appropriate equipment and consumables at all times is fundamental to the provision of health care. During the financial period 2009/2010, Procurement and Supplies processed

approximately 3,000 purchase orders to the value of £4.4 million and processed 4,500 internal stores requisitions.

The GHA's Human Resources Department is dedicated to providing high quality human resource support and advice to all its customers and to designing and implementing strategic HR initiatives for the benefit of the GHA, our staff and ultimately our patients. The department is continually assessing and developing our internal processes and systems with the aim of improving the quality of the service we provide. It provides a comprehensive recruitment, selection and employment contract service across all departments in the GHA except the medical staff. It also provides strategic and operational leadership, advice and support for managers on staff development, workforce planning, industrial relations and the application of conditions of service arising out of General Orders, Industrial Regulations and employment legislation. The total number of staff employed by the GHA as at 31st March 2010 was 858. Ten point five staff members are employed in the HR Department, a ratio of one member of HR staff for every 81.7 employees. As a point of interest, and to try and dispel the myth that all Governments increase resources during their tenure. Excluding industrials, the approved complement in 1987/1988 when the GSLP came into office was 443. The approved complement in 1995/1996 when they left, was 428. Fifteen posts less. The complement now stands at 740. Three hundred and twelve posts more than what we inherited. The figures speak for themselves. One of the key features of human resourcing in the GHA is staff stability. We do not experience anything like the levels of staff turnover that, for example, UK hospitals do, where it is common for over 40 per cent of nursing staff to leave in any 12 month period. This workforce stability enables the staff to plan the future workforce needs more precisely. The Director of Human Resources has identified when key clinical posts will become vacant due to natural turnover between 2011 and 2025. This information will be used to plan our future workforce and we will ensure it is fed into the education system so that parents and students can make better informed choices about potential careers in the GHA.

The Finance Department has seen the departure of Mr Ernest Lima, who was the executive responsible for this directorate since the move to the new hospital. He had previously served as General Manager and Chief Executive of the GHA. I am sure the House will join me in wishing him a happy and well deserved retirement after 37 years of service. Following a reorganisation of the Finance Department which involved the addition of the procurement function and the deletion of the information, management and technology function, the post of Director of Finance and Procurement has been advertised.

Information Management and Technology is now a department in its own right. This department has been engaged in a programme of improving all of our existing systems across the organisation as well as introducing new ones and this will continue throughout the coming year. The Patient Entertainment System has been upgraded and now provides a more stable and resilient service than before. The telephone system software has been upgraded to the latest version. There is more redundancy in the system which protects the GHA system with single site equipment failure, either at St Bernard's or the PCC. With regard to the Primary Care Centre, the computer equipment has been upgraded to allow a much more reliable system which is vital to properly secure access to laboratory and radiology and health care databases. This department has also provided the support to the Procurement Department by installing the upgrade necessary to make that system more user-friendly and this has provided a more stable platform. The system is currently in use by Pharmacy, Procurement and the IM&T Department.

I now move on to Medical Services. With consolidation of the many gains achieved over the years of this Government's leadership in health care, this year has seen the growth of many services in Gibraltar. Just one example is in general surgery, where laparoscopic surgery has increased by 60 per cent in the past year.

With regard to Cancer Services, 93 patients have had 436 chemotherapy treatments at Clinica Radon in Algeciras this year, 216 more than in the previous year. Consequently, over 400 air passages to the UK have been avoided and 50 per cent more Gibraltarians have had their treatment at home, close to family and friends.

Last year, the GHA continued its improved access to angiography and cardiac surgery in Spain. Whilst in previous years the GHA had to rely on Cadiz or the UK, a contract with Xanit in Benalmadena has allowed the GHA to significantly improve access to cardiac services. In fact, the GHA is now outperforming the NHS with regard to access to cardiac services.

Over the past few years, the GHA has continued laying the foundation for its clinical governance programme. Work is continuing in the nursing and allied health professional areas and especially in medical services. Additional emphasis has been placed within medical services in managing formal and informal complaints, in creating a system of management of clinical incidents, in the conduct of clinical audit and in clinical care review. The creation of the posts of Clinical Directors in surgery, medicine, radiology and anaesthesia and the appointment of a medical education lead has added a solid structure to support this activity. The medical executive which includes the Clinical Directors and the Medical Director have embarked on a programme of medical policy development to secure further improvements in patient care.

Government's manifesto commitment to invest in training and development continues in every area. Through various systems, including dedicated time to acquire new knowledge and skills, along with support for attendance at courses and conferences, the GHA provides the opportunity for learning clinical skills and the acquisition and retention of medical knowledge. These investments are essential in the ever changing field of medicine.

Moving on to Public Health. The past year was an exceptionally busy year for the Public Health Department having to balance the routine workload with the huge demands engendered by the Swine Flu pandemic. As news arrived of cases of an unknown form of flu in Mexico causing several deaths, the Director of Public Health issued guidelines to all medical practitioners on safe and efficient management of suspect cases and on how to ensure an effective containment strategy. The GHA set up a high level Swine Flu Committee which met weekly throughout the pandemic period. Response plans were developed for the Hospital and Primary Care and stockpiles of the main anti viral drugs, masks, gowns and other gear were procured. The first case was detected in Gibraltar in late July and more cases began trickling in. The Civil Contingency Committee assumed primacy in the early stages of the outbreak to ensure that Gibraltar was properly prepared to deal with the immediate threat and the GHA worked closely with it. A public information leaflet authored by the Director of Public Health was circulated to all homes in Gibraltar. The GHA set up a helpline manned by trained nurses who worked very capably in coordinating resources, guiding patients, providing timely advice and generally reassuring the public. Unlike the UK, the containment strategy continued to be maintained in Gibraltar most of the time, although a Flu Clinic had to be created in August as it was impossible to confine and treat all sick people at home. Even if a Stay-At-Home policy could not be fully sustained, the Flu Clinic helped to reduce mixing of flu patients with others. Initially, all cases were swabbed, purely to keep track of the epidemic. Swabs were analysed locally to detect general flu and sent to the UK to confirm Swine Flu. By October, flu clinic attendances had grown hugely and nearly all were positive for Swine Flu, making laboratory studies no longer sustainable or necessary and swabbing was discontinued. Also in October, clusters of cases appeared in two local schools and preventative treatment with Tamiflu was offered to all pupils in the affected classes, although only about 30 per cent took up the offer. These occasions were marked by considerable media interest, public anxiety and strain on GHA staff. However, their efforts successfully controlled the transmission. The Swine Flu

vaccination programme began in November. This campaign was remarkable on at least two counts. It was the first vaccine to be offered in Gibraltar to the entire population without restrictions, other than very young infants and those with allergies and it was the first vaccine to be deployed under pandemic conditions. The Government had ordered ample stocks of the vaccine and a purpose built vaccination centre was set up at very short notice to manage the programme. The vaccines arrived at the end of October and within a week the immunisation programme had began with scheduling details being delivered to every household. However, despite extensive public campaigns in the press, radio and television, a combination of factors such as public perceptions of low personal risk and anxieties about vaccine safety, resulted in only around 10 per cent of the population taking up the vaccine. The first hospitalisation occurred in late November followed by four more in the next fortnight. Apart from one patient who required intensive care for a brief period, none was seriously ill. Gibraltar's experience of Swine Flu to date has therefore been of a single wave of mild illness with no further cases after November 2009. The pandemic declined throughout the world during the early part of the year. In consequence, the GHA Swine Flu Committee was stood down in early January. Calls to the helpline ceased by February and I do not mince my words when I say that I am very proud of the way that both the Government and the GHA have so successfully managed this potentially serious outbreak which I am very pleased to say, unlike other countries, resulted in no deaths or serious complications in Gibraltar. My heartfelt thanks and congratulations go out to the many people involved for ensuring that the management of the outbreak was handled professionally and efficiently.

Looking forward to this year, the GHA will continue its structured plan to implement Government's remaining manifesto commitments in health care whilst at the same time continuing to improve in its key areas of patient care, corporate performance and building leadership capacity.

In the same way that this Government delivered on its promise to provide a new general hospital, it will also deliver on its commitment to provide a new mental health facility. The programme of works is underway with architects, project management and the projects steering group already appointed. The design concept is nearing completion and construction will commence as soon as all the preliminary work has been completed. The clinicians are heavily involved in the project. Over the next year, we will also be identifying a site for the Community Mental Health Centre. Following the successful recruitment of the Clinical Nurse Specialists, a multi disciplinary group has been set up to compose Gibraltar's first ever diabetes strategy. It will aim to be evidence based, tailored to Gibraltar's needs, draw on the best available evidence and modelled upon the comprehensive national services framework developed by the NHS. A programme plan is now in process and once the plan has been completed, the full new service will be implemented. This year the provision of chemotherapy treatment locally for certain cancers will be reviewed. The follow up cancer clinics with UK visiting consultants are continuing but as yet they have not been increased as the GHA is considering a system of follow up here in Gibraltar with GHA medical staff. Clinics are already provided in Gibraltar for ENT cancers, gynaecology and bladder concerns. The GHA has completed its preparatory work for the implementation of the electronic health technology. It has provided options for consideration prior to approval of the capital funding for the project. In terms of investment in training and professional development, this is an ongoing commitment of this Government. The Government has continued its unprecedented allocation of £600,000 which will again provide a considerable investment in training for the upcoming year. As hon Members are aware, a pilot breast screening programme is about to commence. The GHA has the equipment, radiographer and the clerical staffing in place and is finalising the contract details with the chosen UK provider.

When the issue of the dismissal and the suspension of two radiologists were confirmed by the GHA recently, the Hon Mr Costa immediately assumed that this development would

prevent the commencement of the breast screening programme and hurriedly issued a press release to this effect. When he discovered that he had been wrong in his assumption, he proceeded to make even more wild and incoherent allegations. The hon Member asserted that the GHA had turned to teleradiology due to the fact that radiologists do not want to work in the GHA because there is something wrong with the Radiology Department. Does the hon Member not realise, or maybe he does, but is ignoring the fact for his own political end, that there is a worldwide shortage of radiologists. For this reason, most developed countries including the UK have had to turn to teleradiology as the GHA has done. An international shortage of radiologists is the reason why we have not been able to recruit one, not because there is something wrong with the Radiology Department. The mere fact that the radiologist who was recently dismissed by the GHA, has appealed the decision and is asking to be reinstated contradicts Mr Costa's absurd argument and then, as if he had not put his foot in it deep enough, he sets out to confuse everyone by declaring that the carefully thought out breast screening programme involving many, many hours of work by a cross section of professionals and which entailed many months of meticulous planning, should not involve the use of a mammography machine which was kindly bought by the Bonita Trust at a cost of three hundred and seventy thousand Euros, but that MRI should be used instead. The Breast Cancer Support Group felt obliged to release a lengthy statement in a bid to reassure the women of Gibraltar that the mammography equipment that had been purchased with their input was excellent and was used for breast screening all over the world and not MRI. Finally, instead of retreating quietly, he, as always, wants to have the last say and claims that it is me and not him who has been caught out and that it was preposterous that I had not provided him with the information regarding teleradiology. When I counter argue that this Government provides tons more information than the Opposition ever did when they were in Government, the Hon the Leader of the Opposition stands up and indignantly declares that all I am doing is repeating GSD propaganda and that if I care to look at Hansard I would find that the only reason why they did not provide answers was because we did not ask questions and the few that we asked did not ask for any information at all. Well, I did precisely what the Hon Mr Bossano recommended. I looked at Hansard. Hansard is riddled with examples of the Hon Mr Bossano refusing to answer questions or give information during the eight years that he was sitting on this side of the House and for the sake of brevity, Mr Speaker and with your indulgence, I will limit myself to quoting just a few of them. During the time when the issue of GSLP Ministers being directors of companies was a matter of great public interest and indeed controversy in Gibraltar, the Hon Mr Vasquez asked Mr Bossano the then Chief Minister the following question, "Will the Government set out by name all the companies of which Government Ministers are Directors in their ministerial capacity and specify which Ministers are Directors of which companies?". Answer the Hon Mr Bossano, "No, Sir." A debate ensued, Mr Speaker, around why this information would not be provided culminating with yet another question from the Opposition benches, this time from the Hon Mr Caruana, "Does the Chief Minister accept that given that this is not commercially sensitive information, people will be justified in coming to the conclusion that the only possible explanation why a Government might not wish to give this kind of innocuous information is that there is something to hide?". Answer the Hon Mr Bossano, "The answer to the question is that we are not providing that information and, therefore, if more questions are put in the future, the answer will again be that we will not provide the information and if the hon Member does not like it the hon Member will have to lump it." Mr Speaker, it does not stop there. A year on, the Hon Mr Caruana again ventures to ask … a year on, "Will Government state the assets, liabilities and commercial activity of Venture Enterprises Capital Limited, a wholly indirectly owned Government company of which the Chief Minister and three other Ministers are Directors?". Answer the Hon Mr Bossano, "The answer continues to be as previously stated". Mr Speaker, the Hon Mr Caruana insists. "If the Hon the Chief Minister will confirm, so that not everybody has to go back to Hansard, that the Government will not give the House any information in relation to the activities, assets and purpose of this company of which he and three of his colleagues on that

side of the House are Directors?" Answer the Hon Mr Bossano, "That is correct", and last, but not least, Mr Speaker, and I say these are just a couple of examples of the hon Member refusing to answer questions which he now alleges were never posed, I will refer to the infamous occasion when the Hon Mr Bossano first refused to reply to the Hon Mr Cumming after the latter posed a series of very compromising questions relating to the fast launch activity, the looming constitutional crisis and other hot and topical issues. Instead of replying to Mr Cumming's questions, who was legitimately entitled to a reply irrespective of whatever political views he held on the question of Spain, and who was entitled to choose not to resign, as the House was calling on him to do, the Hon Mr Bossano stood up and unilaterally decreed, "We will no longer accord him the privilege that he enjoys as a Member of this House. He will not receive answers to his questions nor have any response to any intervention that he may make in any legislation or motions before the House." How preposterous is that, Mr Speaker. Mr Cumming was permanently sent to Coventry because the hon Member opposite did not agree with his minority view. The hon Member continued to refuse to answer Mr Cumming's question despite a ruling from the Speaker that Mr Cumming had the same constitutional right as any other Member of this House. So you see Mr Speaker, it was not that we did not ask questions or that we failed to seek information, as the Hon the Leader of the Opposition now claims, it was that the hon Member opposite refused to answer questions or provide information when it was not in his political interest to do so. I shall leave it at that and I will move on to other cancer screening programmes.

Once the breast screening programme commences and all its logistics are fully tested, the GHA will prepare an evaluation of screening programmes in lung, prostate and colon cancer. Government has listened very carefully to the issues raised by the Gibraltar Community Association and others in regard to the sponsored patients programme. In 2007, Government increased the allowances and improved the means testing process. The following year, I personally entered into discussions with the Calpe House Trust which culminated in the Sponsored Patients' Department having a say in the decisions surrounding who is given access to Calpe House, based not only on the financial means of the patient, but also the needs surrounding their clinical condition. This year it gives me great pleasure to announce further improvements to the sponsored patients programme. At present, the Sponsored Patients' Department refunds public transportation, that is, bus or train fares for patients and their escorts. As from this year, a free taxi service to and from UK airports will be provided for all patients and their escorts. In the past, the programme has only sponsored the travel of one parent of children over the age of five. As from this year, the programme will now sponsor the travel of both parents in the case of sick children up to the age of sixteen. Also, the petrol allowance for all sponsored patients travelling to Spain will de doubled this year. In order to further facilitate the accommodation component of sponsored patients' travel, I have asked the GHA to examine options with regard to possible changes in the accommodation booking system. Changes which are deemed to be feasible will be implemented in the next financial year. Simultaneously, as part of the GHA's responsibility to provide accountability for spending, the sponsored patients' programme is being closely monitored and will be audited by the GHA to ensure that all travel abroad is medically necessary. That is, that the services or treatment offered in the UK cannot be provided in Gibraltar and that all possible transfers back to Gibraltar are appropriately made by UK hospitals in a timely manner. Moving on to another manifesto commitment and this is the manifesto commitment which is pending, which is the provision of free spectacles and dental artefacts for children. Currently, spectacles are only funded by the GHA for the following groups: pensioners with a weekly income of £200 or less; persons in receipt of social assistance and their children, and children in care. I am also pleased to announce that, as from this year, Government will commit funds so that the GHA can provide one pair of spectacles per year, free of charge, for every child of school age, that is, sixteen and under. Government will look at implementing the other part of its manifesto commitment, that is, free dental artefacts for children next year. Another important

development this year, is the first stage of implementation of a solid career progression for locals in specialist fields. The GHA has significant recruitment problems in specialist nursing positions and both the GHA and the Union would like to reduce the dependency on external contract officers in the long-term. In addition to the School of Nursing Diploma programme which allows for twelve students to qualify as Staff Nurses, I am pleased to announce that Government has approved a programme of rapid access to specialty nursing posts for Gibraltarians through the School of Health Studies. There are several elements to the proposal. The first one is direct entry for Gibraltarian school graduates into registered sick children's nursing. Students wishing to qualify as sick children's nurses would only have to spend two years away from Gibraltar as the first year would be delivered locally in conjunction with Kingston University. The second element is direct entry for Gibraltarian school graduates into registered mental health nursing, another area where we have difficulties in recruiting. Similarly, the first academic year will be provided in Gibraltar. In addition, existing Enrolled Nurses will be able to progress to Staff Nurse grade through the School of Health Studies. The incentive would be that they would retain their salary whilst they train, as opposed to the historical bursary. Also, existing Staff Nurses will be able to train as Sick Children's Nurses, Mental Health Nurses and Midwives, whilst retaining their full salary. This would involve one year of training abroad for the first two specialties and eighteen months for Midwives. Funding has been approved for the back filling of these posts while these staff members are training away from Gibraltar and, as I said before, in the long-term, these specialist training opportunities for our locals will significantly diminish the GHA's reliance on contract staff.

On that positive note, I wrap up my contribution for today, but before I sit, I want to express my most sincere gratitude as always to the GHA's Chief Executive, Dr David McCutcheon, the Deputy Chief Executive, Mr Joe Catania and the rest of my management team, my personal staff and all the employees under my ministerial responsibility for their unstinting loyalty and support and for their proven and ongoing commitment to their work. Thank you.

HON J J NETTO:

I am pleased and honoured to deliver my third budget speech as Minister for Family, Youth and Community Affairs. It is certainly a great occasion, particularly when we continue to improve the position of all our vulnerable groups of people in our society, notwithstanding the worldwide financial crisis. It is a credit to the stewardship of our Chief Minister who has shown great skill in managing to sail our economy in such awkward and stormy conditions.

I should start by highlighting that the budget for the Ministry of Family, Youth and Community Affairs although at first glance appears to have increased substantially from £22.9 million in the financial year 2009/2010 to £46.9 million in the current year 2010/2011, a difference of £24 million, the reasons for this can be explained to be primarily as a result of: (1) the payment to the Social Assistance Fund having increased by £13.8 million from one year to the next. This is as a result of the contribution that the Social Assistance Fund makes to Gibraltar Community Care Trust; (2) the contribution to the Statutory Benefit Fund of £7.5 million in this year provided under the Family and Community Affairs Head of Expenditure. In the last financial year, it came under Head 17 Consolidated Fund Contributions and (3) the contribution to the Care Agency in this year is £16 million, whilst in the previous financial year, the combined contribution to both the Elderly Care Agency and the Social Services Agency was £13 million.

As hon Members are aware, my Ministry covers a wide spectrum of responsibilities from the Citizen's Advice, Consumer, Civic Rights, social security, drugs and drugs rehabilitation, children's residential services, adult social services, people with physical and learning disability services

and the elderly. In providing this House with a panoramic view of my responsibility, I will start with consumer rights.

The Department of Consumer Affairs continues to provide the public in general, inclusive of visiting tourists, with an essential service when it comes to protecting their rights as consumers. As it is essential in this field of work, they maintain close links with European and British networks in order to have early warning advice on faulty and dangerous products and services. In addition to this, throughout the year they embark on various awareness initiatives in order to help and alert consumers of their rights and expectations to services. Yet, given the nature of their work, they need to further consolidate the tools available within consumer law protection. It is for this reason that I would like to proceed in the short-term with introducing legislation with regard to price marking in order to have a benchmark right across traders. Yes, we do have some excellent traders who will abide by the highest code of practice. But, unfortunately, some others do not. I believe that consumers should be able to see and check the prices of products without having to read it in the small print or indeed where there is no print at all. In the medium-term, I would like to overhaul, generally, all our consumer legislation to ensure that we do not fall behind best practice in Europe or, at least, that the standard applicable in Gibraltar is in line with the best.

Moving on to the Citizen's Advice Bureau. In the area of equality and discrimination, the local Gibraltar Citizen's Advice Bureau hosted and organised an international conference entitled, "Different People Make Our World". The focus was on equality and discrimination. The conference was largely sponsored by the Government of Gibraltar. The delegates had an opportunity of networking and sharing experience and knowledge in the area of discrimination and equality. The feedback received both locally and from the Citizen's Advice International was very positive. The London Head Office, later on, gave this particular comment as a result of the conference and I am quoting direct when he said, "Can I say that I regularly attend conferences on a whole variety of topics, including equality and diversity. The Conference in Gibraltar was amongst the best that I have ever attended. The quality of presentation and debate was both stimulating and challenging for all who attended. The mix of public sector and private sector gave a dimension that really did, for my mind, establish Citizen's Advice Gibraltar and therefore the Gibraltar Government, as standing at the leading edge of thought and debate on discrimination on both a local and an international platform. In fact, the format was, to my mind, so successful that I am keen to see if we can replicate something similar here in the UK". The Citizen's Advice International commissioned the Gibraltar Citizens Advice Bureau to design and maintain their website. This has now been completed and the Gibraltar Citizen's Advice Bureau was also requested by me as Minister for disability issues to produce a report on applying website accessibility to Government websites. Accessibility means making websites more accessible and usable for people with disability. Due to this, various recommendations have now been implemented and adapted into the new Government website. In relation to shared knowledge and better health, the Gibraltar Citizen's Advice Bureau organised an open evening for people working in the caring professions. The overall aim was for this working group to relieve the emotional and mental difficulties of people in Gibraltar, providing and encouraging education and training for professionals and those in related roles. Another aspect is the debt and manning advice. At a time of growing uncertainty and rising personal debt generally, the Citizen's Advice Bureau has seen an increase in money advice during the past year. Clients have been able to turn around their personal chaotic financial situation with the help of financial statements to prioritise debts and make arrangements to pay off the debt in manageable repayments. The Bureau has a proven ability to respond to new opportunities and challenges, creating an increasing range of innovative services. Lastly, the local manager of the Bureau, Ms Pili Rodriguez, chaired the meetings of the Citizen's Advice International between November 2007 and November 2009.

Moving on to the Office of the Ombudsman. This year is the tenth anniversary of the opening of the Office of the

Ombudsman. As hon Members in this Chamber will know, it was the view of the GSD when elected to Government that there had been a democratic deficit in as much as ordinary citizens not having the power to deal successfully against the state in the past. Because of this, we established the independent Office of the Ombudsman in order to seek transparency, accountability and recourse to this service provided by Government. As it is well known, Henry Pinna was Gibraltar's first Public Service Ombudsman. It was thanks to his effort that the office was so well received by the public. To celebrate the anniversary, an event was held in 2009 at the Eliott Hotel to which the heads of all the entities under the jurisdiction of the Ombudsman were invited. There were various guest speakers which included the Hon Minister for Culture, the United Kingdom's Parliamentary and Health Service Ombudsman and the Irish Ombudsman and Information Commissioner who, at the time, was also the chairperson of the British and Irish Ombudsman Association. Unfortunately, I missed this wonderful occasion due to the fact that I attended a CPA Conference in Tanzania at the time. The Ombudsman continues to deliver a robust service to the public and ensures that complaints are dealt with in a timely manner. The Ombudsman is very focussed on value for money delivery of services. Consequently, the whole team is committed to ensuring that those seeking the assistance of the Ombudsman are offered the best possible advice and assistance. Government Departments, as well as those entities under the jurisdiction of the Ombudsman, also receive the assistance by way of recommendation for change whenever a deficient procedure is identified. This process also ensures an efficient delivery of service to the public. Recently, two members of the Ombudsman team were successful in a pilot course organised by the British and Irish Ombudsman's Association in conjunction with Queen Margaret University, Edinburgh. They attended the University for a week in October 2009 and a week in February 2010. Each week's attendance was follows by an extensive assignment. The two members of staff are now the first to be professionally qualified specifically in Ombudsman investigation. The Ombudsman's Senior Investigating Officer attended workshops on human rights and "Administrative law and the Ombudsman". He will soon be attending a "Sharpening Your Teeth" course in Vienna organised by the International Ombudsman Institute. This course is rated as a top course in the world for investigators and is specifically aimed at systematic investigations. All of the above forms an integral part of the Ombudsman's policy of an ever developing staff development with the specific aim of delivering the best possible service to the public.

Moving on to Social Security. The Department of Social Security took an important step forward last March of this year when it modernised the pensions and benefit administration system with the introduction of the personal cash account payment system which has made the method of paying cash benefits more user friendly and less bureaucratic. Persons in receipt of Old Age Pensions, Widow's Benefit, Minimum Income Guarantee and Elderly Persons Allowance who before had to use order books to collect their benefits in cash, are now receiving their benefits via this new payment system. All these beneficiaries have been issued with a personal cash account card with which they are able to withdraw their benefits in cash from the DSS and the north and south district post offices. This, no doubt, represents an important milestone in the computerisation of the department and other benefits similarly paid by order books will be replaced during this year by the personal cash account payment system. The next phase of the computerisation programme will entail the electronic calculation of benefits and pension which at present is all laboriously worked out manually. It is envisaged that an automated system of assessing benefit claims and providing pension forecasts will greatly improve the quality of the service. An important aspect of the computerisation programme being contemplated further, is in connection with the obligation under EU legislation for the electronic exchange of social security information, known as EESSI, between EU Member States, due to go live as from May 2012. The EESSI project will require the transmission of data between EU social security institutions to be carried out by electronic means under a common secure network. For this purpose, the Department of Social Security and other related

Government departments will be required to have adequate IT systems to facilitate the electronic exchange of information in order to accelerate and enable the decision making process for the calculation and payment of social security benefits to citizens who move around Europe. Following the incorporation of the Employment Injuries Insurance Fund, the Short-Term Benefits Fund, the Open Long-Term Benefit Fund and the Closed Long-Term Benefit Fund into the Statutory Benefit Fund, there is a need to consolidate all the corresponding social security legislation that governs the payment of benefits and the entitlement to benefit derived from the payment or credit of social insurance contributions. In this respect, work on the consolidation of the different Acts and Regulations will shortly be initiated. In terms of other improvements, we have 58 divorced persons that have been allowed to claim an Old Age Pension based on their former spouse's contributions during their period of marriage. Three hundred and ninety two women have been allowed to make retrospective payments of the difference between the reduced married women social insurance contribution and the standard contribution rate to enable them to receive an Old Age Pension. Finally, there have been five opportunities for persons with incomplete social insurance contribution records who were eligible in 1975 to pay arrears of contribution but did not elect to do so at the time, to pay these arrears of contribution. A total of 820 persons took advantage of this opportunity and, obviously, they will be better off as a result. As parliamentarians within the European Union and as members of the CPA, we are witnessing how many other Member States in Europe and the Commonwealth are finding themselves affected by the world financial crisis. The language used in many of these jurisdictions, big and small, is of freezing benefits or budget reductions. Last week in UK the new Chancellor Mr Osborne, announced a raft of severe austerity measures in which women, the disabled, families and those in welfare will carry a heavy burden. Yet here in Gibraltar, our economy continues to grow year on year with greater benefit being derived by all sectors of our community. This is an outstanding achievement despite the world economic outlook. As a result, Gibraltar will see no cutback or other adverse impact on its pension and social benefits regime. At Question Time about two weeks ago, the hon Member opposite, the Hon Mr Costa, intimated that the GSD Government had not done sufficiently enough to improve the plight of the elderly people in Gibraltar. Well perhaps, what I suggest to the hon Member that if he has a piece of paper and a pen available he can make a note and draw a balance sheet between what existed before 1996, what has already been done and what else is coming as far as improving the plight of elderly people. The monthly rates for the elderly persons Minimum Income Guarantee payments due as from the 1st July, will be £512.75 for a single person and £684.35 for married couples. This represents an increase of 7.9 per cent from the previous rates and an increase of 38.67 per cent for single persons and 43 per cent for couples from when the scheme was introduced in the year 2000. In terms of the budget allocation in this Appropriation Bill, the estimates for the elderly persons Minimum Income Guarantee is of £850,000 and if we compare this figure against the actual expenditure for 2001/2002, which was £544,571, this represents an increase of 56 per cent in which today a total of 467 pensioners are benefitting thanks to this GSD Government safety net scheme. This is true social justice at its best being provided for the first time by this caring Government towards one of the most vulnerable groups in our society. As regard to the Old Age Pension and Widows' Benefit, this has been increased by 2.8 per cent with effect from the 1st April 2010. Therefore, the full monthly pension for a single person has risen from £374.78 to £385.28 and for a married couple from £562.21 to £577.96. Another benefit introduced by this Government for the help of the elderly persons is domiciliary care. This service was introduced in December of 2002. It was set up to provide care in the community for qualifying users thereby allowing them to continue to live in their own homes. Thanks to this initiative by the GSD Government, there are today 87 beneficiaries of this scheme. Hon Members would have noticed that the forecast outturn for 2009/2010 was £534,000 and the estimate for this financial year is £627,000. This is an increase of £93,000 or in percentage terms an increase of 17 per cent. No doubt, many more elderly persons will continue to benefit as a result of this

Government's generous advance on pensioner's well being. All in all Mr Speaker, within the area of social security benefits and allowances, we can say that the total budget allocation for such benefit under the GSLP Government in 1996, excluding pensions paid at the time to the pre- 1969 Spanish pensioners, was £11,701,893. Today, under the GSD administration, it is £29,952,534. This is an increase of 156 per cent. Looking at the most vulnerable groups in society, we see that the Disability Allowance budget allocation under the GSLP Government was £57,847 and today it is £465,000. That is an increase of 704 per cent. If we look at Maternity Allowance, there was no allocation of funds under the GSLP Government. To date, thanks to the GSD Government, there is £302,434 or if we look at the elderly persons Minimum Income Guarantee, there was no allocation under the GSLP Government and today £850,000 for 467 elderly recipients. In terms of rates of payments, we have seen how, since 1996, the Industrial Injuries Benefit has been increased by 54 per cent. The Unemployment Benefit increased by 53 per cent. The Social Assistance payment increase by 40 per cent. The Old Age Pension increased by 85 per cent. The Disability Allowance increased by 240 per cent for children and 223 per cent for adults. Maternity Allowance increase by 54 per cent since its introduction in 1999 and the maternity periods extended from fourteen to eighteen weeks. Maternity Grants increased by 1,000 per cent and last, but not least, Death Grant increased by 455 per cent.

Moving on to the Care Agency, at last year's budget speech, I was only able to provide an early vision of how the new Agency was going to be shaped as the Care Agency Act had only been passed in May 2009. Therefore, today I would like to provide a clearer picture of how events have shaped the development of the Agency and report on how services and new projects are materialising. Essentially, at last year's speech I mentioned that the Agency would bring together the formerly Elderly Care Agency, Social Services Agency, Bruce's Farm and the Youth Service. Well, this is true of the first three organisations but not of the Youth Service. At a time when the issue was discussed with members of the Youth Service generally, they expressed a dislike of the idea of forming part of the Agency. The view that the Government took was that this was not essential for the Agency and we decided not to press the matter any further. So, Members of the House will notice in the estimates of revenue and expenditure book before us, that the complement of the Youth Service is not included with the Care Agency. In terms of overall expenditure, we have a forecast outturn of £14,016,000 to an estimate of £17,000,219. That is just an increase of just over £3,200,000. Whilst at the Committee Stage and Third Reading I will be able to look at the small details of this extra expenditure, the increase in general terms reflects a consolidation and development of the new Agency within its role. During the last twelve months we have inaugurated and maintained a new seasonal project at Eastern Beach whereby persons with temporary or permanent disability have access to the beach with ease during the summer period. I believe that the success of this scheme should not be measured against the cost of this budget but rather against the huge happiness it brings to disabled persons who, for the second year now, are able to enjoy the beach with friends and family. There are many individuals I would like to give my thanks, not just my staff, which is essential, whose commitment I do have, but also the Disability Society, the Tourist Board, the Royal Gibraltar Police and the MOD Fire and Rescue Service who have all made a positive contribution in this endeavour. At my speech last year, I mentioned that the new Agency would be taking over the Mobility Shop that used to be run by a private trust on the ground floor of the ICC. I am pleased to announce that the refurbishment works have now been completed and the new equipment, bought from the money given to us in the form of a donation by the Gibraltar Red Cross, has now arrived. We are now at a stage of finalising various policy procedures and the deployment of staff which should all, hopefully, be resolved before the end of this summer. Once again, the provision of this service will allow individuals with mobility problems better access around.

Moving on to drug rehabilitation. After a particularly successful decade, Bruce's Farm became part of the Care Agency earlier

last year. It now seems unthinkable that when this Government was first elected there was no locally based drug rehabilitation service and so many individuals and families affected by drugs had to suffer in silence or have to seek help outside Gibraltar. This much valued resource has since helped over 350 individuals to address their drug and alcohol problems. By merging the office of the Drug Strategy Co-ordinator with Bruce's Farm, which was previously managed by a charitable trust, we have created a more effective and integrated service to respond to the needs of our community. Bruce's Farm now works in even closer partnership with Social Services and other bodies such as the Health Authority, Prison and the voluntary sector. We have already started to further improve the service that they provide in respect of ongoing community based support for those who complete the rehabilitation programme. Additionally, we are developing a service to support the families of those affected by drug and alcohol misuse. When the new prison is fully operational, staff at Bruce's Farm will also be extending the service they provide within this establishment. This last May, a delegation from the neighbouring municipality in Spain was invited to meet their local counterparts in the field of drug and alcohol rehabilitation. This meeting proved to be very fruitful and laid the foundation for future cooperation and the exchange of ideas and working practices on how to tackle an issue that does not know or respect any frontiers. In general matters dealing with disability issues, I have given the go ahead for a legal audit to be carried out between our local legislation against the UN Convention for the Rights of Disabled Persons. The Government believes that such an exercise can inform the Government of any variances that may exist and then use such differences, hopefully, as a tool in the progressive advancements of rights by disabled persons here in Gibraltar.

Moving on to children and family matters, I would like to report that we are making important changes to the provision of children residential care. As Members may be aware, we have a total of 15 children in care and they are distributed in five Government flats throughout Gibraltar. It is the view of the Care Agency that the services provided to our children in care can be substantially improved while keeping their independence and of their siblings. We are grateful to the Chief Minister for having passed on to the Agency a previous MOD building which happens to be in very good condition. All it needs is to make some minor repairs in which GJBS is already performing. The opportunity of having this block of 12 flats with outside areas for the children to play in a safe manner, enhances the number of services which before was impossible due to economies of scale. This building will offer 24 hour supervision. A Social Worker together with a Residential Manager are to be based in the flats, giving the Agency more control over staff with new revised protocols and training for the staff. It would also offer a resource centre in enabling teachers to teach there. By having a cook at the centre, we will enhance the dietary nutrition of meals in accordance with the advice provided by the GHA Dietician. By doing this, it will allow the carers more time to look after the needs of the children in accordance with the personal care plan prepared for them. Already, there are discussions taking place with other Government organisations on how to develop the children's educational, recreational and sporting activities further. Finally, it is hoped that by September the children will be in their new flats.

Moving on to St Bernadette's Occupational Therapy Centre and Dr Giraldi Home. As the hon Members are aware, only a few months ago, we had the unfortunate and painful experience of having to lay off, without pay, a few members of staff working at the centre. I say unfortunate and painful because, despite many attempts by the senior management and myself to inform staff of their obligations to comply with their contract of employment as enshrined in General Orders, such efforts came to no avail. Following their non-attendance around the Easter break period, the Agency had to mobilise extra staff elsewhere, within the Agency, to supplement those staying behind. Had we not done this, the victims of such unacceptable behaviour would have been our adult disabled persons. Therefore, to use a popular phrase by the Leader of the Opposition when in Government, "This became a boil that had to be lanced once and for all". Thankfully, the outcome of this painful experience is that the

Adult Occupational Centre will remain open during the summer for the benefit of our service users and their families. It is one of those experiences in life when a Minister has to do the right thing, even if some will be displeased. On a more positive note, as far as St Bernadette's and Dr Giraldi is concerned, since the appointment of our Chief Executive, Mrs Maskill, she has given priority to a substantial amount of refurbishment work within the whole building. At St Bernadette's we have replaced all the windows. We have laid a new floor around a hydrotherapy pool and are currently awaiting an air handling unit in order to maintain air temperature equivalent throughout. Furthermore, we have carried out minor repairs in order to uplift the appearance of the centre. Above, in Dr Giraldi Home, we are currently undergoing major refurbishment works in all flats. In addition, this will provide new modernised bathrooms which will include hydraulic bath with chairs that facilitate the transfer of service users to bath with the minimum of effort. We have also employed a General Manager, Mrs Mary De Santos, to oversee the daily operational needs of the whole disability service, that is, St Bernadette's and Dr Giraldi, to ensure that both services are working cohesively and in tandem. Our vision for the future is one in which we hope to explore opportunities in occupational work, either inside St Bernadette's or outside, which would enhance the work and recreational skills of disabled persons in their quest for some schemes of supported employment. In this regard, I am holding early discussions with colleagues in Government in order to create the necessary support and partnership which is required to foster such opportunities.

Moving on to John Cochrane Unit. This Unit was opened in October 2009 within the St Bernard's Hospital. The Government gave the Care Agency the task of looking after elderly persons who previously had complex discharge problems and were, therefore, before looked after in the acute wards of the hospital. In addition to this, we have within this unit set up a facility for a young disabled person who previously had been for two years in a UK hospital following a major traffic accident. The Agency is pleased with the care of service being provided which is reflected, among other things, in the many thanks given by residents and families alike.

Johnstone's Passage. At last year's speech, I did mention that in order to make better use of the administrative functions of the Care Agency, this had to be centralised together, following the consolidation of all previous organisations that now form the Agency. I am pleased to inform this House that Johnstone's Passage building was thankfully allocated to us by the Chief Minister and works are expected to finalise during the month of July. The approximate cost of reconditioning the whole building is in the order of £600,000. The whole building had to be gutted out due to a fire that had occurred some time back. So we have had new partitions, new rewiring, new windows, new furniture, new computers and a new computer network with fibre optics, among many other refurbishment works. Certainly, not just a paint job. The new facility will bring together all finance personnel and senior management of the Care Agency.

Talking about Government comprehensive policy towards the elderly. Thanks to the arrival of the GSD Government in May 1996, considerable enhancement and support for the elderly has already been achieved. However, we do believe that more needs doing. It should be noted that the budget for elderly care under the GSLP Government stood at £870,000 when they left office. Today, the outturn forecast for the financial year 2009/2010 is £8,507,861. This represents £7,637,861 extra amount of money or a 877 per cent more than when the GSLP was in Government. In relation to staffing comparison, when the GSD Government took direct responsibility for the elderly in the year 2000, there was then 143 persons employed. Today, there are a total of 247. There are 104 more personnel looking after our elderly in Mount Alvernia and the Jewish Home, inclusive of the employment of a Consultant Geriatrician and therapist. I would like to outline the GSD Government's comprehensive policy towards the elderly. I will summarise our policies under the following five pillars. The first pillar is the provision of sensitively adapted new flats in Bishop Canilla and Albert Risso Houses. As we know here, Bishop Canilla has provided for 86

flats and Albert Risso House should be finished by the end of July and ready for allocation in September. This latter building will provide for another 140 flats. Thereby now making a total of 226 specifically designed pensioner flats, thanks to this Government. The second pillar has been the continuing programme of lift installation, wherever this is feasible, in Government housing estates and the provision of domiciliary care. Both of these innovations have been possible thanks to the GSD Government bringing much needed help and services to our elderly. The third pillar will be the refurbishment of the old Mackintosh wing at the old St Bernard's Hospital. This facility will be for elderly persons with slight mobility problems requiring low housing needs based on assisted independent living units. In this regard, the work when completed will offer approximately 69 single and double flats. The strip out of the interior of the building has started and once this is completed the actual work will follow. Pillar four is the provision of accommodation for the elderly with high nursing needs both at Mount Alvernia and the old Naval Hospital. With regard to Mount Alvernia, thanks to the GSD Government we have already conducted a major refurbishment thereby improving the care of the elderly and increasing the bed capacity from 62 to 135. In relation to the old Naval Hospital, the Care Agency will have one of the buildings in which we will have a dementia care and therapy centre. Obviously, to bring the building back to proper use, it will have a significant cost in order to return it to its former glory. The view of the Government is that this is a landmark, historical building and as such, it deserves the kind of sensitive refurbishment that it will have to undergo. In addition to this, the natural environment will be respected. The final pillar, that is pillar five, will be a day centre for those elderly in the community in need of day services. With regard to this last project, we have now obtained prime location for this facility and I am now gathering my management team to prepare a draft concept of the range facility that has potential to develop. The location of this facility will be at Waterport Terraces housing estate where there are a number of units available. The view that the Government has taken is that it is willing to forego the benefit of some commercial units in preference to providing more services to the elderly. In a nutshell, this would mean having a multi-disciplinary team providing a range of services for elderly persons in the community, during normal working hours, thereby assisting greatly the elderly and their families. So, at the moment, we are at an early stage and hopefully, I will have more to report to this House during the course of this financial year.

It is clear that any objective person, when reviewing the scale or services and benefits that existed prior to 1996, and what has already been done, and what more is being contemplated, will soon come to the conclusion that the only caring party looking after the welfare of our elderly, is the GSD Government. Elderly people, generally speaking, have never had it as good as they have it today and this progress will continue into the future as long as we have a GSD Government. Finally, once again, I would like to thank both my Personal Assistant and my Personal Secretary for their loyalty and hard work in what is a complex and demanding ministry. Thank you.

HON N F COSTA:

As always in preparing my Budget speech, I always take the time to consider the contributions made by the hon Members opposite in last year's Budget debate and in previous addresses and I also take some time to look at television interviews, press statements and the occasional press conference that they might give. In preparing my third Budget contribution, I immediately recalled, on having read the previous contributions, my opening remarks last year when I said that the GSD is, if nothing else, consummate experts in the political art of announcement and re-announcement. I will give some examples. I gave some examples. My hon colleagues will give some examples and the hon Mr Linares has already given some examples. But of all of that, one thing further emerges, and the laughter from the other side, as always, tries to hide the nervousness of the fact that we will reiterate those examples of the tedious way in which they repeat the same things and never get around to it. But something much more worrying, in fact, emerges with eminent

clarity from the fact that they are masters of such repetition and that is that some Ministers seem always to drown in ankle deep water when it comes to taking a grip on their own departmental areas of responsibility. I will also be giving examples of why that is the case and I will, although I only have thirty minutes in politics as the Hon Chief Minister always takes the opportunity to remind me, start by addressing the House on the reply he gave on the last occasion. The hon Lady need not worry, I will also address her on her impromptu attack when she rose just a few moments ago and I will want to address the House on what can be, I think, best politely described as the Hon the Chief Minister's Castroesque contribution last year in length and in manner.

I think that the Hon the Chief Minister thinks that in going on for an inordinate amount of time that if he lectures us long enough and gives us a long enough political discourse, that he will somehow convert us to his political cause or, as he once accused one of my hon Friends of doing, we will eventually succumb to his torture. But I can assure the House that nothing could be further from the truth and I take relish in once again taking the opportunity to rebut the various points that the Hon the Chief Minister made during his last contribution in the Budget. But as I went through that reply and the reply that he gave on behalf of his ministerial colleagues, it also occurs to me that in addition to the fact that there is this relentless attempt to lecture us into submission, there is an unmistakable, yet very serious political psychosis that is deeply rooted on the political consciousness, not just on the GSD parliamentary party in general but of the leader in particular. A leader, by the way, that, if one were to take the opportunity to consider from the very word go that they came in, in the magical year 1996, thinks that his arguments are infallible, one only has to observe, in addition to reading his contributions, the outbursts when making interventions on behalf of his own Ministers, because sometimes his outbursts would indicate that he thinks his own Ministers incapable not just to reply to the questions which we put in the areas of responsibility, because he takes most of them himself anyway, but also in respect of the supplementary questions. And, what I call, this uninterrupted pathology of having to answer everything that we say is also evidence in the sheer scale of vitriol that we on the side of the House have to ensure every time that we issue a press statement on a policy. The hon Lady opposite when she stood up gave two instances of two Members of the House having made personal attacks. I can read every single press statement to this House and in every single press statement the Members opposite will see that they are all full … peppered with catalogues of personal invectives. The hon Lady opposite, in fact, had no problem in reeling them off, immature, childish, ignorant, her favourite not doing our homework, and I will call her up on that a bit later on. This obsessive compulsive disorder to have to reply to every pronouncement of the Opposition, throws into sharp focus, in my opinion, not just that the GSD is losing what it had before, which was an erstwhile political stranglehold on public political opinion, given all the diatribes that came from them all the time, but also that they are lacking a complete sense of perspective on the realities on the ground. Surely, it must be a political cardinal rule that when you want a political point to go away, because you have no choice but to accept what is being said, you do not propagate that issue by replying by way of a press release. But the GSD have become so clinically anxious, in wanting to have to try to control what everyone thinks in Gibraltar and this gets the better of them, that they spout that diatribe from all angles and they hope, Mr Speaker, they hope, because it is no longer working, they hope that the mud-slinging that they use against us will stick so that the valid point that we have raised at one point gets obscured. But the truth as the Hon the Chief Minister knows has only one way and truth will xxxxx and we on this side of the House will always make sure that that comes out.

What is worse and as I have always maintained, the GSD does our democratic institutions, our public debate and our parliamentary dignity no good to continue their personal attacks on the Opposition. The hon Lady gave a perfectly wonderful example right now. Not just a few minutes ago, she was reeling off those insults against me which she knows xxxxx well. I challenge her to provide one single statement where I have

started a press release commenting on a matter of policy which has, in any way, insulted her, her department or anyone at all. She will notice, if she took the time to read our press releases, that when we come out with a public statement, it concentrates on an issue of policy and on public administration. The pattern is clear, Mr Speaker, as I am saying. We issue the press release and then we wait for the expected GSD reply which is like a toxic bomb, in its usual heavy handed manner. It tries not to address the policy issue. It tries to eviscerate the spokesperson of the Opposition and the killer, Mr Speaker, is that that is the case even when they have no choice but to accept the facts that we are putting to them. The litany of insults, the poisonous tone and tenor of the press statements. The way they conduct their politics is something which Gibraltar is sick and tired of, something which Gibraltar wants to be shot of and we can assure the hon Members opposite that once we sit where they sit, and I pause for dramatic effect, we will not be perpetuating their insufferable, untoward, unnecessary style of noxious politics. I will remind them again, if every press statement that they issue, all that they have to offer Gibraltar is an insult of the critic, then surely it must be because they cannot counter the argument.

I must say that a did warn the hon Members on the last occasion that despite their political mantras, despite their politically expedient statements that they spin out every time that they need to counteract our public pronouncements, I warned them that Gibraltar was tired of that. That they were seeing through it and that they would one day find that their political gimmicks no longer work. As I anticipated last year, it was indeed in the damp smell of newsprint and it was in the crackle of the radio, that not just on one, but on two ordinary mornings they found that the usual, tired, worn out, useless gimmicks that they use, got them nowhere because people were no longer believing their lies and people were finally seeing through that Government. I have little doubt now that the Hon the Chief Minister now wishes that, when it came to the concerns of our citizens, he had not been quite so flippant in some of his remarks. I am sure that the Hon the Chief Minister now wishes that he would not have been so very sarcastic about the number of people who come to complain to us. Every year we are ridiculed when we say that members of the public come to complain to us. At one point he said, “Yes of course, there must be armies of people”. Well, perhaps not armies of people but certainly a majority of those armies seem to be coming to us to complain.

In his reply last year, the Hon the Chief Minister and, it would also appear to be, other members of his team, take exceptional umbrage that I advise them that the way to conduct their politics should not be to continue to harp back to 1996. I told them that what was important was the way they conducted the governmental policies now. They have been in Government, after all, for fourteen years. Of course, future and current administrations will always try to build on the successes of a past administration. It is ridiculous and preposterous, that was for the hon Lady, to suggest otherwise. But as I have said before, and as I have said today, and I will continue to say, despite the refutations of the Hon the Chief Minister, going back to 1996 does not answer the criticism of the Government of the day. When I ask the hon Lady opposite, or the Hon Mr Netto, about any policy decision, whether I ask them about the decision taken in respect of any area of their political responsibility, I am holding them to account for the decisions they are taking since they have been in Government. We want to know about what happens today. Gibraltar wants to know about what happens today. Gibraltar wants to know what they are doing now to resolve the issues that they have to face. They want to know how the construction of an airport will affect Gibraltar. They want to know how our public affairs are being handled. They want to know why the cemetery is in such a decrepit state. They want to know why governmental decisions take so long. They want to know why speech therapy classes for children are cancelled. They want to know why there is such a delay in a residential home for the elderly. They want to know that now, Mr Speaker. Not what happened in 1996 or 1998 or 1704, for that matter, people are concerned about the realities of today and if the Government had answers for the problems of today, they would

simply address the answers to the question as it relates to now. Not to 1996.

So, Mr Speaker, I do not accept any of the reasons that the Hon the Chief Minister gave me on the last occasion as to why it is important to harp back continually to 1996. In my view, it is a sheer nonsense and, as I said, I do not think that it is relevant either to the people of Gibraltar. In an age of i-pods, i-pads, instant news coverage, internet, people are concerned about what is happening today. Therefore, I do not accept the Chief Minister's charge against me that only having a thirty minute political memory span in politics is a bad thing because I need not know what happened in 1996, to know that today, in 2010, young Gibraltarians, young families are still waiting to be given affordable homes under their successive administrations. I need not have to go back to 1996 to know that the cemetery has fallen into an utter state of disrepair. The cemetery, Mr Speaker, which is visited regularly and mostly by elderly citizens. I do not need a memory span that spans beyond thirty minutes to know that under the stewardship of this Government our roads are today in gridlock, that women still wait months for appointments for breast screening and months for the results. I do not need to go to 1996 to know that, by their own very admission, the problem of bed blockages or bed shortages, whatever they want to call it, still cause cancelled operations. I do not need to go back to 1996 to know that today there are people sleeping in their cars because they are homeless under their successive administrations, fourteen years. I do not need to harp back to 1996 to know that they take forever to deal with real, social, emergency issues such as the creation of a half-way house for men because, society make up and the family make up having changed so much today, it is also men who find themselves out of a home and they need somewhere to go. You see, Mr Speaker, all of this with my thirty minute political span of memory.

When one considers the way that this Government has conducted its affairs, it is clear, at least in our view, that the Government has lost sight of the most needy in our community. If people really mattered to them, if people who need the assistance of the state really mattered to them, instead of spending money on, I do not know, say unnecessary trip and conference, why not spend that money on the speedy refurbishment of any government allocation so that not one single Gibraltarian is homeless. It is a damning indictment that any Gibraltarian is homeless and needs to sleep in his car. That is under their administration. No need to go back to 1996. Let us state current xxxxx with the issues. How, in a population of only thirty thousand people with ten Ministers with their salaries, do we get to that point, Mr Speaker? How did Gibraltar slip this far under their stewardship? Let not the Hon the Chief Minister think that I begrudge him his VIP lounges in Gatwick or Heathrow, all I am telling the Hon the Chief Minister and the hon Members opposite is that instead of flying and jetting all over the world and spending money in what we consider to be totally unnecessary expenditure, let us spend that money first in getting our own house in order, xxxxx to our people first and let them then fly all over the world. Fourteen years, Mr Speaker, is certainly a very long time to get on with things.

Another matter which the Hon the Chief Minister raised which I address at this point is the question of the complaints process. On the last occasion, the Hon the Chief Minister said that I had accused the panellists of the complaints process as lacking independence. The Hon the Chief Minister knows full well that I said nothing of the sort. I read my speech to make sure that I had not and, in fact, I did not say anything of the sort. I simply noted to the hon Lady opposite that if hon Members want to eliminate the public criticism that was being levelled at the time, not by us, but by other quarters of the community about political bias in the system, that all that they have to do was to ensure that the review panel was appointed by the Ombudsman rather than have the Ombudsman select the people from a list that was already given by the hon Lady opposite. I do not for a second say that any of those people on that panel were lacking independence. I did not say that the political system was … In fact, what I was saying was that the system appeared to lack independence. Not the people, the system, and I proposed to

the hon Lady opposite that if they want to remove that level of criticism, all they need do was to entrust what the Hon Mr Jaime Netto said today, was that the independent establishment, the Ombudsman, to deal directly with those complaints. I think that makes sense. In the same way that justice must seem to be done, independence must also seem to be done. Then, completely ignoring what I had said and carrying on, on the issue of the complaints process, I had made the point that I had doctors who had complained to me that they had spent too much time in the complaints process and the Chief Minister says to me, "Surely, only unusual doctors could complain to you about the complaints procedures because doctors hate the complaints procedure because it takes a huge amount of their time" and that was exactly what I had said to him. I had said that the doctors had complained to me that if the complaints department was properly resourced and staffed, their involvement in it, that input, would have to be just the minimal and the clerical staff of that department, if properly resourced, could deal with the complaint. I explained to him precisely that it was because there was only one patient complaints co-ordinator and that resources were, therefore, limited in this area, that it led to some doctors having to deal with complaints. Obviously, that has fallen on their xxxxx because I see from the Estimates that, in any event, there will only be one patients' complaint co-ordinator in the next financial year.

Be that as it may, I was glad to see that the Hon the Chief Minister agreed with me that it is right and helpful that I should highlight any shortcomings that emerge and I note that he does not in his words, "resent me", pointing out such instances and that this is constructive politics.

And it is in this constructive spirit that I turn to my specific areas of responsibility of health and social services. As always, I need to preface my contribution on health to say that it is only right and proper that Gibraltar and the state should continue to fund state health services for its citizens. But in the same way that the hon Lady and the Hon Chief Minister agree that the system is not perfect, it is also my obligation as a Member of the Opposition to highlight those aspects of the system which, in our view, need to be reviewed and improved on. It is my view, as it was from the very beginning, that these benches best serve the interests of Gibraltar by considering the policies of the Government and their implementation and identifying what we on these benches would see as any shortcomings because in that way the Government of whatever political persuasion will always, in my view, ensure that any policy is given thorough consideration. The hon Lady opposite presides over the biggest state budget which reflects the importance, again I say rightly, that citizens and Gibraltarians give to the free provision of health care to its citizens. But, on the other hand, we on these benches need to be ever more watchful on how tax payers' money is spent. We need to ensure that the sound investment does not result in any waste. That the amount of monies correspond directly with the quality of services provided and we need to make sure the services are cost effective.

During this financial year 2010/2011, the Government estimates a total forecast outturn of £74,127,000. In respect of the financial year ending March 2010, the last financial year, Government's forecast outturn is £73,473,000. Given the millions that we spend on health every year, it is therefore undoubtedly our duty to once again raise the question as to why, given the money that is being spent, some of the old problems do not go away and this is one of the things that the Hon the Chief Minister dislikes the most. He dislikes being reminded of some of the perennial issues and, in his wish to turn the tables, accuses us of regurgitating the same old speeches, "To turn on the tapes", he said on the last occasion. I would like to assure the Hon the Chief Minister, first of all, that I sit down afresh every year to write my Budget speech and it is not my problem, Mr Speaker, if the same problems that existed last year and the year before and the year going back to 1996 since they were first elected into Government, continue, and for as long as those problems continue to exist, we will continue to bring them up.

So, I do turn to some of those issues. In reply to my criticism of the Government for the high level of cancelled operations, the

Hon the Chief Minister tried to explain away his Government's failure by telling me that there is a difference between bed shortages and bed blockages. The Hon the Chief Minister went to great lengths to lecture me on the difference between a bed blockage and a bed shortage. God forbid I should relate one thing with another. But the Hon the Chief Minister seemed to have forgotten that it was his very own hon colleague, the hon Lady opposite, who herself had acknowledged the problem by way of a press statement on the 29th April 2009, by saying, among other things, that the interim residential care facilities for the elderly will alleviate the acute bed shortage. Not blockage, shortage that was being experienced at the hospital. The hon Lady went on even further to accept that the bed shortage, no blockage anywhere, just a shortage, resulted in the need to postpone some scheduled surgical operations. You see, Mr Speaker, not even thirty minutes is necessary. Three minutes memory span will do just fine. The Hon the Chief Minister may call it bed absences, bed unavailability, bed disappearances, bed whatever, whatever he chooses to call the problem, but the fact is that by whatever name he chooses to describe the problem, the problem is still a problem and certainly one that you would have thought that this lack lustre administration would have grappled after fourteen years of Government. The press have extensively catalogued the various instances of inconvenience on those who have decided to go public when that operation is cancelled. But in spite of that, what truly irks me as a servant of the public and what disgruntles the people that listen to question and answer sessions and this Budget debate, is the very cavalier disregard, the very flippant statements that are made by the hon Members opposite. I need to go no further than the last question and answer session. When I put to the hon Lady that to have a scheduled operation cancelled can be more than merely a trifling inconvenience to the affected patient, the hon Lady opposite in effect shrugged her shoulders and said that I was exaggerating. That it could not be as bad as that and, like the Hon the Chief Minister said in his last Budget address, maybe not a coincidence, operations are cancelled even in the Houston Medical Centre. Well, that was a remarkably cavalier statement. Firstly, how does the Hon Lady actually know what preparations a person has to make for the operation, the time off work, the family arrangements, the preparations before an operation, the pain that a person may be suffering as a result? She cannot know of the inconvenience. She cannot know of any of that and if the hon Lady actually cared to know, she would rise in the House not to say that even operations are cancelled in the Houston Medical Centre, she will rise in this House to apologise to those who have suffered, not just the inconvenience, but the rearrangements and everything that goes with it, in having the operation cancelled, and show us what steps are being taken to remedy the situation and to take a grip on their departments. This is what I mean by not being able to walk in ankle deep water. Fourteen years in Government, still the same problems, is it not time to resolve them? I really need say very little else on this. The facts do truly speak for themselves. As I, and belatedly the hon Lady opposite have already said, related to the question of bed shortages or, as the Hon the Chief Minister likes me to call it, bed blockages, are the health related questions in connection with the elderly. In the last question and answer session, the Hon Mr Netto told us that there were 514 persons waiting for a place in Mount Alvernia and of those, 29 were occupying a bed at John Cochrane Unit and 41 at St Bernard's Hospital. In answer to Question No. 369 of 2009, the total number of elderly citizens occupying a bed at St Bernard's was as at the 2nd June 2009 41. The figures I have just quoted and as I anticipated in the last Budget, represent a reflection of a growing trend. This is the Government that the Hon Mr Netto has now heralded as being the most caring Government in the history of Gibraltar. What a load of gob swap, Mr Speaker. The hon the Lady opposite also speaks of the mammography service and she reminded the public of the ongoing debate in and out of this Parliament in respect of the mammography service. As this House knows, the reason why this becomes an issue most of the time is because of the complaints which the Hon the Chief Minister sighs and says, surely it must not be true, he cannot receive so many complaints. But the Opposition do receive these complaints and they relate to women who are waiting an unreasonable amount of time before a screening and a result and, in fact, the hon Lady

opposite did in the last question and answer session, in answer to a supplementary question, agree that the existing screening of women was not working as well as it should and this is why they were in the throes of starting the routine mammography breast screening service. In respect of the current system, the hon Members opposite know of the dissatisfaction expressed by some women, some of which have bypassed us completely and have gone directly to daily organs to record in public their dissatisfaction about the amount of time it is taking them to be screened and have waited for their result. All medical professionals agree that prevention is better than cure and for some patients having to wait the amount of time that they have, may be very damaging indeed. Then, as the House knows, there is the question of the routine mammography service which we, on this side of the House, have continually pressed the Government as to its implementation. The hon Lady opposite, well of course, I need not say this, amidst insulting me saying that I have put my foot in it and that I was ignorant and so on, had said throughout and Hansard reflects because she did exactly the same exercise she did when she was talking about another topic. So, she can go back and she will see her own replies and her own replies say this, that the central plank of Government's policy was that a third radiologist had to be place before the service could start. That was the position in September 2008, December 2008, June 2009, October 2009 and February of this year, when it was still made clear that a third radiologist was essential to start the service. Given the answers in Parliament by the hon Lady, it was not surprising or putting our foot in it, as she is now suggesting, that we on this side should have been concerned that the implementation of the structured service would not start on schedule given that her own answers were, we cannot start it without the third radiologist. Remove the two previous radiologists and what do you have? A third radiologist which becomes the first and which therefore cannot …, as a result of which, the Members opposite cannot begin the programme. But at that point, at the point where I find out and the general public finds out that there is an employment disagreement with two of the radiologists, it is at that time when we raise the concern as to the hope that that will not delay the commencement of the structured service, that we hear for the first time about the use of teleradiology. Whereas the hon Minister knows that I was happy to hear that there is alternative options available to the GHA to start the programme on time, the question that immediately arose in my mind, as well as in the mind of all other Gibraltarians was, well given the availability of the use of teleradiology, why did the hon Members not begin or explore this route before and why has it been then that have always insisted that the commencement of the programme was fundamentally conditional on the appointment of a third radiologist. The fact is that the hon Lady did herself no favours at all by admitting, after three years, that there was an alternative route. It was this time, the hon Lady, that did not do her homework. I pause to savour the moment, because she says that to me and very frequently, unjustifiably of course, that she says now, three years down the line, that a different option is available. But if the above were not serious enough as it relates to the impact it has had on women and users of the GHA, in their desire to politically tarnish any points that we raise, the hon Lady accused me of lending "covert support" to the dismissed and to the suspended radiologist. Mr Speaker that statement is absurd. The first time that I heard of the dismissal and the suspension of the radiologist, was at the same time as everyone else did, by way of a press statement and in no other way. So, as absurd as the statement was, that Mr Speaker, was a low blow even for them, because for them to say that we were somehow machinating or somehow in favour of the radiologist, when I had not even known of the state of play, is just simply an unacceptable state of play, Mr Speaker, when it comes to discussing valid, political points.

I can turn to another example of how there is very little forward planning and how the Government, and the Ministers in particular, cannot seem to get their acts together when it needs to globally take into account the decisions that they take. I refer in particular to the decision of the Government to finally open the car park at Europlaza. The delay in having available parking spaces when Europort was converted into a hospital in 2004 just shows that, Mr Speaker, the lack of forward planning. At its

worst, what it shows is that they make it a decision, they must have realised surely that the great function of this hospital would necessitate a family and friends visiting people at the hospital but yet make absolutely no provision for parking spaces. Let us quickly recap on the actions of this Government. The Government tells Parliament in 2004 that they have agreed to purchase a floor from the developers of Europlaza to use as car parking space at a cost of £650,000 but when the hospital opened this did not materialise. For a considerable period of time, therefore, there were no hospital parking spaces. The problem became acute so that in June of 2005 the Government tried to scramble and cobble together a solution and they say they reached an agreement with Morrison's car park for the allocation of 25 car parking spaces to the hospital users free of charge for one hour. The arrangements entailed the allocation of temporary passes from the car park attendant on a first come first served basis, and even though at the time it was announced that this was an agreement with no time constraints, it came to an end without warning and once again, we were back in the position we were in 2004 where there were no parking spaces. On the other hand, since the moving of the hospital to Europort and the House knows where we stand on that decision, but notwithstanding that, one of the reasons for the location of the hospital was because there would be parking spaces. Better access to the hospital. Well, that clearly was not the case because when 2004 until very, very recently, there have been no car parking spaces. There were six meetings of Parliament, Mr Speaker, 2008, 2009 and 2010 and notwithstanding that, we have the usual, this is not something that is technically under review which means nothing is happening, something will be done shortly and then it became very shortly. The fact is that we had to wait many, many years.

In a separate matter, the House will know that we brought to the public's attention a case which eventually found its way in the media, where the GHA had refused medical attention to the children of a Gibraltarian family on the technicality that they did not have identity cards. This, even though if the hon Member would have taken the time as I did to meet with the family, any cursory examination would have shown immediately that this was a genuine case of serious financial hardship, the vulnerable people which I was speaking about at the beginning which actually need the support of the state. At the time when we were dealing with this case, the family consisted of a couple with four children. Two of the children were Gibraltarian as well as the mother. The father and the other two children were not Gibraltarian but they were British citizens. The family had lived for a time in the United Kingdom until a year ago. The six of them end up living in one room. Six people living in one room at a rent of £550 a month. The father, who was a bread winner, earning £930 a month. The reason for moving into Gibraltar was because they were advised that if you do not have an address locally, they could not register with the GHA. Therefore, in order to meet the criteria of the Government they did what was suggested of them and they moved into a flat in Gibraltar. This, notwithstanding that it was costing them £550 a month and the only bread winner of that family was earning £930 a month. Once the family had obtained a local address, they were told that they needed to pay £5 per ID card. Mr Speaker, £5 per ID card is certainly not for members of the House a great deal, but consider this. Six people, £550 on rent alone, £930 income and all the expenditure that is created with a family, let alone with a family of six. This was genuinely a case where £5 was a case of £5 too much and the reason why I mention it in my address as it relates to health was because one of the children suffers from Attention Deficit Hyperactivity Disorder and required immediate and constant medical attention which, needless to say, this Government could not afford to pay. Given that I saw that this was a real case, a genuine case, I contacted the office of the hon Lady opposite and I pointed out all the facts to her and the question, Mr Speaker, was not as the GSD tried to make out subsequently in a press release that I was asking the Minister to waive the requirements imposed by law, but rather that she should exercise common sense in this particular matter. The issue was that they did not have ID cards and without ID cards they would not register the family for health care but if all that was needed was proof of identity, that is, an identity card, what more simple solution could there be than to

ask for other similar documentation which also would have proven exactly the same thing, passports and birth certificates. You see, Mr Speaker, a simple situation easily resolved, they cannot deal with it. They cannot deal with it or they cannot be bothered to deal with it, this, the caring Government that we have just heard about. Let us … among the chitter and the chatter and among the laughing of the hon members opposite. They say that every time something hurts they laugh to try to hide that it does hurt. But among all of that, let us pause to consider what they did. With all the money that is being spent on health. With the monies allocated for in Government. The fact that the Hon Chief Minister said today, that, in fact, revenue was up more than anticipated, surely the Government did have the financial resource and surely given that the Hon Minister opposite is there to ensure that the policies of their Government is carried out, what less than having had a meeting personally with these people assessing whether truly there was a genuine case for them to have dealt with and actually doing something. A case where instead of spending the time and the energy in resolving the problem, what does the GSD do, in the usual manner they just unleash their usual toxic bomb of a press statement and they spend their energies there rather than addressing the substance of the problem. All that time, Mr Speaker, all the time that the hon Lady decided that rather than deal with the problem, she would concentrate on attacking me, there was a nine year old suffering from a serious medical condition which this Government did nothing for to help. That press statement also made abundantly clear what the people of Gibraltar already knew, that the Government just simply does not like any member of the public coming to us to complain. But the Government surely must understand that we live in a democratic society. That if people are not satisfied with either the policy or the replies or the actions or the management of the Government, that they can come to us. That we can air those issues should we so wish on their behalf. There is nothing unusual in the Opposition acting in this manner but the way that the GSD replies, the way that they attack us when we raise an issue of policy, would seem, indeed, to indicate that they do not want the democratic process to stay alive. That they would rather that no one approached us and for so long as any member of the public comes to see us, we will continue to shoulder our responsibility and point out to them where they are failing. Mr Speaker, this is not the true social justice at its best that the hon Mr Netto said and tried to paint a few moments ago.

The hon Lady also tried now to explain away the fact, the reality that there has been a reduction in the service offered to children as it relates to speech therapy. She just has. The Opposition, as the House will be aware, received representations from mothers who came to see us because the frequency of sessions offered to children with speech therapists was being reduced. The mothers that came to see us, one in particular, had two children both of which were enjoying the services that had been provided until it was being decided to be reduced. The children attended speech therapy services once a week after school for one hour and there was also a reduced timetable in the summer, but it continued. One fine day, they are told by the GHA that due to an increase in the number of children requiring speech therapy, her children would only be able to avail themselves of speech therapy sessions on alternate terms, instead of during the full year. This was confirmed by the hon Lady opposite and, understandably, the mothers were just simply perplexed by the actions of the Government. They just simply could not understand why instead of reducing the service, why not simply do what we have thought would have been the obvious decision in order to ensure that the children that were enjoying the service were not deprived of it any longer and simply apply some money to properly resource that department so that those services could be continued. How can the Government stand bored faced here and say that they truly are a caring Government when I see all the time … and they know of instances when all it takes is the Hon Minister Mr Netto or the hon Lady opposite to take time out on whatever it is they are doing and stop and consider the impact that that policy decisions have on ordinary people. The fact is, as I say, that they seem to be unwilling or unable to care about ordinary people. They do not care, despite what the Hon Mr Netto has said because if they did, these issues would not come to light

and we would not have to endure their unnecessary political vitriol in their press statements. Let me illustrate how it is true that once we raise a valid point and even when they accept it, they still have to attack us personally. We say certain things in our press statement and in the Government's press release they confirm first that there have been increased referrals to the department. That was one point we made. The Government also confirms that as a result of the increased referrals, there have been cuts in the services offered, also the point we made although they call it "a rearrangement" and we call it "a reduction". Given that this reduction was a reality you would have thought, Mr Speaker, you would have thought that the hon Lady opposite would have avoided the usual knee-jerk reaction of having to spout out whatever they have to immediately in order to counteract what we have said and given that they accept that there has been a reduction in service, they would have simply kept quiet and let the matter drop. But they cannot, as I said, it is a fundamental symptom of this political pathology that they all share. That they must reply irrespective of whether the point is valid or otherwise and for so long as we get it … they laugh again, Mr Speaker. A good sign. But of course, once again, we are showing them how to be what they are, uncaring, and regardless of their xxxxx. In spite of the fact that they continue to call us ignorant and whatever else they want, we on these benches will certainly continue to point out when they are failing the people. In short, the reality is that the Members opposite really do need to prioritise and put people first. It is all very well to have projects for the community and for Gibraltar as a whole. But we cannot forget, they cannot forget that they also have to ensure that those people that need and use the service, which has been previously given to them, and if it does not exist, it should be provided, that is what they are there for. They earn a very handsome salary to make sure that people that need the support of the state receive the support of the state. That is what they are there for. They are not there to be sitting behind plush offices and do nothing. They are there to meet the people who have problems. They are there to address their concerns in the same way that we sit and talk to everyone who comes to talk to us.

In respect of the Care Agency, I am afraid for the Hon Mr Netto that I will have to reiterate what I have said in spite of the fact that this is not liked by him. Whereas I do accept that as a result of the Children Act and before its implementation, there had been a small increase in the complement of qualified Social Workers, I can tell that the views of certain members, not just of the legal profession but of other quarters, still think that the increase of the complement is not enough to be properly able to cater for the additional duties that qualified Social Workers have under the Children Act, obviously, in particular in relation to children.

So, Mr Speaker, in conclusion, what I would say to Gibraltar is that the pattern of behaviour that is exhibited by this Government just shows one thing. That it is a Government that is, in fact, on its last legs and is on its way out. Gibraltar needs a Government who prioritises people as well as projects. Yes, it does. They need to be able to prioritise people. They need a team that has independent members who are able to actually make decisions in their departments. Of course, there is cabinet responsibility. But surely the Ministers opposite must be able to walk over that ankle deep water that so seems to tie them up and trip them over. We need a Government that can boldly tackle the areas of responsibility for which they are entrusted. We need a party that can bring a change in the way that politics is conducted. That actually takes a holistic approach to everything that is done rather than not. We need forward planning and in that planning we must continue to take into account the basic needs of ordinary citizens. We need xxxxx what is on the last occasion, a quantum leap in the way we conduct our affairs of state, a quantum leap on our politics and it is time for a new dynamism that has died under that stagnant administration.

The House recessed at 6.07 p.m.

The House resumed at 6.22 p.m.

HON D A FEETHAM:

Mr Speaker, as the House is aware, the last two years have seen my Ministry undertake a root and branch review of the entire justice system with unprecedented levels of public consultation and participation. The areas we have focussed on have been prison reform, building new courts, reform of our family laws, reform of our criminal laws, reform of the procurement and sale age in relation to alcohol and tobacco, reform of legal aid and legal assistance, jury reform, industrial tribunal and reform of insolvency legislation. I would like to update the House on the progress that we have made over the last financial year in relation to all these areas and when we expect to complete them. Hon Members will appreciate that this has not been an easy task and it is easily the most wide ranging systematic and fundamental reform of the justice system in Gibraltar in a century. Nothing lack lustre here, to use a phrase coined by my hon Friend Mr Costa to describe this administration. Indeed these reforms show an unprecedented level of commitment by this Government to the justice system since the introduction of the new constitution and despite the reservations that were expressed at the time at the introduction of the new constitution, the creation of the Ministry of Justice and indeed the Judicial Service Commission, the reality is that only the most politically biased, looking at the situation through the most politically biased spectacles would fail to see the results that the structures we have created in this area have produced and are indeed producing.

Her Majesty's Prison at Windmill Hill has now been completed and Prison Officers are currently being trained at its location. Prisoner transfer is expected by the end of July and therefore we expect a fully operational prison by the end of August which will see an increase in prisoner capacity to 98 inmates. It is a modern, state of the art prison, with all the facilities one would expect from a prison of this kind. From workshops to help prisoners learn new trades, to classrooms where they can benefit from continuing education. It has cost the Government approximately £7 million but there is no doubt that it is money well spent as members of the public who take the opportunity to visit it at the forthcoming open day will testify. In addition, the Government has more than doubled the number of Prison Officers at Her Majesty's Prison Service. I can safely say that on the basis that actions speak louder than words, no Government in the history of modern politics has shown, through its actions, a greater commitment to this community's prison service than this Government. I also noted with a huge sense of satisfaction that the hon Gentleman opposite Mr Linares who is, perhaps, not known for his measured criticism of the Government, said absolutely nothing during the course of his speech about the prison service. A fact that testifies to the excellent job that the Government is doing in relation to this area. We have not finished yet. Later this year, we will publish a Bill reforming our Prison Act which will modernise our entire prison legislation including our parole laws and the strengthening of the roles played by both the Prison Board and the Parole Board. One of the areas that we have focussed on is on the introduction of a system of parole that allows the Parole Board to grant parole subject to conditions, for instance, of the former inmate submits to periodic drugs testing whilst outside on licence within the community to ensure that that person remains clean of drugs. This, together with other initiatives, which we will announce during the course of the year, not only in my Ministry, but in others and my hon Friend's Ministry, Mr Montiel, we hope will break the cycle of criminality in which some members of the prison population find themselves.

Family reform. I am glad to say that our reforms in this area have been virtually completed. Last year, we brought to Parliament an enormous amount of legislation in this field ranging from protection of children to substantive reforms of our divorce laws by, for instance, cutting the amount of time people have to wait for divorce when relationships break down irretrievably and regulating the financial provisions of partners in long-term relationships, spouses and children of the family. That has included, for instance, pension sharing orders to ensure married women of many years do not lose out when they are divorced. We have, over the last year, passed a

comprehensive Children Act. Very significant and comprehensive amendments to the Matrimonial Causes Act, the Maintenance Act, the Criminal Procedure Act in relation to juveniles and care proceedings and the Supreme Court Act and the Magistrates' Court Act. We have created the new post of Family Judge at the Supreme Court and recruited an extra Puisne Judge for that purpose. We have also recognised that well informed parents are better placed to make soundly based decisions and we have produced and published two excellent booklets, Parenting Plans: A guide for Separating Parents and Model Parenting Contact and Resident Plans which we have circulated throughout Gibraltar and indeed under the terms of the Children Act are sent to divorcing or judicially separating parents by the court service. Again, no other Government in history has done more in this particular area than this Government. All that remains to be done is to ensure that the relevant regulations and rules of court pursuant to the various statutes are produced and enacted. Some have been completed and some are work in progress. Again, we intend to complete our work in this area this year as I informed the House during the debate on the amendments to the Maintenance Act. There will be a need to keep these reforms under review and take on board any issues that may arise in their practical implementation either within Social Services Agency or in Court. Already, we have prepared amendments to the Children Act and we also intend to move amendments to the Matrimonial Causes Act. I have personally written to heads of chambers asking to be kept informed about any areas which are not working well. All because, as is inevitable, we have made some mistakes that need to be dealt with.

The Courts. As I have said on a number of occasions, none of these reforms would be effective without the substantial investment that the Government is making in its plans to build new Courts and to restructure the back office, business and management systems of those Courts. The new Court complex is progressing very well indeed. The project, as the House knows, because I have explained the plans in detail to this House on a number of occasions, will involve an increase in the number of Courts from two to seven, more than treble in number. There will be four Supreme Courts and three Magistrates' Courts. The Magistrates' Court project and half the Supreme Court will, for the benefit of those who like ticking their time keeping boxes, will be completed by the summer of 2011 and the balance of the Supreme Court project, that is, two outstanding Supreme Courts will be completed by the end of 2011. Any Member of the House who wishes to see the plans, need only give my office a call. The senior judiciary, the Bar Council, the JPs and other parts of the justice system have all been consulted on the plans. The President of the Courts, Sir Murray Stewart Smith, who has had the benefit of helping design courts in the United Kingdom has been extremely helpful and on behalf of the Government I wish to extend my gratitude to him publicly in this House for the help that he has given us. The scheme has been described by the President of the Courts and the Chief Justice as meeting the needs of the judiciary and the public it serves for at least the next twenty to thirty years, and by the Heritage Trust as one of the most exciting projects in Gibraltar at the moment. I also want to reiterate, as I have done in the House on past occasions, that the level of consultation on the plans for this particular project has been unprecedented. I personally attended a full meeting of the Heritage Trust in 2008 to explain the plans in detail and because of the sensitive nature of the site, from a heritage point of view, I provided the Trust with a veto over the project or any aspect of it. The only condition imposed by the Trust was the preservation of the façade at the Town Range site which the Government agreed to at an extra cost of £350,000 to the taxpayer and indeed several months delay to the project due to engineering complexities involved in retaining the façade. The total cost of the project will be approximately £7.5 million from the moment it began in 2008 to completion and again, Mr Speaker, in this area that level of investment and commitment to one of the fundamental pillars of this community by any Government is completely and utterly unprecedented.

The combined court service. Mr Speaker, but we cannot solely focus on infrastructure. Although the creation of the new courts will undoubtedly lead to a very substantial reduction in the backlog of cases that unfortunately blight the system, we must ensure that the service offered to the public is improved across the board. It is important therefore that the court service, who I accept is composed of highly committed individuals, adopt the most modern systems to ensure that they serve the public in the most efficient and effective way. Last year we commissioned a visit from Peter Risk, who is the South West Regional Director of Her Majesty's Court Service and who has produced a road map for the development of the Court Service here in Gibraltar and which I have no doubt will prove a valuable tool in ensuring that we deliver a world class court service for Gibraltar. As part of this restructure, we have ended the antiquated notions of judge or court clerk managers. Judges judge. Managers manage. Last year we recruited a new legally qualified Magistrates' Court Clerk, Mr Maurice Turnock, and we have now recruited two new Senior Executive Officers, Ms Hazel Cumbo and Mr Andrew Chiappe, to undertake, amongst other things, the management functions once vested in the Court Clerk at the Magistrates' Court and in the Registrar at the Supreme Court. This has meant that we have recruited one extra senior manager at the Court Service. Last year I also said that we were considering appointing a Chief Executive of the Court Service in order to enhance the management of the combined courts and ensure that management is properly coordinated. We have now undertaken a selection process from a pool of excellent candidates. I can now inform the House that Mr Alan Davis has been selected candidate for a fixed period of three years. Mr Davis has extensive proven experience in the senior management of courts in the United Kingdom with a proven track record in managing strategic change and delivering performance in this area. He has been the Justices Chief Executive with a responsibility for strategic operation and direction of the Magistrates' Court in Wales. He has also been the Area Director for Her Majesty's Court Service in South Wales with responsibility for the Crown Court, County Court and the Magistrates' Court. He therefore has experience of both the civil and criminal courts. He has been responsible for numerous courts in his area, hundreds of staff, and has been involved in court building projects. We could not have hoped for a more qualified individual. He will, I am absolutely certain, be a major driving force in the improvement of our Court Service here in Gibraltar and will be particularly useful in helping to coordinate the works to both parts of the court system in a way that minimises the disruption to their business. Mr Speaker, the Chief Executive will be in post in October of this year.

A fourth judge. Mr Speaker, we are also acutely aware of the backlog in criminal cases and the Government has offered the Judicial Service Commission to fund a fourth Puisne Judge for a period of a year or two in order to specifically deal with this issue. This is on top of the current spending in this area. Discussions continue and we hope that yet again, working closely with the JSC, we can help alleviate a problem that cannot really be solved until the new courts have been completed.

Criminal Law Reforms. Mr Speaker, over the last year we have introduced substantial reforms to our criminal laws. These have included, child pornography laws, computer misuse, computer hacking and a Bill on vulnerable witnesses. Last year I said that we had completed our work on phase I of the Criminal Justice Law Reform programme which involved the production of a Crimes Bill modernising all our criminal offences. The Bill has some 27 parts drawing from a total of over 40 statutes from the UK and elsewhere and includes wholesale reforms of our sexual offences and the introduction of a sexual offenders' register. We have now completed phase II which is the Criminal Evidence and Procedure Bill which will overhaul all our criminal evidence and procedures from the moment a police officer searches an individual all the way to the point at which that individual is sentenced by the court. In many respects, the Criminal Evidence and Procedure Bill has been an even greater and more complex task than the Crimes Bill. At this stage, we intend to publish both Bills this year. But it may be, and I put it no higher than that, the Crimes Bill is delayed pending resolution of

the current case in the Supreme Court on the constitutionality of the age of consent for homosexuals and the issues that may arise after the case is determined. My Ministry is also working together with the judiciary to arrange training courses for lawyers and judges in this area and to obviously educate and train the judges and lawyers in relation to these new and extensive reforms. I consider the training is essential given the sea change that these reforms represent. In this respect, I am happy to acknowledge the significant input of the President of the Courts with whom I am liaising very closely. One cannot underestimate the enormity of these reforms and one, out of all the other reforms, that my Ministry is particularly proud of, given that the Law Commission in the United Kingdom has considered undertaking exactly the same exercise but has rejected the idea because of the difficulties involved. In addition, within the next two weeks, we will publish our reforms on juries which have resulted from the consultation paper, "Jury Reform - A Fairer and More Effective System".

Alcohol and Tobacco. Mr Speaker, within the next couple of months, we will publish a Bill of our intended reforms of alcohol and tobacco procurement and sale ages, so that this can be taken to the House at the next sitting of Parliament. We believe that these reforms will strike the right balance between total prohibition for sixteen and seventeen year olds and greater responsibility on the part of young people, licensed establishments and indeed parents in relation to their children.

Legal Aid and Legal Assistance. Last year I said that the reforms of our legal aid and legal assistance regimes were progressing but perhaps not as fast as I would wish and that I intended to inject a new impetus into these reforms. The Government and the Bar Council have had a helpful and constructive consultation process and legislation has been drafted for approval by the Government. We have already produced a draft of our criminal legal aid regime and, by November of this year, we intend to complete the project. I am hopeful that we can publish Bills in this area by the beginning of next year and certainly within this financial year. Our aim is to rebalance the legal aid budget away from areas such as personal injury, matrimonial law, contractual and commercial disputes to criminal law which has remained historically underfunded and to ensure that there is greater scrutiny over public expenditure and greater value for the tax payers' money.

Insolvency. Last year I said that my Ministry had started a wide ranging review of insolvency legislation in Gibraltar, which is a very important area of law for business in this community and that we had established a small advisory committee of accountants, lawyers and regulators for this purpose. A couple of months ago, the committee provided its report, identifying a possible road map and I am hopeful that, drafting resources permitting, we can come to the House with a Bill by the end of this financial year.

Industrial Tribunal. We are also making very good progress on reform of the Industrial Tribunal and we are considering not only the appointment of a permanent chairman, but a relocation of the Industrial Tribunal away from the Job Centre. Substantial drafting of new laws have already taken place and there is no reason why we should not expect to complete our reforms in this area this year.

Finally, Mr Speaker, as hon Members can see, much has been achieved and much has to be achieved over the next year. My hope is that by the end of this term in office we can look back at four years of unprecedented progress and as a lawyer, I am extremely grateful to my colleagues, to have been given this opportunity to steer these reforms through Parliament. I also want to end by thanking my staff at the Ministry of Justice, my Personal Assistant and my secretary for their support during the last three years and all the other members of staff and component parts of the justice system with whom I have had dealings over the last few years. Thank you very much.

HON F J VINET:

Mr Speaker, I am privileged to once again address Parliament on the general progress and development related to the various aspects of the housing policy. Privileged but also proud because while housing has historically been regarded as a difficult and sensitive Ministry, the reality is far more positive than the hon Members opposite would have us believe. I hope to be able to demonstrate just how much good work and how much progress has been achieved by this Government. I do recognise that in housing, as in all spheres of Government policy, even more can be done. But putting to one side the historical stigma, the unfounded rumours, more of which later and the politically motivated misinformation, delivers the true picture.

Significant financial resources will again be invested within this vital area of public service this year. That investment in housing is divided into three main sectors: the delivery of housing services; the maintenance and refurbishment of existing housing stock and new constructions. I lead with the first of these three strands, mainly housing services. The Ombudsman's annual report for 2009 shows that the Housing and Buildings and Works Departments attracted the highest number of complaints of Government Departments and Agencies. This, while nothing new, is of course disappointing. But in order to place into context one should bear in mind that housing, because of its sensitive and wide range reaching nature and because decisions taken can have very immediate personal and even emotive consequence, is normally the highest area of complaints received by the Ombudsmen in other jurisdictions and not just Gibraltar. This xxxxx has come from the Gibraltar Ombudsman himself. Locally, one explanation might be the combination of logic and mathematics since thousands of individuals come into direct contact with the Housing Department each and every month, probably more than other departments. In other words, if Department A has regular contact with a hundred clients and Department B only with twenty clients, it is normal to expect the higher number of grievances to arise in respect of Department A. This still does not alter the fact that we need to do more to improve on our service delivery. But it would be interesting to see the number of complaints in relation to a particular department as a percentage of all enquiries and contacts with that department. It is also true, that many of the complaints last year were linked to appeals to the Housing Tribunal, prior to publishing legislation empowering the Tribunal to entertain appeals against decisions of the Housing Authority. I am pleased to say that the Housing Tribunal is now fully functioning and so complaints in relation to that aspect of housing should reduce substantially this year. Mr Speaker, last year the Ministry introduced a new monthly billing system where, for the first time, Government tenants can instantly update themselves of any personal financial developments about the rent, including arrears. This has had a noticeable and positive effect on the collection of outstanding amounts, with more and more tenants entering into agreements to pay those arrears. In fact, we took the policy decision to adopt more flexible terms of agreement where desirable. The result has been remarkable. Last financial year, tenants entered into arrears agreements covering £502,000, while just in the last three months almost £90,000 have been covered by new agreements. As Parliament already knows, and always following consultation with the relevant Tenants' Associations, there are already in place improved parking arrangements for the benefit of tenants of all our major estates, Alameda, Laguna, Glacis and Schomberg Estates as well as parts of Scud Hill are covered. While other estates, such as Varyl Begg and Edinburgh have dedicated parking spaces for qualifying tenants. The Ministry for Housing will continue to monitor feedback from my meetings with respective associations. Indeed, we are happy, wherever practically possible, and if tenants so desire, to introduce similar schemes elsewhere. In the meantime, changes have just been made to the parking permits themselves. Concern has been expressed about a small number of individuals who photocopied or otherwise tampered with permits for their own improper use, an unacceptable practice which had a negative impact on all those others who act in good faith. In order to improve their security and

effectiveness, parking permits now have a hologram strip across the centre, together with an official embossment. Further improvements are planned in order to maximise the availability of parking for tenants. The Government's recently published Integrated Traffic, Parking and Transport Plan explains that the strengthening of laws and procedures will ensure the better policing and enforcement of "residents only" schemes, including on-the-spot fines for non-locally registered vehicles and the removal of the legally parked vehicles. Very importantly, Tenants' Associations will be empowered to administer their own additional clamps or tow-away enforcement, with monies collected being retained by Associations for improvements, that is improvements chosen by them, to their estate. This is something that some Associations had urged Government to do and therefore I know it will be well received. On the subject of Tenants' Associations, and as I said last year, I hold regular meetings with each of the established associations and these are always productive. Other housing areas should, I believe, embrace the opportunity to formalise associations and to engage Government directly as a collective, so that they may bring to my attention any problems and issues that need to be addressed. May I, similarly to last year, publicly express my gratitude to all members of Tenants' Associations whose voluntary contributions help define the service we provide and ultimately benefit their fellow residents. A word on the Right to Buy, Mr Speaker. There is growing interest from Government tenants wishing to purchase their homes and the Ministry for Housing is actively involved with Gibraltar Residential Properties Limited in processing these sales as and when these are pursued by tenants. Numerous management companies are now being set up to facilitate this process, deeds of Underlease drafted and signed accordingly and systems introduced to enable the purchasing process to be as quick and smooth as possible. The proceeds of these sales will be reinvested into public housing as provided for by the new Housing Act. Mr Speaker, I have been in discussions with the Senior Citizens Association to look at ways of further assisting our elderly. In particular, the Association highlighted that the long-standing system of reporting repairs could be simplified. At present, reports are made to two different telephone numbers during normal business hours and received at the Reporting Office at the City Hall, but this changes after normal working hours when a third number needs to be dialled. I do understand how this dual system could cause confusion, particularly among the elderly and I have therefore issued instructions for the arrangement to be changed as soon as possible. Apparently, this is not as simple as I believe it to be as a lay person and there are telecommunications issues to overcome, but I hope that very soon all tenants, elderly or otherwise, will be able to report calls by calling one telephone number, irrespective of the time, day or night. Mr Speaker, a number of Members of the Opposition, in their contributions within and without this House, would have people believe that the housing waiting lists did not exist before May 1996 and it was only when the ruthless, wicked, immoral and cruel folk at the GSD came into power that anyone had to wait longer than a couple of hours for a house. Certainly, it is true that the size of the waiting list today is considerably larger to what it was, although this will change very soon. Logical explanations have been given by Government across the floor. Higher property prices. Difficulties in obtaining mortgages. The lowering of the age of eligibility. The halving of the pre-list period. The huge increase in marital break ups. But these invariably fall on the deaf ears of those who prefer to criticise at whatever cost. Early next year, the Hon Mr Picardo praised the efforts of the GSLP Government in apparently obliterating the waiting lists. Well, that is not totally true and I will explain why. What was not mentioned was that when the GSLP left Government, there were virtually as many applicants on the then two-year pre-list as on the waiting list proper. Far from obliterating the waiting list, this meant that within less than two years, the number of applicants on the waiting list, even before taking account of all the additional applicants signing up in those two years, would literally double. A 100 per cent increase at the very least. The obliteration proved to be short-lived. In other words, the trend for more and more people choosing to join the list was clear even back then. Mr Speaker, I look forward to listening to the contribution of the Opposition's spokesman on Housing, my good friend the Hon Mr Bruzon. I

do not know whether he will repeat the accusation made a few weeks ago that the creation of the Medical "A+" list was nothing more than a gimmick that had not solved anything and I do not know whether he will again use the statement he made in Parliament earlier this year that Government and I quote, "Have simply not made adequate and timely provision for social housing". What I do know is that both those accusations are totally untrue and to suggest otherwise is to disregard the figures I have been making available across the floor of the House, figures that show that more homeless people are being re-housed. Figures that show the record number of allocations to applicants with social and medical issues. Figures that show the effects of a policy decision by me to give extra priority to those on these lists. Quite simply, as the Opposition know, there have never, ever been more allocations to those on the Medical or Social lists than there are now or in the recent past. Gimmick indeed! And to think that we had to endure the Hon Mr Costa, a bed fellow of the GSLP, label us in the GSD as uncaring, as dishonest, as lacking in transparency. The world really does appear to have gone mad. Mr Speaker, I have recently explained that the vast majority of people currently on the Medical "A+" list are there because they have voluntarily chosen to wait for Albert Risso House or the new rental estate. I did make it very clear some weeks ago that the option of waiting for Albert Risso House or the new estate, on the one hand, or to accept an existing flat, on the other, was precisely that, an option, freely exercisable. Literally, the next day Mr Bruzon said that they had no choice, not true, Mr Speaker. But in addition, I can reveal that an exercise has been carried out by the Department to maximise the availability of flats vacated by senior citizens moving to Albert Risso House. The effects on the Social, Medical and normal waiting lists will be apparent later this calendar year. Once the new estate is ready, the lists will have shrunk beyond recognition. Just by way of example, although based on current applicants and current room entitlements which naturally can change, the 3RKB list, that is to say, the list for two bedroom flats, which today has 284 applicants, will by the end of the exercise be made up of just 43 of the current applicants. On that note I bring to an end my contribution on Housing Services and now turn to the maintenance of the housing stock.

Mr Speaker, in the financial year 1999/2000 the Approved Estimates for this head of expenditure, namely Head 3, Housing Administration and Housing Buildings and Works, was £6.27 million. The estimated combined recurrent expenditure since then has continued to increase and under this financial year our Estimates for funding in recurrent expenditure will be up to £10 million. That is, we are now close to doubling the amount provided just ten years ago. As far as the Improvement and Development Fund is concerned, the refurbishment of Government housing stock will also see extraordinary levels of investment and will comprise the replacement of defective roofing, major structural repairs, the windows and shutters replacement programme and the construction of new lifts where practically possible. During the last twelve years, this Government has spent £35 million in undertaking such works. Food for thought for those who question our commitment to housing infrastructure. A commitment that continues this year as we plan to spend a further £1.9 million towards our housing stock. That is a further, almost £2 million, in capital works alone. Mr Speaker, Buildings and Works will continue to undertake flat refurbishments, minor response maintenance and specialist conversions. We will continue to ensure that the Department is properly resourced and that materials are readily available. Indeed, the funding for materials has increased from last year's £1 million to £1,100,000 this year. There is a small but welcome reduction in the total number of outstanding jobs compared to this time last year, but as I have said on other occasions, the current backlog of outstanding works continues to be unacceptable and unsustainable. Last year I said that more had to be done by everyone concerned in order to tackle this historic backlog and to reduce numbers to more acceptable levels. I also said that the solution was not to simply throw more and more money into what is already a well-resourced department. My own belief is that there needs to be a cultural change that focuses on service and on greater efficiency. That shift may take some time to achieve but the Government is determined to

pursue this further. As the Chief Minister recently informed this House, the Government is engaged with the Union Unite and staff representatives about wide ranging reform of the Buildings and Works Department in the interests of its staff, the tax payer and of course Government housing tenants. Mr Speaker, as far as capital works are concerned, this past year brand new roofs have been fitted at Maidstone House and Sortie House in Laguna Estate. These blocks are now being repainted. All four lifts at Constitution and Referendum House in Glacis Estate have been replaced with new, modern facilities and, for the first time, each lift has access to all floors. Up until now, each of the two lifts in each block only stopped at alternate floors and so the works have meant the creation of new lift door openings where previously there were none. The feedback received at my offices has been very welcome and I know these new lifts will greatly improve the quality of life to tenants. Incidentally, extensive works to the roofs at what are commonly referred to as the Tower Blocks was also completed recently. Of course, in addition to this there have been any other extensive works carried out all over Gibraltar. Some of these are still ongoing at Alameda Estate, Schomberg and elsewhere. Looking ahead to next year and beyond, very soon construction of new sheds will start at Laguna Estate. Each and every flat will have its own shed thereby honouring a long standing commitment to tenants. Also, work is advanced on the design of the project to construct lifts within the estate and the Ministry is eager for actual work on site to commence as soon as possible. Although the architectural design of the blocks at Laguna does mean that the provision of lifts there is both more complex and more costly than in other areas. The plan is to couple the installation of lifts with the embellishment of the respective blocks so the result will be, not only a more accessible and comfortable Laguna Estate, but also a more attractive one. Mr Speaker, we plan to extensively repair the balconies at Kent House and to start major structural repairs at Governor's Meadow House in Alameda Estate. I recently wrote to residents of Alameda confirming that similar works to those undertaken at Ross House will in due course be carried out at all of the blocks there. I can also confirm that Government intends to embellish St Joseph's and Varyl Begg Estates, although I will leave the more specific details to be announced in the future. To summarise, we will continue to invest heavily in those properties that were neglected by those in Government before 1996.

I now enter the last strand, namely new housing construction, and do so by summarising the largest of the projects that Government is currently involved in. A new Government development for affordable home ownership known as Waterport Terraces, almost 400 accommodation units. New affordable housing schemes in the South District known as Cumberland Terraces, Nelson's View and Bayview Terraces, another almost 400 accommodation units. The new Senior Citizens' rental project known as Albert Risso House adjacent to the Waterport Terraces site, 140 accommodation units and the new Mid Harbours rental estate, almost 500 accommodation units. Most purchases at Waterport Terraces and many in the South District affordable housing schemes are now enjoying their excellent, modern, high quality new homes. Well designed, safe, decent homes, well worth the wait. As indeed, will be Albert Risso House for senior citizens which is now almost ready, or the new rental estate, the first housing estate for rental since Varyl Begg in the 1970's. I have praised the virtues of this development on more than one occasion, and will not repeat myself today. The information provided by the contractors is that phase I, which comprises four apartment blocks with a total of 284 apartments, is currently scheduled for completion in early 2011 whilst phase II comprising of two blocks with a total of 208 apartments is currently scheduled for the summer of 2011. This year we will spend over £27 million on building the new estate. One thing is for sure, Mr Speaker, Government should not and will not compromise on the design or on the quality of materials. A shame that such attention to detail did not exist before 1996. We are still having to spend millions, repairing all, not one or two, all of the co-ownership schemes built under the watch of the GSLP. This year alone we will be spending £5 million on repairs to the likes of Montagu Gardens and Montagu Crescent. Our people deserve decent homes that require low maintenance and the new rental and affordable housing schemes provide just

that. This philosophy will also inform Government's future plans for even more affordable quality housing. More details will be forthcoming in due course but as the Chief Minister recently revealed in a media interview, Government is currently in discussions with a construction company to jointly convert the old Police Barracks into more affordable homes for sale. Other properties in the Upper Town are being made available for sale, such as the old Flat Bastion Barracks which are being attractively restored and refurbished. Mr Speaker, that brings to a close my Budget report on the three separate components of housing policy, but there is some further comments and clarifications that I feel need to be made to place this Budget debate in its full context.

This time last year, I made this House aware of my alarm at rumours reaching those housing applicants with offers of flats at the new rental estate alleging that those offers would not longer materialise. The estate was no longer being built after all, said some. The buildings will be used for some other purpose, said others. Incredibly, some of those stories are still doing the rounds. In fact, the rumour mill has recently been on overdrive either by a word of mouth, on line forums, or publications closely linked to or controlled by the GSLP. Apparently, Buildings and Works cannot undertake any work because Government has no money. Never mind the £1.1 million for materials, or the £7 million injected into Buildings and Works every single year. It also appears that the rents for the flats in the new estate, that is, the same new estate that is no longer being built, are going to be so high that nobody will be able to afford them and frankly, you are better off tearing up the offer letter and accepting a flat in an existing estate. Mind you, when I say existing estate, do make sure it is not Glacis because we are now being told by some people on a popular website that Government plans to demolish the entire Glacis Estate to make way for a luxury development. I could go on but I will not. As I said last year, Mr Speaker, I do not know where those malicious rumours are born or for what purpose they are placed on the public domain. For the sake of clarity, if I may, I recall my friend the Hon Charles Bruzon did distance himself from the references I made to similar rumours last year, so I will not wish my comments to be interpreted as accusations directed at the hon Member personally. Far from it. However, anyone could be forgiven for thinking these stories are a clear, orchestrated attempt to mislead the general public and to cause political damage. Those responsible, whoever they may be, demonstrate a total and reckless disregard to the truth and assault the emotions and aspirations of entire innocent families. It is regrettable that anyone would choose to play politics that way. But, Mr Speaker, while we are at it, let us all play politics for a while. I wanted to be certain of the facts I divulge in this House and to not be seen to be misleading anyone, particularly when explaining the journey that housing policy has travelled under this Government and which continues this financial year. So I asked my staff for information relating to the years immediately prior to 1996. Easier said than done, Mr Speaker. The Housing Department was privatised by the GSLP Government and in its place stood something called Residential Services. Regrettably, documents, paperwork, records were, for want of a better word, misplaced by Residential Services and so it is very difficult, in fact, impossible given there are simply no records available to draw a serious comparison between then and now. And so, Mr Speaker, in attempting to draw a comparison, I had to resort to looking at the Estimates of Expenditure for the financial year 1995/1996. A detailed breakdown was never provided that year. The entire description provided under the then Head 4, Environment was the all-encompassing "Housing Maintenance and Services" with a sum of £2,588,700. In addition, £141,900 was set aside for "Estates: staircase lighting". Both these charges had the previous year been included together as Buildings and Works. Thus, from what I am advised by my staff can be seen from 1995/1996 Estimates, the grand total which the then Government was prepared to invest on housing services and on housing maintenance was £2,730,600. This year the GSD Government estimates it will spend £10 million on Housing Administration and Buildings and Works. Just in relation to the housing maintenance aspects of recurrent expenditure, that is, Buildings and Works, we are going to spend over £7 million. So I am sure my hon Colleagues will agree that

while I am firmly of the view that it is right to judge this Government's record for what it currently does and how, one cannot disregard what existed before because that necessarily informs our current performance. In the same way, I would expect future Governments to compare their performances to what we are doing now. It is only by looking back that we can really assess where we are today and where we are today is light years ahead from the under resourced, poor, almost non-existent commitment to maintenance and improvements to housing stock by those who dare criticise us now. Mr Speaker, let us therefore place this year's Budget in context. Let us put to one side the political posturing. The smokescreen. Let us focus on nothing else but the facts so that everyone here in Parliament and the general public can really judge how well or how bad we are doing. Earlier this year, during a Parliamentary exchange, the Opposition spokesman for housing said and I quote, "So before the Minister makes statements to the effect that they", the GSD, "built more houses for rental than we", the GSLP "did, he should check his facts". Well, Mr Speaker, check the facts I have and they make for interesting reading. The GSLP, that is to say, the party that now accuses the GSD Government of not having done enough to provide rental homes, built just 86 flats as part of the normal housing stock during their eight years in office. These were sporadic and ad hoc properties. A few bedsits in Glacis Estate, a handful of flats in Laguna after adding one additional floor, doing away with all the garages previously used by tenants of St Jago's and converting them into a few more bedsitters. Our records show that an additional 117 flats at Sir William Jackson Grove were made available by the GSLP, although they have never formed part of the housing stock statistics, because they originally belonged to Community Care. So, Mr Speaker, 86 and 117, an absolute total of 203 flats for rental built by the GSLP administration. The GSD Government has already built or made available 293 flats for rental, 86 at Bishop Canilla House and 207 in Edinburgh Estate. By the time of the next election, when we add the new estate and Albert Risso House … Mr Speaker, I will repeat myself so the hon Members are clear on what I am saying. By the time of the next election, when we add the new estate and Albert Risso House, the GSD will have built 829 flats. So, 203 flats by the GSLP, 829 by the GSD. Ah, but the GSD will have been in power for sixteen years and us for only eight, so of course they have built more homes. I can almost hear the mitigating defence. My calculator has a division button. The difference is that for every single year in Government, the GSLP built the equivalent of just 25 apartments. The GSD will have built 52 flats per year, every year. The figures speak for themselves. You see, Mr Speaker, the Minister does check his facts after all. However one looks at it, the GSD Government's record on housing is a very good one. We build better affordable homes. We build more flats for rental. We invest much more in the repair and improvement of our housing stock. Mr Speaker, I had intended to say a few words about the tactics used by the Opposition to criticise our housing policy. In essence, little more than time keeping, distortion and false premises that totally disregards the true facts. But given everything I have just said, is it any wonder that is all they are able to resort to. On this side of the House, we interpret their necessary style of opposition as the best praise possible for a housing policy that we all know can still be improved upon for which, as I said at the very beginning, we are rightly proud of.

Mr Speaker, may I take this opportunity to thank the Chairman and the members of the Housing Allocation Committee for their hard work and commitment in advising the Government fairly and on a voluntary basis and, finally, I warmly thank each and every staff member in the Housing Department and Buildings and Works for the continued loyalty and support. I also thank you Mr Speaker and all my parliamentary colleagues for your attention.

HON G H LICUDI:

Mr Speaker, Point of Order. I have waited until the hon Member finished his contribution so as not to interrupt him but this arises from something the hon Member said. He stated, during the course of his contribution, that my colleague Neil Costa had

accused Members opposite or had alleged that Members opposite were dishonest. I certainly do not believe that that allegation was made. I have no recollection of an allegation of dishonesty. Certain things may have been said, incompetence and other matters but certainly no allegation of dishonesty. It is, in my view, a serious matter to say that a Member of this side of the House has suggested that Members opposite are actually dishonest. That is a serious matter. If my recollection is correct, I would ask the hon Member simply to retract what he said, simply for the record. If my recollection is correct.

HON CHIEF MINISTER:

Mr Speaker, the problem is that as usual his recollection is not correct. No, Mr Speaker, what Mr Costa said, I had a note of it, was "People no longer believe in their lies". Well, Mr Speaker, if that is not an accusation of dishonesty, I do not know what is. The problem is that the hon Member does not … he leaps to his feet and his recollection is not long enough for him to do that. What Mr Costa said was, people, having accused us of noxious politics and much else, which he will hear xxxxx me about tomorrow, he then went on to say, people no longer believe in their lies. For him now to stand up on a Point of Order and shed crocodile tears because he thinks that the Hon Mr Vinet may have unfairly accused the utterer of those words of accusing us of being dishonest, Mr Speaker, is just untenable.

HON G H LICUDI:

Mr Speaker, we do not accept that that is untenable. There is a difference between suggesting a distortion of facts like we do, like misleading public. But dishonesty, actual dishonesty is a quantum leap from what Mr Costa says. It is a quantum leap.

HON MR SPEAKER:

Order, order. Yes, I certainly heard the word lies. The word lies was used by the Hon Mr Costa.

HON G H LICUDI:

Xxxxx.

HON MR SPEAKER:

Well, no, no. The Hon Mr Costa did not himself accuse anyone on this side of being liars. He said, people no longer believe their lies. Now, it is not unfair or unreasonable then for the Hon Mr Vinet to interpret that as an accusation of dishonesty.

HON C A BRUZON:

I have listened carefully to everything that my opposite number has said. I did not hear some of the details but I think I heard enough to be able to say in Parliament today that we may have to change biblical history because before 1996, Mr Speaker, and we have had about fifteen or twenty references to, prior to 1996, all was dark and there was nothing on the face of the earth and God said, let there be light and the GSD came on the scene. I now propose to demonstrate, Mr Speaker, that the opposite is not entirely the case, but that the Members opposite have to understand that when I, as shadow Minister for Housing, makes statements, when I see people in their homes or they come to see me in the office, I do it, hopefully, for the same reasons that he has had his surgeries. That is, his people because we are dealing with the same people and that therefore I feel strongly that there is too much politics in matters that are human and that need attention. So therefore, I propose to start my Budget speech today, not only by thanking Minister Vinet for the candid way in which he delivered his message, but also by addressing

some of the points that he has made, in the course of my speech.

I believe strongly, and I cannot ever change my background, I am not a lawyer, I used to be a catholic priest and what I believe in I still believe in today. I may be accused by the Chief Minister or by whoever writes the press releases of being holier than though, well, Mr Speaker, I cannot help being the way I am. But one thing I can assure the people of Gibraltar is that I try to act honestly and sincerely as I hope they do when they come to try to help the people of Gibraltar. Therefore, justice has to be at the centre of everything that politicians do and say because without justice there will be no progress for our people. There has to be common wealth, common good. Everybody has to benefit and not just some members of society more than others. The primary and central responsibility of politics and politicians, in my view, is to ensure that there is justice, always justice, within the framework of the state and I think we should all be Ministers or shadow Ministers of justice because in everything we do, we have to keep very much in the foremost of our minds the fact that we are trying to address human problems and that people need to be helped and there has to be as much cooperation by all politicians to help people who need help. Fundamental to my Christian belief is the distinction between what belongs to Caesar and what belongs to God, the distinction between Church and State.

This is how I started my Budget speech last year. I stressed how the primary, immutable responsibility of politics and politicians is to make absolutely sure that there is justice for all. I remind myself, personally, that being a politician is much more important than just taking part in some form of mechanism within Parliament for defining rules and regulations, however important I know these to be. Equally, the religion that I practice or try to practice and that large numbers of people profess, should never be a superficial exercise of gestures, rights and external observances, but rather the knowledge and a profound understanding, as far as is humanly possible, of what we believe in. Rules that are divinely revealed to me and to many who believe and that govern and throw light on the way that society lives. All of us as politicians, Mr Speaker, must inevitably face the question of how true justice can be achieved and delivered here and now for the benefit of everyone. The promises we make and the commitments we offer must always be made in honesty and with a level of realism that will enable our people to believe what we say and, of course, expect us to deliver what we promise. If what we promise cannot realistically be achieved within the time framework we indicate and if we keep on failing our people time and time again, we should not be at all surprised if people begin to lose trust in the political process that we are involved in. Restoring trust in the political process, in my opinion, and this is something which Bernard Linares and I heard mentioned a number of times in a CPA Conference that we attended in 2007, will only be achieved when politicians all over the world and that includes all of us, are loyal to those universal standards of ethical behaviour that makes them servants and not masters of those who elected them and put them in the position of responsibility that they hold.

Let me state quite categorically that the problems concerning the shortage of housing that we still have today is the result of nearly fifteen years of failure on the part of the GSD administration in not providing in a more timely way, and I will keep on saying this for as long as I need to, the kind of adequate housing our people have so desperately needed over the years. The Government seems to think that it can airbrush away its mistaken policy on housing which has seen waiting lists for Government accommodation increase in the region of five fold, maybe even more, since the time they came into power in 1996. It is not at all surprising that many people have lost trust in the GSD Government, something which I believe has been further aggravated by maybe their own style, or maybe his own style of politics, which has often involved constant blame, recrimination and confrontation. When in 2006 the GSD Government announced the construction of a new 700 flat housing estate for rental, the Housing Minister at the time proudly stated, “This is a wonderful day for the Housing Ministry. This is a wonderful day for all those on lower incomes who

cannot afford to buy even affordable homes. It is a wonderful day for all those involved in public housing administration who, for decades, have been doing the best they can administering an insufficient amount of housing stock." How wonderful it all was in 2006, Mr Speaker. The truth is that it was not such a wonderful day for the Housing Ministry after all, because today, four years later, they are still experiencing difficulty in administering an insufficient amount of housing stock. The truth is that it was not such a wonderful day for people who made a bold attempt at purchasing a home for themselves and their families at Waterport Terraces and then had to pull out because the delays caused an impossible strain on their financial resources. The truth is that it was not such a wonderful day for people who have had the bear brunt of bridging loans for much longer than was reasonably expected. How extraordinary for the Chief Minister to say that he has never made any promises or given commitments in connection with estimated dates for his, so called, affordable housing projects. In a colour GSD publication dated April 2006, there is a remarkable heading that reads as follows, "GSD delivers on housing promise". What exactly did they deliver in 2006. If they were able to say in April 2006 that they have delivered on promises made in connection with housing, there is a clear admission that promises had been made, that these promises were made some time ago and that the statement carried with it a clear indication as to the length of the construction period. With reference to Waterport Terraces, this is what they said in April 2006, "Construction is now underway and advanced, completion in about eighteen months". What did they mean by advanced? Similar remarks were made about Nelson's View, Cumberland Terraces and Bayview Terraces in terms of completion being eighteen months to two years after commencement of work. I suppose the GSD administration will be trying desperately now to complete all its remaining housing projects before the Chief Minister announces the date of the next General Election. However, we are now in June 2010 and phase I of the rental estate opposite Rooke was scheduled for completion by July 2010 and that is next month. At least, this is what they said in a statement or in a press release in September 2008. A year later, in September 2009, the Housing Minister stated, "Although delays in construction projects are common whether luxury or affordable homes, this particular estate is actually one month ahead of schedule". Wow! How wonderful it all is, Mr Speaker. Phase I is due for completion, he said, by the end of 2010. I think today he said, correct me if I am wrong, to be ready early in 2011. How could it have been one month ahead of schedule if completion was supposed to have taken place by July 2010? If Government is now saying that completion is scheduled for the end of 2010, it is not one month ahead of schedule but more like six months late. Maybe more like eight to ten months late now. Word about town is that provided the current Opposition Members continue to act responsibly as they are doing in challenging the Government on a whole range of domestic and international issues, people will have little appetite to give the Hon Mr Caruana yet another chance to squander tax payer's money on his visionary projects. To make promises that he does not or cannot fulfil and to fail the people of Gibraltar in a whole range of other important matters that my colleagues and I have been highlighting during the course of our work over the years and in virtually all our Budget speeches since we were elected as Members of Parliament. When I refer to visionary projects, three come to mind immediately. The East Side project which was the East Side rubble of rubbish mountain created by the GSLP but later conveniently relabelled "Sovereign Bay" by the GSD. The Theatre Royal of course and the enormous and costly air terminal now under construction. But let me say, Mr Speaker, that the construction of rental homes for our people, however, is certainly not one of those projects for which I would criticise the Government. I simply criticised the Government for the length of time that they have taken in making this possible.

In March this year, we issued a press release in which we were critical of the Government's housing policy and how this had a negative effect on the medical categories of which there are four "A+", "A", "B" and "C". Category "A+", you will remember Mr Speaker, was created as an additional category in 2005. We were told at the time that the Government had sifted through all the "A" category medical cases and came up with a new more

urgent category which they termed “A+”. I was told by the then Minister for Housing that “A+” cases would require immediate attention and when I asked the Minister at the time whether immediate meant a few days or a few weeks, I was told that these urgent cases would be allocated a house when one became available. My reaction at the time was that if in a few months time there was still an insufficient amount of housing stock, they might have to invent yet another category and maybe call it “A+ special”. When I challenged the present Minister for Housing, the Hon Fabian Vinet, about two years ago in Parliament saying that I was shocked in connection with the statistical information that I had been given concerning the medical category lists, the Chief Minister exclaimed that the nature of statistics had not changed much for several years and went on to say that they were no less shocking now than they had been during the last few years. The Chief Minister may or may not, but he may regret having said that because it was, as far as I am concerned, an admission on his part that the information given in Parliament at the time and time and time again in connection with medical category cases, makes pretty shocking reading. I deliberately use the phrase “shocking reading” because that is what it is.

It is statistical information that I have to read in Parliament as the House waits in suspended animation and I have to read this from a schedule that the Housing Minister hands over to the Usher for our attention. Mr Speaker, I know that there are times when the statistical response contains far too much detail and that therefore a schedule is the best way. But when the answer to a question that I make is short and simple to deliver verbally, then would not the Members opposite agree, that it makes much more sense and that it would be much, much more meaningful to those listening over radio Gibraltar and to those who are here, although today we do not seem to have many people, not at this time of the day, that it would be much more sensible if the Minister answers the question verbally and then my supplementary question would be much more meaningful to the people who are listening. The Usher does what he has to do and we have no problems with that. But I think he would not need to make so many journeys backwards and forwards if whenever it is possible Mr Speaker, the answer given to a simple question were to be made verbally and not given to me in a written schedule covering about twenty questions. I have to accept, Mr Speaker, that Ministers are within their rights to refuse to answer my oral questions verbally but what is the problem if the information that I seek is simple and not time consuming to vocalise.

Returning to the matter of housing lists in general and medical lists in particular. The bottom line is that for as long as there is an insufficient amount of housing stock, the problem is very difficult to resolve, if not impossible to resolve. The Chief Minister himself acknowledged this in 2007, when referring to the various housing lists, he stated in Parliament and I quote, “One cannot on the one hand say to the Government, people on the medical and social lists should be given immediate priority and then come back and say, why do the normal lists not move more quickly”. The two demands, the Chief Minister said, cannot be properly met whilst there is not more supply and he repeated the same idea when he stated a second time, “That everything could be resolved by having a greater amount of supply”. With reference to the medical category list, he also said and again I quote, “Why have different lists if being on the medical lists, in fact, does not mean very much in practice?”. Mr Speaker, this is what we have been trying to say all along and people are genuinely confused, at least those people who come to see me, are genuinely confused in connection with the medical category listings. When they come to see me they often enough bring with them letters from the Housing Department explaining the significance of their medical “A” or “A+” category. In a letter dated February 2009, that is about four years after the “A+” category was introduced, the person is told that he or she has been categorised medical “A” and the letter goes on to say that applicants placed on category “A” are deemed to be urgent… this is what they were told last year and an offer of accommodation on medical grounds is carried out as soon as possible always dependent on availability. The same applies to “A+” does it not? In a more recent letter, another housing

applicant is told that he or she has been placed on the "A" list again because only cases deemed urgent by the Committee are classified "A+". It is confusing, Mr Speaker, is it not? Then why say a few months earlier to another applicant who is placed on the "A" list that his case is considered urgent and an offer of a house will be made when one becomes available. At the same time, they are being told that applicants whose cases are placed under categories "A", "B" and "C" have, in the eyes of the Committee, warranted the chosen category although no extreme urgency has been noted and in turn consideration for an allocation is given at the time when no person classified under "A+" remain on the list.

The bottom line is that the GSD administration has taken and is still taking far too long in the provision of adequate housing for our people and this has been adversely affecting many of our families and many of our elderly citizens as well. For not placing our senior citizens higher on his list of priorities, as far as housing is concerned, I find that the Chief Minister is guilty. Albert Risso House is the last to be constructed and is not ready, even yet, though the Chief Minister or the Housing Department, whoever, allocated these homes to them during the 2007 Election campaign and we are now in June 2010. I accuse him on this matter of having failed them and their families. Now we hear that they will not be able to move in, into their homes, until September. There is no doubt that as we approach the General Election, probably some time next year, the GSD will be doing everything in their power to paint as rosy a picture of Gibraltar as they possibly can. Instead, in my view, they should be giving explanations for some of the things that have gone wrong during the years in office. They should be setting up a forensic audit into the collapse of OEM and Haymills. They should be offering explanations concerning failures of Bruesa at Waterport Terraces and in connection with the construction of the flats for rental opposite Rooke which, regrettably, will not now be completed on time. We also need explanations as to why it has taken eight years to start work on the Dudley Ward Tunnel which is yet another project which will not be finished on time.

Reference has been made by many Ministers to the performance of my party, the GSLP, prior to 1996. But what concerns me more, of course, is the reference of the Hon Fabian Vinet, the Minister for Housing, for a reference that he made because they belong more to my portfolio. No doubt, the Chief Minister will once again refer to the years, maybe he will not but maybe he will in his reply, when the GSLP was in office. How there were construction problems within the 50:50 Harbour Views housing scheme. He will imply that we are not allowed to engage in what we consider to be genuine, political criticism for his Government's failure to deliver on time. He says that we are not allowed to criticise him for this. He is only guilty, after all, for being a politician as he said to me some years ago, nothing else. Well, Mr Speaker, let me remind him of what I think he already knows, that the GSLP Government was not the construction company, not even the developer of the project, that we, the GSLP, were 50:50 buyers of homes in partnership with individual families. The homes were built by a private developer who put the proposals to us and we agreed to buy. The construction company, I understand, was forced to pay the bulk of the cost of putting things right. Having boasted that they have and are still supervising the quality of construction of the GSD's own housing schemes, any defects that surface, and I believe some already have, are clearly a Government responsibility for which they must answer and which they will have to rectify.

Moving now to an important matter, that of Community Care. Mr Caruana, a number of years ago, promised to fund the charity on a regular basis so that they would not have to touch the capital left by them or to them rather, by Mr Bossano. This capital was over £60 million in cash. But he failed to do so, resulting in Community Care not having a penny to its name today. This, the capital of course, would have been generating interest over the years and would have been helpful to the charity. Also as stated by Joe Bossano in his New Year message in January, we reject the argument that has been used by Mr Caruana linking Community Care payments and pension payments by the UK to pre 1969 Spanish pensioners. There is

no such link. As Mr Caruana himself told the House of Commons Committee, Spanish pensioners were not claiming Community Care payments but simply the unfreezing of their pensions. Our view, both in Government and in Opposition, has always been to defend the independence of Community Care as a private charity and to reject any attempt to link it to the level of Social Insurance statutory pensions. This has always been and will continue to be our position.

What about the free bus travel which was offered recently by the generous GSD administration to all our senior citizens or people who had reached the age of sixty. How wonderful it all is, Mr Speaker. We promised to do this years ago but when we presented this as an Election manifesto commitment together with other benefits in order to help our senior citizens, they were described as bribes by them. May I ask what are they now? We will let the people come to their own conclusions on this and many other matters concerning our political lives here in Gibraltar.

But one thing is clear to me and I think also to many Gibraltarians, and it is this, that the GSD Government, I think politically speaking, already have one foot in the grave. Why am I in politics and why am I a member of the Gibraltar Socialist Labour Party? I know the Chief Minister has maybe not chastised me but teased me for belonging to the GSLP. I am in the Socialist Labour Party because I believe in the socialist philosophy that it proclaims. The success of socialism that I believe in can come about and can be achieved only by ensuring that all people see justice and the beauty of it and are willing to join us in building and shaping it for the common good and for the good of a better Gibraltar. No true philosophy can endure on the basis of selfishness and confrontation. Socialism to me, what I believe in, is both beautiful and practical because there is nothing more practical than a freely convinced human mind. All other things, all other sacrifices even all other successes, will come from this. I certainly hope that I will be allowed by the people of Gibraltar, come the next Election, I know there is still a year and a half to go, to keep on working for a better Gibraltar and that this time they will vote in a GSLP/Liberal Government.

ADJOURNMENT

HON CHIEF MINISTER:

Mr Speaker, I think this is probably a convenient moment to get some relief from all of this. Can I move the adjournment to tomorrow morning at 9.30 a.m.

Question put. Agreed to.

The adjournment of the House was taken at 7.55 pm. on Thursday 1st July 2010.

FRIDAY 2ND JULY 2010

The House resumed at 9.30 a.m.

PRESENT:

Mr Speaker…….(In the Chair)
(The Hon Haresh K Budhrani QC)

GOVERNMENT:

The Hon P R Caruana QC – Chief Minister
The Hon J J Holliday – Minister for Enterprise, Development, Technology and Transport and Deputy Chief Minister
The Hon Lt-Col E M Britto OBE, ED – Minister for the Environment and Tourism
The Hon F J Vinet – Minister for Housing

The Hon J J Netto – Minister for Family, Youth and Community Affairs
The Hon Mrs Y Del Agua – Minister for Health and Civil Protection
The Hon D A Feetham – Minister for Justice
The Hon L Montiel – Minister for Employment, Labour and Industrial Relations
The Hon C G Beltran – Minister for Education and Training
The Hon E J Reyes – Minister for Culture, Heritage, Sport and Leisure

OPPOSITION:

The Hon J J Bossano – Leader of the Opposition
The Hon F R Picardo
The Hon Dr J J Garcia
The Hon G H Licudi
The Hon C A Bruzon
The Hon N F Costa
The Hon S E Linares

IN ATTENDANCE:

M L Farrell, Esq, RD – Clerk to the Parliament

SUSPENSION OF STANDING ORDERS

HON CHIEF MINISTER:

I beg to move under Standing Order 7(3) to suspend Standing Order 7(1) in order to proceed with the laying of a report on the Table.

Question put. Agreed to.

DOCUMENTS LAID

HON CHIEF MINISTER:

I have the honour to lay on the Table the Annual Report of the Gibraltar Police Authority for the year ended 31st March 2010.

Ordered to lie.

THE APPROPRIATION ACT 2010 (continued)

HON L MONTIEL:

Mr Speaker, the number of employee jobs reported in the October 2009 Employment Survey is 20,450 jobs. That is the second highest number of employee jobs ever recorded and just 59 less than for October 2008. Considering the present world economic climate, the general financial turmoil and spiralling unemployment trends affecting so many countries, it is evident that Gibraltar's economy was prepared and capable of holding its own in such adverse times. This is further collaborated by the fact that average earnings in respect of all employee jobs continues to increase as reflected in the 3 per cent gain from October 2008 to October 2009. I did say in my speech last year, Mr Speaker that Gibraltar was not immune to the financial crisis facing world economies but that the extent to which Gibraltar could be affected, was yet to be seen. Such external dangers remain. Still, our economy's resilience is proving steadfast and our wealth creating potential intact and it is this potential that brings with it employment opportunities. Our objective is to ensure the maximum employability of the locally resident and economically active population. To this end, nobody can possibly doubt the results of our successful education system preparing our youngest generation to confront the increasingly competitive employment market and likewise, our vocational training pathway for the less academic orientated. Mr Speaker, Government strives to create the best possible conditions in which our economy can best develop its true potential, to create

economic wealth as well as diversification. It is such conditions that stimulate job creations and employment opportunities.

Mr Speaker, unemployment of Gibraltarians fluctuate between 1.5 and 2 per cent of jobs available in the market which in most economies of the world could be considered full employment. The registered unemployed are composed of people who for a variety of reasons cannot themselves find or sustain stable employment or for personal choice are not seeking permanent or continuous employment. Amongst these are people who are socially disadvantaged or suffer a severe social problem. In addition to these, we have what is generally acknowledged throughout the European Union an element of structural unemployment, a mismatch of skills and experience available to those that are required by the employer. Within this context, it must also be said, as some employers wish to remind me, that the law gives the employers the right to employ whoever they want from within the European Union. Some local employers prefer simply to employ from abroad and, regrettably, do not even bother to give local unemployed labour an interview, let alone a job opportunity. That is a reality. In the light of this scenario, Government is not inactive. We have already embarked in developing strategies to support the unemployed that are genuinely seeking work through a variety of employability and supported employment schemes, relevant to the ability or qualification profiles of these persons. As the Chief Minister has said, the Construction Industry Support Scheme will include measures that will facilitate the task of the Employment Service in assisting its registered clients into jobs of that industry. Notwithstanding this, it must be mentioned that we must have less than a handful of registered, long-term unemployed persons with craft skills. In fact, the great majority of people registered unemployed seeking work are those less skilled or lacking qualifications or both. They constitute the main long term unemployed group. Some undertake jobs of a temporary nature mainly in construction and ship repair. Others, who do not seek this type of manual work, aspire, in the main, to clerical/administrative jobs which their lack of qualifications makes them finding such employment very difficult. Towards this effort, I reiterate the view expressed last year that it requires a concerted effort by both employers and the resident unemployed to meet each others expectations. Employers need to be more flexible in their efforts to recruit from within the resident labour pool and those unemployed, similarly, need to be more flexible in their job aspirations. In order to better assist those persons who may be in need of special assistance in their efforts to secure a job, Government, through the Employment Service is also working on suitably packaged supported employment schemes in economically targeted activities, precisely to address the unemployment needs of such unskilled individuals and thus assist them in integrating into the labour market.

Last year, Mr Speaker, the Government implemented the latest phase of the Gibraltar Community Projects Limited concept. This entails splitting that company into two in order to move the deserving employees still further into normal employment. These employees will now rightly feel more normally integrated into the economy and society. Many of these people are those that in 1996 were in SOS 24, a company which exploited local resident workers, who paid them very little, who had very little work to do and xxxxx they had to go to see the Chief Minister, to get some money from somewhere to keep them in employment. These are the workers who in those days when they wanted to join the union, they were given a choice, you either stay here or join the union, but if you join the union you are out of a job. That is what I want to remind people, that 1996 is as relevant today as it was then.

I wish to stress most forcefully that it is very much part of the vocational training strategy to engage as many employers as possible in the development of apprenticeship schemes in partnership with the relevant industry groups. This is the most effective way of securing quality employment for our resident work force. The closure of the two existing training centres soon after the GSLP came into office in 1988 is certainly no distortion of history as has recently been proclaimed in this Parliament. This closure, in effect, not only did away with Gibraltar's future

craft skills base but rather conveniently also liberated the Government of the day from the perceived liability of precisely having to employ trained apprentices. It is the resulting skills deficit thus brought about during the GSLP's eight years in office that is now being reversed by this GSD Government. It is, therefore, rather rich for members of the Opposition, in their quest to exploit every opportunity for nothing more than their electoral interests, to pretend to stand up for trained apprentices and demand their immediate employment by the training providers.

As I have explained before in this Parliament, both employers and trainees know that there is never a guarantee of employment upon completion of an apprenticeship or any other training programme. Notwithstanding, most employers, when becoming training providers, do consider the possibility of offering employment at the end of training. Such employment possibilities are, of course, subject to individual employers' sustainable manning level requirements within their companies or organisations. In any case, the reality for any apprentice not selected for employment first time round is that, undoubtedly, they will stand a better chance of finding employment in that particular area trained for. As I have said, there is less than a handful of trained apprentices in the unemployment register. Indeed, there are many of our apprentices employed in the field for which they were trained, now working both in the private and public sector and doing extremely well for themselves, if I may say so. This stands to the credit of the GSD Government's vocational training policy. Thus today, there are some 100 persons in Government funded apprenticeships undertaking a varied range of construction, engineering, telecommunication, social and health care training programmes. Some other schemes in business administration in the public and private sectors will be launched shortly, and further schemes are being developed in the gaming industry to provide training and work experience in such areas as human resources, finance, IT and marketing. One hundred young people are in work placements under the established vocational training schemes. About 30 per cent of these trainees find employment in a variety of possible pathways to a career under the scheme and others gain valuable work experience that enhances their prospects of competing for public and private sector jobs. The Government is proud of its record in training for today we have managed to create more quality apprenticeship places than there are registered unemployed persons with the minimum academic entry qualifications to take up these accredited training opportunities. There are now some 60 other persons with varying special needs that have been placed under the supervision of sympathetic employers in employability schemes under the terms of the VTS programme. These are people with varying degrees of physical or mental impairment but who can carry out specific tasks in a working environment with minimal supervision.

Mr Speaker, the Wage Subsidy Scheme continues to be a valuable tool at the Employment Service's disposal towards assisting registered long term unemployed back into the labour market. It provides assistance to disadvantaged groups in the labour market. This scheme affords the greatest possible opportunity of not just a job but a permanent one which will provide longer term employment, beyond the period of wage subsidy.

Mr Speaker, the Government and social partners composed of trade unions and the business organisations represented at the Labour Advisory Board have agreed to cooperate and jointly maximise all efforts to tackle unlawful employment practices in a variety of ways. An initial measure will be the publication of an information pack on legal rights and responsibilities with the intention of increasing awareness and highlighting unlawful practices in the labour market. Furthermore, the climate of compliance, of which the Chief Minister has spoken in his address, will also protect employees, compliant employers and the tax payers alike. The Government view any kind of exploitation of workers and the resultant unfair commercial level playing field, not to mention the loss of revenue to Government, as a most serious act of social and commercial irresponsibility.

The Government's decision to extend the Insolvency Fund regulations to apply to all employees in all areas of employment, have protected and compensated over a hundred workers and their families from receiving no income from their hard earned efforts. In this regard, I would like to thank my staff who have discharged their administrative responsibilities under very considerable pressure. Furthermore, I would also like to take this opportunity to give special thanks to the staff of the Ministry of Employment and all other Government officers for their assistance. My thanks also to those private sector employers who throughout the year have associated and collaborated with their efforts in setting up quality apprenticeships. Indeed, a special thanks must also go to instructors and monitors of the various vocational training schemes and not least the wonderful support to the unemployed being given by the Job Centre and Job Club staff. Mr Speaker, if I may end by saying and reassuring the workers of Gibraltar, that this Government will not let them down and that everybody who is interested in working will have a job in our community.

HON LT-COL E M BRITTO:

Mr Speaker, in my contribution in last year's Budget debate, I struck a cautionary note saying that as a consequence of the worldwide recession, there was a continuing global downturn in tourism figures. That we could not expect Gibraltar to remain unaffected and that we should therefore be prepared for a negative effect on Gibraltar's own tourism figures for 2009. This downward trend has continued and according to figures released by the United Nations World Tourism Organisation, the UNWTO, international tourist arrivals are estimated to have declined worldwide by 4 per cent in 2009. In particular, arrivals to southern Mediterranean destinations within the EU are estimated to have declined by 5 per cent. I will say that again because it is worth remembering, in the light of what I am going to say next, that, in particular, arrivals to destinations in the southern Mediterranean, within the EU, are estimated to have declined by 5 per cent in a context of a worldwide downturn of figures of 4 per cent during last year. By comparison, however, and contrary to this global trend, I am delighted to report that total tourist arrivals in Gibraltar for 2009 increased by 1.4 per cent. I consider that this is indeed a remarkable feat considering the global downturn and is, once again, attributable to this Government's unfailing support for the tourism industry. Indeed, even if Gibraltar had shown zero per cent growth and of course it has not, it would still have been an achievement amidst the adverse global economic climate that has prevailed. It would not surprise me to hear the hon Member opposite claim that a slower growth or slower rate of growth cannot be a success. What is undeniable and will be evident to objective observers, of which I see very few on that side of the House, that Gibraltar has achieved overall growth in circumstances where most other destinations have experienced great difficulties and decline. The good news continues in respect of visitor arrivals by land. Last year, excluding non-Gibraltarian frontier workers, 8,321,712 visitors entered Gibraltar through the land frontier with Spain, representing an increase of 1.72 per cent over the number of visitors for 2008. Having at our disposal now for two consecutive years the figure for those arriving in Gibraltar by land purely as visitors, I feel it is more appropriate to continue to use this figure in the analysis of visitor arrivals by land from now on. Incidentally, hon Members may be interested to know that the mathematical formula to calculate the figure for total visitors by land, excluding non Gibraltarian frontier workers, has been applied since 1988 for the purposes of calculating tourist expenditure, but until 2008, had never been used for the purpose of identifying in the Tourist Survey Report who were actual visitors and who were non-Gibraltarian frontier workers within the total figure of arrivals through the frontier. The total estimated tourism expenditure figure, according to the 2009 Tourist Survey Report, was £257.59 million. This is a record and therefore the highest figure ever recorded and represents an increase of 4.07 per cent on 2008. This becomes particularly noteworthy when we realise that according to the figures released by the UNWTO, in contrast, international tourist receipts are estimated to have decreased worldwide by 6 per cent in 2009 and again, I repeat that. In a worldwide situation

where there has been a decrease, a fall of 6 per cent in the figures, worldwide, here in Gibraltar we have had instead, an increase of 4.07 per cent. Considering this decline of 5 per cent that I mentioned earlier in arrivals to southern Mediterranean destinations within the EU because of the effects of the global prices, and the euro exchange rates, it is not surprising that coach arrivals at the Coach Terminus in Gibraltar in 2009 dropped by 7.1 per cent. In keeping with this pattern, total visitor numbers to the Upper Rock have fallen by 4.5 per cent. Revenue to the Upper Rock has fallen as a consequence by 5.46 per cent. There has, however, been an increase in the amount of visitors entering the Upper Rock on foot and an increase in those visitors that access the attractions via the Cable Car. On a more optimistic note, I am pleased to record, once again, that the amount of private tourist vehicles entering Gibraltar increased by 0.7 per cent in 2009 and that arrivals by sea have shown an impressive increase of 11.7 per cent which confirms that Gibraltar's popularity as a destination for cruise passengers continues. Although total arrivals at Gibraltar's hotels in 2009 totalled 64,691, which represents a decrease of 7.1 per cent on 2008, this figure of total arrivals is still above that of the previous year 2007. The number of room nights offered and room nights sold have fallen along with room occupancy, guest nights offered, guest nights sold and sleeper occupancy, but the average length of stay has remained constant at three nights. This pattern is the same as that in Spain, in Northern Ireland, in Scotland and in Wales where a similar drop in figures has been recorded showing that in this sector a global economic downturn has had a more significant effect. To summarise and on closer analysis of this year's statistics, and to put matters in perspective, I feel it is important to point out the following and put it on the record. In the eight years of a GSLP Government, tourist arrivals by air fell by a disastrous 53.86 per cent. In comparison, over the last eight years of GSD Government, arrivals by air have increased by 66.65 per cent and in the thirteen year period from 1996 to 2009 this Government has achieved an incredible growth rate of tourist arrivals by air of 142.7 per cent. In the eight years of a GSLP Government, tourist arrivals by sea rose by just 20.32 per cent. In comparison, over the last eight years of GSD Government, arrivals by sea have shown a growth rate of 165.29 per cent which increases to an impressive 218.64 per cent during the whole period of GSD Government. In the years of a GSLP Government, arrivals at hotels fell by an appalling 30.62 per cent. In comparison, over the last eight years of GSD Government, arrivals at hotels have shown a growth rate of 8.88 per cent and an overall increase of 40.2 per cent in the period 1996 to 2009. In the years of a GSLP Government, tourist arrivals by land rose by 51.03 per cent. In comparison, over the last eight years of a GSD Government, tourist arrivals by land have shown a growth rate of 32.59 per cent which is to be expected in view of the decline in coach arrivals over the last few years but an overall increase of 55.95 per cent during the whole period of GSD Government. In summary, during the years of the GSD Government there has been sustained growth in all sectors of tourism with a growth rate of 59.71 per cent for total tourist arrivals during its term of office, in comparison to the increase of 45.99 per cent achieved by the GSLP. At the last meeting of the United Kingdom Gibraltar Tourism Association, the UKGTA, the reports tabled by the airlines, the hotels and the tour operators detailed a good rate of growth for bookings to Gibraltar but only up to the point where the volcanic ash cloud situation developed over northern Europe. This one particular incident was reported to have negatively affected what was, once again, an encouraging situation locally in a climate where other destinations have continued to show negative growth. Two of the tour operators featuring Gibraltar had noted an increase in business of 40 per cent for this destination and one of the airlines was reporting a consistent 90 per cent load factor on their London route. However, the uncertainty of the ash cloud situation, while it existed, had prompted bookings to be uncertain, although the forecasts that we were given by members of the UKGTA was that bookings are expected to recover. The Gibraltar Tourist Board marketing campaign in the UK and in Spain continues to concentrate on the advantages Gibraltar enjoys by being a sterling area country. This campaign will continue as holidaymakers from UK continue to look for destinations where the pound is the currency. From my

experience in attending some of the Gibraltar Tourist Board's tourism road shows in the UK, it has become clear to me that the fact that Gibraltar is a sterling area zone is still not universally known. The value of such road shows is partly demonstrated by the extremely encouraging reaction of the many travel agents that attend these events who, on learning this fact, set out to market to their clients the advantage this gives to Gibraltar as a tourism destination. Gibraltar's marketing drive will continue to strike a balance between the consumer, the power of the internet and the travel trade. The GTB will continue to provide a show case for the local tourism industry at the most important tourism events overseas and will endeavour to continue to provide value for money in all these events for our co-exhibitors who are there with us. Works have continued to improve Gibraltar's tourist product. These have included improvements at Apes Den which have provided new facilities for the animals and for visitors, the enhancement of the displays at the Great Siege Tunnels and the opening of O'Hara's Battery as a visitor attraction. I now turn to our beaches where at Sandy Bay the severe storms during this winter exposed the general public and the Both Worlds residential property to the danger of potentially serious health and safety risks. The Environmental Health Agency issued abatement notices to the leaseholder, ABCO International Limited, requiring them to take measures to eliminate the risks to public health and safety including those to residents and visitors. ABCO International Limited have, so far, failed to do so. Accordingly, and in order to address a public health and safety risk, the Government is carrying out certain emergency works at public expense. The Government intend to reclaim these costs from ABCO International Limited in due course. Consequently, public access to the area below Both Worlds continues to be prohibited and fenced off. However, the Government is also considering the technical viability of restoring a beach at Sandy Bay which has disappeared through natural causes. At Eastern Beach, the excellent new facilities built last year are, once again, providing toilet and changing facilities of an unprecedented quality, including facilities for the lifeguards and for the Royal Gibraltar Police. Despite the works on the airport road and tunnel going on in the area of Eastern Beach, measures have been put in place to ensure that little inconvenience as possible is caused to those using the beach. Extra walkways have been provided at the northern end of the beach and the facilities for the disabled are once again on offer led by the Care Agency in cooperation with the Gibraltar Tourist Board. Stones and rocks have been removed from the sand at the southern end of the beach. As announced recently, the Government has made improvements to the parking facilities at the beaches for this summer. The Eastern Beach car park at the reclamation has been expanded and is accessed from the southern end of the beach. Another car park is available at the Aerial Farm and can be accessed from Eastern Beach Road, along with the extra parking at this location which is accessible from Devil's Tower Road. These facilities can accommodate approximately 500 parking spaces. At Catalan Bay, extra works were undertaken to remove an accumulation of stones and rocks from the sand and those using the beach will, no doubt, appreciate the improvement this has brought about. The annual works to refurbish the changing rooms and toilet facilities have been carried out. The car park at Catalan Bay has approximately 100 more parking spaces available than in previous years. Government has already announced that the Gibraltar Bus Company is providing a free shuttle bus service to Catalan Bay Beach, Eastern Beach and Western Beach from Market Place and I would encourage as many users as possible to use this service. At Western Beach, another new toilet facility has been provided and there are now separate toilet and changing facilities available. At Camp Bay and Little Bay, the annual refurbishment works to the facilities and public areas have, once again, been carried out ensuring a consistent standard of amenities for those enjoying the bathing season. Additionally, new bins have been provided at Eastern Beach, at Catalan Bay and at Western Beach this year. The toilet facilities at Camp Bay and Little Bay have remained open every day during the winter months and the toilets at the other beaches have been open at weekends in the run up to the bathing season.

It is indeed encouraging to see that even in the face of global economic problems, Gibraltar's tourism industry remains vibrant and that overall growth has been achieved. This Government's policies and investment in tourism are, once again, continuing to prove to be effective and in Gibraltar's best interests. The success of the industry is also attributable to the continuing hard work carried out by, not only the GTB, but also by all those working in Gibraltar's tourism and leisure industries who are unfailing in their efforts to make this industry one of a few to show growth at this time and I take this opportunity to publicly recognise this. In summary, the inescapable fact is that in 2009 the total tourist arrivals to Gibraltar increased by 1.4 per cent, whereas in this same period, according to the figures released by the United Nations World Tourism Organisation, international tourist arrivals worldwide decreased instead by 4 per cent. Mr Speaker, I look forward, along with the Gibraltar Tourist Board, and the local tourism industry, to seeing 2010 turning out to be another fruitful year.

I will now turn to environmental matters. Following on from the Environment Charter, the Environmental Action and Management Plan is now almost finalised and will be published before the end of the year. The plan is a comprehensive package of action points with a timetable for their enforcement. The plan tackles many environmental matters including air, water, waste, the environment development interface, habitats, noise, energy, transport, pollution, climate change and environmental heritage. It is a forward planning document which embraces the essence of sustainable development by providing short, medium and long term targets. The Environmental Action and Management Plan or EAMP for short, ultimately affects the community as a whole in Gibraltar and is addressed to all of us as we all have a part to play in protecting our environment. It will include a combination of objectives with, where relevant, indications of methods on how to achieve these as well as expectations for individuals, industry, commerce and Government. In line with the principles enshrined in the Environment Charter, a detailed overview of the different areas of environmental concern and livelihood that will be affected is being taken to ensure compliance with the Charter. The key issues addressed in the EAMP include, the living environment which constitutes the natural and the urban environment, the link between the living environment and the human health, strategies for sustainable development of our living environment as well as nature conservation and management and the planned attempts to ensure that environmental matters are not seen locally as a constraint to socio-economic activities but rather as fundamental components of sustainable development alongside social and economic imperatives. It focuses on the need to strike the right balance between development and environmental protection management. As this House is aware, the incidence of cancer in Gibraltar is an emotional issue and the National Environmental Research Institute of the University of Aarhus, in Denmark, was commissioned to undertake an epidemiological study into the incidence of cancer in Gibraltar and the immediate surrounding region. This study, in addition to establishing whether there actually exists an incidence of cancer greater than expectations, will also establish whether Gibraltar is a high risk community for cancer and will consider the possible effects industries in the surrounding regions have on these incidences. The production of the final report has suffered some delay but this is a small price to pay to ensure that all the available data is fully processed and that the results produced, and the conclusions reached, are as robust as possible and able to stand up to any scrutiny. The findings of the study are expected to be available before the end of this year and they will be made public. With regards to renewable energy, we continue to progress this matter in several ways. The Department of the Environment is continuing with their assessment of the viable options in terms of the identification of sites, practicalities and economic viability for each of the options that remain under consideration, these being ocean currents, solar and wind. As I have previously informed this House, the initial interest shown by the two companies dealing with ocean currents did not prove fruitful. It nevertheless remains our opinion that this particular technology is the one that is likely to be the most promising for us because it has the potential to be a continuous source of energy, whereas other viable options, namely wind and solar,

are not. To progress this options, contact has been established with the promoters of this technology in Scotland who are reputed to be world leaders and promoters of this technology. In parallel with the foregoing, we continue our consideration of wind which is clearly a proven technology and readily available in this area. This option, however, is not free of problems for us due to our limited land resources and the placing of wind turbines out at sea is now being considered as perhaps being one way for us to proceed. Contact has been established with promoters of this technology and we hope very soon to be receiving proposals. As I informed the House recently in response to a parliamentary question, advances in solar energy technology now make this a more viable option for us than it had been in the past. However, this option requires a fairly substantial land area which again creates a problem. Consideration is therefore being given to this technology being evaluated in combination with wind as together the option becomes more viable. The Government has received expressions of interest from various quarters for solar energy and we are progressing these both in isolation and in combination with wind.

Mr Speaker, since the formation of an Apes Management Contractors Supervisory Group to oversee the management of the macaques by the Government's contractors, there have been some improvements of the current facilities, in particular, Apes Den has been refurbished and a proper feeding and watering area has been constructed. The additional food provisioning in the afternoons and accompanying changes to the drinking water provided have helped to keeping the monkeys on the Upper Rock. A more effective birth control programme has also been introduced. Although the above mentioned measures have assisted to a certain degree, the most pressing problem with the macaques remains the urbanisation of these primates and the effects of the impact of their behaviour on the human population. There are many reasons why the macaques will roam away from the Upper Rock and become urbanised, most of which are the results of natural behaviour. However, the fact that there is still illegal feeding on the Upper Rock and elsewhere exacerbates the situation as it makes the monkeys lose their fear of humans. This also raises their expectations that they will receive high calorie and high flavour food from those who feed them. This encourages the monkeys to approach humans whenever they encounter them including in built up areas. Any source of food, then serves to keep them in that area and to become a consequential nuisance. It is welcome news that on page 11 of the Annual Policing Plan for this year, the Royal Gibraltar Police has included, as one of its targets, and I quote, "To take appropriate action to reduce unauthorised feeding of the Barbary macaques" and has informed the public in general and potential offenders in particular that they stand to be legally pursued if caught breaking the law. Further improvements to the sites will lead to greater ease in the monitoring of the social structure of the macaque groups with a view to pre-empting possible splits that may lead to monkeys roaming away from the main feeding sites. Further improvements in selected locations will also allow for more natural behaviour.

Mr Speaker, the seagull population reduction programme which took place so successfully in 2009 has also been carried out in 2010 and it is hoped that this continued approach will produce a lasting reduction in the numbers and this reduction will be maintained. During 2009, a total of 3,526 adult seagulls were removed and in 2010 the numbers have been 4,842 adults and 515 eggs.

Mr Speaker, there are now bins of various sizes, depending on accessibility, throughout a total of 43 disposal points strategically placed around Gibraltar for the recycling of glass and cans. Last year, the quantities collected for recycling were below expectations. This year I am pleased to report that there has been a small improvement. Small but nevertheless welcome. In 2009, the total amount of glass collected was 87,550 kilos which is 9.67 per cent of the estimated total waste glass generated in Gibraltar. At the rate at which collection has taken place to date this year, we estimate that the percentage for 2010 will be slightly higher at 11.29 per cent. The amount of

cans collected was 11,000 kilos. Approximately 1.5 per cent of the estimated total of waste cans produced last year. At the rate at which collection has taken place up to date this year, we estimate that the percentage for 2010 will now be 2.5 per cent. However, these amounts are still well below the expected targets for a community the size of Gibraltar. The public and the especially the catering establishments are therefore, once again, strongly encouraged to avail themselves of the recycling, disposal points and thereby help to protect our environment. The tender for the transfer of all waste electrical and electronic equipment to an authorised facility for recovery, reuse or recycling was awarded at the beginning of 2010 and the items that had been stored awaiting proper disposal have now been transferred. Work on identifying a location for the creation of an environment park where waste can be segregated continues. Being able to segregate our waste will assist in its handling for recovery purposes and with recording numbers in order to meet our reporting obligations against targets set by the European Union. Importers, be it in business or members of the general public, of electrical and electronic equipment have been made aware that in order to compile the figures of imported items from which percentages of treated waste is measured, there is a legal requirement to declare to Customs all electrical and electronic equipment being imported into Gibraltar. Forms for this purpose must be filled in at Customs entry points.

Mr Speaker, in 2007 and 2008 Gibraltar exceeded the Particulate Matter, otherwise known as PM10, annual mean limit value. 2008 was also the first year where we have had a failure of the Nitrogen Dioxide annual mean air quality objectives. The Government is submitting a Time Extension Notification to the European Commission seeking an extension of time on the application of the PM10 limit values until 2011 and the application of the Nitrogen Dioxide annual mean air quality 2010 objective until 2014. The Government has produced an air quality action plan in order to ensure that as soon as possible the PM10 and Nitrogen Dioxide limit values will be complied with. This action plan and the PM10 evidence based documents have been made available to the public through the Government website. Government is currently awaiting the public's response. The evidence based documents for Nitrogen Dioxide will be made publicly available as soon as our air quality consultants have completed their study. The action plan is a live document and is subject to changes as and when required in order that the correct measures are applied to ensure that Gibraltar will be able to meet the limit values within the extension period. Some of the policy measures contained within the draft air quality action plan has been announced by the Chief Minister earlier in this budget session. Government are promoting the use of pedal cycles, of electric vehicles and electric motor cycles and of hybrid vehicles by eliminating or applying a reduced import duty rate on these and at the same time increasing the import duty rate on the more polluting vehicles such as two stroke motor cycles. All these measures will have a positive effect on the environment, specifically by reducing both PM10 and Nitrogen Dioxide emissions. Government have also reduced duty on solar panels to zero and is thereby seeking to stimulate and increase the use of such panels for heating and generation of electricity by individuals, landlords and companies and thereby reducing the amount of fossil fuel consumed in the generation of electricity.

The Energy Performance of Buildings Programme is now well underway. The Simplified Building Energy Model Gibraltar or SBEMGI for short, which is used to calculate the energy performance of buildings, has been delivered by our consultants, previously known as Building Research Establishment. The Government has accredited twelve individuals to use this software and to carry out energy assessments locally. Information about the legislation and the software has been published on the Government website along with the list of assessors. A seminar was held in mid February to officially launch the programme and to provide information to estate agents, to developers, lawyers and other interested parties. Since the programme was launched, nearly forty energy performance certificates have been issued.

In addition to the existing monitoring carried out by the Environmental Agency under the Bathing Water Directive, the Department of the Environment developed a monitoring programme aimed at addressing those pressures that are currently affecting our aquatic environment. The monitoring programme is now running into its second year and continues to be extended in line with the requirements of the Water Framework Directive. This year the Department of the Environment intends to collect data on biological quality elements such as benthic invertebrates and this will provide a more accurate baseline for the existing state of our coastal waters. In respect of our ground water, that is the Isthmus and the bedrock aquifers, data is also being collected and this data will be published in the Gibraltar river basin district management plan.

The principal objective behind the Habitats Directive is the preservation, protection and improvement of the quality of the environment through the conservation of natural habitats and of wild fauna and flora. The Directive requires Member States to undertake surveillance of the conservation status of natural habitats and species. To achieve this end, surveillance monitoring is ongoing and the Department of the Environment is appraised on a frequent basis of the results produced by its contracted parties. The results of the monitoring will assist Government in meeting the requirements of the Directive which include ensuring that the favourable status of our European protected habitats and species is attained or maintained locally.

Mr Speaker, this year Government celebrated the sixth anniversary of World Environment Day on Saturday 5th June. The purpose of this day organised by the United Nations Environmental Programme is to spread awareness of centre stage environmental issues. This year's theme is "Biodiversity". The slogan is "Many species, one planet, one future". This year's events centred on the ever popular school events for children and parents. The events took place on Friday 4th June, one day ahead of the Environment Day, to assist the participating schools in making their arrangements and they were held at the Tercentenary Sports Hall. In addition to this, a trade fair was held, organised by the Department of the Environment, on the morning of Saturday 5th June at Casemates Square. Individual marquees were set up by the Department for the benefit of the participating local businesses and other participants who took the opportunity to publicise their environmental awareness, policies and problems.

Mr Speaker, I take this opportunity to pay tribute to the management and staff of the Department of the Environment. It is a young Department with a relatively small team but with what is almost certainly the fastest growing workload of all Government Departments because of the ever increasing number and complexity of Environmental Directives issuing from the European Union. The events relating to World Environment Day are the best but not the only example of the high level of productivity and teamwork by a Department in which all members work together as a team to achieve the project objective without undue concern about individual issues. Their work is not particularly high profile but will increasingly become so as the world becomes more and more aware about the value of preserving and improving our environment.

Mr Speaker, last but certainly not least, I will analyse the work of Technical Services Department who during the past financial year has been involved in the delivery and development of many of Government's projects covering a wide variety of areas such as highway related schemes, coastal works and rockfall protection works, amongst others. The present year will see the Department completing some of the ongoing projects, the start of others on site and the progression of those at design development stage. Technical Services will this year continue to be involved in the delivery of three major highways related projects, all of which are well advanced in the construction phase. The Trafalgar Interchange works started in May last year and will be completed on schedule within the next few weeks. This project which consists of the construction of new roundabouts in the area, linking traffic from Ragged Staff, Main Street and Rosia Road, is aimed at improving traffic circulation

in this key area. Apart from this core objective, the preservation of the beautiful landscaping has been a primary consideration in the design. Something which I believe has been achieved. The works to widen Devil's Tower Road are progressing steadily and when completed will not only provide an aesthetic improvement through the provision of new footpaths and street furniture but will also deliver the final link in the new dual carriageway running from the land frontier up to Winston Churchill Avenue via the new airport ring road and the tunnel. The third major project is that of the Dudley Ward Tunnel approach road. This project has in fact been divided into three separate projects. The first of which, involving the installation of the rock catch fences, was begun in June 2009 and completed before the end of last year. The second contract, comprising the demolitions and advanced earthwork elements of the project, ran mainly in parallel with the first project starting in August last year and achieving completion at the end of 2009. The successful completion of both these projects allowed the third and final contract to start on site in the new year. This third contract comprises the construction of the rockfall canopy extending out from Dudley Ward Tunnel itself, together with the new approach road. Despite the severe weather experienced during the first months of the year, progress has been maintained and this project is scheduled to be completed before the end of this year. Linked to the reopening of Dudley Ward tunnel, works are currently underway within the tunnel itself, involving rock scaling and stabilisations. In addition, a new tunnel lighting system is also being installed which will deliver the necessary illumination for road users. As part of the city centre beautification programme, works at the southern end of Main Street were completed at the end of 2009 and the much improved aesthetics of the whole area from Governor's Lane up to South Port Gates, including the Square opposite Convent Place and the section of Line Wall Road beside Ince's Hall are there for all to see. The laying of new services infrastructure also allowed long standing problems to be resolved. For example, this year's Three King's Cavalcade was able to proceed all the way along Main Street thus restoring its traditional route. The highways maintenance programme has proceeded with ongoing repairs to footpaths, roads and retaining walls and will continue to do so this year. Improvements have been undertaken to a number of footpaths by way of providing ramps as part of the long-term plan in this respect. Large sections have been relaid along some areas, such as Rosia Road and Line Wall Road. Europa Advance Road has been completely resurfaced which, when coupled with the Dudley Ward tunnel works, the airport road and tunnel and the previously constructed Sir Herbert Miles Road widening project, will provide a vastly improved road network along the eastern side of Gibraltar. The resurfacing programme for this year plans to continue tackling sections of Europa Road. I once again highlight the need to balance the maintenance of the road network against allowing vehicles to circulate. In other words, it is a self defeating equation. If you do not stop the traffic to repair the roads, the roads deteriorate. If you stop the traffic to repair the roads, you improve the roads but you create traffic problems. So, whichever way we have it, the Opposition member across the way has a field day, Mr Speaker. The Department continues to undertake works to critical areas during weekends and on public holidays in order to minimise inconvenience to the public. It also implements the Government's policy in relation to such works which is to avoid highways closures if at all possible. When such closures are unavoidable, disruption is kept to an absolute minimum during weekend and after hours work. The maintenance programme of the public sewers and storm water drainage networks has, over the past year, seen works continue to repair sections of the main sewer as well as the desilting of various storm water culverts. The extraordinary levels of rainfall experienced during this past winter has kept the Department's Sewers Infrastructure Section stretched during long periods and it is a great credit to them that flooding did not become an issue this last winter. The Department will continue to be involved with works relating to coastal protection and cliff stabilisations. With regard to coastal protection, the works to repair the damage caused by the storm experienced during October 2008 were started in January this year. The first stage of the project has tackled the length of revetment along the full length of the Harbour Views Promenade and work is proceeding along the next section in front of

Europlaza. This project will continue so as to tackle the Europort and North Mole revetments. When all are completed, our sea defences along these areas will be substantially upgraded. Moving to cliff stabilisation and rock fall protection projects, I have already mentioned the rock fall protection works being undertaken at Dudley Ward tunnel. The Department has over the past year also been involved with other rock fall related works with the advance works to Catalan Bay tunnels having been completed. The nature of the rock falls experienced during the past winter has needed engineering assessments to be undertaken in order to determine the extent of the works required. These works will form part of the Government's continued cliff stabilisation and rock fall protection programme. Technical Services Department will this year continue to develop, manage and deliver many of the projects in Government's comprehensive programme. Design work is being undertaken on the various schemes included in the Government's Integrated Traffic, Parking and Transport Plan, such as the new road linking Rosia with Queensway. Various of the car park projects announced as part of this plan are at an advanced stage of the pre contract phase. The refurbishment of the public market will be completed this year and it is planned to start work on the reinstatement of the Harbour Views Promenade as soon as the revetment repairs and the upgrade along the western reclamation are complete. The new prison at Lathbury Barracks has also been recently completed and handed over to the Ministry for Justice.

Mr Speaker, I will conclude by paying tribute to, and by thanking all members of staff, heads and management of Government Departments and of the Gibraltar Tourist Board for which I have political responsibility. Without their dedication, loyalty and hard work, the efforts of the political Government would remain fruitless. In particular, I would like to publicly thank my personal staff within the Ministry of the Environment and Tourism for their unqualified support and unfailing efforts throughout the year. Thank you, Mr Speaker.

HON F R PICARDO:

Mr Speaker, last year I began my Budget address lamenting that this House would not have the benefit of the analysis of the Estimates that Mr Bossano has presented consistently for thirty seven years before. I want to start today, Mr Speaker, by emphasising my great pleasure in seeing Mr Bossano back on these benches and having once again delivered an excellent alternative analysis of the economy to that presented by the Leader of the House.

As with every year, the presentation of the Estimates of Expenditure and the debate on the Appropriation Bill is a moment to reflect on the position in which our community finds itself one year on. This year will be no different in allowing each Member to consider the state of the nation and of revenue and spending in respect of each area of ministerial responsibility. Let me start by saying that from these benches there is absolutely no desire to see anything other than prosperity in our community whoever may currently hold the purse strings. It is wrong for the hon Members on the Government benches to think the opposite if they do. In fact, our political position is that Gibraltar could be doing much better in terms of growth and that expenditure needs to be better calibrated. For those of us outside the ever decreasing circle of the sycophantic fan base of Members opposite, for those of us on this side of the House who see homeless, unemployed and destitute people, the rosy picture of the economy painted by the hon Members is therefore just that, a picture. It is not the reality of the Gibraltarian who has to live every night in a squat because there is no home for him. It is not the reality of the Gibraltarian who sees his job taken by cheap, imported labour that the hon Members opposite simply laugh off. It is not the reality of the majority of working class Gibraltarians who still have to count the pennies to get to the end of the week. Undoubtedly, there are many in our community, who in my view, thanks to the impetus the GSLP gave the economy in the late 1980's and early 1990's and the development of our economy since then, have prospered. I am delighted that should be the case. Aspiration is a positive thing

and that members of our community should aspire to prosper is no shame. It is not 'panzismo' in the negative lexicon of Gibraltar politics. It is an ambition to improve the lot of all our families. But we in politics also have a responsibility to those who are less well off. We have a responsibility to listen, to understand and to act when our help is required, and there is where we believe this Government's greatest failures lie. Of course, we would all want to be able to help a fellow Gibraltarian or resident of Gibraltar who is need of assistance in a moment of need. As a Government, however, the responsibility is greater even than that. It is to ensure that when planning expenditure, the balance is struck in order to deliver fairly, so that we are also providing for those less well off. If the balance is struck right, the less people will fall through the cracks and need urgent help. In my humble opinion that balance is not right. In my humble opinion too much largesse is being visited on the prosperous, well connected few and too little on those who need our help. It is my humble opinion that that will be one of the undoings of this Government. What does the Gibraltarian who has no home get from this Government in this budget? If he or she is lucky, they get given a letter telling them that they will have a home in a year or so. Well, that has been the modus operandi of the party opposite since 2007 when they gave homes to people by a cynical pre-election letter. All that the majority of those people have to show for it today are still just that, letters. In 2003 it was Mr Caruana himself in his electoral broadcast who told our nation that the affordable homes would be ready for occupation within two years. In fact, they have been substantially completed this year, 2010, seven years later and five years after the date the Hon the Leader of the House had indicated. This is more than just a delay. That is an indictment. What does the favoured millionaire, as opposed to the homeless person, get under the GSD? Well, consultancies and payments of millions of pounds. One needs a roof over his head, the other needs for nothing. Under the GSD only the rich man gets richer. Consultants generally have already had £9 million from the £46 million spent on airport related works. Nice work if you can get it. And on this and all other issues we have raised, let the Hon Gentleman not think that we do not look forward to his reply, on which I will say more later, that tissue of insults and skewed logic designed to prove him right only in circumstances where it cannot be replied to because the rules give him the last word. It is that poisonous, personalised and polarising venom that he cannot control that so shines through in those replies and that will stand as a glorious monument in Hansard to the arrogance that people now associate with him as his enduring political style.

Mr Speaker, with that I will turn now to my shadow responsibilities for the Environment. It is with deep regret that I note this year is one where we have received confirmation from the European Commission that there are problems with the quality of the air that we breathe. It is to be equally regretted that the Government has only now published a draft of its Air Quality Action Plan for public consultation, at the same time as it is filing a Time Extension Notification in respect of compliance with the EU standards. In this respect, I think it is important to highlight that the exceedences of PM10 and NO2 in the air in Gibraltar have been very considerable indeed and that all the talk about improving air quality has to date yielded little. We therefore certainly hope that the draft Air Quality Action Plan is finalised as quickly as possible and that we see action instead of words in giving effect to it.

Mr Speaker, there is an Environmental Charter, but that appears to simply be gathering dust or particulate matter or Saharan sand. So therefore, I have little hope for the Environmental Action and Management Plan but I do look forward to considering it when it is published. What respect for the Charter, for example, has led to the complete destruction of the old tree by Ragged Staff Gates? This tree appears to have been destroyed as it attracted apes. The same effect would have been achieved by a severe pruning, short of destruction. But I guess that this is just evidence that the hon Members opposite have as yet been unable to deliver any solution for the attraction of the apes into the town area beyond the use of a barrel of a gun. In the past year, we have seen the problem of apes in populated areas increase but no new initiative by the

Government to deal with this, despite estimated expenditure in Ape Management Expenses, Healthcare and Food under Head 4A-Subhead 3(G) of £126,000 again this year, which is the forecast outturn for last year. Works on the Apes Den in the Upper Rock, although much needed, will not solve the problem of the other packs of apes that are coming into town. Therefore, when we say that we doubt the commitment of the Members opposite to the environment, it is because we believe we can see their failings in this respect and if ever this is an obvious, visible and damming indictment of this Government's preference of developments for the rich over the environment, it is there for all to see every day.

Clifftop House is the indictment. Clifftop House is the evidence. Clifftop House is the conviction and unfortunately for our people, Clifftop House is the sentence. Clifftop House is evidence of a GSD controlled development and planning process. Clifftop House is the legacy of the GSD at the very entrance of the nature reserve. They had just no mealy words to get them out of that one. No spin to try and persuade with. That carbuncle on the side of our Rock speaks to the reality of their lack of commitment to the environment every single day of the year. At least that building is in much better condition than most of the Upper Town which despite repeated promises and provisions made in the Estimates, has seen precious little progress in the regeneration promise for the area. £100 million of investment was announced for this project. About a million pounds has been spent. So are we to assume that the project is going to take 100 years. Well, not according to the manifesto of the GSD for the year 2000, ten years ago, which provided, "It is vital to arrest and reverse the urban degeneration and depopulation of our Upper Town. This is not just because it is home to thousands of people, but also because it is a vital part of our heritage which we have an obligation to future generations to preserve. By virtue of its sheer scale, this project will be implemented over several years. The following is the programme for the next four years". There was then a list, Mr Speaker, of areas which will be refurbished. The first, Mr Speaker, was an area, the list of street refurbishment and beautification which provided that the refurbishment and beautification of the following would be undertaken: This is for the next four years: "Castle Street, Lower Castle Steps, Abecasis Passage, Benzimra's Alley, Bochetti's Steps, Chicardo's Passage, Governor's Street, Hospital Ramp, Hospital Steps, New Passage, New Street, Pezz's Steps, Castle Road, Benoliel's Passage, Library Ramp, Prince Edward's Road, Gavino's Court, Fraser's Ramp, Johnston's Passage, Shakery's Passage and Lopez's Ramp. The necessary preparatory work for this has already been done and work will begin immediately. Other Upper Town areas will be planned and phased thereafter". Well, I think the hon Gentleman just told somebody in his party to go off and make a list of the streets in the Upper Town because it appears he had absolutely no intention whatsoever of following through in the following four years, let alone the past ten and the second heading Mr Speaker, was building refurbishment. The manifesto went on to say, and this is a quote now: "The project includes not just refurbishment and beautification of the streets but also refurbishment and beautification of all pre-war and post-war Government owned buildings and private buildings. The latter will be effected in a centralised, coordinated partnership between Government and the owners". Well, very little has come of that partnership in the past ten years and always under a photograph of the hon Lady opposite. Although I am tempted to repeat the description that she reminded us of yesterday which had been applied to her outside this House during the course of the election campaign, I will resist. Nonetheless, I thank the hon Lady for reminding me of that very apposite political description of her that was carried at the last election when she made the remarkable statement on television that the GSD was presiding over putting everything that was right, wrong. Well, slip of the tongue. But at least it is clear that we are getting closer and closer to an election, even though this was clearly no pre-election Budget giveaway that will no doubt come next year.

The long delayed refurbishment of the Europa area has now begun. But listen to this, the hon and gallant Mr Britto was talking about works being essential at Europa as far back as

1995. He was making headlines in the Chronicle on just this issue. It has only taken them 14 full years in Government to start the work and only then when shamed into doing it by their own decrepit signage in the area promising the works that never materialised. Well, I suppose that by GSD standards, a delay of 14 years in starting the works at Europa is not so bad given that it looks like the Upper Town project might take 100 years if they are returned to office.

Mr Speaker, it is certainly better than the dismal and admitted failure of the manifesto commitment of the hon Members opposite to achieve a target of producing 12 per cent of energy consumption from renewable sources by 2010. As the hon Member, you may recall Mr Speaker, admitted at the last Question Time in this House, this manifesto commitment is no longer capable of being completed. Or their now impossible closure of the existing power stations at Waterport, OESCO and the MOD at the Dockyard by 2010. Also a commitment in the manifesto for the last election which they have failed to deliver. It is all there, on page 33 of that comic that they call their Manifesto. To tell the truth, I do not think that anyone believed those commitments anyway. But they are failed GSD promises for this Parliament. More worrying, perhaps, is the proposal that the East Side may now be opened up for use for bunkering operations. I understand that this matter is to go out to consultation and is not yet decided. But how can this even be happening. Even the proposal flies in the face of another commitment in the hon Member's present manifesto which said this, under the heading "Ship Bunkering", I think it is also in that ill-fated page 33, "The GSD Government is working on schemes to relocate ship bunker storage facilities ashore so as to be able to eliminate the use of storage in tanker ships in the bay". I do not think we quite appreciate it that that meant that it might go on the East Side but out of the bay. Anyway, you might accuse environmentalists of taking things at face value and being honest people and not being able to read such potential exceptions into things. So, that commitment is not only now likely not to be kept, it is likely to be double breached. In other words, the GSD Government is not only going to not be in a position to relocate the present ship bunkering operations in the bay with storage facilities ashore to eliminate the use of storage bunkers in the bay of Gibraltar, they are actually going to, potentially, going to propagate ship to ship bunkering operations on the East Side. A double breach of a manifesto commitment, now that is style, Mr Speaker, what hubris. In fact, the ESG has rightly being highlighting that any bunkering operations should be carried out with the use of Vapour Recovery Systems so that the noxious fumes that often affect parts of Gibraltar should be reduced or eliminated. This is a sensible proposal which deserves investigation in the use of best available technology to ameliorate the effects of industry on citizens. Instead, Government is now looking at proposals to allow more of this activity without the Vapour Recovery Systems. Perhaps in his reply, the hon Gentleman could tell us whether he is in favour of such Vapour Recovery Systems being employed by bunker operators, whether or not they are onshore or in the bay, if allowed in future on the East Side. We will carefully monitor the consultation process which the Government has announced in this area. We have already heard the views forcefully and eloquently put by the ESG on this issue and we will look forward to more information being put in the public domain so that the whole community can understand what is proposed. But we will look at this sceptically as the environmental danger is evident, especially to our already blighted beaches.

And what of the East Side generally? Well, we have seen no progress whatsoever in respect of this project again this year. Interestingly, this is what the hon Member's party opposite said in their manifesto for I am tempted to call it genesis, Mr Speaker, but the 1996 Election. Given that they enjoy going back to that year so much what were they saying then, well they said this. "We will stop further loss of natural coastline and maximise peoples' access to it. Furthermore, there was an urgent need to beautify large areas of our eastern shoreline which have been damaged. The unplanned dumping on our East Side has produced an eyesore and a hazard to residents and to tourists alike". Well that is descriptive. This is what they said they would do, "We will take steps to contain and complete the East

Side reclamation to avoid the spillage of debris and wastage on to adjoining beaches. The area will then be resurfaced and landscaped and pending longer term development, would be used to provide recreation, leisure and parking facilities". I do not think landscape means creating a model of the Rock itself, opposite the Rock as if it were a smaller mirror image. But anyway, landscape. Well the hon Members opposite will say that they were re-elected despite not having complied with that 1996 Manifesto commitment and despite that broken promise. What a pity that they do not deliver a list of promises with dates on them as we have had the political courage to do in the past two elections. It would make the electorates' job of seeing their failures and perhaps some of their successes so much easier.

The reality, as the unfortunately now deceased and much missed the Hon Joshua Gabay once said from these benches, "The fact is that the Government are more concerned with image than with substance. More concerned with ostentation than achievement and keener on impact than on fact". I hope we can all appreciate, at least the elegance of Joshua's turn of phrase.

I will end this part of my address by welcoming at last the reduction of import duty on hybrid cars and four-stroke engines and the raising of duties in respect of two-stroke engines. That is one of many steps that need to be taken in the direction of reducing carbon emissions. I will look forward to seeing more.

I turn now to the issue of telecommunications and I ask the House to be conscious of the fact that the Member with responsibility for this on the Government's benches has not yet spoken. It is always a delight to see the progress that has been made by Gibtel and GibNynex in their now joint endeavour Gibtelecom. We have been and remain committed to keeping 50 per cent of the shares of that company in the hands of the Government of Gibraltar and we will strongly oppose any attempts to sell it off. It is a particular pleasure to see Gibtelecom not only doing well but prospering now with new international partners. What is particularly positive is the progress that Gibtelecom is making in establishing resilience beyond the traditional sources of connectivity. We have seen references in the press to new connectivity cables which will land in Gibraltar. The establishment of that link is a further positive for that company and for those who were responsible for it being such a successful project for Gibtelecom. I will say no more on this other than to welcome it. But we must remember that Gibraltar now enjoys three providers of internet and telephony services. CTS continues to operate despite the untimely passing of one of the leading lights and identity and Sapphire Networks is providing bandwidth to many companies established in doing international business from Gibraltar. Competition is no doubt healthy and that sector is the better for it. Having said that, undoubtedly, the home consumer in Gibraltar will want to see charges coming down for the provision of ADSL services in which Gibraltar remains less competitive than in other European jurisdictions. On this we remain vigilant and would call on the relevant providers of these services to keep their charges under review and I will look forward to hearing what the Hon Minister with responsibility for telecommunications has to say.

I turn now to my responsibilities in respect of financial services. Mr Speaker, practitioners in the financial services industry are pleased to see that the Government has finally published a draft of a Bill that will, among other things, reform the law on corporate taxation. This draft has been a long time coming. A very long time indeed. In fact, it is now almost a decade since it became clear that the European Commission would require the disappearance of our Exempt Company regime. Moreover, it has been clear to many, for even longer than that, that the zero tax regime was not going to be around for very long. The hon Gentleman likes to tell this House that he had made the decision to take Gibraltar on shore many years ago. But that just does not tally with the facts. You see, Mr Speaker, if it had been the case, then we would not have spent a large part of the first decade of this new millennium seeking approval for a new corporation tax that lowered rates to zero across the board. So it cannot be true that the plan of the hon Members opposite was

to take the finance centre on shore, as they only started to talk about a low rate of tax when the Commission rejected their plan for a zero rate of tax. And with a zero rate of tax even if it is across the board and without discrimination in favour of non-residents, there is no question of us ever seriously having been considered to be an on shore jurisdiction as we would not have complied with OECD criteria.

So all the fanfare that we are seeing surrounding the announcement of this new draft Bill, insofar as it refers to this great plan to take Gibraltar on shore, has to be seen in the light of these objective facts which show such claims of prescience to be total nonsense. In fact, the publication of this draft Bill comes at the very least a number of years late. So a decade of delay, dithering and indecision which will result in a lead-in time of less than three or four months for the finance centre to be ready for the implementation of the new regime. I told the hon Gentleman at the recent Question Time this session that I would not go behind his assurance that he was intent on publication of the new legislation earlier if possible. I will accept that. Certainly, all the feedback we have had from across the sectors of the financial services industry has been that they would have wished to see publication sooner if it had been possible and from what the hon Gentleman has told us, it just may not have been possible for matters which he may be privy to, which we are not. The Hon Leader of the House told me that he had received representations from some sectors that publication should have been delayed. We have not received any such representations. But I take it that, from his remarks at Question Time about having wanted to publish earlier if possible, the Government did not share that view. In any event, we now have a draft of the Bill and we will soon have a chance to debate the merits and demerits of the new draft after the consultation process comes to a conclusion and, therefore, we will monitor keenly with the Government how the new tax rates affect the revenue side of these Estimates. I will say this also, although there is a complete agreement across this House that the appeal filed by Spain against the decision of the European Court is doomed to fail and given its terms is a most unfriendly act, it has not yet failed and I am sure we will all, across the floor of this House, look forward to that case being disposed of to our common advantage.

As for the Tax Information Exchange Agreements which have recently been concluded, I think the whole financial services industry is waiting to see how these will actually operate in practice as requests for information start to trickle through. This remains an area to monitor but it is clear to the whole House, I believe, that exchange of information is a required part of the way in which reputable financial services jurisdictions do business. We have, heard little in the past months of the potential TIEA with the Kingdom of Spain and the potential for a double taxation agreement with our neighbour. Perhaps in his reply, the hon Gentleman could inform the House of a state of progress in that respect. For many years the absence of double taxation agreements has been flagged up as a positive and a negative for our finance centre. Now, the tide seems to be more firmly in favour of the conclusion of such double taxation agreements. Perhaps that is also an area on which the hon Gentleman can give us the benefit of his views in his reply, although I note the manner in which the issue which may arise from the gaming industry in this respect appears to have been dealt with on a legislative basis across the board. It says much for the reputational strength of the professionals who operate in our financial services sector that the issues affecting one local financial services entity have not caused the expected infection and that Gibraltar professionals continue to prosper by dint of their hard work, integrity and imagination.

We have also received representations from finance centre professionals relating to the increases in licensing fees charged in this sector. I am aware, as will the other members of this House, that the Government allowed 14 days of consultation to the industry in respect of the proposed fee increases. The House may not be aware that the new fees have become punitive to some of the smaller operators in the sector. Fees do not presently discriminate between the size of the operators being licensed. The issue of course is not an easy one, as the

issue of size of a licensee is not an easy one to determine. An operation with only four employees may have a large book of business and a huge turnover, so we understand that fees cannot be fixed lower simply because of the number of employees in a licensed company. Similarly, a large number of employees may usually denote a higher turnover but it is not necessarily an indicator of greater profit. But these are difficulties that need to be considered in detail in order to identify a solution so that the very licensing fee does not cause such hardship to any reputable operator that they are squeezed out of the sector or into consolidation. Indeed, although the success of our finance centre requires, and will do so increasingly, under the new proposed new corporate tax regime, the continued influx of businesses from outside our shores, the Government must not turn its back on the small, reputable, Gibraltarian operator that provides financial services to our community and, in this respect, I must highlight my continued concern at a continued very small increases in allowances for tax payers investing in life and other savings products. In fact, a regime which does not reward saving in this way is an encouragement for people to spend and not make provision for the future. Something which may rebound on the Gibraltar Government in the future.

This is a convenient place for me to turn to my responsibilities for the media. The problems identified in the review of GBC must be tackled quickly and you know, Mr Speaker, we have not seen the whole report of Mr King and we are committed to its publication upon our election. I acknowledge that the Government has set itself an ambitious target date for the implementation of its review of GBC. We now have Mr King appointed as CEO and although we have disagreed with the manner of his appointment at the direction of the Government, we will monitor how the proposed renewal of GBC progresses. For many years, GBC was the pride of Gibraltar. We were the only part of this area of geography that boasted a television station. Television stations in this area have now proliferated. GBC is no longer a distinction. In fact, with a much greater budget, we can now see the Spanish regional channel already is testing transmissions in high definition digital format. I remember that when I was first elected to this House, almost seven years ago, we were told that GBC would meet the 2010 EU deadline for the analogue switch off. Well, 2010 has come but not yet gone but this has not yet happened. Despite that, we have not yet seen even the first test transmissions of digital, let alone high definition. I am sure that the whole community will look forward to the new standards of transmission and the heralded improved quality of programming. But at this rate, with Government having as yet not even decided on the premises to which GBC is to be relocated and having only in the last months created a Steering Committee, it does not seem likely that the renewal of GBC will become a reality on our television screens this year.

But GBC, Mr Speaker, is only one part of the media. In the print media, we have seen this year the disappearance of one newspaper and one other newspaper, the Gibraltar Chronicle, apparently threatened with disappearance also due to apparent insolvency. If this were not dramatic enough, we have continued to see one particular publication receive thousands, hundreds of thousands of pounds, thousands of pounds a month from the Government as its apparent sole source of advertising revenue, its sole source of advertising revenue. One of the arguments that have been put by the Hon Leader of the House when he had resisted the claims of the New People newspaper for advertising has been that even when the GSLP were in office, the New People did not receive any official advertising. Well, what is it that has gone wrong with the hon Gentleman's democratic compass to entice him to fund, using tax payers' money, a weekly publication that is transparently theirs. The GSD's in house party organ. There is a lot wrong here. This smacks of having confused the interests of the party with the interests of the state. The Hon Leader of the House is allowing state expenditure, tax payers' money, for party benefit. This is a dangerous and slippery slope. The hon Member opposite may as well send a cheque from the Government General Account to whatever printer they choose to publish their next manifesto. Whatever the reaction may be on the benches opposite, the Hon

Leader of the House is not somebody I have ever described as stupid or ignorant of the law. I have never described him as such. Although he liberally refers to me in such terms but so what. He knows that the funding of 7 Days by his administration to publish what are thinly veiled weekly manifestos is wrong and against all principles of a western base parliamentary democracy. Lest we forget, I cannot emphasise enough how out of hand the funding of 7 Days has got. How improper it clearly is and how contrary to established criteria for the proper application of public funds. We are talking of well over £100,000. Well over. So, this year I will say that the independence of the media and of journalists in Gibraltar is not assured and that there is a serious ongoing misapplication of public funds to fund certain Government supporting organs. The independence of the media in Gibraltar therefore now has, in many areas, but not all thank God, a huge question mark over it and what greater question mark over the state of the media in Gibraltar than the disgraceful way in which Clive Golt has suffered at the hon Gentleman's hands since 1996 for having had the temerity to stand for election against him 15 years ago. I am left to wonder how the Leader of this House looks himself in the mirror every morning knowing what he has done with Clive Golt and what he is doing with the financing of 7 Days. I genuinely believe that the Members opposite are just in denial on this issue. But the Faustian pact that he has done on these issues is for ever haunting him and denial is the only way to deal with it.

And so I turn now to issues that relate more generally to the style of the Government that has been adopted by the GSD and by the Hon the Leader of the House in particular in the past year. Let us start form the premise that we all have experience of, that the hon Gentleman who believes himself always to be in the right and that any hon Members who contradict him are wrong. Look at what happened when the hon Gentleman says that he thinks, subjectively, that anyone of us on this side of the House has got a word wrong. For example, if one of us might, hypothetically have used the wrong word, as far as he is concerned, in asking a question. Well look at the exchange on Question No. 440 of 2010 on the extermination of Barbary macaques. The hon Gentleman took exception at my using the word "extermination" on the basis that he believed that the word could only mean the total extermination of that species. The hon Gentleman told the House that my arguments were not merely wrong or incorrect but that they were ridiculous. Moreover, he said that he would bring a motion to argue the point. Well, a motion brought by the Government against an Opposition Member is a motion that is going to succeed whether it is right or whether it is wrong. But the very thought that the Chief Minister of Gibraltar might have time to even consider bringing such a motion with a housing list growing, Gibraltarians registered as homeless, the traffic at a standstill and yet the hon Gentleman has time to even think about bringing a motion against me on the definition of "exterminate". Well, we are clearly getting to him. We are clearly, obviously, in his view, doing him political damage. But all of this is designed to show the public, or at least for those who listen, that Picardo has got a word wrong and to deflect from the things that they have got wrong. So let us get away from the hyperbole of the attempts to deflect attention from the hon Gentleman's failure. Let us actually knuckle down and look at what happens when he actually makes a mistake.

Well, £5 million to date on the Theatre Royal mistake. A housing waiting list soaring to eight times what it was when the world commenced in 1996. Eight times. Reports of water ingress at Waterport Terraces, that magnificent estate developed by the Government to standards like never before, the roofs of which leak and windows and shutters having to be replaced at the Cumberland developments. Hundreds of Gibraltarian families stuck with having lost hundreds, if not thousands of pounds, on expensive bridging loans as a result of the unconscionable delays on the works at Waterport Terraces. A contractor sacked from one Government co-ownership scheme leaving hundreds of thousands of pounds outstanding on PAYE and social security. Parts of our heritage, the Rosia Tanks, lost for ever. The East Side reclamation project completely frozen, although, Mr Speaker, it may be that it has

been landscaped in the shape of a Rock. I do not know. Completely frozen in my view. One of our greatest property lungs stuck now in a development that is going nowhere despite manifesto commitments by the party opposite to the contrary. Major planning mistakes giving us that horrendous Clifftop House. Slum conditions and I do not say this lightly, in some areas of Government estates in the Upper Town. Criticisms from the Principal Auditor, in paragraph 2.8.6. of his Report for this year, that there are weaknesses in the control and management of certain capital projects resulting in delays which are generally resulting in increasing costs to Government. You will recall, Mr Speaker, that the hon Gentleman told us that he was going to control all of this and he was going to require weekly facts on these issues and woe betide anybody who overrun or overspent. Well, it may be that we therefore lay the responsibility at his door for the complaint that the Principal Auditor has raised. Another major contractor also going into liquidation with additional massive amounts outstanding in respect of PAYE and Social Security when contracted to the Government on a number of projects and the Government happily giving that contractor money without retaining sums in respect of PAYE and Social Security outstanding as it does to so many others. Two hundred and forty one thousand pounds, on the case lost against a lesbian couple who sought to have one of the partners included on the tenancy agreement. The many thousands of pounds, no doubt now being incurred in costs, in respect of the case before the Supreme Court on the age of consent. The hundreds of thousands of pounds lost, thrown away, in the Industrial Tribunal cases fought tooth and nail and lost since 1996 by this Government. The hundreds of thousands of pounds paid to 7 Days to publish their manifesto on a weekly basis. The hundreds of thousands of pounds that this Government have had to pay to each tenant of the Rosia Cottages after they were repeatedly told that they were wrong in their right to light case and threatened by the hon Gentleman himself, as well as now also a property free of charge for each of them also worth hundreds of thousands of pounds, if not close some of them to over a million, in which congratulations to those people for taking on the Government and winning.

I do not actually think it was wrong to use the word “exterminate” instead of “cull” or “kill”. I think it was a useful device to highlight what is going on and let us be clear, Mr Speaker, I agree that the issue of apes coming into town and into hotels must be dealt with. We just believe that it is possible to manage the ape population and to thereby remove the problem in ways that are much more sensitive than killing, culling or exterminating. But anyway, I asked a question about this extermination and the question got passed from the Minister of the Environment to the Leader of the House and then, again, one was called every name under the sun which was a negative take on illiterate. Well, if I was wrong, the consequence may have been about four minutes of this House’s valuable time wasted and the hon Gentleman opposite clearly relished what he and his salaried cheerleaders thought was a mauling. Well, to tell you the truth, Mr Speaker, it felt more like a tickle than a mauling but they can think what they like.

But let us add up the cost and the effect of his mistakes. Some of which he admits and some of them which he does not admit are mistakes and which I have just taken the House through. The consequences of the hon Gentleman’s mistakes of the past 15 years have either cost irreparable hardship to thousands of Gibraltarians or have cost millions of losses to our exchequer. Now I understand why the hon Gentleman can never admit that he is wrong. If he were to do so, he would in effect have to admit responsibility for such massive failures, such costly losses to our community that he would be forgiven for simply asking us all for forgiveness as a community and quietly presenting his resignation and leaving politics completely. The sooner the better. Probably not, Mr Speaker, because I think we would probably enjoy beating him more than seeing him beat retreat. You see, Mr Speaker, when put under serious scrutiny, the hon Gentleman’s reputation goes from being that of an apparently tough and political machine, to a cheap version of Baldrick, whose cunning plans are the equivalent of the hon Gentleman’s recurring visions that never come true. But what a negative record. So much money lost to incompetence. To lose one million might have been careless but to lose tens of millions in

delayed and abandoned projects and lost legal cases, well Mr Speaker, that is probably best described by some of the adjectives that he usually reserves for his political opinion of me and which I have no doubt we shall hear again either later this afternoon or on Monday.

The fact is that we need to reflect on the expectation gap that exists in the politics of the hon Members opposite. We see it when they say one thing and do another. We have seen how that is reflected in the failure to deliver on manifesto commitments which relate to the environment. Let us now look at one example in particular which related to the transposition of EU legislation. This year we have seen a large number of EU pieces of law passed by the mechanism of regulation. Regulations made under section 23(g)(ii) of the Interpretation and General Clauses Act. In April this year, in particular, we were treated to a deluge of them. Some amended existing legislation and others brought wholesale measures into effect in that way. Well, there may be nothing wrong with that and in fact it was a mechanism sometimes used by the Hon the Leader of the Opposition when he was Chief Minister to make legislative changes which were required urgently. But the expectation gap is in what the Hon Leader of the House used to say about that mechanism and what he does now. In a debate on the 23rd November 1992, when amendments were being considered to the Interpretation and General Clauses Act itself to introduce this amendment to Section 23(g)(ii) of that Act, the hon Member said that the Act would allow the Government to repeal, vary, amend or add to any Ordinance by regulation. The then Hon Leader of the Opposition said in the Committee Stage that the GSD "do not accept that the House should be excluded altogether from the process of implementing into the laws of Gibraltar the requirements of Community treaties or Directives", that is a direct quote. He went on to refer to the latitude which some community instruments such as Directives allow Member States in the transposition into national laws of community obligations and he added, and this is a quote, "Such latitude is latitude which he thought should be exercised by the legislative and not by the executive in the medium of regulations", and he proposed that a resolution of the House should be required before any regulation passed in this way should have effect. Well, Mr Speaker, having become the leader of the executive branch, the hon Gentleman seems to have changed his mind. What I would ask him for in his reply on this Second Reading is whether he will now at least accept that in those early days, at least he got something wrong and that the then Chief Minister, Mr Bossano, was right to proceed as he did then and as he, Mr Caruana, has done now. In case the hon Members are interested, the Hansard references are at pages 27 to 45 for the dates that I have quoted.

Mr Speaker, apart from all that, the hon Gentleman has told us in the first Question Time this year that he was bringing in a new politics but not a positive new politics. It is a new politics which we would discern from the answers that they were providing in that session. And those showed this, first that the GSD Government is now doing less work for tenants in their homes. In fact, for some time the Government even stopped doing works for elderly pensioners who were Government tenants. But I understand that this has now been reversed. The Government has presided over an eight fold increase in the housing waiting list since the world began in 1996. The Government has presided over a massive increase in the number of jobs pending at Buildings and Works and then there are Mr Speaker, the new lines in the sand which the hon Gentleman referred us to at that very first meeting of the House this year in answer to supplementary questions. These new lines in the sand are whether or not questions will be answered. That perhaps serves to answer the points made by the hon Lady as to the failure to provide answers in this House. It is so unfortunate that the hon Lady can never pass up a can of worms without reaching for a tin opener. You see, Mr Speaker, she should have left well enough alone in terms of Government answering questions. Or is it that she is asleep at Question Time when the Government of which she forms a part refuses to answer questions. Does she not know that she is sitting with a party that refuses to tell the House the cost of killing apes or the numbers of apes killed or the amount of revenue received from

tobacco duty or to table the accounts of Community Care as they used to be tabled? A Government who refuses to publish reports paid for by the tax payer into even non-sensitive areas like the King Report into the future of GBC. That is just a taster of their obfuscation. So as far as their failure to answer questions and to provide information, the hon Lady needs to look closer to home before she starts casting aspersions. But anyway, it is not the new found lines in the sand that are the problem. The problem is that the sand is reaching the hon Members' necks and they are sinking in it. Their political position is as quick sand and they are sinking fast. Why Mr Speaker? Because whatever the hon Members may say in this House, people live the reality of their administration of our affairs and what a joke, what a joke that old GSD excuse. It is not our fault when things go wrong. It is just that the GSLP are at fault for what they did when they were in power almost 15 years ago. Of course, that might have been fair the first year after they won an election in 1996. But their undoubted success in winning four elections is a double edged sword as it does now deprive them of the excuse that today's problems are really the fault of the previous party in administration. Now that they have been in power for over 14 years, they are factually deprived of the luxury of the argument put, for example, by the hon Member Mr Vinet in the Chronicle on the 18th February this year, when he said, talking of water ingress problems at Keightley House in Moorish Castle Estate, "I would certainly like all repairs to Government flats to be undertaken as quickly and as efficiently as possible. We all agree. But there are inescapable facts to consider. Previous administrations have neglected Government estates and there was little in the way of proper refurbishments". Of course, what Mr Vinet could not reconcile was the fact that the complaints referred to in that article related to a family who had been awarded the flat only three years earlier and the problems they were complaining about had arisen only two years later. Even more so, the problem also reported, in that case by Action for Housing in that same Chronicle report, of an elderly gentleman whose leaking flat had first been reported only six months previously and not dealt with. How can Joe Bossano, the GSLP, be responsible for that? These are therefore GSD administration issues. There is nowhere for the hon Members left to hide. So whilst accepting, of course, the extraordinarily wet winter we have had, this does so effectively illustrate that the GSD excuses are wearing thinner and thinner on the ground and the present has now caught up with them. And so it is that the lack of investment in so many areas is now the fault not of previous administrations but of the GSD administration. I do not believe we should be calling each other names in this House. Although our debate should be robust and tough, if someone cannot stand the heat they should not get into politics. I confess that I was nonetheless surprised when I was first elected to this House with the amount of meaningless insults that the hon Gentleman hurled at Members on this side of the House during the course of his reply on this annual debate. I did not see the value of the endless invective hurled at us while the substance of the arguments we raised on policy issues went unanswered. Perhaps this is a good case to quote just one more of the gems left to us by Joshua Gabay who when referring to the Chief Minister's repeated rubbishings of the Oppositions' contributions said that, "regrettably, the technique institutionalised in this House by the Chief Minister and pandered to by some but not all of his Ministers, is to substitute logic by denigration and clarity by vilification. But, Mr Speaker, I have now seen the light. I acknowledge the error of my ways. I have joined the political dots and I see what the hon Gentleman is doing and the exact nature of his political style. The current Chief Minister is clearly a believer in the principle that attack is the best form of defence. He actually told Mr Bruzon, the Hon Mr Bruzon, that to survive in politics you need 'mala leche'. Well, that may be what he needed to survive in public school and he is simply exporting the principle to our politics. So I owe the hon Member an apology. I understand now that what I have not understood before about his politics. Every time he hurls an insult, he is attacking only to defend. Therefore, as attack for him is the best form of defence, we must see such insults as he hurls, attacking us in our reply to our contributions, as recognition that we have pushed him into having to defend himself. So having been the butt of a massive attack in his reply in this debate in the past seven years, it dawns on me that I should not have been bored by the lack of

substance but mightily, mightily flattered at the hon Gentleman's extreme complement. Each insult, each side wipe and each attempted denigration is a massive recognition of a political punch soundly landed on the hon Gentleman's political torso. Each apparently disrespectful, sneering, jeering remark purportedly ridiculing our contributions is a massive badge of political honour and then perhaps, even more apparent, is the fact that when the hon Gentleman hurls an apparent complement across the floor, what he is doing is actually telling us that we have failed to land a punch. So let me apologise to the Parliament and to all those who diligently tune in to hear our debates on these Estimates. I should never have decried the hon Gentleman's replies for being full of insults, invective and failing to address the substance of the arguments we present. I should actually have recognised earlier that every insult is a back handed compliment and every compliment a pithy ridicule and an indication of failure. So foul and fair a discourse I had not heard before. But that is the GSD way, always say the opposite of what you mean and, therefore, I want to formally thank the hon Gentleman for what at first appeared to be a character assassination of us that he has undertaken in this debate at least in each of the years that I have been in the House. I am truly grateful for the recognition inherent in each insult, in each distortion and in each twisted reflection of my contribution to each years' debate. I had not realised just how hard our rhetoric had hit. Thank you. The attempted hatchet jobs of years past were no more and no less than a political doffing of the hat for a job well done and I was not astute enough to see through the bluster and recognise it. I am so sorry. I shall very much look forward to at least the same level of recognition and the same number of inverted, back handed compliments again this year disguised as insults and accusations of ignorance. So please, I pray the hon Gentleman does not in his reply feel he can address the substance of our interventions, lest we are left to feel that we have not raised issues sufficiently serious that he might not need to avoid them. I really had not realised that the hon Gentleman's mind was quite this complex. But I have seen the light and I am sincerely now looking forward to the insults. Not out of some masochistic glee but out of genuine political realisation. The harder he insults, the more damage he has suffered and the more he and his satellites need to obscure through insult and distortion. What sophistry on the part of the hon Gentleman. Anyway, I know that the hon gentleman is hubristically, how is it that the Chronicle put it, "fighting for the survival of the GSD", and not really involved in trying to win the next election. But how pathetic that everything we have heard from the hon Members opposite are comparisons with 1996.

It is just like the repeated and repeated alleged mantra that the GSD is the tax cutting party. Well, if they are the tax cutting party, they must also be the social insurance raising party. Mr Speaker, social insurance contributions were said by the Hon Leader of the House, when he was sitting on these benches, to be a tax. Once again, on top of increasing commercial electricity fees, the social insurance bill for businesses has gone up and small businesses and employees across the board will feel the pinch. So much for his boast in his manifesto for 2000 that he had only put social insurance contributions up once in four years. In fact, in our view, it is fair to say that what the hon Gentleman gives with one hand, he takes with another. At least on the terms of his analysis of what social insurance contributions are which is not necessarily shared by us. So a small drop in taxes and an increase in the minimum wage is balanced with this increase in social insurance. Just taking the increases this year, employees are going to be £73.84 pence worse off. In his budget address of 1995, I think he walked out in 1996, it was the hon Gentleman himself who said of social insurance. These are his words Mr Speaker, a direct quote: "This is just hidden taxation, that is just a disguised increase in taxation." Those were his words, one sentence. Was he right then or is he right now? He cannot have it both ways, however much of his legendary sophistry he may try. In fact, let us look at how, what the Hon the Leader of the House, when he was here, described as a tax, has been increased in the past three years, 2008, 2009 and 2010 and the effect it has had on an employees wage in that period. In his 2008 address to this House in the Budget the hon Gentleman said, "social insurance

contributions were last increased in January 2005. That is, three and a half years ago. It is the policy of the Government and it is reflected in the fact that we have increased social insurance contributions usually at least once in every term, that the funding of the Social Insurance Scheme should at least keep up its inflation adjusted value. Accordingly, with effect from 1st July 2008, the maximum cap under the new Social Insurance System for both employers and employee contributions will increase by 10 per cent as follows: Employer by £2.62 a week from £26.20 to £28.82; Employee by £2.08 a week from £20.75 to £22.83 per week". I pause there to reflect that the hon Gentleman introduced a system of minima and maxima in respect of social insurance contributions which was not there before 1996. That is their creation. So in 2008 an employee's contribution increased by £2.08 a week or 10 per cent, that is to say, £108.16 a year, the increase. In 2009 in his Budget address, the idea of only increasing social insurance contributions at least once a term held true. At least once a term because that was the second time and it therefore went up again, that time by 4 per cent. That meant that the employee contribution, still subject of course, to minima and maxima, went up by 91 pence. That is to say, a further £47.32 a year and now, Mr Speaker, the *coup de grâce* that the hon Gentleman has delivered has been a further increase by 6 per cent, in other words, up by £1.42. That is to say, a further increase, just the increase, of £73.84 a year. Mr Speaker, taking these three consecutive years of rises in social insurance together, the employees' contribution alone has increased, and this is just the increase, by £229.32 over the past three financial years alone. The words that the hon Gentleman used in 1995 and this is his analysis, not ours, was that these were just hidden taxation measures. "This is just a disguised increase in taxation". Mr Speaker, that is at Hansard for the Budget debate of 1995 at page 90, the right hand column, lines 3 to 4. Let us be clear, those were his words. What he is giving with one hand, he is taking with another based on his analysis. Our analysis is different about what social insurance contributions are. When looked at since 2005, the position is graver still. In that year employee social insurance contributions were increased by 10 per cent. That is to say, £1.88 per week or a total increase of £97.76 per employee per year. In total, therefore, over the past five years the amount the hon Gentleman has added to the cost of social insurance for an employee is now in excess of £327.08 a year and that is just the increase. That is just the employees' increase. For the employer the position is worse still. In this Budget an increase of 10 per cent or almost £3.00 which is rounded up from £2.997. Mr Speaker, that produces an annual increase of £156 extra per employee per year. In 2008 the increase in the employers contribution was 10 per cent, up by £2.62 a week or £136.24 a year. In 2009 it was 4 per cent or £1.15 a week namely £59.80 a year. In just those three years, the employers have been left £352.04 worse off per employee. That is a massive hike by any standards, Mr Speaker and that is a massive hike of what he used to call, when he sat here, a tax. That is not our analysis, Mr Speaker, what social insurance contributions are, it is his analysis when he was sitting on these benches. In total, between employees and employers, the Government is now receiving a contribution per employed person which has been increased by £581.36 and that is in the past three years alone. We believe those are contributions that go for each employee's own benefit but the hon Gentleman called them a tax. When one adds the figures for the increases in the Budget for 2005, the social insurance contribution for employers has risen even more. In the 2005 budget, the Hon Leader of the House increased the employers' contributions by 10 per cent also, namely £2.38 per week, amounting to £123.76 a year. When added to the three year consecutive rises that have amounted to £581.36, the total increase in employer's contribution to social insurance has been a whopping £705.12 per employee in the five years since the Budget of 2005 and according to his analysis that is an increase in tax. That is what he called it. He called it a tax. An increase in tax of that amount. The conclusion of that analysis is that in the past five years the total amount of the increases in contributions by an employer £705.12 and an employee £327.08 at the maximum rate of the bands together is now an even more whopping £1,032.20 of increases of what he used to call, when he was sitting here, a tax. Yes, the hon Gentleman has increased by

£1,032 the amount the Government takes from employers and employees in respect of each employee at the top of the bands in respect of what he used to call a tax. And that is just the increase. The total contribution now per employee amounts to approximately £1,308.32 per employee in employees' contributions alone per year and approximately £1,714.44 per employee in employers' contributions alone per year, in respect of the top level of contribution. Mr Speaker, that amounts to a total of £3,022.76 per employee per year when the employee and the employer contributions are added together. That revenue to the Government, based on his analysis, is in the nature of what the hon Gentleman called a tax, an analysis that we do not share. But if we have more employees in the economy than ever before, if we are running surpluses, if we are in such good shape as the hon Gentleman says we are, perhaps he could, in his reply, tell us why it is that we need to further increase the cost of doing business in Gibraltar by increases in electricity, rates discount deductions, et cetera, and by quite such margins in this period to balance the books. Well, has he not just told us, Mr Speaker, that the books are more than balanced in our favour because there are surpluses? I very much look forward to his answer.

I know that he is likely to simply refer back to the same argument he used in 1995 although that may be harder now. But people are not interested in a better yesterday. They are interested in a better tomorrow. So the Hon Leader of the House should stop looking back to 1996 to find excuses and absolution for every political sin of which he stands accused.

And as for the suggestion that increasing commercial electricity charges is justified by the reduction in corporation tax to come in January 2011, well, we cannot share that analysis for this reason. First of all, no exemption has been reflected in the hon Member's speech for sole traders not trading as companies or partnerships. Secondly, the increases have been announced today but the date of implementation of these raised tariffs has not been confirmed. He did not say from midnight tonight. If the increases are to take effect from this month, for example, that will mean that the increases will come into effect six months before the tax decreases which they purport to rebalance. I would ask the hon Gentleman in his reply on the Second Reading to confirm on what dates the increases in commercial electricity tariffs and the reduction in the rates discount will be effective.

Finally, I want to take this opportunity to thank all the public officers of Gibraltar who are employed in the departments which I shadow. My criticisms are as ever of the political Government and not of them. I note the nervous laughter of those who like to blame the public service of Gibraltar for their own failures and I want to add a special thank you of course, Mr Speaker, to your staff here. To Melvyn, Frances and Kevin and to Audrey who has left us during the course of this year who assist all members so diligently and graciously throughout the year. This is a state of the nation debate. Mr Speaker, so what is the state of the nation? The nation is fed up of this Government. The nation is disillusioned by the broken promises of 15 years of this Government. The nation is ready for a change of Government. Having said that, unfortunately, the Leader of the House looks like he is going to try to hang on for a little while longer yet and Gibraltar cannot be without an Appropriation and we will therefore be supporting the expenditure proposed in the Bill and the Schedules on the terms already identified by the Leader of the Opposition and we predict that in the next Budget there will be no increases in social security.

HON J J HOLLIDAY:

Mr Speaker, as the fog lifts over the global economy, a recovery is clearly under way. Yet, as good news envelops the globe, new fears emerge. Similarly, unsustained levels of Government borrowing raise fears of higher interest rates, while unusually expansive monetary policy raises fears of inflation. Questions linger as to the health of stability of the global financial system. It is important to look at the overall economic picture in order to gauge the success of the Gibraltar economy and how it

competes in world terms. A simple analysis of yearly GDP figures in the Euro zone quickly reveals how well Gibraltar has faired before, during and after the global economic crisis, even against much larger economies. 2009 proved that Gibraltar was almost immune to the threat of recession when this engulfed, amongst others, Gibraltar's two most important catchment markets, the UK and Spain. This is certainly something that should be applauded. The latest IMF figures reveal a Euro zone showing modest growth over the next two years, with the UK moving slowly to recovery. Spain is amongst the unfortunate group of economies that are set to contract further in 2010 with prospects of only marginal growth in 2011. It is clear that Gibraltar's economy is evolving and that the Government's economic strategy is a beacon for other jurisdictions to follow. I am proud to be part of a Government that has achieved the excellent economic results announced by the Chief Minister yesterday. A growth rate of 5.4 per cent in the year to March 2009 is an extraordinary achievement. An overall recurrent budget surplus of £29.4 million in the financial year ending March 2010, when most economies have reported huge budget deficits, gives credit to the stewardship of the economy by the Chief Minister Peter Caruana. Gibraltar's resilient economic structure will see further growth in coming years with a predicted rate of 5 per cent in the year ending March 2010 and a further 5 per cent in the year ending March 2011. The Government recognises and gives praise to Gibraltar's private sector. This is no shortage of entrepreneurial spirit and ingenuity in our business community whether in financial services, tourism, shipping, e-gaming or other sectors. The Government continues to support innovation and diversity by providing an open door policy to any serious investor that chooses to make Gibraltar their place of business. The InvestGibraltar Office continues to provide effective support to business by providing sound guidance and best practice advice to small and medium sized enterprises and is the front line organisation that acts as the bridge between the Government and the business community. The eagerly awaited new 10 per cent corporate tax rate that will be introduced on the 1st January 2010 is a challenge to the Government but will be welcome by small and medium sized enterprises.

The final date of admissibility for expenditure under the 2000-2006 EU co-funded programmes was the 13th June 2009. Under these programmes, Gibraltar undertook a total of 193 co-funded projects. These included 137 projects under the Objective 2 programme. Forty four projects under the Objective 3 programme. Seven projects under the Gibraltar/Morocco Interreg 3A programme and five projects under the South West Europe programme. One hundred and twenty projects have assisted small and medium enterprises either to start up or expand their business activities thus adding wealth and creating employment in the local labour market. Under the 2000-2006 programmes, the total investment made was as follows, the private sector with £4.6 million; the EU £11.1 million and the Government of Gibraltar £14 million. The programmes have assisted in furthering the Lisbon and Gothenburg Agendas, which promote the creation of sustainable employment, an area which is also a Government priority. The 2007-2013 programmes are well underway. At present there are a total of 30 approved projects made up of 22 ERBF projects, two ESF projects and one Interreg project. This represents a total financial commitment to date of £6.9 million. The emphasis of the new EU co-funded programmes is on sustainable job creation, information technology and the links between the jobs, the economy and the environment. Again this year, I would like to encourage the private sector to contact the EU Programmes Secretariat and seek information on how these EU funds could assist their businesses as I believe that not enough use is being made of these available funds. In fact, I would like the Chamber of Commerce and the Gibraltar Federation of Small Businesses to inform members to do so.

Mr Speaker, the global financial crisis has had some impact on the progress of various private sector projects. However, the interest in investing in Gibraltar by both external and local businesses has not diminished. This is evident by the numerous private sector initiatives and proposals that have been presented

to the Government this year. The Government has, for some time, wanted to see the development of new hotels in Gibraltar and I have recently given renewed impetus in trying to bring this to fruition. Therefore, I am delighted that the development of new hotels is one sector which has recently attracted significant interest from prospective investors. These hotels cover the full spectrum of hotel grades and have various specifications to cater for different needs of budgets. The Government will be making announcements in respect of the different hotel projects when it is ready to do so. In addition to this, the Government has published an invitation to tender for the ex-Buena Vista Barracks to be developed for residential accommodation. This follows wide interest in the site from local and outside investors.

The works to refurbish and convert the Retrenchment Block at Lathbury Barracks into suitable units to be used by clubs and associations are almost complete and the units should be allocated in September. In total, 29 units are available with sizes ranging from $25m^2$ to $52m^2$. There are also three boardrooms available for use by tenants. Aside from this, the building also has communal kitchen and toilet facilities. This project is the manifesto commitment and one that will be welcomed by the many clubs and associations that have needed adequate facilities for a long time.

The refurbishment and beautification of Europa Point commenced on the 11th February 2010. I am delighted that the works will convert Europa Point into one of Gibraltar's leading leisure facilities for the use and enjoyment of tourists and locals alike. The scheme will provide a range of facilities in a pleasant and attractive environment which will encourage greater use of this popular outdoor area. The scheme includes the construction of a new restaurant facility with iconic architecture and panoramic view. This will be a private sector initiative for which tenders have now been received and are currently being considered by Government.

Having been through two public consultation processes, the amended version of the Gibraltar Development Plan received the approval of the Chief Minister and was published in December 2009. The new Plan provides the framework for land use planning in Gibraltar for the next decade. It provides a long-term vision and certainly on how Gibraltar will develop over the period. The Development and Planning Commission is already using the Plan as reference when considering planning applications. This is an excellent document and due praise needs to be given to the Town Planning Division for this.

Work is well advanced on a comprehensive review of the Town Planning legislation and it is hoped that the new legislation will be presented to Parliament within the forthcoming year. This is a manifesto commitment. The objective of the review includes a more user-friendly system, improvement of the speed of decision making without compromising the quality of decisions, further enhancement in the transparency of decision making, the provision of further public involvement and the upgrading of enforcement procedures. In tandem with the review of the Town Planning legislation are similar reviews for Building Control and Heritage legislation to ensure that a holistic approach is taken in the management of our built and natural environment.

The Town Planning Division is currently working together with other Government departments and Land Property Services to enhance the existing geographical information system, GIS, that provides spatial data in electronic format. The GIS project has now created a platform upon which key departments will be able to hold and provide public information on a geographical basis, improving access to such information by the public and greatly improving many Government services. This will include information and services on property, infrastructure utilities, development and planning, environmental and health services.

The Government's Information Technology and Logistics Department continues to develop new projects and will further enhance the delivery of service of various Government departments and develop new systems of e-Government. Businesses will be pleased to learn that the Government is working on a project that will enable licensing transactions to be

made via the Internet. The aim is to improve the effectiveness and convenience of the Trade Licensing Office by modernising the current system, thus enabling the business community to make online transactions. Another of the projects being developed is the ASYCUDA project which is well under way and which will be finalised in this financial year. This is a project for Customs clearance. The system will allow importers of goods to prepare documentation for clearance of merchandise online. Training seminars are being organised for Government staff as well as for members of the Gibraltar Chamber of Commerce and the Gibraltar Federation of Small Businesses.

As I informed Parliament last year, the Government agreed that Gibraltar will meet the cut-off date for all analogue television services in Europe. The analogue switch-off must be completed by 2012 and not 2010 as Mr Picardo has said in his contribution earlier today. The Government has not yet reached a decision on proposals for a detailed plan to introduce the two channel blocks for digital radio and two channel for digital television. These plans are linked to the review of GBC. Since the Government announced the GBC review, I had trouble understanding how Opposition Member Mr Picardo has the gall to continue raising the matter of public broadcasting in this Parliament, when it was they themselves who ignored GBC totally when they were in office. It has been this Government that has taken the initiative of undertaking the GBC review in order to face the new challenges of bringing GBC into a new era of digital broadcasting. The Opposition criticises the way in which the review and its implementation are taking place. Instead of being critical of this, I challenge them to come forward with their ideas on how they would undertake this exercise. Obviously, negative criticism for its own sake is destructive and therefore achieves nothing. Nor does it contribute anything to the future development of our broadcasting services. This leads me to the public consultation exercise that was carried out following the completion of the GBC review. This exercise terminated on the 16th March 2010. The responses received were considered by the Government and those that were ground acceptable were incorporated into the review document. Mr Alan King was appointed as CEO of the corporation on the 6th April 2010 on a three year contract. A steering group has been set up under my chairmanship which will direct the implementation of the review and the various changes that will need to be introduced in due course. One of the main priorities of GBC is its relocation from Broadcasting House in South Barrack Road, a building that is fast becoming unfit for purpose. The Government has now identified a possible new location of GBC for GBC television on radio Gibraltar and an assessment is currently being undertaken to determine its suitability. A final announcement in this respect is expected after the summer. The Government remains committed to the continuation of local broadcasting, as we recognise the importance to the community of having its own radio and television stations.

The Royal Gibraltar Post Office continues committed to offer the high level of service that is demanded by both business and private customers and continues to introduce new and improved services that meet these demands. The Government are committed to the Royal Gibraltar Post Office as with other departments to ensure its development within a modern working environment. A new purpose built combined sorting office and parcel office ultra modern mail centre has been built by the Government at Waterport. These great improvements in infrastructure never afforded to postal grades by any former Government provide a much better work environment with associated efficiencies. Furthermore, customer feedback has now also been taken on board to further enhance the parcel office facilities. The new premises have much easier access for the public and are much more environmentally friendly. The premises have been strategically located in a high density populated area within easy walking distance from many large estates. They also provide an easy access, drive in, drive out courtyard, which has proved to be a great success and very popular with its customers.

The global recession has had a severe impact on the cruise industry during 2009 with operators having to slash prices to attract potential cruise passengers. Analysts believe it will take

a couple of years before this market returns to normal. Despite this, Gibraltar stood up well in 2009 with a total of 348,199 passengers. This represents an increase of nearly 13 per cent on the passenger count for 2008. However, the total number of passengers expected this year will be around 330,000 and all cruise ships that are of economic benefit to Gibraltar will continue to call. Several significant new ships will be added to the roster of those calling at Gibraltar this year, among them P&O's new Azura which made her inaugural call in April, Celebrity's Eclipse which arrives here, for the first time, at the end of the month and Cunard's new Queen Elizabeth in November. It is still too early to accurately predict how 2011 will turn out. However, bookings so far show potential passenger throughout of about 325,000 passengers. This figure will continue to grow in the coming months. Therefore, 2011 looks set to be another good year for cruises calling at Gibraltar. Government is proud at the very positive way cruise companies see Gibraltar as a port of call. This, obviously, emphasises the popularity of Gibraltar as a cruise destination and Government's commitment to promoting cruising as an important sector of our tourism industry. During March, I visited the major cruise operators in South Florida to advise them at first hand of the improvements taking place in Gibraltar to the cruise terminal and the new airport terminal facilities. It was a series of positive meetings which will result in continued growth of our cruise tourism in the years to come. The Government will initiate investment in upgrading and expanding cruise terminal facilities in the next year in order to meet the demands of the future. The terminal facilities will be nearly double the size of what currently exists today. Improvements will also include upgrading the condition of the Western Arm generally.

The global economic downturn experienced during the past year has also hit the aviation industry. The International Air Transport Association, IATA, reported that passenger demand worldwide for the full year 2009 was down by 3.5 per cent with an average load factor reported worldwide of 75.6 per cent. More significantly, the reduction in passenger demand for Europe was reported as 5.6 per cent. However, despite the global downturn and a cut in capacity by airlines serving Gibraltar airport, there has been a slight increase in total arrivals by air of just over 0.11 per cent in 2009 over 2008, with a small decrease in total departures by air of 0.59 per cent in 2009 over 2008. The average load factor achieved for arrivals by air from the UK for scheduled flights was 84.9 per cent which is well above the average worldwide results, this figure having peaked at 92.9 per cent in July of 2009. Although the number of flights operating into Gibraltar has reduced during the present summer schedule, in line with global industry trends, the Government has maintained its policy of not allowing airlines to start up new routes prior to the commissioning of the new air terminal due to the lack of aircraft parking space presently available at the terminal. However, the Government is actively marketing the airport to encourage new routes to come to Gibraltar in the future. In a recent press statement, Opposition Member Dr Garcia, stated that the Government will, no doubt, travel the world to attract new airlines and open up new routes. This followed the announcement by Government of my attendance at the Routes European Forum Conference in France. Government's decision to attend this event was to inform airlines at first hand of the opportunity that the excellent new air terminal and the corresponding road and tunnel project will bring to Gibraltar. Government will not shy away from travelling the world if it has to, in order to promote these new facilities and encourage airlines to use our airport and improve our air communications, in the same way as we have had to travel the world to attract cruise liners to call at Gibraltar. Attracting cruise liners to Gibraltar is something that the Government has done extremely well over the years, and the results are all there for us to see. Dr Garcia often criticises the GSD Government of under performing in aviation policy. But nothing could be further from the truth. For the record, when the GSD came into office, air arrivals in 1997 stood at 83,200, whilst in 2009 air arrivals stood at 183,900, a rise of over 100,000 passengers, or 121 per cent, more than doubling the figure. Unfortunately, the same cannot be said of the GSLP Government. In 1988 there were 151,200 air arrivals. When they left office in 1996, the number of arrivals had fallen to 78,100, a decrease of 73,000 passengers or 48.4

per cent, just over half the number. The figures speak for themselves. The GSD Government have succeeded in more than doubling air arrivals during its period in office, whereas the GSLP administration succeeded in cutting these by almost half. Government are proud to have taken the bold decision to invest in the magnificent air terminal. Dr Garcia needs to understand that decisions to invest in a new air terminal are not taken based on the performance of any particular airline or on the current adverse market conditions being experienced world wide in the airline industry. Governments need to take a long-term view when making this type of investment, or are we going to build a new terminal every few years? The new terminal will meet the needs of this prosperous community for the next 50 years. Government are delighted to have embarked on the building of the new air terminal following the Cordoba Airport Agreement achieved by the GSD's participation in the Trilateral Forum. The Cordoba Agreement is a significant achievement as it is about normalising the status of Gibraltar airport within the European Union and ensuring that Gibraltar airport enjoys its full EU Air Liberalisation rights in respect of air services between Gibraltar and all European countries. One should not forget that this goal, which incidentally, the GSLP rightly but unsuccessfully sought to achieve through litigation in Europe, has now been achieved by the GSD Government without loss of ownership, jurisdiction or control. It is now more than obvious that Dr Garcia does not really want Gibraltar airport with the new terminal and the corresponding road and tunnel project to succeed and believes that by criticising the project, people will believe that the decision to build a new air terminal and relevant road and tunnel infrastructure is a big mistake. Nothing could be further from the truth and Dr Garcia should now accept that this project is the right decision for Gibraltar, like so many others that the Opposition has criticised in the past without justification, such as the new bus service, the new hospital, the Transport, Parking and Traffic Plan, the new housing schemes and so on, which are all success stories of this Government. Dr Garcia simply cannot have the best interests of Gibraltar at heart, as otherwise he would refrain from making the sort of negative statements that show his lack of vision and which do Gibraltar no favours internationally, in this case, the aviation industry. Today, I would like to challenge him to make public the GSLP/Liberal Alliance aviation policy when he addresses the House later, if in fact there is such a policy, which they claim that the GSD Government has got wrong. In the meantime, work on the superb air terminal continues to progress well and the terminal remains on schedule to open in mid 2011. Work on the road and tunnel project at the eastern end of the runway also continues and is scheduled to be completed shortly after. On the regulatory side, the annual safety audit programme for the airport has continued and a State Safety Programme for civil aviation in Gibraltar is in the process of being drafted. This document is due to be published later in the summer in time to meet the November deadline imposed by the International Civil Aviation Organisation for all States to introduce such documents. In addition, the airport is being prepared for the introduction of the new European Aviation Security Regulations from which Gibraltar airport will no longer be suspended. In parallel, the UK Government has agreed the responsibility for aviation security should pass to the Government of Gibraltar and, more specifically, to the Minister with responsibility for transport. As such, local legislation to enforce the EU Regulations is being drafted and this will establish that Civil Aviation Security Regulator.

I now turn to road transport. The Government's manifesto commitment and the Integrated Traffic, Parking and Transport Plan which I shall talk about in more detail in a moment, is already underway. The existence of a comprehensive traffic and parking plan of this magnitude in Gibraltar is completely unparalleled as is the sheer scale of the action and financial investment that is currently being undertaken and is proposed going forward. Parliament will recall that last year I mentioned the completion and operation of the new car parks in the Upper Town, Sandpits and New Harbours. In addition, the Government has created a further 85 car parking spaces at Europlaza. A further 450 and 182 spaces have been created at Waterport Terraces and at Cumberland Terraces respectively. An extra 88 parking spaces at Bayview Terraces and 138 at

Nelson's View are currently at an advanced stage of construction. Even though parking in these estates will provide a solution to residents of those estates, it will also lead directly to better parking facilities for everyone around Gibraltar, due to the fact that these residents will no longer compete for street parking around the areas where they previously lived. These Government schemes have already added 1,200 parking spaces and, in addition to the 1,250 parking spaces that are currently under construction, Government are confident that the construction of still more multi-storey car parks and other car parks around Gibraltar over the next few years, will provide long term parking for residents in all areas and will improve availability of parking to short stay visitors. New parking projects already identified and being developed have been published by the Government in the excellent booklet on the Integrated Traffic, Parking and Transport Plan. These projects will provide over 1,600 new additional car parking spaces, mainly in residential areas. However, Government is committed to continue to identify additional sites until all residential areas have a car park in close proximity. Dedicated areas for parking of motorcycles have already been established. These will be increased to cover all areas, especially, the city centre and frontier areas. The practice of inserting motorcycles in between cars is detrimental to everyone including pedestrians. This practice will also become unlawful as and when sufficient parking dedicated to motorcycles is provided. A high priority has been given to the removal of derelict cars in our streets, even though ongoing work is achieving good results. A plan to simplify our legal process and the resourcing of systematic work and prompt overall removal of derelict cars from our streets is being formulated. This will also examine the availability of street parking. This plan recognises that the mere introduction of schemes, however good, is not sufficient. These schemes require effective manning, policing and enforcement. This is the case in some of the "residents only" schemes already introduced in some housing estates. The plan recognises that resources are often focussed on other policing priorities. Therefore, a system will be introduced whereby appointed Enforcement Officers employed by Gibraltar Car Parks Limited, will be responsible for the policing and enforcement of all Government parking schemes. This arrangement will replace the current Traffic Management Division and support the Royal Gibraltar Police in their traffic management duties. Amongst other duties, these will include the management of street parking and meters, "residents only" parking schemes, traffic fluidity in general and the identification and removal of derelict cars from our streets. Legislation will also be strengthened and resources provided to ensure that "residents only" schemes are properly enforced and policed. This will include the introduction of "on-the-spot" fines for visitors, raising the level of parking fines, towing away, clamping, installation of CCTVs and high speed cameras to monitor compliance and legislation to allow the imposition of "on-the-spot" fines or prosecutions for offences detected by cameras. Encouraging road users to improve their behaviour by complying with basic road safety rules is a crucial element of this Government's strategy. The Government's policy in relation to the creation of new roads and expanding the capacity of existing roads is aimed at improving traffic fluidity by creating, where possible and required, additional alternative routes and circulation space. In addition, significant impact and a positive contribution to traffic fluidity has been made by road schemes that have already been implemented by the Government. However, an important number of new road projects are underway to further enhance the traffic fluidity to eliminate some of the main causes of traffic congestion that affect Gibraltar historically. The new Trafalgar Interchange will be completed by the end of this month. These new traffic arrangements will significantly improve traffic circulation in one of our busiest junctions. The Government will be introducing "blue zones", demarcated by a single blue line painted on the road that will forbid all types of vehicles from stopping for any length of time. The RGP and Government's Traffic Division will be adopting a zero tolerance policy with fines of £100 for any offenders. Following the publication of the Integrated Traffic Parking and Transport Plan, the Government undertook a process of public consultation that ended on the 30th November 2009. A total of 22 responses were received. These ranged from members of the public to NGOs and interested parties that use our roads to

earn a living. I am grateful to everyone who took time to respond and thank them for their efforts. Some of their contributions have been included in the Plan that was revised, before final publication in April this year, taking into account these contributions. However, in the usual GSLP style, Opposition Member Mr Licudi has had little praise for this Government initiative and has only managed to come up with a series of criticisms of this comprehensive document. Of course, Mr Licudi claims that if the GSLP had been voted into office at the last election, they would have implemented their own Integrated Traffic, Parking and Transport Plan, based on the five sentences in their manifesto. I challenge him to spell out his plan, rather than destructively criticise ours when he speaks later. I am pleased to inform this House that the Government have commissioned the manufacturing of brand new bus shelters to replace all existing ones. In addition, bus shelters will be provided at locations where these have not existed before, in line with the new bus routes which are being introduced in due course. I will be in a position to announce full details of the scheme in the very near future and the installation of these shelters will start later this year. The encouragement of the use of public transport plays a significant role in the new Integrated Traffic, Parking and Transport Plan, and even though the Government are satisfied with the brilliant services provided by the Gibraltar Bus Company, it wishes to encourage the public to make more use of the service. I am, nevertheless, pleased to report that the total number of paying passengers in 2009 was 2,064,987 which represents a slight increase over the previous year. With a view to further decongesting our roads of traffic, the Government will be introducing a bicycle "take, ride and leave" scheme later this year, which has proved very popular in many other cities.

I now move on to the Gibraltar Port Authority. The Collective Agreement transferring Port Department employees, that is, civil servants to the Gibraltar Port Authority was signed in July last year. I am delighted to report that the transition has been smooth with Port employees, in the main, keen to rise to the challenges that their new status brings. A comprehensive training programme was started in earnest after the signing of the Agreement and continues apace to the eagerness of both management and staff to improve the services being offered to clients. The Port of Gibraltar continues to be a key player in the Gibraltar economy providing the gateway for over 352,000 passengers who called during the financial year 2009-2010. Shipping arrivals exceed the 10,000 in 2009 and bunkering operations reached an all time high handling 4.7 million tonnes during 2009, an increase of 11 per cent. Gibraltar continues to be the key bunkering port in the western Mediterranean. After an extensive consultation process during the early part of 2009, the Port raised its tariff while maintaining its competitive advantage. The tariff revision combined with strong performances, accommodating arrested vessels, ship to ship transfers and bunkering, has seen income move from £2 million in 2008-2009 to £5.1 million in 2009-2010, with recurrent expenditure at £3.4 million. The Port also saw a re-introduction after 40 years of a new ferry service between Gibraltar and Algeciras. This service is being operated by Transcoma Lines with a frequency of five rotations per day. Additionally, FRS has recently commenced a daily service between Gibraltar and the new Tangier Med port, which is of special benefit to our resident Moroccan community. This year also saw the successful conclusion to both the New Flame and Fedra salvages. The contract for the installation of the new Vessel Tracking System is currently nearing its completion. The VTS upgrade will deliver a high tech system that will monitor vessels within British Gibraltar territorial waters, increasing efficiency and safety, and will deliver up to date information to Port operators as service providers. The operation of this new system will enable the development of bunkering operations in the Eastern anchorage. Investment in the Port has continued with improvements to communications equipment, exterior lighting and berth upgrades, including new fendering and to equipping personnel through training and recruitment to meet the needs of the next ten years. The Port was accredited as a quality operation in May and continues to improve its delivery of a safe and efficient corporation. The Port also places a strong emphasis on protecting the environment and ensuring that a sustainable

growth is properly managed. During the year, the port had a fuel hydrographic survey carried out of all berths and approaches. It also saw the introduction of an updated Bunkering Code of Practice, a refreshed counter pollution on marine emergency plan, and mandatory assessment of all bunker barge masters.

The past year has seen the Gibraltar Maritime Administration overcome many challenges. Nevertheless, the highlight of the last financial year was the hosting of the Red Ensign Group Conference in Gibraltar. This annual Conference was hosted by a different British Register each year with Gibraltar having hosted the last Conference in 1999. The Conference aims to provide an opportunity for an open exchange between delegates from the Red Ensign Group. Maritime relations between its members are strengthened and best practice is promoted within the Red Ensign Group. The Department continues to climb up the Paris MOU "White List" and is now at number 23 on the list. The Ship Registry, part of the Gibraltar Maritime Administration, continued its year on year growth which last year amounted to a 14 per cent increase in ship numbers and a 37 per cent increase in gross tonnage. In 2009 there were 48 new registrations and 29 deletions, bringing the total number of vessels on the register to 309. This represents nearly 2.3 million gross tonnes with the mean vessel average age of ten years. The total number of vessels today is 317. This increase in volume has been achieved without loss of value or quality within the fleet and it is still the case that sub standard ships and their operators are constantly monitored and, where necessary, encouraged to leave the register if they fail to meet the high expectations set by Gibraltar. This continued growth is in some part due to the Maritime Administration's excellent reputation, but marketing also plays a major role. In these particularly difficult times, the targeted promotional visits to areas where there are many owners/operators in ships registered in Gibraltar are of particular value. With this in mind, the Gibraltar Maritime Administration arranged two promotional visits to Northern Germany. These were considered successful bringing additional ships to be registered in Gibraltar. Further promotional visits of this kind into other areas will be considered in the future. The Government is also pleased to confirm that it has taken over the Gibraltar Yacht Registry and is currently making preparations to expand this new section's registration portfolio to include large mega yachts as well as small commercial vessels. This is an area of immense potential which is anticipated will bring substantial new business to Gibraltar.

The Government enjoys an excellent working relationship with the new committee of the small boat owners at Watergardens and ex Western Beach. The Government remains fully committed to its manifesto commitment of providing additional moorings for boat owners. In this regard, the Government is working closely with the Committee on a proposed new facility which the Government hopes to realise in next year.

During the last financial year, Waterport Power Station generated 45.5 per cent while OESCO generated 54.5 per cent of the total power requirement for Gibraltar. The total units generated by Waterport and purchased from OESCO increased by 3.3 per cent from the previous year to 171 million units. The units billed to the consumers totalled 166 million compared to 161 million in the previous year. This represented an increase of 3 per cent. The amount collected was £20.6 million, an increase of 9.2 per cent. The number of consumers stood at 17,539 at the end of March 2010, representing an increase of 567 new consumers which is just over 3.3 per cent over the year. The total installed generating capacity continues to be 42.3 megawatts and this year Gibraltar again surpassed the highest peak load in its recorded history at 35.4 megawatts on the 27th January 2010. The previous highest peak load recorded the previous winter was 34.9 megawatts. The impact of oil price increases in the sterling versus dollar exchange rate fluctuations has been reduced somewhat by the GEA having entered into a fuel hedging arrangement in the previous financial year. In the financial year 2009-2010, the total cost of fuel including the fuel hedge to the authority was £6.92 million over the estimate. The GEA continues to upgrade and expand the SCADA that is used to monitor the generation and main

distribution system, thus providing a better and faster response when dealing with power outages scenarios. This year it has added ten new substations to the SCADA network. The Authority continues to upgrade and improve the electrical infrastructure as part of the provision of the electrical supplies to new developments. In the last financial year, new package substations have been commissioned at The Anchorage, South Dispersal, Lathbury, Caleta Hotel, The Sails, Watergardens, in support of these developments and reinforcing the electrical infrastructure in the area. As part of this work, the GEA has laid 3,500 metres of high voltage distribution cable to increase the resilience and redundancy of the high voltage distribution system. Improvements to the public lighting network also continue with the replacement of street lighting in the south of Main Street and on Rosia Road at The Anchorage. Work has also started on street lighting improvements to Europa Advance Road, Rosia Road and the Trafalgar Interchange.

I now turn to AquaGib. During the last financial year, a total of 1.35 million cubic metres of potable water was supplied which represents an increase of just under 2 per cent over the last year. AquaGib pumped an estimated total of three million cubic metres of sea water to the various sea water reservoirs. Salt water has historically not been metered at consumer level but AquaGib is undertaking a programme of installing bulk meters at the exit of reservoirs and at the pumping stations in order to obtain a better estimate for the quantities of salt water supplied. In association with works being undertaken by Government with the Trafalgar Interchange project, an extensive programme with potable and salt water mains renewal is being undertaken by AquaGib in that area. As part of the road works associated with the widening of Devil's Tower Road, Eastern Beach Road and the airport tunnel, the potable and salt water mains are being extensively replaced by Government, with AquaGib providing the essential enabling and connection work required to ensure that interruptions to supplies, although inevitable, are kept to a minimum. Potable and salt water mains have or are in the process of being replaced by AquaGib in the Upper Town, Castle Steps, Rosia Dale, Morello's Ramp and at Green Lane.

I will now turn to Gibtelecom which recently celebrated its twentieth anniversary. Over the past few decades the business has evolved out of all recognition and transformed itself into a modern, innovative and efficient company that it is today. The company's pursuit of excellence at all levels is ongoing and I am particularly pleased to report that this commitment was enhanced last month by Gibtelecom's attainment of the prestigious "Recognised for Excellence" award in the European Foundation for Quality Management. I will now turn to Gibtelecom's participation in connecting Gibraltar with the wider world. Perhaps the most ambitious investment that Gibtelecom has ever been involved in is the Europe-India Gateway, EIG, submarine cable consortium. This cable is an 18,000 kilometre system costing over seven hundred million dollars and will connect three continents over the next year or so. The system utilises next generation fibre optic technology that is designed to provide up to 3.84 terabits or capacity that will support Gibraltar's e-gaming industry as well as other e-commerce activities, together with the company's data and voice traffic needs for decades to come. Gibtelecom's investment of some thirty million dollars, alongside the financing from 15 other telecommunications companies, will be of immense value to Gibraltar's economy and particularly important in sustaining the online gaming industry as well as attracting new e-commerce business. Furthermore, the cable will provide the company with significantly improved route diversity, resilience and capacity but also place Gibtelecom in a position to seek business opportunities outside Gibraltar in terms of bandwidth sales to other operators and the sale of transit capacity to and from Europe. This project adds valuable telecommunications infrastructure with the gaming industry companies that operate in Gibraltar. The EIG project is now at the stage where, I am pleased to inform hon Members, the cable branch to Gibraltar was laid in late May and the branch was subsequently joined in the Strait to the cable legs coming from Portugal and the UK to the west and to the east Monaco and then on to Africa, the Middle East and India. The in-shore work burying the cable in the shallow waters was finished very recently. This is the technologically complex project and the first commercial

communication cable to be laid in Gibraltar for nearly 100 years. The last one being the Gibraltar/Malta cable in 1921 which used old and slow technology and became defunct several decades ago. I congratulate those in Gibtelecom and their consortium partners for this substantial achievement. The company has also expanded the its roaming services with foreign operators over the last year, making it possible for Gibraltarians to stay in touch on their mobile whilst travelling to an ever increasing number of countries. Gibtelecom customers can now enjoy some form of roaming coverage with over 400 operators in 130 countries, including all parts of the European Economic Area. Furthermore, Gibtelecom has now invested in the technology to provide pre paid real time roaming services in Spain and in the UK, amongst other countries, to its Reload customers. Last year saw Gibtelecom, in partnership with Research in Motion, launch a much overdue Gibraltar base Blackberry service. Gibtelecom's substantial investment in people, technology and infrastructure, together with its commitment to deliver quality service to its customers, places the company in a good position to continue to meet the challenges of the fast moving world of telecommunications. Thank you.

HON G H LICUDI:

Mr Speaker, this is, by all accounts, a disappointing budget. At a time when the economy is described as healthy and with a budget surplus of over £29 million, the Government, this Government still feels compelled to raise some taxes and municipal charges. In a budget where the Government is formally announcing a reduction in corporate tax to 10 per cent, one would have thought that the business community would be ecstatic. But no, Mr Speaker, they fail to understand why the Government is increasing charges this year. Employer's social insurance contributions – up, commercial rates – up, commercial salt water rates – up, rates discount for early repayment – down by a half, commercial electricity unit of consumption tariff – up. The Government says that it is necessary and reasonable to claw back from companies to recoup some of the lost revenue by the reduction of corporate tax. What is, in any event, that loss of revenue? The Government do not seem to know. They say revenue will be lost by the reduction of the corporate tax to 10 per cent but they ignore in that computation, as the Leader of the Opposition has already said, the fact that some companies' tax will not go down – they will go up. Companies that paid zero per cent will now pay 10 per cent of their profits. So how much does the Government expect to recover from that increase? Does the Government not know? It would be extraordinary economic and fiscal incompetence, Mr Speaker, if the Government were not able to reasonably estimate that revenue. Have they not consulted anyone? Have they not consulted the industry? If they have not, how do they not know that there will not be a mass exodus as a result of these increases to companies who have been previously exempt? Is that a risk that this Government is taking? Of course not, Mr Speaker. The Government must have consulted, must have done their homework, must have a pretty good idea of what is going to happen and how much revenue will be raised. They cannot plead ignorance. Or is it that it is simply politically expedient and convenient to pretend to be ignorant? And, Mr Speaker, businesses are not the only ones affected by the increases in this budget. As the hon Member, Mr Picardo, has highlighted, employees' social insurance contributions – up, self-employed social insurance contributions – up, electricity – up, water – up, stamp duties on properties above £200,000 – up, import duties on some vehicles – up. Why is there a need for these increases? As I have said, there is a budget surplus of £29 million. Why could these charges not have been absorbed by that surplus? Well, the Hon the Chief Minister says the books need to be balanced. Not true, there is a budget surplus. What else then could be the explanation for these apparently inexplicable increases? The answer, in our view, is plain. This is quite clearly not a pre-election Budget. The pre-election Budget will come next year as the Hon the Chief Minister confirmed on GBC last night. So this Government is quite clearly building a nest egg. It wants to preserve the surplus. It wants to build on the surplus. It wants to have enough in the

kitty so that come next year there will be a bumper give-away Budget. That much is plain. This Budget is a measure of the extent to which this Government is worried, concerned about its electoral position. So let them not come to this House and proclaim that they are being prudent. This Government is anything but prudent. Everything they do is for political and electoral purposes. Even if ordinary working class or middle income families or businesses have to pay for it. They do it for their own purposes and not for the benefit of the community and it is the height of hypocrisy and political irresponsibility for this Government to even try to pretend otherwise.

Let me turn, Mr Speaker, to my specific areas of responsibility which are sport, youth and leisure, employment and traffic and it will come as no surprise that this speech will concentrate primarily on traffic matters. That is not to say, Mr Speaker that we are satisfied with the way the Government is performing on other matters. We are not, as hon Members on that side of the House will have gathered from the various contributions on this side of the House. Another year has passed, Mr Speaker and this Government has not lifted a finger to help those boat-owners whose boats are still on land waiting for the provision of adequate berthing facilities and it is quite incredible that in a place like Gibraltar, surrounded mostly by the sea, there are many who are not able to enjoy, still not able to enjoy, their water sports, fishing or boating activities because of a lack of facilities. All this at a time when our coastline is being increasingly lost to developments and despite a commitment by the Government that such berthing facilities would be provided. Therefore, I welcome today's announcement by the hon Member the Minister for the Port that that commitment will be fulfilled this year. We will certainly hold the Government to that. The hon Member the Minister for Sports mentioned in his contribution some refurbishment which has been carried out to the Old Sports Hall at Victoria Stadium and he added that other minor works will be carried out. That is a very different position to that described by the GSD in their manifesto in which they said in relation to the Old Sports Hall, and I quote, "This will be refurbished, internally and externally and integrated and brought up to the standard of the new Tercentenary Sports Hall." That has certainly not occurred and there is no indication in this budget which suggests that this commitment will be carried out this year. Indeed, the contrary appears to be the case as the Hon Minister has confirmed. It is also noteworthy that the budget for works and equipment for the Gibraltar Sports and Leisure Authority has been cut for the next year when compared with the forecast outturn for 2009/2010. The GASA swimming pool at Waterport is also in need of internal refurbishment as well as the replacement of the air treatment system. The Government have already said that they agree that this needs to be done and they will carry it out. It seems regrettable, therefore, that works which are required for the continuing enjoyment of this pool by the community again appear not to be on the agenda for this year.

The Leader of the Opposition has dealt in his contribution to some of the issues concerning employment. I will just mention two matters and will also deal with some aspects of the contribution by the Hon the Minister for Employment. Health and safety at work is, as the Government will no doubt agree, of paramount importance. The Government has announced a review of all aspects of health and safety but this does not appear to have progressed at all during the past year. Recruitment for a vacancy for a health and safety officer was put on hold whilst that review was carried out. That vacancy is still on hold. A jury hearing the case of an inquest into the death of a worker who died tragically in an accident at Waterport Terraces made a number of recommendations with a view to strengthening the health and safety inspectorate. As far as we are aware, those recommendations have, effectively, been ignored. I have heard nothing in this budget during the past two days which suggests that the Government intend to carry out its commitment to reform all aspects of health and safety this year. Obtaining a job at the conclusion of a young person's training is, of course, what those youngsters undergoing training aspire to. It is also in the interests of the community that those who acquire certain skills should be able to put those skills to good use. It is with regret, therefore, that we have witnessed this

year five former apprentices being dismissed from the ship repair industry after they were employed following the conclusion of their apprenticeships. It is also regrettable to note that the Government's professed intense efforts with the ship repair industry to maximise the uptake of qualified youngsters have failed to bear any fruit whatsoever. The Minister for Employment, for his part, in his contribution today, gave us a history lesson recounting the so-called deficiencies of the GSLP Government in 1996, a pet subject of many members opposite, and the hon Member went on to say that those deficiencies are now being remedied by the GSD. Now, Mr Speaker. If things were so bad in 1996, one would have thought that they would have been remedied immediately, not now as the Hon Minister has said. Or is it that no one realised that these problems existed until this particular Minister was elected two years ago in 2007? The Government likes to pretend that life began in 1996. But for the Minister for Employment to tell us that things are only being done now, I assume he means now that he has been elected as the Minister for Employment, that really takes the biscuit. So what have they been doing for the past 14 years if they are only working on this now as the Minister has confirmed? The answer is clear, looking on complacently whilst local jobs were being systematically eroded and taken by foreign workers. That is recognised and, in fact, admitted by this Government. The Minister today said some employers prefer to employ from abroad. Some are not even prepared to give locals an interview. That is the reality. The reality is that this Government has failed and continues to fail local job-seekers. The reality is that this Government has failed and continues to fail those who qualify after an apprenticeship. The reality is that this Government has been looking on whilst employers took on illegal labour during the past few years and only now, again the reference to now, by the Chief Minister who says there is going to be a climate of compliance. Where have they been for the past 14 years when the Unions, the Opposition and others have been calling for a clampdown on illegal labour? Why is all this happening now? Or is that they are worried about, as I referred to in the last Question Time, the political noose around this Government's neck? At least we have the assurance by the Minister for Employment that these problems are now going to be tackled. Let the public be the judge next year whether this is, in fact, too little, too late. Indeed, judging by the hon Member's contribution, it will be difficult for the public to judge anything. This is what the Minister for Employment told us today that they will do, "The Government is working on suitably packaged employment schemes in economically targeted activities". Say that again, "suitably packaged employment schemes in economically targeted activities". I understand that the Minister, in fact, wanted to say that "The Government is working on suitably packaged employment schemes in environmentally targeted activities", rather than "economically targeted activities". Still, that phrase, in plain English, is gobbledegook. No doubt the Chief Minister in his reply will attempt to dig the Minister out of the hole that he has dug for himself.

Traffic is one of the major issues of concern to the public. It is well known that problems with circulation, congested roads and inadequate parking facilities for residents and generally have become more acute in recent years. That is not an assessment by the Opposition, it is a fact. It is a fact which has been recognised by the Government. It was, at any rate, a fact that was recognised by the Government at the last elections even if they quickly forgot about that factual reality, after the elections of course, and after they were re-elected into office. The GSD's manifesto had this commitment, quote, "During the next term we will focus specifically on resolving Gibraltar's traffic and parking issues". It seems that the Government have a very peculiar notion on what "focusing specifically" means. It took them two and a half years after they made that announcement, that commitment, to publish the final version of the traffic plan. They did not even publish a draft plan until October 2009, two years after the elections. So much for their specific focus on resolving Gibraltar's traffic and parking issues. The Chief Minister emphasised the Government's so-called commitment and specific focus on this issue in his New Year message of 2009 when he said, I quote, "At the last elections I promised that we would make it a priority for this term to remedy the historical and

chronic parking problems in Gibraltar". To show the priority and specific focus the Chief Minister went on to list the projects the Government had delivered on since the elections. One would have thought, given the priority, and given the specific focus of this Government, that there would have followed an impressive list. But no, the extent of the Government's accomplishment was this, and I quote the Chief Minister, "Over 400 parking spaces have already been provided last month at the new car parks at Willis' Road, Sandpits and New Harbours." That was the Chief Minister's measure of success in 2009 of the priority and specific focus on traffic and parking and it was, in any event, a distortion of the facts. Those car parks did not show any priority during this term of office. On the contrary, they exposed the lack of focus and the flagrant disregard of their own commitments. Those were not car parks that were born out of any sense of priority or specific focus during this term of office. These car par parks were described in the manifesto for the 2007 elections as being nearing completion and will become operational soon and in brackets they put, November 2007. So these were car parks that were almost complete at the time of the 2007 elections. How can they possibly show a commitment or priority during this term of office as the Chief Minister attempted to demonstrate in 2009. Indeed, as the Chief Minister himself recognised in January 2009, the car parks were only completed last month, in other words in December 2008. How could they get it so wrong? How could they say in October 2007 that the car parks would become operational in November 2007 when they did not become operational until December 2008? It took another 13 months. So one month became 13. And it is not simply a question of whether something takes a little bit longer than originally anticipated. The Chief Minister likes to mock the Opposition by saying that all we are interested is in saying that this or that project takes too long. But that is to miss the point. That is not the issue and the public will understand the issue. The issue is whether this Government are to be believed when they say they are giving something priority. The issue is whether the Government have any credibility left when 15 months after saying they will focus specifically on traffic and parking, all they had to show is the completion, 13 months late, of car parks which were, in fact, almost complete when they gave that commitment. The answer is plain to all. This Government has lost all credibility. This Government cannot be trusted to keep their promises. The two and a half years it took this Government to produce a traffic plan is not the only measure of the lack of seriousness with which this Government has tackled this particular issue. There are plenty of other examples from which the Government's lack of focus can be measured but the most glaring example of all, as we have already heard, of the lack of commitment and priority, is of course the saga of the Dudley Ward Tunnel which today, more than 8 years after its closure, remains closed. It was back in 2003 that the Government told us that a preferred solution for the works necessary to reopen the tunnel had been identified. So, the political decision had been taken seven years ago to carry out those works. How can it take all these years to implement a decision is really beyond comprehension. That is, of course, unless all the Government is doing is paying lip service to what is in reality a non-existent sense of priority. Another summer will go by this year with Dudley Ward Tunnel closed. This, at a time when works are being carried out to Devil's Tower Road making circulation for beach goers and those who live on the east side very difficult. So much for the Government's sense of timing. They cannot even get that right when they decide to undertake a particular project.

And so, after much sense of anticipation, the Government announced with trumpets and bugles their Integrated Traffic, Parking and Transport Plan, including, in brackets, their implementation checklist, as their blueprint for the solution to Gibraltar's traffic and parking problems. Alas, this traffic plan is no more than a PR exercise a year before the elections. It contains very little that is new or innovative and it contains, importantly, figures which are inflated and facts which are distorted. The draft plan in October of last year announced 2,300 new, additional parking spaces. The Government were unable to account for this number when questioned in this House. The final plan has 1,600 new, additional parking spaces, a figure which has been repeated today by the Hon the

Minister for Transport. Well, the Chief Minister himself was unable to explain in any satisfactory manner the sudden loss from one document to the next, of 700 new, additional parking spaces. Well, we have all heard of taking a rabbit out of a hat. But to make 700 parking spaces disappear overnight, not even the greatest magicians can emulate this Government's achievement. In any event, the Government and the Minister today have failed to explain how these are new, additional parking spaces. They do not even take into account the existing parking spaces which will be lost and which the Government says they will be reprovided. Where will they be reprovided? They do not tell us. Importantly, the final plan contains a wish list as a so-called "implementation checklist" with the Government not having the political confidence that much of this will be achieved. Why else would the Government not wish to nail their colours to this political mast? A Government that is fully confident that it will achieve what it says it will do, will be more than happy to say how it is going to do it and when. We have asked numerous questions in this House in relation to the traffic plan. When are the parking schemes in the plan going to start? "We will not tell you" is the Government's response. How much is each scheme going to cost? We will not tell you. Will free parking be provided? We will not tell you. How many parking spaces currently available will be lost? We will not tell you. When do you expect to complete each scheme? We will not tell you. When is this Government planning to introduce the "pay and display" areas throughout Gibraltar? We will not tell you. When will ARP shelters going to be maximised? We will not tell you. Is the appointment of parking and traffic officers going to affect the complement of police officers? We will not tell you. When is the bus service going to be improved? We will not tell you. When is this Government going to target the blocking of access to pavements and houses? We will not tell you. The list of unanswered questions goes on and on and on. So having created the limelight for themselves by the publication and the trumpeting of this Traffic Plan, they now shy away and hide in shame from that limelight because they have no answers to the real, the searching questions that this Plan raises.

The Government's position can be contrasted with the Opposition's own open and accountable approach given that they like so much with comparing what they do to what we do. We published at the last elections a list of 100 commitments. That list included a completion date and a box for the public to tick when the commitment had been delivered and on which this party on this side of the House, would be held to account. Some of the items on that list were, for example, social insurance reform legislation, July 2008; equal pensions age legislation for men and women at age sixty, July 2008; Community Care extended to disabled persons, 1st January 2008; Industrial Tribunal reform, 1st April 2008; civil partnerships register, October 2008; sexual offenders register, October 2008; increased Government human resources department, April 2008; berths for small boats completed, March 2008; dementia and alzheimer's home and respite care for the hon Lady, 2009, it is past; Financial Services Ombudsman, October 2009; sports injury clinic for the hon Member at the end, September 2009. The list goes on and it does say comprehensive traffic plan, Mr Speaker, 1st April 2009. Not April 2010. 1st April 2009. In that same document, there was a message from the Leader of the Opposition. This is what that message said, "This dated list extracts all of the 100 commitments set out in our manifesto and leaflets. If you choose to make us your next Government we will fulfil each of these commitments on the dates specified. This list will enable you to monitor our progress as a Government in delivering all of our manifesto pledges. That is how confident I am that we can deliver everything we have set out in our manifesto." That, Mr Speaker, is commitment. That, Mr Speaker, is accountability. That, Mr Speaker, is confidence in your ability to deliver. That, Mr Speaker, is meeting the challenges which the electorate set us. We are not interested in the challenges which the hon Members opposite and which the Minister for Transport has attempted to set us today. We are not interested in that. That is an infantile game of cat and mouse. You say that we will do this. Therefore, we say that we will do that. That is not serious politics. We are not interested in games. We are interested in the political challenges that being elected into Government represents. So confident were

we in meeting all those challenges that we were prepared to set specific dates to specific policies. When asked to do the same with regards to the Traffic Plan, the Chief Minister responds by saying, and I quote, "It is not appropriate or desirable to give estimated dates that the public can pencil in under "Completed" in the plan's implementation checklist". Of course, they do not consider it appropriate or desirable. They do not want to be committed. They do not want to be held accountable. They have no confidence in their ability to deliver and if this Government have no confidence in their ability to deliver their own commitments, how on earth do they expect the public to have any confidence in this Government. The Hon the Minister for Justice, who I see has rejoined us, said in his contribution, and I quote "I will update the House on all areas of reform and when we can expect to complete them." He referred to those who like ticking boxes for completion, presumably myself, and gave completion dates on the works to the Court buildings and gave details of various Acts which the Government intend to publish this year. Is that not all work in progress? If the Hon the Minister for Justice is confident enough to report to this House on work in progress, as he and everybody else on that side should, and to give completion dates, why is it that this Government does not do the same on traffic? Could it simply be that that level of commitment is simply not there and the answer is obvious for all to see?

The Leader of the Opposition, other Members of this side of the House and myself have all highlighted during our contributions in this budget debate, in the Second Reading of the Appropriation Bill, the tightening up of information which this Government is prepared to provide. It is particularly worrying that there has been, certainly I have seen this year, a significant change in attitude and accountability by the Government. A Government that is not open with its people will, eventually, lose the trust of those whom they are elected to represent. A Government that believes they can do no wrong, that it knows best, that is not willing to listen to the concerns of its citizens, that it does not have to account to the electorate for the manner in which it spends our money, for the decisions it takes, for the progress that is made on projects which are announced, is a Government that has lost the democratic mandate to govern. It is a Government that suffers from a democratic deficit of such magnitude that it does not deserve the honour and the privilege of continuing in office and I say, honour and privilege, because that is precisely what it is. It is a privilege and it must continue to be regarded as such, to serve the people of Gibraltar in ministerial office. It is a privilege to be entrusted with the responsibility of dealing on a day-to-day basis with the problems that confront us as a community, with the decision-making power of how funds are allocated or spent, how contracts are awarded, the type of licensing and regulatory regime on which so many people depend, on fiscal policy and, above all, with the shaping of Gibraltar's future for the generations to come. It is a privilege, not a right and just as privileges can be conferred, so can they be removed. These are realities that the Government appear to have forgotten. They do so at their peril. Governments that behave as this Government is behaving are Governments that do not last and it follows, as night follows day, that no Government lasts forever. History has shown, and will continue to show, that all Governments come to an end sooner or later. It is just a question of when. The Government acts as if they are unaffected by these realities, by these facts of political life. They delude themselves. Time is unforgiving. The difficulty arises in the damage that the Government do in the meantime, in the false hopes that are created by the broken promises and the constant manipulation and distortion of facts and reality. Our parliamentary system is designed to minimise that damage. Even Governments that are on the way out, as we believe this Government is, have to appear before this Parliament, as our Constitution provides and account for its actions. It is unacceptable conduct for this Government to appear in Parliament at Question Time and be reluctant or simply to refuse to explain its decisions, its plans, its objectives. To throw a veil of secrecy over Government business and only to lift that veil grudgingly when it feels it has no alternative. That was the thrust of part of the contribution made by the hon Lady the Minister for Health yesterday. What happened in 1996 is, as I have said, a pet subject of this Government and all, if not

most of Members opposite have touched on this pet subject. It has certainly touched on by the Minister for Family, Youth and Community Affairs, the Minister for the Environment, for Employment, for Housing, for Education, Sport, for the Port, all of them xxxxx, just about all of them. So when we say look at the way the Government is behaving. Their retort is, particularly from the hon Lady yesterday, well what are you complaining about, that is the way the GSLP behaved in 1996. Well, the hon Lady even went as far as quoting the current Chief Minister from 1996 when he complained about questions not being answered and he stated, "Not providing information suggests that there is something to hide". Their favourite pastime seems to be to say, do not complain about us, that is precisely what the GSLP did. The Government seem to have forgotten what they preached. They also seem to have forgotten history. The GSLP in fact lost the elections in 1996. So every indication is that that is precisely where this Government, where the GSD, is heading. This is a Government on its back foot. It has been caught out on so many occasions that it has now taken the view, quite clearly the policy decision, to be as economical with the information it provides as it believes that it can get away with. When we have asked in the past for completion dates on, for example, housing, the Government have been found wanting. Those completion dates have come and gone, some with years, not weeks, not months, years of delays. So the Government decides that it is better politically to refuse to provide information in response to reasonable and legitimate questions. It presumably believes that in that way no one can say to them, you've missed your deadline or you haven't performed as you said you would. I have two things to say to that. Firstly, the Government ignores the fact that the public have a right to know. It is not a privilege to be told by this Government what it is doing, how it is doing it, how much it is going to cost, when it is going to start, when it is going to be ready. That is not a privilege. It is a right. It is an absolute right to know which the public have, particularly when the Government makes an announcement about its intention to undertake certain projects. Secondly, it is an outrageous abuse of its position to refuse to account and keep the public properly informed about such projects which it has already announced. It is to treat the public with contempt. This Government will pay a heavy political price for its behaviour.

I cannot end without commenting on what I thought was a quite extraordinary contribution by the Hon the Minister for Housing. The Minister attempted to demonstrate, as he described it, that the GSD had a better record on housing than the GSLP when in office. The audacity of this Government in trying to rewrite history knows no limits. The facts, the reality, the historical truths are known to all. Many of us will recall, although apparently not this particular Minister, that the biggest social problem inherited by the GSLP in 1988 was a lack of housing and if anyone were to ask, what achievement during the GSLP's term of office can be singled out as having the greatest impact on the quality of lives of Gibraltarians, we would have to say it was the way the GSLP tackled the housing problem. A waiting list of thousands was virtually eliminated. Waiting lists came down. For the first time ever, young Gibraltarian families were able to afford their own homes. The policies of the GSLP on housing worked. Much of that was, and still is, to the credit of a quite magnificent Minister for Housing, my friend Pepe Baldachino. Since the GSD were elected, the waiting lists have in fact been getting longer and longer and it is a sad indictment of this Government's lack of priority, lack of focus and sheer inability to tackle this issue that many Gibraltarians, young and old, are today suffering the hardship that many suffered in the 1980s. For this Government to try to demean the achievement of the GSLP on housing is reprehensible. For this Government to try to compare their record to that of the GSLP on housing is, quite simply, laughable and absurd. Thank you, Mr Speaker.

HON DR J J GARCIA:

Mr Speaker, the phrase giving with one hand and taking away with the other has probably never had a more apt application than in this budget. It follows from what the Government itself described much more elegantly perhaps as a revenue

rebalancing and is particularly pertinent in relation to the business community. Electricity has gone up. Water has gone up and social insurance has gone up. The only reason why duty on petrol has not gone up is because it was already increased a few weeks ago. There is no doubt that these measures will have a profound effect on working people, on the business community and on the consumer. Electricity and water bills were already high and the cost of filling up a tank of petrol is fast becoming prohibitive for many people. This is the twelfth time that I rise to reply in this House to the debate on the Appropriation Bill and before I move on areas of my direct political responsibility, I would like to touch upon other matters which also have a bearing on the state of our nation.

Last year I went into the continuous incursions into the territorial waters of Gibraltar by the agencies of the Spanish state. Gibraltar has seen incursions by the Spanish navy, the Civil Guard and the Servicio de Vigilancia Aduanera. The nature of these incidents has moved from one where the Spanish authorities were content to assert their claim as they moved through Gibraltar waters to one where they openly and recklessly challenge the authority of the Royal Navy and the RGP. The issue is not only about sovereignty any more. It has become about maritime safety and security as well. The navy and the police have exercised remarkable restraint in the face of constant provocation. People going about their leisure activities on small boats within the territorial waters of Gibraltar continue to be harassed by Spanish officers. Civil Guards have been known to question those on board the boats in an obvious attempt to apply Spanish law in an area which is not under Spanish sovereignty. The House will recall that one of the most serious incursions that we have witnessed was when four armed Civil Guards entered into the port and landed on the land territory of Gibraltar itself about seven months ago. The fact that the Civil Guards were not charged for the offences that had been committed and that they were not taken to Court so that a Magistrate or a Judge could decide the course of action to follow, caused considerable anger in Gibraltar at the time. The number of incidents have since multiplied and the disrespect for the integrity of British Gibraltar territorial waters is now worse than ever. When I raised the broader issues of the incursions in Parliament during the last budget, this most serious incident had obviously not yet happened. The Chief Minister said then in response to my contribution that the Government intended to do all that it could to put an end to the Spanish incursions even though it was not their primary responsibility. This included the installation of the new VTS system and the acquisition of vessels of a much more important size and capacity with which to exercise and enforce the jurisdiction of competences and statutory obligations of the Gibraltar Government. The Government did tell the House during Committee stage that there was provision for these vessels only in the most notional sense. However, after everything else that was said last year, it was disappointing, to say the least, that as late as February 2010 no policy decision had been taken on how many vessels would be purchased or what department they would come under. The impression of urgency which the Chief Minister gave on this issue in his reply of last year, has sadly not been matched by the slow process of decision making surrounding this matter. It is essential on this issue, as on many others that I will come to later on, to compare what the Government say with what they actually do because at times the two can be completely different things. The delay in making available the resources which the Government itself thought were needed last year is matched by the delay in taking action to regulate diving and fishing in British Gibraltar territorial waters. These are issues of which the Opposition have raised in this House over many years and on which there has been little movement. The result is that matters have now come to a head and that there have been instances where the situation has come dangerously close to flash point. The House is aware of the nature of the problem.

In relation to angling, the basic problem is that non-resident anglers from Spain are coming into Gibraltar and taking up the limited space that there is available for this sport. In answer to questions in February, the Government confirmed that it was their policy to regulate the activities of anglers on Gibraltar's

shore line. They also told the House that legislation was currently under consideration. When questioned further last month, the Government said that the legislation would be finalised after a process of consultation had taken place. The Opposition understand that the Government have received representations from the angling fraternity over many years and that they are already aware of their views. Therefore, to have a consultation exercise now after there has already been consultation with the affected parties does not really make much sense. Given this situation, it is hardly surprising that the different angling associations are completely fed up at the inaction of the Government. A similar situation has been allowed to develop in relation to the activities of non-resident divers in Camp Bay. Many of these are brought here excursions organised by diving schools based in Spain. This constitutes a business activity which is being carried out for profit. I am assured that this now takes place almost on a daily basis and I happen to see it for myself a few Saturday's ago in Camp Bay when they came in four large vans with a trailer full of equipment and tow. The unfair competition issues that this raises are considerable. The Government told me in June 2009, when I raised the issue again, that they were reviewing the possibility of licensing and regulating diving activities in British Gibraltar territorial waters and by October they had decided that it was desirable to do so. When the question was raised again earlier this year, once again nothing concrete had happened. We understand that the issue will now also be subject to the same consultation exercise as that on angling. The fact is that the Government have been slow to react on a number of maritime matters. This applies to the purchase of larger vessels to increase the maritime capability. It applies to the regulation of diving and fishing in British Gibraltar territorial waters and it also applies to the purchase and installation of a fully functional VTS system for the port. These are all issues where Gibraltar needs to assert its sovereignty, jurisdiction and its control of the waters that surround the rock. The Minister said last year that 2009 would see the upgrading of the VTS system which would be operational by the end of that year. In February 2010, when the system was still only part operational, he told the House that further modules would be delivered and installed over the following six weeks that would then make the system fully operational. This did not happen either. When questioned again in June, the Minister said once again that the installation of the VTS system was nearing completion and this time he added that it was almost operational. The difference between part operational, almost operational and nearly operational is academic as they are different ways of saying that it is not working. The Minister said in June that there was still one aspect of this system that needed to be installed and the Government did not know how long this would take. There is really no excuse, from a safety point of view and from a political point of view, for the matter to have been delayed for such a considerable period of time. The absence of the VTS system has been mentioned in report after report into shipping accidents in Gibraltar waters and there is also the political dimension of being able to exercise the jurisdiction of the port in all the territorial waters of Gibraltar at a time when that jurisdiction is being threatened by Spain. We will wait and see what happens next.

I would like to move on now to tourism issues. In relation to tourism, the Government adopt the same approach year after year. When the tourism figures go up it is always the result of their policies and they take the credit. When the tourism figures go down it has nothing to do with them and it is always blamed on external events. If it is not the Euro exchange rate, it was September 11th and if it was not September 11th it was the recession and when it is not the recession, they will find something else to blame. It is also manifestly unfair to compare the present tourism position with that from 1988 to 1996, as the hon Member has done, without looking at the expenditure involved as well. The service shows that there were 3.8 million visitors in total in 1988 and 6.5 million in 1996. This is a growth of about 71 per cent. The growth in the last eight year period was 42 per cent. It is important to note therefore that the hon Members opposite have obtained 30 per cent less growth while spending many millions of pounds more in the process. They have also said that the £257 million in tourism expenditure for

2009 was a record. The £181 million for 1996 was also a record in its day. Indeed, the tourism expenditure figures for 1988 was £43.27 million. It was £181 million for 1996. This represents a growth of about 320 per cent. The growth rate in tourism expenditure in the last eight years is about 75 per cent. So the figures do indeed speak for themselves. The tourism statistics were already an issue for discussion and debate before I joined this House. At one time, the issue was that Moroccan workers were being included in the figures as if they were tourists and now, about a decade later, the issue has become Spanish and other frontier workers. The latest tourism figures show that 10.3 million people in total visited Gibraltar in 2009 of whom 9.8 million came by land. A footnote explains that persons entering Gibraltar by land includes non Gibraltarian frontier workers and that the number of visitors by land in 2009, excluding such frontier workers, was estimated at 8.3 million. Therefore, 1.5 million crossings out of 9.8 million have been attributed to frontier workers. However, there remains a huge question mark over whether the remaining 8.3 million people shown in the table are all tourists. This point about frontier workers being counted as tourists and included in the figures is one that the Opposition has raised in this House for a very long time. We therefore recognise the adjustment made for the first time last year and repeated in the 2009 survey. However, the formula used by the Government to arrive at the figure for crossing by frontier workers, which was supplied to the Opposition recently, in itself raises more questions than it answers. The 1.5 million crossings into Gibraltar by frontier workers shown in the official statistics, presumably, does not include all those who come here for reasons other than tourism. There are, for example, people who cross the frontier more than once a day to purchase a particular product. These are not cases of more people crossing the frontier or even of more visitors. It is simply the same people coming into Gibraltar for one particular product and then turning around and going back again. The same applies to those coming in for petrol. I am sure the House will agree that all these people do not sit very comfortably under the label of tourists. Another area which we have commented on over the years is the size of the sample used to arrive at the figures for tourism expenditure. This sometimes defies a logical and common sense explanation. In 2008, for example, there are more people interviewed at the coach park than in 2009, even though there were actually less coach arrivals than in 2009. The number of persons coming on yachts dropped by 3.6 per cent from 2008 to 2009. The number interviewed in this category dropped massively from 32 to only 8 people. This is a drop of 75 per cent. On the basis of just those 8 interviews out of a total of 13,700 yacht arrivals, it was presumably calculated that £0.64 million was spent by yacht visitors and that this was the xxxxx £0.5 million spent in 2008. I am sure the House will agree that this can hardly be seen as a representative sum of the expenditure in Gibraltar of that particular category of tourists. In the 2008 survey, the grand total of two people were interviewed at Waterport. In 2009, this category of interviewee has vanished completely from the survey and the locations at which the survey was conducted have been reduced from six to five. No explanation has been offered by the Government. In 2008, 505 people were interviewed at the port in order to be able to quantify the expenditure of cruise visitor arrivals. This was confirmed at the last Question Time. In 2009, the total of 189 persons were interviewed at the port. Once again, the sample has been reduced in size even though there were more people in that category in the year in which the reduced sample was used. In other words, there were more cruise visitors arrivals in 2009 than in 2008. Yet the sample used for 2009 was smaller. No indication has been given as to why the sample was reduced in these cases. The Government should take a more comprehensive look at the way in which the tourist survey report is compiled and produced. The figures are also transposed into other financial and economic calculations into the state of Gibraltar's economy as a whole and it would be useful for everyone if the Government looked into this matter again.

I move on now to tourism marketing. The tourism marketing budget for the GTB and the London Office stood at £790,000. This is what was budgeted last year and this is what was spent. It is also the estimated sum that the Government project they

will spend in the current financial year. The Minister for Tourism said in his address of last year that the GTB would take a cautious approach to its participation at trade fairs and exhibitions. In this last financial year, the Government has spent over £130,000 attending road shows and trade fairs. The highest single expense was the nearly £45,000 that it cost to attend FITUR, followed by £34,000 for the World Travel Market and £23,000 for the Sea Trade Cruise Convention in Miami. There were smaller events like Sea Trade Europe which cost about £14,000, a road show in Manchester which cost about £9,000 and Med Cruise in Monaco which cost just over £5,000. I am not sure whether all this reflects a cautious approach to marketing that was announced last year. I do accept that some of these activities are no longer under the tourism budget as such. But the same point remains, that value for money must be the yardstick. The prime example of the very opposite to value for money is the saga of the Gibraltar Office in Madrid. This was a tool of the Government's marketing in Spain until it closed down during the past financial year. It was very odd for the Government to say, when justifying the closure, that the work of the office could be carried out from Gibraltar. It was never properly explained why this work could not be carried out from Gibraltar, could be carried out at the end of 2009 but not before. If the work could be done from Gibraltar, then they would, presumably, not have opened the office in the first place. The cost of the office in Madrid amounted to over £1.1 million, since it opened its doors. A further £68,000 was spent in the last financial year, the year of its closure. The whole exercise has been a shambles and an exercise of political mismanagement and lack of judgement. The House knows that in May 2006 the Government moved to a new office at a new site in Torres de Colon in Madrid surrounded by a blitz of propaganda. The then Tourism Minister said that the Government commitment to our marketing drive in Spain is now greater than ever as the Cordoba agreement will provide and the enhanced use of the Gibraltar airport will provide direct access to a very large market in Spain for Gibraltar's tourism industry. These new circumstances present both challenges and opportunities for the GTB Office in Madrid in promoting Gibraltar as a business and leisure destination. The information supplied by the Government at the time was that the new rent was over three thousand Euros a month and the service charges an additional over eight hundred Euros per month. The contract which was for five years could be cancelled after the first two. But this cancellation was subject to a charge for every month of rent remaining for the rest of the third year. A considerable amount of money was spent on the office including £90,000 on its refurbishment. The Government have thrown away hundreds of thousands of pounds in this venture. It has proved a long and expensive saga. It is not clear why the position of the office was not reviewed in 2006 prior to the move to new premises. This move only added to the expense in issues like the refurbishment, the months of rent that had to be paid on termination, not forgetting the opening party for Spanish journalists and others which cost over £13,000.

I move on now to civil aviation issues. Minister Holliday said in his contribution that he was proud of the investment in the new air terminal and delighted to have embarked upon it. We were accused of seeking to portray the new air terminal project as a mistake. It is not that we seek to project it as a mistake. It is a mistake whether it is projected that way or not. Just as it was a mistake to put a hospital into an office block instead of building a new one from scratch somewhere else. The result of that particular mistake is that the tax payer now has to spend money buying office space in the Mid Town project because of the shortage of office space that has been created. Just as it was a mistake, to spend millions of pounds on the Theatre Royal project only to end up knocking the building down. Minister Holliday just described the air terminal project as a vision by accusing us of being visionless. It would be wise to recall that the last Government vision was the Theatre Royal and see how that one turned up. Mr Holliday also referred to his success in attracting cruise liners. He did not mention that many of these vessels now call at Gibraltar because they can sell duty free goods to their passengers here and I understand that they cannot do this in other EU ports. It is clear that the optimism expressed by the Minister on opening the Madrid Office, with

regards to the enhanced use of Gibraltar airport, has proved to be completely misplaced. The Government have very obviously exaggerated the impact of their airport deal when it suited them to do so politically. At one point, Gibraltar was told the aviation industry would grow to become one of the largest employers in Gibraltar which could rival offshore gaming. We were also told that demand for flights was expected to be huge and the number of flights would have to be controlled for environmental considerations. The Government have very obviously now changed their tune. The new emphasis is that this boom in air services is expected after the new terminal is in operation and not before. This is just a transparent attempt to deflect the criticism that they have been exposed to following the failure of their services between Gibraltar and Spain. The plain fact is that if airlines believe that there is demand for a route and that it will be profitable, then they will fly that route. The state of the air terminal will be of secondary importance to the economic opportunity of making money. The fact that they are not queuing up to fly to Gibraltar suggests that the Government was mistaken in its original analysis and that an airport deal would open the flood gates. It was also a mistake to have embarked on a new air terminal building, on such a vast scale and at such considerable public expense. Three airlines have now tried to make a success of flights between Gibraltar and Spain and all three have failed. The House will recall that lack of demand in the route was a factor which lead with the withdrawal from it of Iberia and also of GB Airways, after only a few months. The route was resumed by Andalus in April 2009 and it lasted less than a year. The Government have said that they have already spent nearly £45,000 of the money which had been allocated to Andalus in respect of the joint marketing campaign. They have also told the House that they are waiting for confirmation as to how much the airline had spent on their side. It is clear that what was initially described as a joint marketing campaign, ended up with each side doing their own thing. This suggests that there was no monitoring to ensure that the airline kept to their side of the bargain.

The 2009 Tourist Survey shows that visitor arrivals by air decreased by 2.6 per cent. This means that 4,226 less visitors came to Gibraltar by air in 2009 than had done so in 2008. This is in itself a cause for concern given that the UK is our main and now our only market for air arrivals. The House knows that Easyjet cut its flight to Gibraltar this summer by about 50 per cent from what they were last summer, on the basis that the route had not lived up to expectations. Members will also be aware that British Airways decided against introducing a second daily flight to Gibraltar. It is important not to abandon or to give less priority to the development of air links with the United Kingdom, which continues to be the main stay of our connections by air in the search, for new routes to Spain.

The figures for departure tax and for landing charges fees suggest that the Government itself expects little growth in the area of civil aviation. In the financial year 2009/2010, the Government estimated £650,000 revenue from landing fees and are said to obtain £550,000 instead. The estimate for this current financial year is £585,000. A similar situation has been experienced with departure tax. There was £2 million estimated in 2009/2010. The Government obtained £1.9 million and are estimating even less, £1.8 million for the current financial year. These figures do not suggest that they have much confidence in the sector and their own projections reflect a static situation or a slight decline rather than growth.

Against this revenue, the cost of running the airport was about £4 million and it is expected to remain at this level in the coming financial year. In addition to this, the Government plans to spend £29 million on the new air terminal in this financial year. This is, for example, more than the entire Consolidated Fund budget for Education and Training. It is also nearly three times the same budget for the Royal Gibraltar Police. They have spent £2.7 million on the air terminal in 2008/2009 and £17.1 million in 2009/2010. There is a £4 million balance to complete. I do not propose to rehearse the arguments again against the construction of a new air terminal building on such a large scale and at a different location. The air terminal is there and now we

are stuck with it and the tax payers of Gibraltar will have to pay for it for many years to come. The plain fact is that new airlines are not going to fly to Gibraltar simply because we have a new air terminal as I have said earlier. They will fly here if there is demand for a route and if they are going to make money. In answer to questions, the Chief Minister made it known that the new air terminal will accommodate a xxxxx peak of 24 daily air movements operating 12 hours a day which translates into 980,000 passengers per year. In terms of passenger numbers, this would mean about six times the current number of air arrivals which was 160,000 in 2009 for visitors.

It is obvious that tourism arrivals by air have a direct impact on hotel statistics. Local hotels suffered when the air link to Manchester was withdrawn a number of years ago. That link was restored in September 2008 and the latest available hotel figures take account of its reinstatement. Despite the restoration of the air link to Manchester, the main local hoteliers have cut staff numbers through redundancy or natural wastage. There are reports that the number affected could be as high as 40 people. Hoteliers have highlighted weak occupancy levels over the winter and complain about the reduction in airline capacity over the summer months. This gloomy figure is reflected in the Government's own statistics contained in the Hotel Occupancy Survey. The total number of arrivals at hotels has dropped by about 7 per cent in 2009 from what it was in 2008. This is nearly 5000 less arrivals. The total number of guest nights sold has fallen to 192,000 which is the lowest since 2003. Guest nights sold to tourists in 2009 were the lowest since the year 2000. The percentage of sleeper occupancy has dropped to 46.2 per cent and in the best month of 2009, which was in August, the hotels only managed to do 54.8 per cent. It is true to say that there has been a worldwide downtrend but were they not the ones who gave the impression that Gibraltar would remain relatively insulated from all this when it suited them to do so politically. The poor performance of our hotels is therefore reflected both in the statistics and in the complaints made by hoteliers. That the hotel industry should find itself in this position also calls into question the tourism policy of the Government in general and the many millions of pounds spent in marketing in particular. It is possible to argue, that these people who stay at hotels have a far greater claim to be the real tourists as opposed to those that cross the frontier every day to buy tobacco and petrol and who get included in the tourism figures.

I move on now to the Upper Rock. It is impossible to touch on the question of tourism without mentioning the Upper Rock. The Rock itself is a symbol of Gibraltar and what people come here to see. The Government seems to regard it purely and simply as a money making machine. The figures show that the Upper Rock has suffered from years of neglect and under investment. We have long campaigned for the money that is raised by the Upper Rock, about £3 million a year, to be spent on the Upper Rock, in order to improve the quality of life and the environment of those who live there, those who work there and those who come and visit. The estimates before this House show that far from increasing investment in the Upper Rock, the Government is set to decrease it even further. In the financial year 2009/2010, the sum of £300,000 was spent on the Upper Rock. The estimates say that as from 2010/2011 this is included under Head 101 Departmental, Sub-Head 1L(2) Other Sites, for which the estimate is now only £100,000. This is, in effect, a cut in capital investment in the Upper Rock of one third from what was estimated and spent over the last year. The House will recall that the Government increased admission fees to the Upper Rock during the course of this financial year. The figures for tourist site receipts reflect an increase in the revenue for this financial year of £500,000, up to £3.5 million. It is totally unacceptable that the Government should reduce its investment in the Upper Rock at a time when they have just maximised the revenue that they obtained from it. In December 2004, the Tourist Board sent a letter to those in the industry which declared that the additional income generated by a previous increase in fees, at that time, would be directly invested in the Upper Rock tourist product. They added that a three year improvement plan would result in radical improvements to the area. It was subsequently announced in the 2005 budget that

£2 million would be made available for a three year improvement programme. The then Minister was photographed in the media on tour of the Upper Rock in August 2005, in order to emphasise the plan. He explained that £650,000 had been earmarked for the Upper Rock for that financial year as a first phase of this programme. The much trumpeted £2 million investment programme did not materialise. Even though the House voted a total of £1.8 million in the three years 2005/2006, 2006/2007 and 2007/2008, the reality is that the Government only spent £710,000. Even the £650,000 that the Minister highlighted during his Rock tour was not spent and only £112,000 was actually invested in the Upper Rock during that year, roughly six times less than what had been promised. The lesson here also is that the Government cannot be taken at their word when they make policy announcements and that it is important to examine not just what they say but exactly what happens afterwards. In other words, you have to be judged by what they actually do and not by what they say they are going to do.

One aspect of tourism that continues to concern the Opposition is the arrival of visitors by coach. This is an issue which we have highlighted year after year. The number of coaches and the number of coach visitor arrivals continues to drop. It is obvious that the Government does not know why this is happening because every year they come up with a different excuse to explain the drop. However, the fact is that despite what the Government may say, coach visitor arrivals have been in free fall since the year 2000. This is a long-term trend which predates the recession elsewhere. Coach passengers have not been rising in record numbers as the Government implied last year. In fact, the opposite is true. They have been declining constantly in record numbers. There were 348,000 coach arrivals in 2007. This dropped to 317,000 in 2008 and then even further to 266,000 in 2009. It is worth recalling there were 411,000 in 2003. Last year the Government claimed, once again, that Gibraltar was the first or second most popular destination for day tourists from the Costa del Sol. However, when I have asked them to substantiate this claim, they are unable to do so. The facts are these. In the year 2000, over 14,000 coaches visited Gibraltar. This figure has dropped now to barely 8,000 for 2009. That is, over 6,000 coaches less. Over 500 coaches a month less and many thousands of tourists less. This may not mean much to the hon Members opposite but it is cause for concern by many in the business community who depend on that particular trade. The drop is also reflected in the revenue figures from the coach park. The estimate for 2009/2010 from coach terminal fees was £70,000. The amount received was £62,000 and the estimate for this year is £55,000, which is even lower. Even the Government's own figures show that they have no confidence in their ability to reverse this trend.

Every year the Chief Minister and different Ministers make reference to e-Government. The Chief Minister told us last year that the Government were especially keen to maximise the number of transactions and the amount of business which citizens can do with the Government online. This is something that we agree with and a policy that we share in relation to the use of new technology. Last year the Minister for Enterprise started his address with the InvestGibraltar Office. He mentioned the office again this year. He explained that the office which was formerly launched in August 2006 continued to provide efficient support to industry by providing guidance and best practice advice to small and medium enterprises. He added that the office is a front line organisation acting as a bridge between the Government and the private sector. The Government have, for many years, advertised the existence of the office in different publications. It came as a complete shock to us to discover that the advert included a website address which did not exist. This can only have served to give a very poor impression to foreign investors who may have been interested in setting up here. It is precisely because technology is so relevant and important in this day and age that the inaction of the Government, in this front, is inexcusable. The address given in the Gibraltar Government website, the website of the office in London and in the adverts was www.investgibraltar.gov.gi. Any investor wanting to establish a business locally or to download a business support pack or a

copy of the booklet entitled "Setting up a Business in Gibraltar" was asked to download it from the website. When they clicked on the website, investors were greeted live by message which indicated that it was not live. It was the height of irony that the Government should have extolled the virtues of new technology and of doing business on the internet and then have a website that does not work. To make matters worse, considerable sums of money were spent on advertising the office and the website. This was £1,700 in 2006/2007, over £9,000 in 2007/2008, nearly £15,000 in 2008/2009 and over £7,000 in 2009/2010, until finally the website did go live. It was probably not a coincidence that the website went live within a few days of an Opposition press release drawing attention to this issue. When the Government announced that the InvestGibraltar Office was finally going online, the Minister is quoted as saying that it is a simple fact of statistics that more and more people are using the internet to conduct business and various forms of research. It is also a simple fact of statistics that the absence of this website over such a long period of time could have cost Gibraltar in terms of enquiries from interested parties and investors. On the one hand, they extol the virtues of the internet, and on the other, they themselves failed to practice what they preached. It took them from August 2006, when the office was formally launched, until December 2009 to set up and activate the website. They spent many thousands of pounds advertising a website that did not exist because it was offline and could not be accessed by anyone. This is inexcusable.

This year, I would like to close on heritage issues. I do not intend to go over the development and planning policy of the Government in detail once more nor over the unacceptable way in which former MOD properties have been developed or demolished. These are issues that have already been well aired. There are, however, a number of other heritage issues that give cause for concern. The Government destroyed the Rosia Tanks site to make way for a housing development that could simply have been located somewhere else. The No. 4 dock was also lost instead of somehow being incorporated into the project that the Government is carrying out in that area. Last year the Chief Minister said that the destruction of the No. 4 dock was a balanced judgement and he added that heritage preservation, particularly in a small place like Gibraltar, does not require every dry dock to be preserved, referring to the existence of the other three. The fact is that the No. 4 dock was the only one in the town area, within easy walking distance, something more imaginative should have been done with it, other than fill it in. On heritage too we will judge the Government on what they do rather than on what they say, as the two, as I said, can be quite different things. In this context, we note the call made by the new Chairman of the Heritage Trust for greater communication between the Trust and the Government, for the urgent listing of selected buildings and sites and for the introduction of the Heritage Act. These are issues on which we have pressed the Government in this House over very many years.

The Members opposite have now been in office for fourteen years. They have had their time in history and the indications are that this time is now coming to an end. It happens to all Governments. People have now seen through the empty smokescreen of propaganda and clearly disapprove of the abuse that they direct at any one who disagrees with them. These old tactics do not work any more. I take this opportunity, on behalf of the Opposition, to thank you, the Clerk and the staff of the House for their help and assistance rendered over the last year. Thank you.

ADJOURNMENT

HON CHIEF MINISTER:

I have the honour to move that the House do now adjourn to Monday 5th July 2010 at 9.30 a.m.

Question put. Agreed to.

The adjournment of the House was taken at 1.50 p.m. on Friday 2nd July 2010.

MONDAY 5TH JULY 2010

PRESENT:

Mr Speaker……(In the Chair)
(The Hon Haresh K Budhrani QC)

GOVERNMENT:

The Hon P R Caruana QC – Chief Minister
The Hon J J Holliday – Minister for Enterprise, Development, Technology and Transport and Deputy Chief Minister
The Hon Lt-Col E M Britto OBE, ED – Minister for the Environment and Tourism
The Hon F J Vinet – Minister for Housing
The Hon J J Netto – Minister for Family, Youth and Community Affairs
The Hon Mrs Y Del Agua – Minister for Health and Civil Protection
The Hon D A Feetham – Minister for Justice
The Hon L Montiel – Minister for Employment, Labour and Industrial Relations
The Hon C G Beltran – Minister for Education and Training
The Hon E J Reyes – Minister for Culture, Heritage, Sport and Leisure

OPPOSITION:

The Hon J J Bossano – Leader of the Opposition
The Hon F R Picardo
The Hon Dr J J Garcia
The Hon G H Licudi
The Hon C A Bruzon
The Hon N F Costa
The Hon S E Linares

IN ATTENDANCE:

M L Farrell, Esq, RD – Clerk to the Parliament

THE APPROPRIATION ACT 2010 (Continued)

HON CHIEF MINISTER:

Mr Speaker, I have listened with intense interest and detail to the words spoken by the hon Members opposite on this Budget debate for this year and I have to say that although my approach this year will be slightly different, I do not think they will be any happier with it because at the end of the day what I say is not driven, contrary to what they think, by some instinctive bad nature on my part, but by the need to expose the political fraud that their political alliance increasingly is becoming in Gibraltar.

I hope to establish the pattern of dialectic deceit which is the hallmark of the GSLP and the hon Members' opposite political style. They introduce insults into the debate. In this debate, so far, not a single member of the Government has directed a single word of unkindness or insult or personal denigration of toxicity of xxxxx or anything of the sort. Not a single word. Yet, they have themselves done it, in a way which I will point out in a moment, and all then, as they do every year, to issue a statement in three day's time accusing the Government of being terribly unpleasant people. When it is they who introduce insults into this debate, not the Government and that has been true every year that they have made the accusation. So they introduce insults and at the same time accuse us of being the insulters. Pattern of deceit number one.

Pattern of deceit number two. They are the master spinners. They are masters at converting black into white and white into black and then at the same time accuse us of being spinners but only to provide a smokescreen for the fact that that is what they are doing themselves. Pattern of deceit number two.

They ignore the huge amount of things that this Government is doing and they xxxxx to have to hit them all again. Every year they give me this, sort of free political broadcast opportunity to remind the electorate of just how much this Government have done for them. So they ignore all the huge things that this party in Government has done for Gibraltar, and continues to do for Gibraltar, whilst focussing on the few things that we have not yet done, to suggest that we have run out of ideas, that we are the do nothing party, to suggest, in other words, to make the exception the general rule. Pattern of deceit number three.

Let us see how we can get 30,000 people who are not blind and can see for themselves the huge amount that the Government is doing. Let us see if we can make them believe, by repeating time and time and time again, the three and a half things that they have not yet done, to persuade them that they have done nothing at all. Pattern of deceit number four.

They criticise everything and propose nothing. They accuse us of distorting figures, of manipulating figures. Of not understanding figures as cover, as smokescreen for the fact that that is precisely what they do themselves. Political arguments are based almost entirely on accusations based on falsehoods and distortions. They try to airbrush the GSLP's shocking record in Government. They try to airbrush it out of peoples memories with pleas not to look back whilst themselves, each and every one of them in their speeches doing precisely that, looking back when it suits them. So what they mean is, do not look back to remind the people of Gibraltar the way GSLP nearly brought Gibraltar to its knees last time it was in Government but let us look back when we think it helps us to taint the present Government. Pattern of deceit number five.

Pattern of deceit number six. You would have thought that after sixteen years they would have tired of it by now. Scaremongering our elderly, every little accounting change, every little policy change in terms of where reserve monies are held, used, abused, manipulated, subtly thrown in to statements that people are not going to read or understand but all calculated to undermine the peace of mind of our elderly on pensions and Community Care. Sixteen years worth of pattern of deceit. He should have learnt by now that the vast majority of elderly people in Gibraltar have now learnt, despite his 16 year campaign, that elderly people are both financially and non-financially, much better off under the GSD than ever they were under his Government.

Well I am sorry if the hon Mr Costa, whose speech I once again very much enjoyed this year, but I am sorry if he finds my speeches castroesque in length. The length of my speech, we have all got things that we could be doing. The length of my speeches are not driven by anything other than the list of silly things that they say that I have got to correct so that they do not stay on the record. That is what drives… And unfortunately there is so much of it that I find myself saying, what shall I leave out? What shall I not bother to reply to because otherwise we could be here the whole day.

So let us see who lies to the public. Let us see who spins and distorts. Let us see who manipulates figures. Let us see who insults. Let us see who is good for the rich and who is good for the poor. Let us see who is the real party of the workers and the poor in Gibraltar and who is not. Let us see who spins.

Not a single word, as I have said before, has a Member on this side of the House uttered by way of insult or personal attack during this Budget debate until now. Yet Mr Bossano, the Hon Leader of the Opposition, did not hesitate in his pre-prepared script, I suppose, to speak about my treating everyone with royal disdain. Well look, I do not know whether my disdain is royal or not. I am not aware that I have any royal blood in my veins but if I treat his views with disdain, it is because time and time again

he demonstrates that that is what his views deserve. On the occasions that he has made sensible constructive proposals across the floor in this House, I for one have not hesitated to take them on board and act on them. But when he engages on his usual political tactic of misleading, distorting, throwing in a little few unintelligible hand grenades to see if he can make people so confused that they will think that he is brilliant and the Government is terrible, like he does on all his radio and television interviews in relation to this Budget debate, well, of course, we will treat his views with disdain. It did not stop, the fact that no Member on this House had uttered a single word of unkindness or hostility to any Member opposite, did not stop the Hon Mr Costa from saying that we all, all of us without exception, on this side of the House, suffer from what he called uninterrupted pathology. Well, I am not sure what uninterrupted pathology is but if he said it in the tone in which he said it, he must think it is something very bad. He also said that we suffer from obsessive compulsive disorder. That we are a politically toxic bomb. That we practice noxious politics. That we are liars to the public. Yes, there is no point in pulling faces. He said in this House on his address that the public in Gibraltar were tired of the GSD's lies. Well look, lies are only told by liars. So these are the people who, on the one hand say how terrible we are because we are vitriolic insulters and how they think that personal insults should be taken out of political debate and then without prompting or provocation they launch into a tirade of vitriolic insults themselves.

Second hallmark of their political project is hypocrisy. Not just in style but in content and then his hon Colleague Mr Picardo who also through gritted teeth, I dare say, said that he thinks that there should not be any personal insults in politics, again in a quite unprovoked way, accused us of polarising venom and, once again, his little Baldrick joke about me.

Mr Speaker, on this side of the House we can play politics which way and every way. If the hon Members want to do it constructively and agreeably we can do it constructively and agreeably. If the hon Members want to do it with insults and hostility, we can do it with insults and hostility. What they should not do is to think we are going to be so naïve as to us carrying on being good boys while allowing them to do and say what they please unchallenged and unanswered. That is what they must not assume. So they can pick the weapons and then we will fight them politically with the same weapons that they pick.

So who spins, Mr Speaker? We have been accused of spinning. Indeed, the Hon the Leader of the Opposition said that if I did not spin, he would not need to comment. Well, given the nature of his speech this year, it is just as well for him that he thinks I do spin because if you take out of his address his comments on my alleged spin, there is precious little else left, very far from the excellent alternative analysis of the economy that his sycophantic, heir apparent, described his address as.

Mr Speaker, I intend to demonstrate that it is they, not us who spin. The Hon the Leader of the Opposition spins constantly by distorting, twisting figures and their use and fabricating false analysis on the basis of his own spin. He has done it on television and on radio even in the aftermath of this debate. Of the speeches as we have done them earlier at the end of last week.

The Hon Mr Bruzon tries to develop the art of spinning to an extent for which the technology has not yet been invented and that is to try to exculpate the GSLP from the Harbour Views fiasco. The art of spinning is not that forensic, it is not possible to do the impossible with the art of spinning. But spinning he tried, because of course, spinning, if they think that we do it, must be just as reprehensible for the negative as for the positive. Do not look back to 1996. Of course, do not look back to 1996… Let us look forward, said Mr Costa. Well yes of course, the electorate and we all would much prefer to look forward but if we are looking forward, it is important not to learn the lessons of history. Looking forward cannot be another act of risk with our future and with the future of our children and our grandchildren. Looking forward and not backwards cannot be a trip or a device by which the people of Gibraltar once again

entrust their future into the hands of a leopard that has not changed its spots. So, they will forgive me if I continue to go back when it is forensically and politically useful to look back. But they are the ones who say that we should not look back to 1996 and before. Well, Mr Speaker, it did not stop several of the hon Members opposite going to back to old pre-2007, the last election was fought and won by us on the content of our 2007 election manifesto. It did not stop several of the hon Members going back to pre-2007, 1996, 2000, 2003 manifestos, to dig out, to root out, unfulfilled promises that we have dropped. This term we are bound by our 2007 manifesto, not by previous manifestos. So they can go back as much as they like to compare our present performance and our acts and omissions against what we may have said or done in the past. But we cannot.

The Hon Mr Linares, who sits with people who think that we should not look back, nevertheless to demonstrate that we were today, because he used the present tense, "The Government believes in censorship", present tense, meaning that we believe in censorship today, evidence a newspaper article, something that occurred in the 2001 art exhibition. Well, Mr Speaker, if it is alright for them to look back, why should we not look back. And whilst on the subject, of censorship and art exhibitions, you see, the hon Member does not even remember what he says in the past. So now he uses the events of the 2001 art exhibition which received almost unanimous approval from everybody that commented on it publicly except the hon Members. But this is what we said about it at the time, responding, he said "The Government's actions had been questionable and capable of being seen as a form of direct censorship". Well, it seems to me that at the time it was far from clear as to whether or not it constituted censorship. That did not prevent him, for the purposes of spinning nine years later, twisting even his own words. I mean, most people who spin, spin somebody else's words, not their own. So what was then something questionable and capable of being, in seen as, suddenly became irrefutable proof, nine years later, that the Government believes in censorship. So, who spins, Mr Speaker? Who spins?

And then of course, the Hon Mr Picardo does not want us to look back either. But it did not stop him from saying, in effect, that all the bad things that have happened in the last 14 years are down to the GSD Government's incompetence, but of all the good things that had happened, was because of the excellent economic base left in 1996 by the previous GSLP Government. So you see, he can look back but we are urged not to look back. Pattern of deceit. It did not stop him saying, "Ah, in 1995 the Hon Leader of the Opposition, as he then was, now the Chief Minister, chastised the then Leader of the Opposition for having recourse to regulations, instead of primary legislation, in transposing EU Directives. Comparing, allegedly, my behaviour before 1996 to my behaviour now in 2010, but when I do the same thing about them, this is terrible. This is looking back when the electorate actually wants us to look forward. They are spinners. They are the masters of political deceit.

The Hon the Leader of the Opposition, who presumably believes that we should not look back either, did not hesitate in comparing what he thought was the loss in Gibraltarians in construction work in 1996. Nor did he hesitate in comparing the level of cash reserves in 1988 in the Statutory Benefits Fund to what it is today. So you see, they can look back and compare as much as they like but we must not.

And of course the Hon Mr Licudi says he can look back as far as 14 years as well. He says that for the last 14 years we have been complacently looking on whilst local jobs were plundered by foreigners who have converted Gibraltarians into immigrants in their own homeland.

So you see, Mr Speaker, with the hon Members opposite it is a question of do as I do, not do as I say, because there is never any compatibility between what they do and what they say, because what they say is usually the opposite of and a smokescreen for what they do. What they do is accuse us of doing something to give themselves space to do it themselves. This is their political style.

Mr Speaker, I intend to demonstrate a selected number of issues that the masters of spin are them. I think the most classical statement of spin has been the Hon Mr Picardo's description of his leader's Budget address as an excellent alternative analysis of the economy. Mr Speaker and I have read and re-read the transcript of the Leader of the Opposition's address to this House. I cannot find an analysis of the economy at all, excellent or un-excellent and then his own spin on tax cutting. Just taking the increases this year, employees are going to be £73.84 worse off. Leaving people out there to believe that the net effect of the budget to them as workers is that they are going to be £73.84 a year worse off. Well, what about the other tax cuts which exceed the amount of increase in social insurance contribution. What about the fact that the low paid are not affected by the increases at all. Does he care, no, because the whole object of it is to spin deceit and then, his attempt to paint a picture of doom and gloom about the economy? If that is not a ridiculous attempt at spin, what is? Despite the realities which people can see for themselves but Mr Speaker, last year the Hon Mr Picardo demonstrated in this House, when he led the Opposition on the budget debate, that he had no grasp of economic issues. This year, not content with having done that in the House last year, this year he has demonstrated it to the whole of the community. Everybody in Gibraltar can see the huge contrast between our economic situation and the economic situation of almost the whole of the rest of Europe and further afield. Everybody can see the difference between the Government's finances here and the Government's finances almost everywhere else. Everybody can see that there are no public expenditure cuts going on here as they are going on elsewhere. Everybody can see that there are no austerity measures going on here as Governments all over the world are having to take. Everybody can see it even those that do not profess and do not need to understand anything about economics. Did it stop the hon Member from wanting to paint a picture of doom and gloom? Well, Mr Speaker, a picture of doom and gloom on the basis of the fact that he thinks that there are a handful of squatters somewhere, or that he thinks that there are a handful … I want to know. I am sure there are. But there cannot be very many people in Gibraltar that count the pennies to get to the end of the week. Certainly not the elderly! Well, Mr Speaker, even if there were some, does the hon Member, other than by reference to his desire to spin black into white and white into black, does the hon Member really think that he does his credibility for political integrity any good, or competence for that matter, any good by trying to persuade the people of Gibraltar that can see the excellent state of our economy that, actually, it is all an invention of Caruana. It is all on the basis of his manipulation and misstatement of figures which he does not understand and that really the situation is very gloomy and very doomy.

Well, Mr Speaker, spin, spin and spin. All after they had accused us of spinning. The realities from which they cannot escape even with their black pot of paint which they wish to apply to everything white that they see. What they cannot escape is the fact that thanks to this Government's stewardship of the economy, thanks to this Government's prudent and careful stewardship of its fiscal position, the economy of Gibraltar could not, in positive terms, be more contrasted to the economies of practically every other country in Europe. That we have a budget surplus. That we have not made cuts. That we have low net debt. That taxes are falling when they are rising in other countries. That public services are rising in Gibraltar when they are being slashed in other countries. That users of public services in Gibraltar are not suffering cuts like they are everywhere else. They are enjoying further annual and better expansion and improvements and that is not the result of Caruana's manipulation of figures. It is the fact of the reality that thanks to this Government's stewardship of the economy, which everybody recognises except them, Gibraltar has reached the worst financial crisis since the 1930's in the world in a situation where it is sailing through it, not entirely unaffected, but with an element, with a degree of adverse effect which is minor compared to that being experienced by almost everywhere else.

Mr Speaker, the Hon the Leader of the Opposition spoke in his address about the need to ensure the solvency and survival of

the Statutory Benefits Fund. He used the word need to ensure but he spoke about things that would not ensure the solvency and survival of the Statutory Benefits Fund. The solvency and survival of the Statutory Benefits Fund, meaning a Government Fund with a sum of money in it, is irrelevant to the question of benefits. Benefits are not linked under the Statutory Benefits Fund and legislation that regulates it. Benefits, whether they are pensions or any other statutory benefit, are not linked to whether there is money in the Fund or not. The Statutory Benefits Fund is just a piggy bank. A Government piggy bank which could easily be in the general reserves of the Government, if the Government wanted to, because the statutory entitlement of people to benefits under the Acts are payable by the Government. It is a Government responsibility to pay statutory benefits so that if the Statutory Benefit Fund did not have enough money, as indeed it does not, hence the Government contribution to it, well the Government just pays the balance. If the Statutory Benefit Fund had no money at all, zero pounds in it, then the Government would simply pay statutory benefits as it pays today civil service pensions. There is no fund that says "Civil Service Pensions" in the shape of a little pig standing on a shelf somewhere in the Treasury. These are governmental liabilities like any other. In times of very low interest rates, as we are at the moment, I think, I do not know if I have told the hon Members opposite but Government funds are attracting an interest rate of less than half of 1 per cent on deposit in the Bank of England. In times of very low interest rates, the policy is to try to balance Government's income from contributions to the Funds with benefits payments because the contribution made by investment income, which historically at a time of high interest rates were meaningful, are not meaningful at a time of very low interest, because even if you had a fund of £100 million, you would getting half a million pounds of interest. So the policy is not to maintain the Fund capital at any particular level and although our policy is to try and balance income with benefits payments, the hon Members will see that we are a long way from getting there. This is about an £11 million out of sync. If you strip out the contributions from the Consolidated Fund, the income of the Statutory Benefits Fund is around £11 million. Now that will fall as social insurance contributions rise, as interest rates eventually, at some point they will have to recover. But it is not the policy of the Government in the meantime to say, how many hundreds of millions of pounds do we have to now muster together so that there is enough capital in the Fund, at times of low interest rate, to make sure that the Fund does not deplete annually. That is just… with interest rates at half a per cent it is just not duable to make contributions and investment income match payments on the basis of, without a contribution from the Consolidated Fund. The amount of capital that you would need would be massive, massive completely, something out of our imagination.

Mr Speaker, the hon Member blows hot and cold on Community Care. On the one hand, he says things to people who would not otherwise be interested in them and leaves them with the view, which I believe is intentional, and leaves them with the view that the result of all of this might be that their Community Care somehow is in jeopardy. But of course then he whispers, much less loudly, that of course he is not saying that Community Care payments are in jeopardy. But, which is it? Does he think Community Care payments are in jeopardy or does he not? If he thinks that they are in jeopardy, let him say so. But if he does not think that they are in jeopardy, let him tell the people of Gibraltar and the elderly in Gibraltar not to worry. That he may have a disagreement with Caruana about whether it is best to do it this way or best to do it that way, but that in either case, their receipt of Community Care payments are not in jeopardy. They are not in question and they are safe and guaranteed. That would be to eliminate the spin political value from that question. The reality is that Community Care will continue to be made from where they have always been made. From funds provided by the Government. That is where they have always been made from and that is where they will continue to be made from. It makes no difference to the receipt of the payments by our elderly whether the funds are held by the Government or whether the funds are held by Community Care in their own bank account. So let us please stop worrying pensioners, elderly people, not that he cares, because he has spent 16

years trying to use the elderly and the ability to worry them, as a political tool against me in particular and my party in general. But if he cares as they say they do, because after all they think that they are the caring party and that we care about nobody in Gibraltar. Well if that is true, let them start demonstrating it at least with our elderly. Let them stop worrying our elderly in an attempt to steal a handful of votes from them. It is cynical. It is selfish. It is uncaring and if they profess to care, they should stop it. The hon Members opposite, Mr Speaker, have poo pood the idea of the need to reform Community Care. So that there is no doubt about the difference between the party in Government and the parties in Opposition on this matter, the Government rejects as irresponsible and un-thought through the GSLP Liberal Alliance's view that there is no need to reform Community Care in Gibraltar. The fact that the GSLP assert and think that it is unchallengeable is not the criteria. I might think that it is unchallengeable. No no, but that would not be the criteria either because at the end of the day, whether this is a potential millstone around the necks of our children and grandchildren, does not fall to be determined by him or by me. It falls to be determined by the European Union Commission and the European Union courts. So simply to rubbish the Government's policy of wanting to do this on the basis that we the GSLP do not accept that it is challengeable, look they may not accept that it is challengeable but one it is being challenged. It has been challenged by the Commission. He must know that there are others outside of Gibraltar who do not share his views that it is not challengeable because they used to tell him as often as they used to tell me. Now, he and I may either want to think or genuinely think that it is not challengeable. But because it is not his decision or mine, if the challenge comes and succeeds, the element of risk, the element of ticking time bomb lies in that fact. Not in the fact that he or I think it is challengeable but it lies in the fact that at some future date, the people who do have to decide whether it is challengeable agree or disagree with him and if they end up disagreeing with him, it will be too late for our children and our grandchildren because they will be left with a huge bill and we will not be able to say with the new generation of Spanish workers, as we used to say with those pre-frontier closure ones, you pay, it is your fault because you did not protect us, because Mr Howe, Mr This and Mr That. You pay. You pay something which in the end the GSD Government succeeded in achieving. But that is not available to us if the same challenge that was brought by pre-frontier closure workers is brought by the 4,000 Spanish workers who are today working in Gibraltar paying the same degree of social insurance contribution as him and me. What defence…. What are we going to say to the UK. It is still your fault. You pay. Mr Speaker, it is not a reasonable risk to continue to run on the basis of the hon Member's emotional desire to protect his own architecture back in the early 1990's. Well it may have served its purpose. Well done to him. The Government of the day sees a real danger for our future generations and despite running the risk of political unpopularity based on his distortion of what we are planning to do and what we do, we are going to do it because it is the responsible thing to do to protect future generations without affecting our pensioners today. Another example of why the hon Members are not fit to return to Government. It would be in my judgement completely reckless not to protect future generations from the risk that the same challenge will be brought again. This is not pie in the sky. These challenges have been brought before and the United Kingdom did not pay off arrears based on, to compensate for Community Care. He may not want to link the two and I may not want to link the two but there are others outside Gibraltar willing to pull out their cheque book and pay themselves, because they take a different view. Do you think the United Kingdom Government scribbles out cheques for tens of millions of pounds just to take issue, just to disagree with the hon Member opposite for the sake of it. But I repeat, this will be done in a way which will both protect our future generations from the ticking time bomb, which is not going to explode just yet by the way, but it needs to be done as I said in my New Year address at the start of this year and it will not affect peoples' receipt of benefits and payments and their income in Gibraltar. So all the elderly people who are either in receipt of or who aspire to be in receipt of in the future, can rest assured that they will remain unaffected by this.

Then, now let us see, still with the pot of black paint in our hands and seeing how we can vandalise all the shining white walls of prosperity around us, we move to the subject of employment. Here we are in some trouble. Now let me see. These guys, they have created 8,000 jobs in the years that they have been office. There are more Gibraltarians in employment than every before. How am I going to … To what use can I put the pot of black paint here. How am I going to spin because spinning… you know, there comes a time that black paint is just not enough for spinning. Well, I know, I know, let us utter some mumbo jumbo and say, you see Caruana does not understand even his own figures. The reality, we will tell the people, the reality of it is that there is an avalanche of foreigners coming in to Gibraltar in battalion formations, marching across the border every morning, stealing jobs from our own people who have become like immigrants in their own homeland. You see and we are this far away from frontier workers being a majority of private sector workers. God forbid. Mr Speaker, it is all the worst form of jingoistic pseudo nationalistic nonsense of the worst kind. The hon Members only know how to appeal politically to the voters of Gibraltar on the basis of racism. On the basis of making them see everybody abroad a threat to their own interests and they are the ones who think they are socialists and they are the ones who say, through the mouth of the Hon Mr Bruzon, that they believe in justice for all. I do not think they believe in justice for anybody frankly. Well, Mr Speaker, firstly as Mr Baldachino and other Employment Ministers in the GSLP Government used to tire of telling the House when we were in Opposition. You know, they have got EU rights and it is practically impossible to stop them coming in. But who is them? Who is them that are coming in. Well, Mr Speaker, first of all he ignores the fact that the figures that he uses of frontier workers, the ones that he says are marching in stealing jobs from Gibraltarians, that hundreds of them are Gibraltarians themselves who have chosen to live in Spain and come in to Gibraltar to work and who are categorised in the statistics as frontier workers. He did not even have so, he was in such a rush to produce his 43 per cent and 47 per cent figures that he forgot to strip out even the Gibraltarians that were frontier workers before producing the… So who distorts statistics? Who manipulates statistics? Who selectively uses statistics? Mr Speaker and then, you know I used to think that the hon Member who boasts about being an economist was just saying all these things publicly in the knowledge that he was wrong but for political effect. I am beginning to doubt it. I have to tell him. Well, Mr Speaker, given that Gibraltar enjoys practical, we will discuss in a moment, why I use the word practical. Given that Gibraltar enjoys practical full employment amongst Gibraltarians, it is inevitable that growth in jobs will go mostly to foreigners. Look, we have created since 1996 around 8,000 additional jobs in the economy. Well, since in 1996 there have not been 8,000 unemployed Gibraltarians, it follows that once you exhaust your own indigenous, home grown, resident labour supply, economic growth is going to be serviced by imported labour. Indeed, if the economy continues to grow at the excellent rates that it is growing, thanks to our stewardship and despite the moments that the world is living economically, it is inevitable that in time frontier workers and other foreigners, as he calls them, will most certainly become a majority of private sector workers. Or is he saying that I should stop growing the economy. Stop creating jobs which brings in revenue to the Government. Business for other businesses in Gibraltar which allows the Government to cut taxes and fund improved public services so that the statistics do not exceed 50 per cent of frontier workers … I mean what sort of economic policy can this community look forward to in the unlikely event that he should ever again be entrusted with the governance of its future. But he was not interested… He knows that. He knows that as well as me. But he was only interested in the spin. In the jingoistic pseudo nationalistic headline “Gibraltarians like immigrants in their own homeland”. Never mind the truth of it. Never mind the sense of it. Never mind whether it makes him look like economically literate. He is willing to sacrifice even his reputation as an economist in pursuit of the Holy Grail of tainting this Government’s economic record. So, let us examine this avalanche that marches in to steal the jobs from Gibraltarians. How many Gibraltarians are there unemployed who both want the jobs that are available and are skilled at doing the jobs that are available because of course, if somebody creates jobs in an

area where a handful of unemployed Gibraltarians… I will define handful for him in a statistical way in a moment, are not up to doing, what do you want me to say to the … No no, you do not come here and invest in our economy because I do not have, you see, I have got 80 unemployed Gibraltarians and they are not up to being risk managers in an insurance company and they are not up to being odds setters in a gaming company and they are not up to being this or that, so therefore please do not come. Do not set up your business in Gibraltar. I am only interested in people who can employ the 80 or so, mostly unskilled workers, that we have available in our economy from our own population. Well, Mr Speaker, I intend to remind the electorate as we get closer to the general election that that appears to be their economic policy and I intend to point out to them the consequences that it will bring in its wake. So this avalanche of people… By they way an avalanche which the Transport and General Workers Union could not identify either. I mean, you know believing xxxxx the hon Member's political mantra that there was this avalanche... That there was terrible… That Gibraltarians were being denied work by these dreadful foreigners. The Transport and General Workers Union did what a labour organisation would do. They set up clinics. They set up xxxxx assistance to offer people. The avalanche has not yet appeared to have affected sufficient people because in the words of the District Officer, yes Mr Speaker, but you know it cannot be that the Unions do not know what they are talking about. The Government does not know what it is talking about. Nobody knows what they are talking about except the hon Members opposite. A handful of people turned up seeking the assistance of the Union to get into employment in Gibraltar. So let us see who is making selective use of statistics. Who is spinning and who does not understand the statistics that they have in front of them and that they read. Let us see if I can get the hon Member to agree a hypothetical, reasonable benchmark with me. The lowest, it was usually very much higher, but the lowest number of Gibraltarian unemployment, the lowest between 1988 and 1996 was 352. The lowest. It was very often at 600 or 700 and it was very often at 500. But forget all of that because there were temporary factors affecting those statistics at the time. The lowest figure was 352 which from memory, I think was towards the end of 1995. The 1995 average was 456. So in 1995, his last full year of glory, the average was 456 a month. The lowest, which is the figure that I am happy to use, the lowest was 352. The annual average between 1996 and 2008, by annual average I mean that they differ every month. So what is the average for all of the 12 months? The annual average between 1996 and 2008 has been between 350 and 380. Therefore, I would invite him to agree with me that it is not unreasonable to fix the irreducible Gibraltar unemployment figure at around 350/360. Indeed, the 2008 and 2009 average is higher than those figures and we recognise that there has been a tweaking up of numbers in 2008 and 2009. So in 2008 the average was 379 and in 2009 the average was 438. So, if we take the 438 to which the average is now risen and deduct from it, not the average in 1995 which was 456 which would still make my average today better off than his average in 1995, but I am going to give him the benefit of all of that, using our average today in 2009 of 438 against the reasonable, irreducible unemployment rate based on the lowest that it was before 1995, the lowest, of about 350/360, the reality is that we have somewhere between 60 and 80 increase in what has always been the irreducible number of, somewhere between 300 and 400 Gibraltarians who are in the statistics for a number of reasons. They could be undesirable to employ. They could be difficult to employ. They may not be looking for jobs at all. They may be there just to get their unemployment benefit or some other family… For whatever reason and that is not us or them or anybody else. There is a level of… even with full employment. So this avalanche that is taking jobs from the people of Gibraltar are, according to the statistics, about 60 or 70 and the issue with those 60 or 70 is not that people are coming across the border stealing their jobs. The difficulty is that they either do not want the jobs that are available because they are waiting for jobs in the public sector and do not want jobs in the private sector or there is a skills mismatch. They simply do not have the skills that employers want for the jobs that are available and the Government is working hard, like Governments have not worked before, to deliver to these people not just the skills set if they

want them but is working with employers to make for them, for these employees, for these 'would be' employees who are almost entirely unskilled, jobs available for them in the private sector. Of course, it is all very well for the hon Member opposite to use the construction industry as an example. If I were him, I would have used other industries as an example. But he has chosen to use the construction industry. It is not a good example for him to use because as has already been pointed out to him it was he, at a time when he thought it was not necessary, that effectively discouraged Gibraltarians from aspiring to jobs in the construction industry by closing down the construction training centres only to reopen them hastily a few months before the general election, signalling to the people of Gibraltar, do not bother to get building trades. Do not bother to become a bricklayer. Do not bother to become a mason. Do not bother to become an electrician which is the signal that the Government sends when it cancels training opportunities, apprenticeship schemes as they like. So, of course there has been, not just a shortage of Gibraltarian skills, but there has been a period of Gibraltarian psychosis that the construction industry is not an industry to which Gibraltarians ought to be aspiring because these are for cross frontier workers or for Moroccans or for other people willing to work in the sun with shorts and T-shirt. Mr Speaker, we have been working hard to redress that and the result is that there are now, despite his going on television to say that there is a problem because there are too few Gibraltarians in the construction industry, and saying here that there are too… The reality is that there are more Gibraltarians, many more Gibraltarians in the construction industry today than there were when he was their great leader in 1996. So what he means is that we have not improved the position compared to him by enough. You know… I mean this is… You know, somebody who had a few hundred criticises somebody who has got many more, what he is saying is, not that there are not enough Gibraltarians, it is that there are many more Gibraltarians that the GSD Government has been able to put in construction industry are not big enough, are not more by enough according to your views. But there are more of them.

Mr Speaker, the Hon Mr Licudi may think that using green policies and using environmental functions to create jobs for unskilled people, he may think it is gobbledegook, which is the word that he used. But he simply demonstrates, again, his own tenuous grasp of economic principles and even worse than Mr Picardo's. All over Europe, I mean people open their newspapers... There are Governments in Europe that are putting the so called green economy as the engine to drag themselves out of recession and to create jobs. There are Governments across Europe and in America who plaster it as Item No. 1 or No. 2 of their national economic policy and here we say, we do not need any of that, we have got 50 or 60 people that are difficult to employ because they are completely unskilled, 50 or 60, and we are going to help them get jobs in environmentally related activities, and he says it is gobbledegook. Mr Speaker, gobbledegook! Gobbledegook us and gobbledegook the United States and gobbledegook the United Kingdom and gobbledegook everybody else.

HON G H LICUDI:

Mr Speaker, if the hon Member will give way?

HON CHIEF MINISTER:

No he will not. Mr Speaker, we are confident….

HON G H LICUDI:

He is saying complete nonsense.

HON CHIEF MINISTER:

No he is not speaking nonsense Mr Speaker. It is not nonsense Mr Speaker. It is not nonsense Mr Speaker. He read out verbatim…

HON G H LICUDI:

Yes.

HON CHIEF MINISTER:

…what the hon Member had said from his budget speech …

HON G H LICUDI:

He has made a mistake.

MR SPEAKER:

Order, Order.

HON CHIEF MINISTER:

…and then described it as gobbledegook.

HON G H LICUDI:

He made a mistake.

MR SPEAKER:

Order! The hon Member… Order. The hon Member is on his feet and must be allowed to xxxxx.

HON G H LICUDI:

He stands to be corrected.

MR SPEAKER:

Order.

HON CHIEF MINISTER:

Mr Speaker, and by the way Mr Speaker, we are confident that we will be able to place all of these people, all of these 60 or 70 people, we are confident that we will be able to place them in employment. Of course, I dare say that the hon Members do not want us to succeed in placing them in employment. They would much rather that these guys all stayed out of work so that 18 months from now they can say, you see, battalions of foreigners coming in to keep our Gibraltarians out of work and stealing their jobs. Well, we do not accept that there are battalions or avalanches or whatever graphic word they want to describe, stealing jobs from Gibraltarians. We simply do not accept it. We do accept that in the current climate where some companies in Gibraltar are making people redundant; gaming; as they restructure some banks; loss of 80 jobs in the financial services industry; that the tendency is that when jobs become vacant, they do not refill them. They mark time, difficult times. We see the recession and a lot of companies are not recruiting and that if companies suspend recruiting, newcomers to the economy, newcomers to our jobs market, including locals, find it more difficult to get their first job usually than in more normal global environment. That is true. But this is not an army of

foreigners coming across the border stealing jobs from our people. I have already told the hon Member that there were more Gibraltarians in constructions now than in 1996 and then, you see Mr Speaker, the hon Member spots what he thinks wrongly is a misuse of statistics by me. He does not hesitate to go to the GBC studio, or whatever it is they interview him, to say that Caruana does not understand the statistics. Because the person who does not understand the statistics that he uses is him and this despite the fact that he is not so much a shadow Chief Minister or a shadow Minister for the economy, as more a shadow statistician, and I think there are officials in the Government who regard the hon Member as their shadow rather than me. But look, Mr Speaker, to arrive at his 43 per cent and 47 per cent of figures for frontier workers as a percentage of the private sector, he has completely misused, cooked the statistics in comparing apples with pears. Not his only statistical mistake, by the way, I will be pointing several more out to him. It is he who manipulated the statistics and selectively quoted figures. Not me. He compared all private sector frontier workers with only full-time private sector jobs. So, all jobs that come across the border, all people that come across the border, whether they are part-time or full-time as a proportion of only full-time private sector jobs, comparing apples with pears, thus excluding part-timers from the equation for one but not for the other part of his fraction. Complete and utter distorted and manipulated… I have not finished making my point, completely manipulative use of statistics.

HON J J BOSSANO:

I want to raise a Point of Order.

MR SPEAKER:

Point of order.

HON J J BOSSANO:

Mr Speaker, I said I was doing it in my speech, so the hon Member cannot accuse me of misleading this Parliament if he is saying he has discovered something which I myself have xxxxx pointed out.

HON CHIEF MINISTER:

No Mr Speaker, he did not say it in his speech and if he did say it in his speech, which I do not think he did, he certainly did not thereby undermine the effect of the point that he was trying to make. Why did he not do what an honest statistical comparison would have required him to do which is to have compared all private sector frontier workers with all private sector jobs and then the percentages that would have found would not have been 43 per cent and 47 per cent, they would have been considerably lower and I do not make that point because anything turns on… considerably lower, yes. The picture of the size of the battalions, marching avalanche, marching across the border would have been smaller than the battalions that he painted by this selective, manipulative use of statistics and comparing one thing with another which it is not fairly comparable. So, Mr Speaker, but I do not make this point because anything turns on the size of the percentage. If it were 50 per cent, if it were 60 per cent, if it were 80 per cent, it would be a sign of the health of this economy. It would be a sign of the fact that this economy is growing. Not something to lament, something to celebrate. Then, of course, both in this House and on the airwaves he said, you see, do not believe a word that Caruana tells you because he does not understand the statistics, because look at what he has done with Community Officers … He has come to this House to say that there are 196 more Gibraltarians in jobs. There are 59 more of which… But 196 of them are Community Officers. Well, that is true, and somebody out there might have been forgiven for thinking, do not tell me that Caruana is cooking the employment figures. But no, of course, he never intends the natural consequences of his

words. He just utters them in the hope that those who should not know better will believe what he then says he did not intend. So, people out there might have thought, gosh, do not tell me that Caruana is cooking the employment figures to pretend that things are better when really he is just stuffing the figures with Community Officers. Well, the Chief Minister of Gibraltar who decided that Community Officers of which there are around 500, should be included as jobs in our economy, not people, as jobs, as full- time equivalent jobs in our economy, was him not me. Community Officers were not included, not included in 1990 or 1991, in April 1990 or October 1990. They were first included by him in April 1991. Well he is asking, so what Mr Speaker, but if he decides at the time that he wanted, to enhance the employment figures that Community Officers were real jobs to be included in the jobs statistics that he could show one year and the other, what is wrong with the Government just continuing his practice. So there are 196 more of them… Even if we strip them all out, even if we stripped out the extra 196 and all the ones that were there before, all the way back to 1991 when he first decided to treat Community Officers as real employment, even if we stripped all of that out, the inescapable reality is that there are still many, many, many, many hundreds. In excess of a thousand more Gibraltarians in jobs today than there were when the battalion, the avalanche was not coming across the border.

So, given that, presumably, he does not think that he presided over any period during which foreigners were coming across the border to steal jobs from Gibraltarians in avalanche or any other form. Even compared to that avalanche-free period, which I must assume he regards the GSLP years to have been, there are still today in excess of a thousand more Gibraltarians in jobs than in his avalanche-free reign. That is the inescapable reality. So there is no point. There is no point in pointing to avalanches coming across the border, somehow to try and paint a picture of crumbling Gibraltarian employment, of the economy of Gibraltar being handed to foreigners at the expense of Gibraltarians, Mr Speaker. This is spin. This is the pattern of deceit. This is the politics of distortion which is the only thing that the hon Members opposite appear to know how to offer the electorate.

Well, Mr Speaker, and then somebody reads our eminently successful 1996 election manifesto…

MR SPEAKER:

May I interrupt the hon Member? If he is moving to another phase, my I crave the House's indulgence for a five minute comfort break.

HON CHIEF MINISTER:

By all means, Mr Speaker.

MR SPEAKER:

Five minutes.

The House recessed at 10.38 a.m.

The House resumed at 10.45 a.m.

HON CHIEF MINISTER:

Mr Speaker, I hope that those who are able to comfort themselves have done so.

So, moving now to this question of information, Mr Speaker, and this dreadful, undemocratic GSD Government that threatens the very democratic institutions of this country through the systemic, unreasonable, unjustified, denial of information to this House. Spin. Deceit. Distortion.

Let us start with the Hon the Leader of the Opposition's complaint that the Employment Survey Report for this year was ready in March and that I sat on it until the day before to send it to him. Well, Mr Speaker, actually he is wrong.

HON J J BOSSANO:

Mr Speaker, on a Point of Order, I have not said that. I do not know when the Employment Survey was ready because this year, exceptionally it has no date on it. So I did not say it was ready in March.

HON CHIEF MINISTER:

Mr Speaker, the hon Member… if he wants I have got a transcript of his speech there.

HON J J BOSSANO:

Yes. Bring it up.

HON CHIEF MINISTER:

I will bring it up to him in just a moment. But in any case the essence of his point was that the Survey is ready and that the Government clings on to it to gain an advantage when it could have perhaps been given out sooner to him. Well, this is what he said… I am sorry if he no longer accurately reflects what he really believes. Well, he must remember that that is what he did, not what I did. Look, the last two Surveys over which he presided, the Survey for October 1992 and April 1993, remember that at those times they were published in pairs, was dated March 1994. Date March 1994. He tabled it in this House on the 29th September 1994, six months later. What had happened in the meantime, the budget session, the budget session of that year? So, the Survey was ready according to its date in March 1994, he tables it in September 1994, during the meantime there is the 1994 budget debate where presumably he has the Survey and the Opposition does not, because it is dated March 1994. He tables it in September 1994. It does not take 6 months to send the document and the only thing that happened in between is that the budget debate took place. The October 1993 and April 1994 Surveys which were his last, were dated in February 1995, the report is dated February 1995. He tabled them on the 18th December 1995. He sat on them for ten months, depriving the Opposition in an election year of the Employment Survey during the month of May, June or July 1995, whenever the budget debate took place that year. So, you know, the reality of it is that once again it is do as I ask now, do as I say now and not do as I did or do.

The hon members opposite appear to have studied our excellent political campaign during 1995 and then the election campaign in 1996 and said, I know, let us say the same things about them that they are saying about us, let us say the things about them that they said about us back then.

Well, of course, they can do that. Except that it was true then and is not now. Yes, because for the hon Members without the pot of black paint in their hands and without the spinning machine working overtime, to try and persuade anybody that this Government has presided over a tightening of information when what we have done is flung open the doors and provided almost every tit bit of information that has ever been asked of us making the years 1988 to 1996 look like eight continuous years of total eclipses of the sun as far as information and transparencies were concerned, is an act of monumental spin. It is not true. Information is being provided to the hon Members in unprecedented amounts. There is no refusal to provide information unless for one of the two reasons for which information does not have to be provided in every civilised democratic Parliament in the world. Either, that it is commercially sensitive at the time or, two, that it requires a disproportionate amount of administrative work to collate it.

Those are the only two grounds upon which information is refused. So the Hon Mr Costa, who has now been not for 15 but for 30 minutes, need not worry about the systemic undermining of the democratic institutions in this community. Thanks to 14 years of GSD Government, democratic institutions in this country have been rescued from the abyss into which they had plunged under this care of the GSLP, as most people in Gibraltar above a certain age, will recall clearly. What they complain about is not that we do not give them information. They call it denial of information but it is not information that we are denying them. If information does not exist, it is not information. If information does not exist in the form that they seek it, it is not information and the refusal to provide it is not the refusal to provide information. Asking us constantly to advance for their benefit the statutory publication of information is not denial of information. I mean, nobody says to the United Kingdom Government, you know, give us details of the Government's accounts every month as at every month before the accounting year and if the UK Government says, no wait for us to publish the accounts… Ah, denying information. Democracy is at risk.

The other thing that they are really accusing us of is refusing to commit, refusing to make political commitments. Well, refusal to make a political commitment to the start or the finish of a project, however much they would want us to do it, so that they can then get their stopwatches out and say, you are 15 minutes late, you are half an hour late, you are 3 days late, you are 6 months late, you know. They are going to have to work harder than that in the next 12 months for xxxxx politics in Gibraltar. It is not going to be so easy. That is not denying them information. In other words, it is not information to refuse to tell them when the Government is going to start and when the Government is going to finish a project that we have not yet launched as going to start or finish. So, it transpires that this terrible cloud, this curtain of secrecy and this undermining of the very foundations of democracy in Gibraltar, despite the avalanche, now really, in effect, a properly used word, avalanche of information that they receive from the Government throughout the year, boils down to the fact that we will not give them information that does not exist in the form that they seek it, which is the case in every other Parliament. That we will not make political commitments to tell them when we are going to start things until we are ready to start them and say when we are going to start them and finish them. He thinks that the public have a right to know, the public have a right to know information. The other thing that the public have a right is to expect the Government to fulfil its manifesto commitment. Neither he does not have the right to demand from me a timetable with start and finish dates and tea breaks in between of when the Government is going to do its manifesto. Not his, mine.

HON G H LICUDI:

Of course we do. Of course we do.

HON CHIEF MINISTER:

Well of course he is free to ask. What he is not free to do is to accuse me of undermining democracy through refusing to provide him information. That is not information because implicit in the fact that the Government ... As I said to him, it does not exist, the Government is not yet in a position to say it because the decision has not been made. The project is not yet done. It is nonsense.

HON G H LICUDI:

Will the hon Member, give way?

HON CHIEF MINISTER:

No he will not, Mr Speaker. The spin and the manipulation, and the distortion. It is a pattern. They pick out one or two little tit

bits. They twist it. They manipulate it. They apply it for a purpose to which it is simply not applicable, all to create this picture of blackness and of failure, economic failure. Democratic failure et cetera, et cetera. It is simply not grown up politics, Mr Speaker.

Then, my favourite subject. The GSD is the party of the rich and by implication the GSLP the party of the poor. Hah, hah, hah. Mr Speaker, who on earth in Gibraltar do they think believe that. Certainly not every real, politically active socialist, that are all in the GSD, none of them in the GSLP. I wonder why that might be. It must be because they think we are the party that benefits, that only gives largesse to the rich whilst leaving the poor in a little crumbling pile of decrepidness in a corner unattended. That is why all Gibraltar's historical, real, not champagne, real socialists flock not to the GSLP but to the GSD. Well, let us examine the proposition that the GSLP is the party of the poor and the GSD is the party of the rich. Of course, that same sentence had other manifestations. So, Mr Picardo, the Hon Mr Picardo said, under the GSD the rich get richer and the poorer get poorer, and Mr Costa's version was, if people really mattered to the GSD. This is simple, deceitful spin. It is simple untruth. The truth is the very opposite of that. It is the GSLP that did nothing for workers, the poor and the vulnerable, in contrast to what the GSD has done which we will now review so that people can decide whether the hon Members opposite are politically credible, whether they should be tiring of our lies or of their lies when they listen to political debate in Gibraltar. Under the GSD, workers who earn least money, therefore more likely to be amongst the poorer echelons of our society, pay no income tax at all through the introduction by this party that cares not a jot about the poor, of low income earners allowances and credits. Nobody who earns less than £8,000 per annum pays any tax at all. Did the GSLP care how much tax the lower paid workers paid in Gibraltar between 1988. No, they increased it every year instead to boot for good measure. Under the GSD Government, there have been huge reductions in tax at all levels of income but especially for the lower paid. We have introduced a reduced, a much reduced level of social insurance contributions for the low paid part-time workers. This is this party of capitalists that only cares about the rich and not the poor. But did the socialists, the allegedly socialist GSLP do the same, no. They raised in contributions every year whether you were rich or poor. Whether you were high paid or low paid. Whether you were a worker or a capitalist, every year up and up and up and up and now they profess to give us lectures on the rich and the poor. We have eliminated tax on pensions and savings income not just of everybody but of the low paid workers, of pensioners. Did they care how much tax the low paid and the poor paid on their meagre savings and on their pensions, no they did not give a hoot. We have increased child allowances. We have introduced child education allowances. We have increased university grants therefore relieving the financial burden of poorer workers and poorer parents. We have increased social assistance payments and social benefits payments for the benefit of those neediest, of those with lowest incomes in our community. Did they? No. They froze them year in year out, not caring one jot that the people in this community with least income, who most needed Government support, who were most vulnerable, had to make do every year with less and less and less money and now he comes to lecture me about the rich and the poor. Hypocrites! We have introduced new allowances. We have increased other allowances. We have introduced domiciliary care for our elderly. We have introduced a dignified old peoples' home. We have introduced massive increases in pensions for our elderly. We have given decent pay deals and promotions for public sector workers. We have introduced huge investments in our health services, in our care services, in our elderly services. We have addressed the minimum wage regularly and frequently. Did they? Did they care what the minimum wage was for the lowest work in the community? No.

HON J J BOSSANO:

We introduced it.

HON CHIEF MINISTER:

They could not give a damn. No policy whatsoever to make sure that the lowest paid workers in our community benefitted and were not left to one side by an increasingly prosperous economy. None whatsoever! We provided job security for ex-MOD workers. We extended statutory redundancy and insolvency fund rights to all workers. We have given occupational pensions to hundreds of Government related companies when they did not have them. They did not care whether these, amongst the lowest paid workers in the community, had an occupational pension to fall back upon or not. They did not care. Now they come to pretend that they are the party of the workers and the party of the poor. Who do they think is going to believe them? We have increased pay for trainees who are amongst the lowest people earning in our labour market. We have abolished road taxes and TV licences which are of most value to the lowest paid.

HON F R PICARDO:

From our policy!

HON CHIEF MINISTER:

We have abolished stamp duty on lower valued properties. We have established the minimum income guarantee for those amongst our elderly who had least income. We have allowed pensioners to access a higher full pension by giving numerous windows of opportunity to complete pensions contributions record. We have paid savings income interest rates at rates way above the market to make sure that those that needed most income in this community had it. It does not matter that interest rates fall to half a per cent, the Government continues to pay interest on savings deposits at much higher rate to make sure that peoples' savings income and especially the lowest paid, the lowest income earners, do not lose that source of income as well. We have abolished bus fares, passport fees, driving licence fees for the elderly. We have built specialist housing for the elderly. Nothing for the poor and everything for the rich!

Mr Speaker, Mr Picardo would not recognise the truth if it was a juggernaut hurtling towards him, let alone tell it. Either that or he has no idea what this Government has done for the poor. What this Government has done for the most vulnerable in our community. What the Government has done for the least income earners in our community and worse, does not know just how bad the record was in all those areas of the party that he so quietly joined one fine day. So, if I am the cunning Baldrick whose plans never work, he must be the silly whitless dunce of a prince from the same television programme.

Mr Speaker, the Hon Mr Bruzon in a tone and style which I much welcome and recognise and acknowledge, however much I might disagree, with some of the content of what he says. But whilst on the subject of rich and poor and socialism and justice, the Hon Mr Bruzon said that he was in the GSLP because he believed in the socialist and justice for all philosophy for which it stood.

Mr Speaker, for whom has the GSLP ever done justice, socialist or otherwise. For the workers left in companies without a pension. For the workers who never got an increase in the minimum wage. For the most vulnerable and needy whose benefits were frozen and never increased. For the low paid workers whose taxes and social insurance contributions were increased relentlessly every year. For those who rely on our elderly care and social care services, the most vulnerable in our community who were left on the heap without proper investment or resourcing. For those elderly people whose low incomes he left untouched to fend for themselves as best they could without a minimum income guarantee. For which of those groups does he think that the GSLP did socialist or any other form of justice. Or perhaps he thinks that the GSLP did social justice to the Moroccan workers who were left even unable to get a job and thus earn a living xxxxx. Perhaps he thinks that the GSLP did

justice to them. Or perhaps he thinks that the GSLP did social justice to our elderly whose dignity the GSLP has persistently violated with scaremongering about Community Care and pensioners and things. Or perhaps he thinks that the GSLP did social justice to our youth whom the GSLP encouraged and condemned to the fast launch activity. Or perhaps he thinks that the GSLP did social justice to the homosexual and gay community who thought, silly silly, who thought that the GSLP wanted to equalise the ages of consent to eliminate discrimination against them but when the GSLP had the chance to vote in this House and bring that about they voted against it. Perhaps he thinks that the GSLP has done social justice to that group. Perhaps he thinks that the GSLP has done social justice to the poor, the vulnerable, the elderly, workers, our youth, who have never been better off or safer in Gibraltar than they are now under the GSD, and who are unlikely in a hurry to put themselves in jeopardy again in the hands of the GSLP who either continue to be led and will continue to be led by a leopard that has not changed a single spot or who will pass the baton to a new leader who may have different spots but whom the leopard with the spot thinks may do crazy things and therefore he has to hang around to preserve the community. Then so, under the GSLP we are condemned either to the old leopard that has not changed its spots or to somebody who has got a propensity for doing crazy things and needs somebody with a hand break next to him to save us all from them.

Mr Speaker, the reality when you compare the record of the GSLP in Government and the GSD in Government is that the use of the term socialism or social justice for all in the same sentence as the word “GSLP” is a contradiction in terms. Far from doing justice for all, I do not think the GSLP has ever done justice for anyone. Why does Mr Bruzon think, as I asked him before, that all the people that had devoted their lives to looking after the elderly, to looking after workers, to looking after the least advantaged, why does he think that they are all either active or inactive supporters of the GSD. So, if Mr Bruzon wanted to join a party with a real track record of helping the needy, of doing social justice, of doing justice for all, he has made a mistake. He has joined the wrong party.

Mr Speaker, I give the hon Members notice of the declaration of political battle on a number of issues from which there will be no hiding place for them and their lies and deceit during the next twelve months. I declare political battle open with them on which party has done more for the poor and the needy. Which party has done more for workers? Which party has done more for the elderly and vulnerable? Which party has done more for jobs for Gibraltarians and there will be no hiding place for their lies or on these and other issues during the next twelve months. I challenge them head on, on each of those issues, to ensure for our benefit that the people of Gibraltar understand the reality and the truth and that is, that whereas they, who now accuse us of being only for the rich by doing nothing for the poor, is exactly what they did, and what they are accusing us now is the opposite of what we have done which is correct eight years of social injustice, visited on the poor, needy and vulnerable of Gibraltar by them, which we have systematically, year after year after year redressed and addressed, and if they want to win the next election, they are going to have to do it with truth and with policies, not with lies, deceit and distortions.

Mr Speakers, moving on now to taxation. Spin, more spin. More black paint and white walls. The Hon Mr Picardo referred to the alleged mantra that the GSD is the tax cutting party. Well, how can Mr Picardo challenge the GSD’s mantra as the tax cutting party? We have cut taxes every year. Cumulatively, there has been a huge, huge, huge cut in taxes. Mr Speaker, you do not bury that by saying, ah yes, but in between there have been a handful of increases of social insurance… Of course there have been and there will be more. But the general direction of travel is down and every year that there have been social security increases, the workers that have had to pay them have been net better off by other forms of tax in taxation.

The GSLP in contrast, did not cut any tax through access, through across the board bands or allowance increases or rates

increases, not once. For Mr Bossano, a tax cut might just as well be a butchers cut of meat. The GSLP have never cut a tax in their life. It is all very well to say, yes but we introduced the home owners' allowance. Of course, you introduced the home owners' allowance for the benefit of some home owners but what about everybody else. Especially the low paid workers who were unlikely to be home owners. Compare that with our record of systematic cuts through lowering of rates, through restructuring of bands, through introduction of new allowances, through increasing of allowances, through abolition of tax, after tax, after tax and the hon Member comes to this House with his pot of black paint in his hand to say that it is all a myth that the GSD is the party of tax cuts. Let us see how we can get the people in Gibraltar to think that white is black and therefore improve the chances of them voting for us.

So, against the GSLP's abysmal record of tax cuts, in fact, they increased taxes for the vast majority of the population, especially the poorest in our population, year in, year out, every year. In contrast to that, we have cut taxes for everyone especially the lower paid year in, year out. We have taken thousands of low paid workers right out of the tax net. We have abolished road tax. We have abolished death duty. We have abolished tax on savings. We have abolished tax on pensions income. We have abolished tax on income under £8,000 a year. We have abolished tax on the senior citizens first £10,300 of income. We have abolished tax on Community Officers pay. We have abolished tax on student jobs. We have abolished tax on lower value properties. We have increased all allowances. We have introduced new allowances, medical insurance, nurseries, allowances for each child educated abroad. We have lowered tax rates for all. For those with allowances, through the traditional allowances based system. We have even created a new parallel tax system so that those without mortgages, pensions and life insurances would not be left behind. We have created a whole new gross income based parallel system to ensure that those without allowances also benefitted from lower tax. We have cut the top rate of tax from 50 per cent to 29 per cent and we have cut the company tax from 35 per cent to 10 per cent and the hon Members refer to it as the alleged, therefore question mark, question mark, mantra of tax cutting.

He makes much fuss about social insurance contribution rises but the party of which he is a member when it was last in Government, raised it every year by 10 per cent affecting, as I have said, all workers, rich and poor, affecting companies, the profitable and the unprofitable. Ours have been on a handful of occasions in 14 years. Theirs was every year, subject to what I am about to say, every year 10 per cent. Under the GSD therefore, everyone is still net much, much, much better off. Massively, over the 14 years, including this year. The Hon Mr Picardo thought he was being very clever by predicting that we would not have a social insurance contribution increase next year because it was a budget year. Well, he needs to look no further than immediately to his left for the last person to pull off that stunt because the GSLP who had no compunction to condemn the poor and the low paid workers in Gibraltar, together with everybody else, to increasing taxes every year; one, two, three, four, five, six, seven, the only year that they paused for breath was the last year before the election. So, I suppose what he is saying to me, I suppose you will be doing the same as Mr Bossano did, and not increase social insurance contributions on the last year because it is a tax year. You see, they just play at politics. They do not bother to research. They do not bother to know who said what or who has done what. They think politics in Gibraltar is a game. They think that offering themselves to make yourself responsible for the future of this community, its politics, its economy and its finances... They think it is a game that they can play part-time between lucrative, legal jobs.

Mr Speaker, and then, demonstrating all the profundity of economic prowess that they have been able to muster between them, they say, well if there is so much surplus why have you bothered to increase anything. Why ask me? Why do they not ask the Leader of the Opposition sitting next to him who had surpluses every year and still increased tax every year by much more than we have done. You see, Mr Speaker, in spinning and

distorting and manipulating and misrepresenting and creating false impressions, they are not even clever enough to mind their backs to watch their ears. They are not even careful enough to say, hang on am I accusing him of something that we did ourselves, or that my great leader used to do habitually. No, they could not be bothered. It is slap dash in Opposition and I have no doubt you will be equally slap dash in Government but when you have got the responsibility of 30,000 people in Gibraltar, slap dashness of this sort is not affordable.

Mr Speaker, the Hon Dr Garcia raised the important question of sovereignty and incursions and I want to take this opportunity, although it is not strictly speaking something that arises on them, but never mind I in the spirit of the fact that it is sort of a state of the nation debate, I hope that just as I acknowledge his right to raise his views, that he will allow me just a short time to restate the Government's position on this important question. Mr Speaker, I would like to take the opportunity to recall, to remind the House of what it was that I said in reply to him last year on that matter and for that purpose I am reading from page 159 of Hansard of the Budget debate last year. Quoting myself there, "the upholding and defence of the sovereignty of Gibraltar's waters is the constitutional responsibility which they insisted on preserving for themselves in the new Constitution of the United Kingdom Government. I do not have a navy and I do not have a diplomatic service. However, the Government of Gibraltar certainly has jurisdictional competences for official acts in Gibraltar waters and that we are certainly intending to upgrade our investment to make much more senior our assets to uphold them. Not only will that involve the installation of a new VTS system but it will involve the acquisition of vessels of a much more important size and capacity with which to exercise and enforce our jurisdictional competences and our statutory obligations." I would, therefore, ask the hon Member in his public statement if he wishes to accurately reflect the Government's position and not steer on this important issue. That the Government of Gibraltar draws a distinction between Gibraltar authorities exercise of their statutory competences and jurisdiction which is what I was referring to, and said, and the defence of Gibraltar from what is in effect an assault on its sovereignty which is the responsibility of the United Kingdom Government. In other words, it is not the responsibility of the RGP to prevent incursions by Spain. Incursions by Spain into our waters raise questions of the defence of the realm from a foreign power and are the responsibility of the United Kingdom Government. And the Government of Gibraltar has no intention whatsoever whilst we have every intention of ensuring that it is we who exercise competences in these waters and nobody else … So, for example, the RGP tries to impede the Guardia Civil from exercising competences in our waters whenever they can, that is to be distinguished from preventing the incursion, which means stopping them physically from sailing into our waters, which is not a function that I am willing to put any Gibraltar Government Authority at the front line of, so that we have a declaration of physical confrontation of war between Gibraltar and Spain. No no. Let the United Kingdom discharge its responsibility to do that without putting us in the front line of that sort of battle.

Mr Speaker, moving then on away from that to the next issue that I would like to tackle which is a variety of points that, different of the hon Members opposite have made. The other hallmark of the hon Members opposite is that they try to be all things to all men. They will support everybody and anybody against the Government except support the Government's position on any issue involving any factual circumstance whether it involves public funds, whether it involves a reasonable or an unreasonable claim, whether it involves a statutory compliance or not a statutory compliance, whether the other side is complying or is not complying with the rules. Everybody is supported against the Government as an act of systemic choice on their part. So they try to be all things to all men.

To civil servants now whom they kept short of resources, short of promotion, short of recruitment for all the years that they were in office. Now, they want to support the Customs and the Fire Brigade whose overtime they reduced to almost completely

disappearing. Now, not only does he simply rally in support of every public sector group of workers that wants more and more and more money from the tax payers, I beg your pardon Mr Linares, but he says that the Government resists them, quote him "to undermine the workers". So, let us get this clear so that everybody can understand the depth and the profundity of the Hon Mr Linares's wisdom. The Government offers a group of public sector workers a 12 per cent pay rise for doing little more than they are already required to do and are doing. Requiring in exchange only a degree of flexibility which has been accepted in greater degree by every other group of public sector workers that has done the same deal with the Government. In the Port, in the Electricity, in the Sports and Leisure Authority, and when the workers vote against it responding, so the Union tell us, to an intense politically motivated campaign by their party activists, he comes to this House to tell him that I am bullying the workers in order to undermine them. Well, Mr Speaker, if there are dozens and dozens and dozens of young enthusiastic Customs Officers who are today 12 per cent worse off than they might have been, they have only the GSLP's cynicism, manipulations to blame for it and it is not I that have said it. It is the Transport and General Workers Union that put out a public statement saying so. They who were there trying to persuade their members that this was an excellent deal and they had people beavering away. Beavering away, no no no. As they have done with the port. As they have tried to do with every authority and every improvement and every restructuring that we have done. Few across the floor of this House are single-handedly responsibly through your political abusive manipulations of the fact that Customs Officers and their families are not today enjoying 12 per cent more pay.

And then, part of this all things to all men, is this sort of jumping on every passing bandwagon. So, things that they did not care about the day before yesterday, become a principle the moment somebody else says it. So, the fishing fraternity with the enthusiastic participation of a well known GSLP activist who moves motions on the very subject in the GSLP's annual meetings, or general meetings, comes out saying, fishing must be regulated, enough is enough. Enough of this scandalous damage to our everything and the hon Members opposite come out, yes of course, unanimous resolution, all our support, all of us are in favour, it must be done, we are all with the fishermen, and I say, my God these people, these Opposition guys, they really feel strong and passionate. This must really be a matter of principle. At last I have found something that they are doing out of principle. So I reach for their manifesto and I say where is it? It must be here. There must be a whole page about regulating fishing, about regulating diving. Surely it must be here. They cannot simply have become converts like St Paul on the road to Damascus. Somebody else opens a battlefront against the Government. There we go to join them. It cannot be that. It must be here and then when I got to the last pages about dialogue with Spain. Surely, they have not hidden it there. It cannot be there. Not a bloody word. Not a dickys word. Not a word full of blood. Not a word full of blood Mr Speaker. If the hon Member is offended by the use of that word I withdraw it unhesitatingly. Not a single word, let us drop the adjective, not a single word about regulating fishing or diving or anything else in their manifesto. But now they are at the forefront passing resolutions in their annual general meetings, coming out on television saying these guys are right and they have got all our support. Not a word. So presumably, they think that all the reasons that are being demanded of the Government and which they resisted, most of them, before 1996, sensibly in my opinion, they all started to happen on the day that the Fishing Angling Association put out its first press release because they did not think it was a concern when they scribbled this document in 2007.

And then with the boat owners. The boat owners, you would think that this party has been terribly, terribly mean to boat owners in Gibraltar. I mean for goodness sake, imagine in a place surrounded by water the Government not producing berths. Can we just stop a moment and examine fact rather than recently invented fiction. It was the Members opposite who condemned the small boat owners to exposed and unsafe facilities in Western Beach. Left them there for eight long years

caring not a fishes teat that storm after storm would sink boat after boat and it is the GSD Government that brought them all safely like good shepherd into the harbour and put them in Coaling Island marina. And then I said, well alright perhaps they are just being a little bit ungenerous, you know. They are forgetting their own sins and they are ignoring our virtues on this subject, and I said, but given that they are so concerned about fish boats… You know, they raise it in their budget speech, there must be, I must have missed this, there must have been something in their manifesto that must commit the GSLP Government to building more boat owners facilities for local small boat owners. After all, imagine, surrounded by water and not having berths. Given that they feel now so passionate about this, this must be because they are frustrated that boat owners have been denied more berths only because the GSD won the last election, because if the GSLP had won it, there would have been berths for everybody. So then I finger through the manifesto and I said, well there must be a photograph about this one. I mean, I can see that it is difficult to have a photograph about regulating of fishing because you cannot really photograph it, but this one there must be a photograph as well as lots and lots of words about how they are going to do it. Not a word of it. Not a word of it. This is what they said about berths for small boats. If anybody thinks I am about to read anything that suggests that they were committed to building more of these or to providing more of these, let them not hold their breath. This is what they said about berths. This is the totality of what they said about berths. Yes, page 17 of his manifesto. "It will be a condition of any new reclamation leading to the provision of a marina, that sufficient spaces are allocated to small boat owners to enable them to berth their boats". So, in other words, there would only be more berths for small boat owners if there was a new marina but not otherwise. Well, Mr Speaker, more and more band wagonism, more and more spin, more and more all things to all men. More and more assumption of principle.

HON G H LICUDI:

Mr Speaker, will the hon Member give way.

HON CHIEF MINISTER:

Well, Mr Speaker, have I said something which is inaccurate, factually inaccurate. Well, if he does not think I have said anything which is factually inaccurate I would prefer not to give way to him.

HON G H LICUDI:

Mr Speaker…

HON CHIEF MINISTER:

If he thinks I have said something which is factually inaccurate, I am happy to give way to him. Which is it?

HON G H LICUDI:

It is.

HON CHIEF MINISTER:

Alright, then I am happy to give way to him.

HON G H LICUDI:

It is inaccurate in this sense. What we have said in relation to the boat owners issue is that another year has gone past and the commitment which the hon Member gave at the last general

elections has not been completed and therefore what I added after hearing the contribution by the Hon the Minister for Sport is that we welcomed the fact that an announcement had been made in this budget that this would be carried out this year. So far from criticising the Government which I have done consistently over the last years, this year I welcome that that commitment was being given. So perhaps the hon Member will recognise that.

HON CHIEF MINISTER:

No Mr Speaker, the hon Member will not because the hon Member, the Chief Minister, is not speaking just about what he says in this House at budget session last Friday. The hon Member is speaking about them all generally, including what they say in press releases unto to the small boat owners when they go to see them and in their press releases about how the Government is failing the people of Gibraltar because we are not building them. Well, never mind about where he put the comma in his sentence in his budget speech last Thursday and now he is again spinning because nobody listening to his speech last Thursday or Friday or whenever it was that he gave it, could possibly have thought that the point of raising this was to congratulate the Government for doing it rather than to criticise the Government for not having done it. The fact of the matter is that it is happening this term because the GSD won the last election because we had it in our manifesto because if they had won the last election it would not be happening this term because it is not in their manifesto. That is the reality. They just adopt causes. They adopt principles on the hoof simply to align themselves to whoever is criticising the Government on that day. That is the extent of their principle. That is the extent of their political project.

Then the Hon Mr Picardo eulogises Gibtel and its success and now what a great achievement it is. Does not he recall, it was not that long ago, that he was denigrating his Chief Executive Officer, Mr Bristow, because he had a company car. All things to all men and the closer you get to a general election the more men and the more things. So, he spends a number of years denigrating the very formulas that the Government …

HON F R PICARDO:

Will the hon Member give way?

HON CHIEF MINISTER:

No Mr Speaker, I will not give way.

HON F R PICARDO:

Mr Speaker, on a Point of Order, the hon Gentleman cannot point to anything I have said in this House or in any public statement where I have denigrated or commented on Mr Bristow's company car.

HON CHIEF MINISTER:

Well Mr Speaker, I do not accept for one moment that I cannot find references in this House and in the Hansard to the hon Member being critical of Mr Bristow and his position and his role and his pay and the size of his pay packet and the fact that he had a pension and that he was working at two places at once. He has been critical of the very person and the very structure and the very arrangements put in place by the Government for what now, in order to endear himself to them and try to persuade them to vote for him, he now eulogises in the most explicit of terms and this is yet another example of the same thing.

And of course, if you go into the Hon Mr Linares's address, then of course, the examples are almost endless. So unemployed

teachers and lawyers, let me see how many unemployed teachers and lawyers, there must be at least 150 votes there. The Government, in effect, must be providing jobs for all unemployed teachers and lawyers. Well, is the hon Member really saying to the Government…

HON S E LINARES:

That I said that?

HON CHIEF MINISTER:

Well, yes you said. Yes, yes you did. You referred to the number of unemployed teachers and lawyers that there were and you said that the supply system was not the answer. Well, Mr Speaker, anybody hearing that would be entitled to assume that he was… since you were blaming the Government, that you think that the Government should be doing something about employing teachers and employing lawyers for which the tax payer has no need. Well, Mr Speaker, you know, so now Customs Officers, Fire Officers, small boat owners, the fishing fraternity, the driving fraternity, Gibtel, unemployed teachers, unemployed lawyers, on this basis, you could try and harvest every group in the society and of course they will and it is right and fair that they should try to attract the votes of every group in the society. But they must do it with reasonable objective statement or we will be there to point out to them what they are doing as I am doing today. The hon Member Mr Linares implied or suggested, castigated the Government for not doing enough to protect teachers from unjustified complaints by parents. I mean, what does the hon Member expect the Government to do. To deprive parents of our school children of the right to complain about the school and about their teachers.

HON S E LINARES:

Mr Speaker, Point of Order please.

HON CHIEF MINISTER:

No Mr Speaker. I will not give way.

HON S E LINARES:

You do not have to give way. It is a Point of Order.

MR SPEAKER:

Order order.

HON S E LINARES:

I think he did not hear me.

HON CHIEF MINISTER:

No Mr Speaker, the fact that he says it is a Point of Order, does not make it a Point of Order. He does not seem to understand.

MR SPEAKER:

Can I have order please?

HON S E LINARES:

Well I will demonstrate it.

MR SPEAKER:

Order. It has to be a Point of Order. It cannot just be a disagreement with what the hon Member is saying. It has to be a Point of Order. Let him start by pointing the relevant Standing Order to me.

HON S E LINARES:

Yes Mr Speaker. He has alleged that I have said that all teachers should be employed or all teachers should be protected and all that. What I said was of malicious accusations of parents to teachers. That is exactly what I said. So you do not have to distort my words. Thank you.

MR SPEAKER:

What was the Point of Order?

HON S E LINARES:

The Point of Order is that he has said that I have said something else Mr Speaker and I had not.

MR SPEAKER:

Well we cannot interrupt everyone's speeches, every time a Member on either side takes the view that somebody has said something which is not quite what he really meant. We will never finish the session.

HON CHIEF MINISTER:

Well Mr Speaker, in any event it is a distinction without a difference. The only way of fully protecting teachers against malicious complaints or policemen against malicious complaint or even politicians against malicious complaint, the only way of doing it…

HON S E LINARES:

Xxxxx

MR SPEAKER:

Order.

HON CHIEF MINISTER:

…the only way of doing it is to prevent the complaint in the first place because there are systems to prevent complaints, once made, from them being malicious or does he thinks that the school management, that the headteachers, that the department do not give the teachers complained of the opportunity to comment and defend themselves and establish that the complaint is unfounded whether through malice or otherwise. What does he think that the Government is not doing to protect teachers from malicious complaints. Parents complain. Parents complain. That complaint, once investigated, to establish whether it is malicious or not, whether it is otherwise justified or not for some other reason, the system exists and it is the same system as they had and previous Governments had and every Government has had. But no. I suppose that what has happened is that some teacher that has been the subject of a malicious complaint has joined the long queue right around Watergardens and has gone to complain to him that he has been the victim of a malicious complaint, ah do not worry I will

raise it in the House. So he comes along, and in the budget session he says, why is the hon Member not doing more to protect people against malicious complaints. Mr Speaker, it is really not grown up politics. The hon Member having analysed the system that the Government has in place to handle complaints comes to the conclusion that it can be improved upon to more early and more easily weed out the malicious complaints and that he can suggest something which improves the present system's ability to do that, I am perfectly happy to hear his proposals and to recommend them even to the department of education. What I am not willing to do is to stand here and acknowledge his unsubstantiated declarations to the four winds that there is insufficient being done to protect teachers from malicious complaints.

Then of course, the power station. He is glad… He is glad that the power station has not been built at all. So here he stops the stop watch, he says, I do not want the stop watch here because I have no intention of complaining about this project taking too long because, I am glad that this project is taking too long, because I do not want it up. Mr Speaker, and the hon Member said, the Government should look at other sources. He has been told repeatedly in this House, as recently if he was bothering to listen, by the Minister of the Environment in the last Question Time when asked by the Opposition spokesman for the environment, the investigations and the reports and the looking into which has been considerable, into what he calls other sources, this is just the last thing he read in some newspaper, alternative energy, why is not the Government building alternative energy power station, why does … Mr Speaker, if he knew what he was talking about, he would know that there is no currently available, commercially available system of generating electricity through renewable or alternative energy sources other than hydrogen gas and the Government has made the policy decision that it does not want Gibraltar's service by things which are more likely to cause catastrophes and explosions and fire and xxxxx as a means of generating electricity than diesel. So if the hon Member is glad that we are not building the power station, he should not be, because what he is saying is that he is willing to put Gibraltar's continuity of electricity supply based on his ignorance, he is willing to put in jeopardy Gibraltar's continuity of electricity supplies because he thinks, wrongly, that there is some "on the shelf" alternative source of energy which would create… just, again, all things to all men. Hoping that this remarkably unrealistic remark will endear him to the green fraternity whose projects as his other hon colleague thinks is gobbledegook. Well, Mr Speaker, there is no alternative but realistically available source. If there were, the Government would have opted for it and when I say the Government, I am not talking about just the political Government. This is being the subject of intense and careful analysis by senior Government officials, by external consultants and there is no alternative available source of energy upon which Gibraltar can rely and depend. Short of throwing a wire across the border and importing all our electricity and condemning to unemployment the hundreds of people who today work in the electricity generation industry which the Government is not willing to do and that is what there is.

Again, the old chestnut of St Bernard's School. You would have thought that given the adverse reaction of the teachers there last time he said this, he would not have repeated it. Look, Mr Speaker, I am not an educationalist and I do not know whether St Bernard's School is up to standard or not. I am assured by the Education Department that it is. But look, Mr Speaker, if it is not up to standard, it did not become up to standard, it did not stop being up to standard on the 16th May 1996. The school is the same school in the same building with the same number of children, in the same place, in the same road as it was between 1988 and 1996 and the GSLP Government at the time did not say, oh I must replace the school because it is sub-standard. It is no more sub-standard now than it was then.

Mr Speaker, another example of the way the hon Members twist and manipulate in order to create a false impression to anyone who may be listening to this debate. He rose to accuse my hon Colleague the Minister for Health, the Hon Yvette Del Agua, that he had not accused the radiologist… you know that he had not

offered succour to the sacked radiologist or the disciplined radiologist. So why, how dare the Minister say… First of all, the Minister had said no such thing and the Government had said no such thing. The Government issued a press release on the 11th May by every word of which it stands, in which it said, "Mr Costa is also incorrect in his assumption that the dismissal of one radiologist and the suspension of another is a case of going back to square one", I think that they were debating the mammography service or something. Then, the Minister, the statement goes on to explain why it does not mean going back to square one, this disciplining and sacking of the radiologist and then the statement goes on "Government therefore considers Mr Costa's knee-jerk reaction to be completely unfounded". That is to say, the reaction that the suspension was going back to square one. At no stage has the Government said that Mr Costa had personally offered succour. What the Government statement did say, and I will now demonstrate to have been accurate, is that the statement went on to say, "the Opposition's covert support for the two radiologists through their party political organ", through their party political organ, "is completely irresponsible and Government is convinced that the general public will condemn that support once the Government is in a position to reveal the real facts surrounding the disciplinary action taken by the GHA". In other words, the Government in its press release accused the GSLP's party political organ, that is to say, the New People, of offering succour in a completely irresponsible way and this is what the GSLP's organ had to say about it and people will have to decide whether it was offering succour or not. The Radiology Department at the Europort, "state of the art" hospital is in chaos as the Chief Executive of the Health Authority David McCutcheon launches an onslaught on the senior consultant radiology Professor Derg Bogner who is said to have himself challenged the poor administration in the hospital after a number of incidents affecting the Radiology Department. The Professor's partner Maria Bernathova, a consultant radiologist in her own right, is said to be the first victim of this bloody encounter. So obviously, it is alright to use bloody in the pages of the New People but not on the floor of this House. Anyway, to be the first bloody encounter with McCutcheon having dismissed her from her post this week in what is seen as an underhand way of getting back at the Professor who is said to have been involved in trying to get consultants together to put up a stand against what are termed as the totally unacceptable antics of McCutcheon and his team. So, Mr Speaker, everything that the Hon Mr Licudi said was wrong. It had not been said either by the Government or by the Minister. Mr Costa, I beg your pardon. I beg Mr Licudi's pardon, Mr Costa and everything that has been said by the Government on the matter is absolutely true and let the people of Gibraltar decide whether Mr McCutcheon sacked Maria Bernathova as the first victim of this bloody encounter with Mr McCutcheon having dismissed her from her post this week in what is seen as an underhand way of getting back at the Professor. Let them judge that remark by the GSLP Opposition in their newspaper with the facts. Mr McCutcheon with the support of the GHA Board and the Government, first disciplined and then sacked this consultant radiologist for the following: for ringing up one morning sick, cancelling appointments already in her diary for that day and seeing those same patients, one of those same patients that very morning in a private clinic, privately. The hon Member may think that that is a bloody campaign to get back at her husband but it is a complete fraud on the public service that people expect to get free of charge from the Government and it is not acceptable. There will be zero tolerance and any other consultant that does it will be dealt with in exactly the same way. It is not acceptable for consultants or any other Government employee in Gibraltar to call sick when they are not sick. To go to work somewhere else instead of going to work at what the tax payer is paying from and to boot to see public patients, whose appointments they have cancelled through calling in sick, privately that very same morning. But the hon Members opposite do not care. They do not stop to ask. All they want to do is throw mud at the Government, immediately. Immediately! They do not give a damn whether the Government has acted correctly or incorrectly. They will side immediately with everybody. My opponent's enemies are my friends and that is the only thing that motivates them. They are a principled desert. They would not recognise a principled stand if it hit them

anywhere Mr Speaker, and if the hon Members opposite think that when management in a Government department acts correctly as managements in this Government department has acted in this case, they still criticise the Government, it just shows the credibility that can be attached to what the hon Members ever, ever say, which is zero because they are not interested in the truth. They are not interested in objectivity. They are not even interested with institutional solidarity with the Government of Gibraltar, let alone the GSD. xxxxx stand not the GSD. They do not care or understand any of that. They abandon all of that in favour of using every incident as a stick with which to beat the Government. Well they have had their comeuppance in this case because I doubt that other than the eight members opposite across the floor in this House, there is any other person in Gibraltar who thinks that this person should not have been dealt with the way they were.

Well Mr Speaker, the Hon Mr Picardo may think that the Upper Town scheme has not got off the ground but he is not looking closely enough. There is a lot going on xxxxx along this Upper Town scheme. Buildings are being refurbished. Buildings are being sold to owners willing to refurbish them. The Government is selling… If he still visits the house up in Willis's Road he will have gone up Prince Edward's Road…

HON F R PICARDO:

Mr Speaker, on a Point of Order. The hon Gentleman is… This is a Point of Order… is talking as usual without knowing his facts. I still reside at No. 5 Willis's Road and I came down from there this morning Mr Speaker. So I do still visit the house because I still live there and in his eagerness, Mr Speaker, to try and score cheap political points, the hon Gentleman should try and get his facts right.

HON CHIEF MINISTER:

Mr Speaker, I have not uttered any fact. I have said if he still visits the house in Willis' Road. There is no fact. There is no allegation. So the answer is yes he still visits the house in Willis's Road. Well fine. This is not inconsistent with anything I have said. He is very sensitive Mr Speaker. He must know why. Now Mr Speaker, if he has gone up that way.

HON F R PICARDO:

Xxxxx

MR SPEAKER:

Order, order.

HON CHIEF MINISTER:

The point that I was making Mr Speaker, is that if he had gone up there, he would have gone up Prince Edward's Road as I think the Leader of the Opposition does sometimes and I just ask, him as a matter of passing interest, to glance at the buildings along the length of Prince Edwards Road. At the bottom half and even xxxxx and he will see the progress that there has been in retrieving many buildings through both public and private efforts, pursuant to Government policies to sell buildings to people willing to invest in their retrieval in the public sector and in places like Calpe Barracks, in places like the barracks in Flat Bastion Road, old abandoned derelict Government buildings in Castle Steps, the Government will see GJBS converting many of these properties into attractive affordable homes and that is part of the Government's Upper Town renewal scheme and you will see much more of that going on.

The hon Member also commented about the FSC's fees and here we are more in agreement. I want the hon Member to be aware that the fees only went up by what they did go up because the Government intervened and insisted on conducting its own consultation process. The law is that the Financial Services Commission decides or puts up the fees increases because it jealously guards its independence but we introduced a safeguard requiring those fees to require the consent of the Government, precisely so that the Financial services Commission would not jeopardise the macro economic interests of Gibraltar by having fees that were too high and when they put up the last set of fees to us, we said, "I am not willing to consent to them without a consultation process". I consulted the industry on the proposed fees. The consultation came back. Even allowing for the fact that nobody ever says yes I want to pay more fees, so it has got to be interpreted what they are really saying, the Government reduced these fee increases very substantially and spread them out over a longer period of time. Fees that the FSC wanted to introduce in just one year. So, on the one hand, there is the question of independent regulation which the Financial Services Commission believes, much more than we believe, but it believes strongly, requires them to be financially independent of the Government. To be financially independent of the Government, they feel that they must have their own sources of income. To have their own sources of income requires them to have freedom to raise whatever they want to raise. To employ as many people as they think they want to employ. So, on the one hand, there is sort of their desire, which the Government supports in principle, for independence of the regulatory machinery. On the other, there are the points that the hon Member was himself premising his comments on, that you know, we can do damage to the competitiveness of Gibraltar, we can make businesses struggle and the Government tries to balance the two things. In other words, tries to balance protection of the macro economic interest with the FSC's desire for regulatory independent control of their regulatory system. So, if the fees are not to his liking, the increases, all I can say to him is that they are less than they would have had the Government not intervened.

Mr Speaker, the hon Member says that Waterport Terraces roofs leak. I do not know on what basis he asserts that fact. The Government is aware of allegations which are in the Government's… As far as the Government is aware and concerned not true. The Waterport Terraces roofs do not leak.

Mr Speaker, the hon Member misses the point about the motion on the extermination of apes. The motion that I was going to bring and if he continues to press, I might still bring, is not to show who was right and who was wrong in the meaning of the word "extermination". Mr Speaker, if I were to bring a motion every time the hon Member says something in this House which is palpably, patently and self-evidently wrong, I would be bringing a motion every 15 minutes. The purpose of bringing the motion was to demonstrate the hon Member's unreliable debating style. The issue is not whether extermination means total or not, it is the fact that the hon Member stood there saying, he has looked at the dictionary, he has got the dictionary in front of him, it says this, it supports my view and therefore the hon Member is wrong and the purpose of bringing a motion was not to demonstrate what the word "exterminate" means. I think everybody understands what the word "exterminate" means. It means the total elimination of a species or the attempt or the desire to totally exterminate a species. The point of the motion is to demonstrate that the hon Member will say in this House whatever he has to say to get out of the moment whenever he needs to get out of the moment. That is the purpose of bringing the motion.

Mr Speaker, the hon Members opposite are clearly intent on creating for themselves a momentum of inevitable victory at the next election. They, through their own statements, without even waiting for anybody else to say it for them, which would be much more xxxxx if it were true... They said, if we are going to win this election, we have got to… The pendulum will not swing naturally towards us. We have got to wrench it back and keep on saying that the pendulum is back on our side and that we are going to win and that these guys have got one foot in the grave. That they have got this. That we… If we can arrive at the next

election with this sort of sense of momentum and inevitability, people will overlook our history. People will overlook the opposition that we have been. People will overlook everything else and vote for us because it is time for change, they will say. Time for change Mr Speaker. It is never time for the wrong change. It is never time to change a good thing for a tried and tested bad one. It is never good a time to change the Government that has done what this Government has done for everybody in Gibraltar for one with no vision, no alternatives, no principles, just a destructive desire to criticise everything that the Government does. They are driven only by an ambition for power. So they say that we are tired. That we are running scared. That we have nowhere left to hide. That we are running out of ideas. That we drown in ankle deep water. How, they have asked, how did Gibraltar slip this far under the GSD? The problem with them is that they end up believing their own spin. I suppose that might be one explanation why they accuse us of spinning and not realising that they are doing it themselves because, of course, if you end up believing your own spin, I suppose you stop thinking of it as spin. How did Gibraltar slip this far? Well what is the reality Mr Speaker? What is the reality? Tired. Running scared. Nowhere to hide. Running out of ideas. When the reality is that never is more going on to improve Gibraltar and to be able to tackle its problems and to ensure its prosperous future than is going on right now, but they criticise it all. Is that the evidence of tiredness and of lack of ideas and of drowning in ankle deep waters? When never, never has more been done in any 14 year period, by any Government of Gibraltar than has been done by this Government of Gibraltar, in our 14 years so far and much more to come, in the last 14 years. We have one of Europe's most successful economies. We have a new Constitution. We have the historical Trilateral Forum which is being hugely, hugely politically beneficial for Gibraltar, in terms of what it has achieved and in terms of where it has put us in the political debate and in the safe control of our own destiny. We are once again respected abroad. There has been huge growth and development in our health and social care. We have had massive tax cuts. We have had new buses. We have had new car parks creating hundreds and hundreds of additional parking spaces. We have had new roads. A new hospital. A new ambulance service. A new prison. A new sports hall. A new leisure centre. Wholesale beautifications of much of our city. We have had a new air terminal soon. We are having at the moment under construction a new Court House. We have had a new elderly swimming pool for the elderly. We have had new sports hall and facilities at Bayside. We have achieved recognition of our 350 code. Telephone roaming with Spain. Direct flights to Spain. Direct ferries to Spain. We have achieved normalisation in an EU context for our airport. We have built nearly a thousand affordable new homes. We have built the first Government rental estate for the less paid since 1970. We have a huge beautification of our old housing estates. We have built houses specifically for our elderly. We have invested in a new, in concept, Mount Alvernia. We have installed lifts. We have secured MOD jobs. We have introduced massive pension increases and exempted pensions from tax. There is an unprecedented elderly care and financial support system now in place. We have built a new crematorium. We have built a new small boat marina for small boat owners at Coaling Island. We have built new squash and tennis facilities at Sandpits and we have invested in numerous heritage conservation projects. The list goes on and on and on and on and I could carry on making the list. Never, in the political history of Gibraltar has so much been done and achieved in 14 years as this Government has delivered to Gibraltar. So given that that is self-evidently so to anybody with a pair of eyes in their head, why should we want to hide? Why on earth do the hon Members think that we should want to hide from that magnificent record. We are proud of it. We are proud of continuing to develop it and we will be asking at the next election the people of Gibraltar to give us the opportunity to continue to deliver success, prosperity, improved amenities to the people of Gibraltar in the vein that we have done in the past. So why should we want to hide? How can the hon Members think that a Government that has had the political courage and the political ability to deliver to Gibraltar a new Constitution, to stand up to the UK Government when it was necessary, to the

Spanish Government, to bring about as a result the Trilateral Forum, to put Gibraltar in a position where Britain has now agreed that they will not even discuss sovereignty without our permission. Gibraltar… How can the hon Member, with his 13 minutes in Parliament, say to a Government that has achieved that and much more for the people of Gibraltar in the face of those who thought that it was not achievable, that we drown in ankle deep water. The list of achievements of this Government, not just domestically, but internationally in relation to the UK and Spain, is endless compared to the achievements of previous Governments. So, that can only mean drowning in water for those people who are no taller than ankles and that is not this Government. But it is much more like them over the other side of the floor, Mr Speaker. The Government said, spin aside, spin aside, we said in 1996 that we would make Gibraltar proud and prosperous and stable and we have made Gibraltar proud and prosperous and stable. Proud in the sense that Gibraltar's reputation has been restored. That the world now thinks well of us and that Gibraltarians can once again go around the world proud of their homeland. Prosperous in the sense that we have delivered economic growth and economic prosperity that stands as a self-evident testament all by itself and stable to the extent that the reputable Janes publication in The Times newspaper ranks us as the fourth most stable country in the world after xxxxx. So we do not spin. We deliver to the people of Gibraltar what we set out to deliver. But of course, there is no answer to somebody who tries, as they do, to demolish, to ignore all of that by pointing at the Theatre Royal. By pointing at this and by pointing at that, that has not been done. Mr Speaker, the people of Gibraltar are much, much more astute than that as they have already once discovered for themselves. So, he may regard there are, for now, 14 years ... We expect them to be many more than 16 years as Gibraltar slipping this far. He may regard them… They may regard it as us being tired or running out of ideas but the facts speak for themselves.

Mr Speaker, so time for change, why? Change to put them here instead of us. Why on earth would the people of Gibraltar want to do that? The inescapable conclusion of listening to their political debate is that they are the party of false pretences. They are the party of false pretences. They are the false pretence party. They pretend that there is doom and gloom on the economy. Denying the self-evident reality that everybody else can see. They pretend that we have not been cutting taxes, denying the self-evident reality that everybody else can see. They pretend that we do nothing when never has more been done and never was more being done than is currently being done. They pretend that we are the party of the rich and they are the party of the poor, denying the reality that the opposite is true. They pretend that they are the party for the elderly, denying the reality that even the elderly now acknowledge that the party for the elderly is the GSD. They pretend that we are inactive in traffic and parking when we publish and commit to Gibraltar's first ever comprehensive plan. We have done many roads. Many parking schemes, more parking schemes. Never has more been done. Never has the Government of Gibraltar been more willing to tackle head on and accept the political challenges of solving Gibraltar's parking and traffic problems than this one. But they pretend the opposite, denying the reality. They pretend that we have done nothing on housing. They pretend that we have done nothing on health. They pretend that we have presided over terrible housing policies and terrible health policies, denying the reality. They pretend that the Government's finances are different to what they are by putting out confused, convoluted and distorted figures and analysis. Mr Speaker, the hon Members opposite are the party of the false pretence. They are, in effect, political confidence tricksters. They are political con men trying to create for themselves a momentum for victory, a sense of time for change, not on the basis of their own better merits, of their own better vision or their own better plans but on the basis of pretending that was is black is white, pretending that the Government has been a failure when the Government has been a good success. Like the GSLP before it, this political alliance is a political fraud. You see, nothing changes. It is still a systematic need to deceive the people of Gibraltar as the only ticket to office and to winning an election. I have no hesitation Mr Speaker, in recommending the Bill to the House.

Question put. Agreed to.

The Bill was read a second time.

HON CHIEF MINISTER:

I beg to move that the Committee Stage and Third Reading of the Bill be taken later today, if all hon Members agree.

Question put. Agreed to.

COMMITTEE STAGE

HON CHIEF MINISTER:

I have the honour to move that the House should resolve itself into Committee to consider the Appropriation Bill 2010, clause by clause.

THE APPROPRIATION BILL 2010

Clause 1 – was agreed to and stood part of the Bill.

Clause 2

CONSOLIDATED FUND EXPENDITURE

HEAD 1 EDUCATION AND TRAINING

HEAD 1-A EDUCATION
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 1-A Education – was agreed to and stood part of the Bill.

Head 1-B Training
Subhead 1 – Payroll
Subhead1 – Other Charges
Head 1-B Training – was agreed to and stood part of the Bill.

HEAD 2 CULTURE, HERITAGE, SPORT AND LEISURE

Head 2-A Culture and Heritage
Subhead1 – Payroll
Subhead 2 – Other Charges
Head 2-A Culture and Heritage – was agreed to and stood part of the Bill.

Head 2-B Sport and Leisure
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 2-B Sport and Leisure – was agreed to and stood part of the Bill.

HEAD 3 HOUSING

Head 3-A Housing - Administration
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 3-A Housing-Administration – was agreed to and stood part of the Bill.

Head 3-B Housing - Buildings and Works
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 3-B Housing - Buildings and Works – was agreed to and stood part of the Bill.

HEAD 4 ENVIRONMENT AND TOURISM

Head 4-A Environment
Subhead 1 – Payroll
Subhead 2 – Other Charges

HON F R PICARDO:

Yes, can the hon Gentleman look at Other Charges (1)(b). We have seen an increase there from £115 in respect of electricity and water to an estimate of £5,000 with a forecast outturn this year of £7,000. Is it that we are dealing with new areas being covered by that?

HON LT-COL E M BRITTO:

It is due to the reallocation of office space within Duke of Kent House between the Environment and Tourism.

HON F R PICARDO:

In (3)(b)(i) on Environmental Monitoring, the actual for 2008/2009 was £76,000. The forecast outturn this year is £52,000, so for next year we are estimating £54,000. We were told by the hon Gentleman that the new Environmental Management Action Group is being set up. How is it that the cost of monitoring can be going down in those circumstances? Are we covering that somewhere else?

HON LT-COL E M BRITTO:

Can the hon Member identify the head. Has he gone back to Environment?

HON F R PICARDO:

Sorry. I am still in the same place, (3)(b)(i).

HON LT-COL E M BRITTO:

Oh, it is Subhead 2(3). Could he ask the question again. I could not follow it because I was trying to find it.

HON F R PICARDO:

Yes. The hon Gentleman told us during the budget speech that he was creating an Environmental Monitoring Action Plan, I think, and if the cost of environmental monitoring is going down, from an actual of £76,000 in 2008/2009, to an estimate of £54,000 this year. There was an underspend in 2009/2010. So, is it that the Environmental Monitoring Action Plan is dealt with elsewhere and why is this figure coming down?

HON LT-COL E M BRITTO:

Mr Chairman, this has nothing to do with the Environmental Monitoring Action Plan. It is due to the retirement of an employee, a cleansing monitor who has not yet been replaced.

HON F R PICARDO:

I see. That does not reflect the salary. This is “Other Charges”.

HON LT-COL E M BRITTO:

Yes, it is a GDC employee.

HON F R PICARDO:

Right, and Mr Chairman, on Air Quality Monitoring, the estimate was £420,000. The forecast outturn is £411,000, but we are back down to figures in the region of £236,000, which was closer to the actual for 2008/2009. How do we account for that?

HON LT-COL E M BRITTO:

It is a contract variation xxxxx Mr Chairman. The contract was extended to include several apportionment studies. It is to do with the Ten application forms.

HON CHIEF MINISTER:

Mr Chairman, this is being checked. I believe that this is because last year there was a one-off monitoring exercise to some EU compliance purpose which is not annual. If my memory serves me correctly, I think it is to do with Ten applications. The… what is that called…

HON F R PICARDO:

Is it anticipated that there would be no cost in that respect in this coming year?

HON CHIEF MINISTER:

Yes. Whatever it was is not going to be repeated. It does not have to be repeated and therefore the cost of it is not reprovided.

HON F R PICARDO:

So the exercise in respect of the Ten applications has already been done, at sort of technical level.

HON CHIEF MINISTER:

Yes. The tests necessary to support the application for extensions and things like that is a one-off thing. You do not do it every year. Yes, Mr Chairman, it is about £156,000 that was added to the contract in addition to the quarterly recurrent payments for the recurrent monitoring to include several apportionment studies required in order to be in a position to submit applications for the time extension notification for PMT and NO2. Programme comprised a data acquisition, improved inventory data, additional monitoring construction, activity analysis, natural component correction, data analysis, road traffic analysis, shipping, all the various sub heads of that but which is not an annual requirement.

HON F R PICARDO:

Mr Chairman, in respect of (I)(ii) the Other Contract there which is the Control of Seagulls contract. We can see that that has now gone up to £122,000. Is the period of that contract now determined because I recall in the Question Time the hon Gentleman told me it was going to be a slight increase in the price but a much longer period? Is that period not determined? I do not think he could tell me the exact length of the period of the new contract.

HON LT-COL E M BRITTO:

The period had been practically doubled, if I remember. I have not got the figures in front of me but the figures had been practically... The period had been practically doubled as had the

number of operatives actually working on the project and the period is now over. The project has finished for this year.

HON F R PICARDO:

Right, and is it now going to be a recurring annual contract? Is that why the price has come down even though it is going to be double the length and double the numbers of people coming out here. Are we committed to an annual…

HON LT-COL E M BRITTO:

We are not financially committed to an annual exercise. That is the recommendation that this should be a four year contract because we are not financially committed to it, financially or contractually.

HON F R PICARDO:

Right, Mr Chairman, in respect of Subhead 2(4)(d), the Street Cleansing contract. Is that still being worked out on the basis of cost plus?

HON LT-COL E M BRITTO:

I am told it is cost plus.

HON F R PICARDO:

How is it that then we do not hit the forecast. How is it that it sometimes comes in below?

HON LT-COL E M BRITTO:

I am advised that the variations are due to the amortisation funding for the servicing of vehicle loans which was overestimated and has now been adjusted.

HON F R PICARDO:

Did you say the amortisation?

HON LT-COL E M BRITTO:

Amortisation funding was overestimated and has now been adjusted and that is why there is a change.

HON F R PICARDO:

I see. Mr Chairman, finally on Subhead 2(6) on the Epidemiological Study, the estimate for 2009/2010 has £150,000 which I think the hon Gentleman has told us is the total cost. Now the forecast outturn for this year is £23,000 and for next year we are expecting to spend £42,000. We were told, nonetheless, at this Question Time that it was anticipated that the study would be completed on time and that would be during the course of this financial year. So how is that we will still not have paid the balance to completion of the £150,000?

HON LT-COL E M BRITTO:

When this all started, the original estimate was very much a guestimate. We did not know… actually the provision that was made, was made prior to the contract figure being unknown. The contract is of the order of just over £80,000 but because of the additional information being required, the additional data being required and being processed, that cost has been

creeping up. So, the project is still on time and it will still finish by the end of the year but at the moment there has been a request for monitoring of air quality or… not monitoring, modelling, a certain amount of modelling being done. We are not sure what the cost of that is going to be. But those are the estimates. The project is still scheduled to end in time and we think the original estimate will probably not be reached.

HON F R PICARDO:

Even the £80,000 or the £150,000?

HON LT-COL E M BRITTO:

No, the £80,000 is the contracted cost.

HON F R PICARDO:

Is the price.

HON LT-COL E M BRITTO:

We think it will be over £80,000 but it will not reach £150,000.

HON F R PICARDO:

Right, but in that case how are the payments scheduled to be made given that in this financial year you do not expect to have reached more than £65,000 in total paid?

HON LT-COL E M BRITTO:

It has been paid in phases and instalments 2 and 3 will be due during this financial year. I do not know the minor details of it.

HON F R PICARDO:

Right, this is what I do not understand. The hon Gentleman has told us that the total contract price is £80,000 and the total amount that will be paid by the end of this financial year is £65,000. Is it that there is a final payment that is going to be due after April of next year?

HON LT-COL E M BRITTO:

I do not have that information in front of me Mr Chairman. I can confirm that the contracted figure is of the order of £80,000. It could be expected to rise because of the extra information being requested. Why the estimate is £42,000, I do not have that information in front of me. Oh, yes of course. I am being reminded. Of the £80,000, in fact it is £86,450, the Government's commitment is of the order of £63,000 and there is a commitment from the Research Institute itself to make a contribution of the order of £24,000, that is, I had forgotten that.

HON F R PICARDO:

So the Research Institute are the people who are actually carrying this out.

HON LT-COL E M BRITTO:

Yes.

HON F R PICARDO:

As they want the data, I assume for themselves, there is an element of contribution.

HON LT-COL E M BRITTO:

They offered to, from the beginning actually, the question the hon Member has never asked me, but the commitment of £86,000 is subsidised, if one wants to call it that, because the information is valuable to them and it is prepared to make that contribution.

HON F R PICARDO:

Thank you.

Head 4-A Environment – was agreed to and stood part of the Bill.

Head 4-B Technical Services
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 4-B Technical Services – was agreed to and stood part of the Bill.

Head 4-C Tourism
Subhead 1 – Payroll
Subhead 2 – Other Charges

HON J J BOSSANO:

Mr Chairman, can I ask the hon Member whether he can provide me with the information that he was not able to give me at Question Time and which is not being answered but which I did raise in my speech on the general principles of the Bill as to where the Government's share of the contract for the World War II Tunnels is? Is it included in the £2.9 million forecast outturn under Head 5 Subhead 16? I did mention in my opening remarks that since we do not vote the revenue, I would ask him for the information in anticipation that it would be provided if the hon…

HON CHIEF MINISTER:

Yes, Mr Chairman, the revenue is credited to the Consolidated Fund Head 5 Departmental Fees and Receipts, Subhead 16 Tourist Sites Receipts.

HON J J BOSSANO:

So the receipts are included in the £2.9 million for 2009/2010, the forecast outturn and can he say how much the amount was? I asked two questions.

HON CHIEF MINISTER:

Yes. The Government's share of the receipts are credited. This is xxxxx. Yes. The Government's 10 per cent share in 2005/2006 was £4,600. In 2006/2007 it was £9,300. In 2007/2008 it was £8,700. In 2008/2009 it was £9,700 and in 2009/2010 it was £9,700.

Head 4-C Tourism – was agreed to and stood part of the Bill.

HEAD 5 FAMILY, YOUTH AND COMMUNITY AFFAIRS

Head 5-A Family and Community Affairs
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 5-A Family and Community Affairs – was agreed to and stood part of the Bill.

Head 5-B Youth
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 5-B Youth – was agreed to and stood part of the Bill.

HEAD 6 ENTERPRISE, DEVELOPMENT, TECHNOLOGY AND TRANSPORT

Head 6-A Enterprise
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 6-A Enterprise – was agreed to and stood part of the Bill.

Head 6-B Transport - Port and Shipping
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 6-B Transport - Port and Shipping – was agreed to and stood part of the Bill.

Head 6-C Transport - Aviation
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 6-C Transport - Aviation – was agreed to and stood part of the Bill.

Head 6-D Transport - Vehicle, Traffic and Public Transport
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 6-D Transport - Vehicle, Traffic and Public Transport – was agreed to and stood part of the Bill.

Head 6-E Postal Services
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 6-E Postal Services – was agreed to and stood part of the Bill.

Head 6-F Broadcasting
Subhead 2 – Other Charges

HON F R PICARDO:

Does this include any expenditure anticipated in respect of the implementation of the review.

HON J J HOLLIDAY:

Mr Chairman, they do not.

HON F R PICARDO:

Mr Chairman, where would we see that charged?

HON CHIEF MINISTER:

Mr Chairman, in Head 101 of the Improvement and Development Fund when it materialises. Initially, the expenses will be of a capital investment nature in equipment and premises and things of that sort. So they will emerge in the Improvement and Development Fund before there is any change in the operating expenditure of the corporation such as it would appear there in the contribution levels.

HON F R PICARDO:

Mr Chairman, I appreciate that but there is no provision made, unless I am… Unless I have missed it, there is no provision made.

HON CHIEF MINISTER:

I hope there is. Head 101, Subhead 1(c) Gibraltar Broadcasting Corporation £300,000, on page 108.

HON F R PICARDO:

Oh, I see. Right.

HON CHIEF MINISTER:

It will not be enough, but that is the Head.

HON F R PICARDO:

Yes.

Head 6-F Broadcasting – was agreed to and stood part of the Bill.

Head 6-G Utilities
Subhead 2 – Other Charges
Head 6-G Utilities – was agreed to and stood part of the Bill.

HEAD 7 HEALTH AND CIVIL PROTECTION

Head 7-A Health
Subhead 2 – Other Charges

HON J J BOSSANO:

Mr Chairman, can the hon Member explain how it is that there is only a half a million increase in the estimate over the forecast outturn and the salaries alone takes up the half the million. Is it that she is not expecting anything else to go up this year? I know the contribution is down because, in fact, the receipts from the Group Practice Medical Scheme is up.

HON CHIEF MINISTER:

Yes.

HON J J BOSSANO:

So I am not questioning the decline that is attributable to an increase in revenue from another source. What I am saying is, if one looks at the overall expenditure, there is half a million between the total recurrent payment and the estimate for this year and if you look at the first line of the salaries there is a difference of half a million. So it seems as if the whole of the increase is accounted for by the first line.

HON CHIEF MINISTER:

Well, Mr Chairman, the … I mean it is true that there is the usual element of budgetary control wishful thinking in that figure but the truth of the matter is that the GHA is getting much better at controlling its costs beyond the payroll costs it cannot control. So, if the figures show that there is going to be zero increase in other costs other than on salaries and that is unlikely to materialise but if they look at the previous year, the estimate, if they look at the bottom of page 150, the expenditure was estimated at £68.4 million they came in at £72.6 million which is, roughly speaking, £4 million and the payroll total was …

HON J J BOSSANO:

Only £700,000 of the £4 million.

HON CHIEF MINISTER:

Sorry.

HON J J BOSSANO:

Of that £4 million, only £670,000 was the payroll increase. The salaries anyway.

HON CHIEF MINISTER:

Exactly.

HON J J BOSSANO:

Right.

HON CHIEF MINISTER:

I am just trying to add up all the figures all the way to the bottom to see what the actual difference was. I think it was more than that, Mr Chairman. If you add up all the figures, the salaries account for £1 million.

HON J J BOSSANO:

The salaries was £670,000 and altogether it was just under £1 million from £26.429 million to £27.404 million.

HON CHIEF MINISTER:

The relief cover was up £1 million, Vote 11.

HON J J BOSSANO:

But in the relief cover… Mr Chairman, is it not true that the hon Member, in fact, explained that the money had been put in the vote for expenditure that is allowed during the year so that people would have to ask for the money if it was needed and they should not automatically assume…

HON CHIEF MINISTER:

Yes.

HON J J BOSSANO:

…that if somebody was missing it required a replacement and I think that is what was being tested a year ago when £1 million was put in. In fact, it has turned out at £2 million and is he still trying to do that?

HON CHIEF MINISTER:

Yes Mr Chairman, I have just been reminded, of course, that pay review provision…

HON J J BOSSANO:

Are in the block vote I know that.

HON CHIEF MINISTER:

The pay review provision is included in the forecast outturn but not in the estimated figure. So the pay review for this year is in the supplementary fund vote. I do not know how much of that explains the whole of the point because I think there is that element of trying to control the GHA's expenditure by making them live with collars on the expenditure side and then at the end of the day it is whatever it is but at least the signal is of discipline on the expenditure side. So, there are explanations that help explain in part but I do not think any explanation will make it so that there is no increase in non-salary. There is bound to be increases in non-salary costs.

Head 7-A Health – was agreed to and stood part of the Bill.

Head 7-B Civil Contingency
Subhead 2 – Other Charges
Head 7-B Civil Contingency – was agreed to and stood part of the Bill.

Head 7-C Fire Service
Subhead 1 – Payroll

HON G H LICUDI:

Mr Chairman, I note that the estimate for this year has slightly gone up in terms of payroll but the establishment has gone down by one. Is there any particular reason for the loss of one posting in the Fire Service?

HON MRS Y DEL AGUA:

No Mr Chairman. The reason for the difference between last year and this year is that anticipated vacancies were recruited to before the vacancy arose. Therefore, last year we had an extra fire fighter which post has been eliminated through promotion at a higher rank. If you understand.

HON CHIEF MINISTER:

Xxxxx.

HON Y DEL AGUA:

Yes. The complement is eightyfour. Yes.

Subhead 2 – Other charges
Head 7-C Fire Service – was agreed to and stood part of the Bill.

HEAD 8 ADMINISTRATION

Head 8-A No. 6 Convent Place
Subhead 1 – Payroll
Subhead 2 – Other Charges

HON F R PICARDO:

Mr Chairman, in (4)(e) on Statistical Surveys, the estimate seems to be lower even than the actual for two years ago. Is there a reason for that?

HON CHIEF MINISTER:

Yes Mr Chairman. I think that that is to do with the fact that the family expenditure survey was being conducted and the surveying bit of it is just finished.

HON F R PICARDO:

I am grateful Mr Chairman and in respect of the utility charges at (6)(b) and (c) and the Office Cleaning at (j), is all of that accounted for by the expansion in size of the office?

HON CHIEF MINISTER:

Well Mr Chairman, by the fact that that building was unoccupied for much of the previous year. The Education Department moved out. There were one or two minor functions working on the ground floor. The Gibraltar Residential Properties and the garage eventually and now the building has been filled up by the European Union Department. So now it is full again and last year it was only a couple of rooms that were being used.

HON F R PICARDO:

Right and Mr Chairman on (13)(b) this Other Grants. Can the hon Gentleman tell us what is the nature of those grants that come under that subhead?

HON CHIEF MINISTER:

All sorts of things, Mr Chairman. I will see if I have got a list that I can read to him from … Mr Chairman, it is such things as … I will give him numbers rounded to the nearest thousand if he does not mind. The Commonwealth Fund for Technical Cooperation membership of £15,000. The Commonwealth Institute £300. Something called Ecclesiastical, I do not know what that is, £1,000; European Movement £3,000; Gibraltar Society for the Prevention of Blindness £500; Gibraltar Diabetic Association £500; Gibraltar Society for Cancer Relief £500; League of Hospital Friends £36. This is the estimate for the forthcoming year, right. Sorry, I have just realised that I am reading from the estimate.

HON F R PICARDO:

The hon Gentleman will note, Mr Chairman, that there is an increase in the forecast outturn of about £83,000 in the estimate last year. So can we get a flavour of what it is that might have affected that?

HON CHIEF MINISTER:

Oh I see. What made it £243,000 instead of £160,000? Well for that, I would need… Yes. The explanation for the increase between the estimate and the forecast outturn, that is to say, the 2009/2010 estimate and the 2009/2010 forecast outturn is £100,000 grant for the celebration of the 700th anniversary of the Shrine of our Lady of Europe.

HON F R PICARDO:

Mr Chairman, the hon Gentleman referred us to a payment for the European Movement, does that still exist?

HON CHIEF MINISTER:

I was a little bit surprised when I read it out myself.

HON F R PICARDO:

Somebody seems to be taking £3,000.

HON CHIEF MINISTER:

Mr Chairman, we do not have the figure. I think it is a historical thing. But I need to find out why it is still on the list and if it was not the European Movement, what was it, and if it was the

European Movement, is it a grant to the local branch or is it a subscription for Gibraltar's membership. It is one of these things that have been there from the year dot. But I will check. In fact, it is an interesting question.

HON F R PICARDO:

On (15) Research, Development Studies and Professional Fees. There is a bit of a jump from the estimate of £10,000 to a forecast outturn of £41,000. Can we have an idea of how that occurred?

HON CHIEF MINISTER:

It is something of which they disapproved, Mr Chairman. The valuation report of Gibtelecom.

HON F R PICARDO:

Ah, it is a xxxxx.

Head 8-A No. 6 Convent Place – was agreed to and stood part of the Bill.

Head 8-B Human Resources
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 8-B Human Resources – was agreed to and stood part of the Bill.

HEAD 9 FINANCE

Head 9-A Finance Ministry
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 9-A Finance Ministry – was agreed to and stood part of the Bill.

Head 9-B Treasury
Subhead 1 – Payroll
Subhead 2 – Other Charges

HON F R PICARDO:

Mr Chairman, there seems to be a reference under Operational Expenses which is not common to some of the other departments which is Staff Medical Services. Can the hon Gentleman tell us… Staff Medical Services under 2(2)(a)?

HON CHIEF MINISTER:

Mr Chairman, I am told that for staff that were employed as civil servants before 1975 are still entitled to have their medical prescriptions paid for them and there are still a few and this is the vote for the whole Civil Service, not just for the Treasury.

Head 9-B Treasury – was agreed to and stood part of the Bill.

Head 9-C Customs
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 9-C Customs – was agreed to and stood part of the Bill.

Head 9-D Income Tax
Subhead 1 – Payroll
Subhead 2 – Other Charges

HON F R PICARDO:

Mr Chairman, there is no particular increase in this subhead which suggests that there does not seem to be a need to employ new personnel, acquire new software in respect of the Bill we have yet to debate, the implementation of the Bill that we have yet to debate. Is that because it is going to come into effect from the last quarter of this financial year or that it is not anticipated that greater resources will be required for that implementation.

HON CHIEF MINISTER:

Well Mr Chairman, the actual implementation of the Bill does not of itself require more resources. What will require more resources is the creating the climate of compliance element, not just in tax, but indeed across many a heads of revenue and that will not be in the Income Tax office. That will be created as a stand alone unit somewhere else but there is no additional financial provision made even for that, somewhere else even, because the Government expects to resource it from the better use of existing labour that is already available on the payroll around the Government and bringing together resources in that way rather than creating new ones.

Head 9-D Income Tax – was agreed to and stood part of the Bill.

Head 9-E Finance Centre
Subhead 1 – Payroll
Subhead 2 – Other Charges

HON F R PICARDO:

Mr Chairman, on (1)(e), the Office Rent and Service Charges, that fluctuated quite considerably from an actual of £18,000 in 2008/2009 with an estimate of £84,000 for last year which turned into £197,000 now going back to £103,000. Is there any way that we can understand that fluctuation?

HON CHIEF MINISTER:

Yes, Mr Chairman. Last year the Landlord and Tenant renegotiation of rents were completed and so last year there was an element of arrears of increase paid retrospectively in respect of previous years and that is included in the £197,000. So the £103,000 is the more the annual, the new annual cost.

HON F R PICARDO:

Right and has it gone up from £18,000 to £103,000?

HON CHIEF MINISTER:

Well, there are several things involved there. There was a long lease which was, came up for renewal and then there were additional premises taken. I do not know if the hon Member has visited that area but we have taken a lease, I think of the landing area between the entrance doors and the glass and converted it. So there is more office space but, basically, it is just a huge increase as we have caught up with a market rental situation.

HON F R PICARDO:

I believe that that taking of the area between the door and the glass section had happened some time ago. Is that it had not been reflected in the rent yet?

HON CHIEF MINISTER:

Well, it was all included in the rent negotiations for the rent review. No, this is one of the functions of Government that when we finished the musical chairs that is going on, we hope to take out of Europort. At the end of the day, we believe that Europort should be for the private sector. At the moment, the Government has no choice but to be there. There is no need for it to be there and I would like to see a situation where the remaining Government functions in Europort move to appropriate premises elsewhere within the Government's own estate, saving both rent from the recurrent budget but also vacating office space for private sector activity.

Head 9-E Finance Centre – was agreed to and stood part of the Bill.

The House recessed at 12.58 p.m.

The House resumed at 1.03 p.m.

HEAD 10 EMPLOYMENT, LABOUR AND INDUSTRIAL RELATIONS

Subhead 1 – Payroll

HON G H LICUDI:

Mr Chairman, there is in the Personal Emoluments, the payroll has gone down. Presumably, there are two officers who appeared under this department that have moved to the Ministry for Justice as an Executive Officer and an Administrative Officer but there is one where the post appears to have disappeared, the Instructional Officer. Can the Hon Minister explain what has happened to that particular officer? Two moved to another department and one disappears altogether, an Instructional Officer. It is page 83 under the Establishment.

HON CHIEF MINISTER:

One Instructional Officer and one Administrative Officer. Who was the Instructional Officer?

HON L MONTIEL:

Mario Byrne. He retired.

HON G H LICUDI:

Does that mean that the post disappears?

HON L MONTIEL:

Somebody else has come into the establishment.

HON G H LICUDI:

I can understand two of them that are just moves to another department.

HON CHIEF MINISTER:

Yes. Well, Mr Chairman, whoever was Instructional Officer is not there and apparently there is no intention to replace him. That is what the estimates show. Whether that is a xxxxx decision or temporary or permanent I do not know but that is what it shows.

HON G H LICUDI:

That is the question. The question is whether that is, in fact, what is happening, that the post is disappearing.

HON L MONTIEL:

Well yes Mr Chairman. That job disappears but another post has been taken on as an Employment Officer.

HON J J BOSSANO:

Where?

HON CHIEF MINISTER:

Where? In the GDC?

HON L MONTIEL:

No no. It is a civil servant.

HON CHIEF MINISTER:

Mr Chairman we have to analyse. If the hon Member looks towards the bottom of the page, there is an increase in one under the GDC but I would have to check. I do not know whether that one rise in the GDC establishment there from 20 to 21, is the replacement for the Instructional Officer lost there. I would have to check whether they were the same post or whether that post has been dropped and something else, somebody who has come in to do a different sort of job. The Minister seems to think it is doing the same job but albeit in the GDC rather than a civil servant.

Subhead 2 – Other Charges
Head 10 Employment, Labour and Industrial Relations – was agreed to and stood part of the Bill.

HEAD 11 JUSTICE

Head 11-A Justice Ministry
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 11-A Justice Ministry – was agreed to and stood part of the Bill.

Head 11-B Courts - Supreme Court
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 11-B Courts - Supreme Court – was agreed to and stood part of the Bill.

Head 11-C Courts - Magistrates' and Coroner's Court
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 11-C Courts - Magistrates' and Coroner's Court – was agreed to and stood part of the Bill.

Head 11-D Attorney General's Chambers
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 11-D Attorney General's Chambers – was agreed to and stood part of the Bill.

Head 11-E Prison
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 11-E Prison – was agreed to and stood part of the Bill.

Head 11-F Policing
Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 11-F Policing – was agreed to and stood part of the Bill.

HEAD 12 IMMIGRATION AND CIVIL STATUS

Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 12 Immigration and Civil Status – was agreed to and stood part of the Bill.

HEAD 13 PARLIAMENT

Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 13 Parliament – was agreed to and stood part of the Bill.

HEAD 14 GIBRALTAR AUDIT OFFICE

Subhead 1 – Payroll
Subhead 2 – Other Charges
Head 14 Gibraltar Audit Office – was agreed to and stood part of the Bill.

HEAD 15 SUPPLEMENTARY PROVISION

Subhead 1(a) – Pay Settlements
Subhead 1(b) – Supplementary Funding
Head 15 Supplementary Provision – was agreed to and stood part of the Bill.

HEAD 16 EXCEPTIONAL EXPENDITURE

Subhead 1(a) – Tribunal under Section 64 of the Constitution
Subhead 1(b) – Swine Flu Expenses
Head 16 Exceptional Expenditure – was agreed to and stood part of the Bill.

Clause 2 – was agreed to and stood part of the Bill.

Clause 3

HEAD 17 CONSOLIDATED FUND CONTRIBUTIONS

Subhead 1 – Contribution to the Improvement and Development Fund

Clause 3, was agreed to and stood part of the Bill.

Clause 4

IMPROVEMENT AND DEVELOPMENT FUND EXPENDITURE

HEAD 101 – DEPARTMENTAL
Subhead 1 – Works and Equipment
Subhead 2 – Public Administration
Head 101 – Departmental – was agreed to and stood part of the Bill.

HEAD 102 – PROJECTS
Subhead 1 – Environment

HON F R PICARDO:

Mr Chairman, on here we have seen the funding for the Upper Town Urban Renewal reduced to zero now for two consecutive years and there is also a reference in the footnote in the disappearing subhead for this. Where is the funding going to come in respect of that project, in respect of this financial year?

HON CHIEF MINISTER:

Sorry, what is the Subhead.

HON F R PICARDO:

1 Environment and then there is the disappearing Subhead, Upper Town Urban Renewal.

HON CHIEF MINISTER:

Yes Mr Chairman because it is no longer accounted for as an umbrella project funded. It is now the various… If it is a road project, that will be parked under roads. If it is a housing element building, it will be done... So they are now scattered around the other projects heads and not just lumped up together, Upper Town Urban Renewal.

HON F R PICARDO:

Can the hon Gentleman identify what the total of that is? I know that, for example, we have got the Upper Town relief road. That has already been and gone but in respect of the other projects, can the hon Gentleman identify…

HON CHIEF MINISTER:

The Upper Town Urban Renewal project is everything that the Government does in the Upper Town. What the Government is doing in the Upper Town at the moment is converting and they are now nearly ready, two of them are nearly ready, converting three old derelict properties into affordable homes for sale. We did the new road up at Willis's…

HON F R PICARDO:

Tankerville.

HON CHIEF MINISTER:

Tankerville, yes. Even the car park we would regard as part of the Upper Town Urban Renewal regeneration. I mean this is why I say that when the hon Member says that the Government is doing nothing about the Upper Town renewal, it is true that we have not yet beautified the streets that he listed in his speech, but it is not true that the Government is not doing things in the Upper Town which all form part of its regeneration and its repopulation. There are things going on both to the I&DF and the Company projects that go in that direction. So now, I cannot remember, but we will see in a moment whether it is here or in the companies. We were about to start the demolition of the old KG6, the old Accident and Emergency and children's wing of the old hospital. That stands on stilts.

HON F R PICARDO:

That is here.

HON CHIEF MINISTER:

That is in there is it? Right.

HON F R PICARDO:

Old St Bernard's Hospital, Demolition and Conversion Works.

HON CHIEF MINISTER:

Yes. That is it, (i) and (j). Well the (i) bit anyway. (i) and (j). That is part of the Upper Town. So, I do not have but if he wants I can ask others to keep so that we have it in future, in Question Time, I can have somebody keep a tally of how much we are spending in the Upper Town that things that we regard but we do not keep it in that form.

HON F R PICARDO:

I see.

Subhead 2 – Beautification Projects
Subhead 3 – New Roads and Parking Projects
Subhead 4 – Relocation Costs
Subhead 5 – Other Projects

HON J J BOSSANO:

Mr Chairman, can I ask about the Rubble Tip Removal which is (b).

HON CHIEF MINISTER:

What number is that?

HON J J BOSSANO:

5(b), Other Projects. Is that just moving the rubble from one place to the other or the project that the hon Member mentioned in Question Time which was desegregation of the existing tip into what is usable for reclamation fill and what is not?

HON CHIEF MINISTER:

No Mr Chairman. That is just annual recurrent rubble tip administration and the head in which we can park the rubble tip removal but there is no financial provision there for the rubble tip removal. The rubble tip removal will cost a lot of money. It is not… certainly £195,000 would not hire you the equipment for a month or two or three. This is it. Removal of the rubble tip as opposed to management of the rubble tip is a very expensive proposition. A project to be funded in its own right and it is not funded through that number.

HON J J BOSSANO:

So it is not included in this year then?

HON CHIEF MINISTER:

No. Well, there is no number there because we do not yet know what it is going to cost. We have been negotiating with providers. We have not yet decided whether the Government is going to do it themselves or whether it is going to out source it, but whatever it is, it will be a significant number and it is not that and it is not there.

HON J J BOSSANO:

It is not there, no. If it is started this year, would it be done through the Improvement and Development Fund?

HON CHIEF MINISTER:

Yes, Mr Chairman. We think that this project will be done through the Improvement and Development Fund.

Head 102 – Projects – was agreed to and stood part of the Bill.

Clause 4, was agreed to and stood part of the Bill

Clause 5 – was agreed to and stood part of the Bill.

The Schedule, Parts 1 to 3 – were agreed to and stood part of the Bill.

The Long Title – was agreed to and stood part of the Bill.

THIRD READING

HON CHIEF MINISTER:

I have the honour to report that the Appropriation Bill 2010 has been considered in Committee and agreed to, without amendments, and I now move that it be read a third time and passed.

Question put. Agreed to.

The Bill was read a third time and passed.

The House recessed at 1.20 p.m.

The House resumed at 3.30 p.m.

BILLS

FIRST AND SECOND READINGS

THE COURT OF APPEAL (AMENDMENT) ACT 2010

HON D A FEETHAM:

I have the honour to move that a Bill for an Act to amend the Court of Appeal Act, be read a first time.

Question put. Agreed to.

SECOND READING

I have the honour to move that a Bill to amend the Court of Appeal Act in the form of the Court of Appeal (Amendment) Act 2010, be read a second time. Mr Speaker, this short Bill introduces a new section 22(A) into the Court of Appeal Act in order to prescribe the minimum amount of £50,000 for the purposes of exercising the right of appeal under section 66(1)(b) of the Gibraltar Constitution. Section 66(1)(b) of the Constitution states, and I quote, "An appeal shall lie from decisions of the Supreme Court to the Court of Appeal and thence to Her Majesty in Council as of right, that is to say (b) where the matter in dispute on the appeal is of a value prescribed by law or upwards or where the appeal involves, directly or indirectly, a claim to or a question respecting property or a right of the value prescribed by law or upwards, final decisions in any civil proceedings". Lawyers amongst us may recall that under the 1969 Constitution, under section 62(b), there was a similar provision that provided that appeals to the Privy Council as of right, there would be a right if the value was £500 or upwards. During the course of the constitutional negotiations for the new Constitution with the United Kingdom, Mr Garcia and perhaps Mr Bossano may also recall that in fact that was thought to be a very low sum indeed and it was thought that we needed to

reform that. But of course, if we had stated in the new Constitution what the value was, in other words, we would have said in the new Constitution £50,000, then there would have been no way in which we would have come to this House and of course, amend the value. That is why the Constitution now provides for, as prescribed by law or upwards. Now the Government had a decision to make. The decision was, well do we prescribe the amount by way of secondary legislation or do we prescribe the amount by way of primary legislation. It was thought that because we are talking about a constitutional right, that it was right and proper for us to come to this House by way of amendment to primary legislation and hence that is what we are doing in this Bill. The value we have set is £50,000. In fact, we have written to the Chairman of the Bar Council about this particular matter, consulted him and he has come back and, on behalf of the Council, he has said that he believes that £50,000 is a reasonable amount. So I therefore commend this Bill to the House.

Discussion invited on the general principles and merits of the Bill.

Question put. Agreed to.

The Bill was read a second time.

HON D A FEETHAM:

I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon Members agree.

Question put. Agreed to.

THE SUPREME COURT (AMENDMENT) (NO. 2) ACT 2010

HON D A FEETHAM:

I have the honour to move that a Bill for an Act to amend the Supreme Court Act, be read a first time.

Question put. Agreed to.

SECOND READING:

HON D A FEETHAM:

I have the honour to move that the Bill be now read a second time. Mr Speaker, this short Bill introduces a new Section 36B to the Supreme Court Act, so that where in any proceedings a court order is made in favour of any party, the costs payable to that party may include costs in respect of the premium of a policy of insurance taken out by him against the risk of incurring a liability in those proceedings. Lawyers amongst hon Members may recall that in August 2002, the then Chief Justice heard an application under rule 2 of the Supreme Court Rules as to the enforceability of conditional fee agreements in Gibraltar and after the event insurance premiums. The Court decided that CFA's were enforceable in Gibraltar but the recoverability of after the event insurance premiums, required primary legislation. At the time, the Court said that such legislation would be very much welcome. As hon Members know, Government are currently reviewing the law on legal aid and legal assistance and in our consultation paper, entitled "A Sustainable Future", we stated our intention to legislate to provide for the recoverability of insurance premiums associated with CFA's. Hon Members may also recall that the Chairman of the Bar Council, Mr David Dumas QC, welcomed these proposed amendments during the opening of the legal year and indeed he has written to me about the amendments on a number of occasions. On the 14th January, the Lord Justice Jackson published his final report in the UK following his review of civil litigation costs. The areas

under review were wide ranging and raised the prospects of contingency fee arrangements and a US style cost regime where no cost shifting applies. The report recommends the abolition of after the event insurance and success fees as recoverable cost items from the opposing party. The report now has to be considered by relevant stake holders in England and Wales and certainly the Government of Gibraltar will monitor the situation closely. I have, in fact, consulted the Bar Council whether in the light of that particular report, their view, as to whether the Government should legislate to make after the event insurance premiums recoverable in cost proceedings, had altered and their view was, emphatically that no. That they wanted the Government to continue with the amendments and if the situation needed to be reviewed in the future, then so be it but they felt that it was a necessary measure to be introduced in Gibraltar. The Government is happy to go along with that and hence this particular Bill. In the meantime, and pending the wider review of legislation in this area, this Bill will remove the uncertainty as to the recoverability of insurance premiums by way of cost. I therefore commend this Bill to the House.

Discussion invited on the general principles and merits of the Bill.

HON G H LICUDI:

This is as the hon Member has described, a piece of legislation or an amendment that the legal profession has been calling for. It is important that this, or legislation such as this, is not seen as something which merely encourages people to rush off to Court and encourages litigation in itself. But it is also important that good claims should not necessarily be abandoned, solely because of the costs implications to the parties litigating and this must be seen as part of the process of opening up access to justice in Gibraltar. As the hon Member has indicated, part of that process was the question of conditional fee arrangements and that has opened up access to justice that might not otherwise have been available but there was still the risk about costs to the other side. If the case was lost, there was still a possibility that a cost order should be made notwithstanding that a party had an agreement with his own lawyer as to the non-recoverability of costs, should the case not be successful. So this allows an element of equality of arms and access to justice and certainly we welcome that.

Question put. Agreed to.

The Bill was read a second time.

HON D A FEETHAM:

I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon Members agree.

Question put. Agreed to.

COMMITTEE STAGE

HON CHIEF MINISTER:

I have the honour to move that the House should resolve itself into Committee to consider the following Bills clause by clause:

1. The Court of Appeal (Amendment) Bill 2010;
2. The Supreme Court (Amendment) (No. 2) Bill 2010.

THE COURT OF APPEAL (AMENDMENT) BILL 2010

Clauses 1 and 2 – were agreed to and stood part of the Bill.

The Long Title – was agreed to and stood part of the Bill.

THE SUPREME COURT (AMENDMENT) (No. 2) BILL 2010

Clauses 1 and 2 – were agreed to and stood part of the Bill.

The Long Title – was agreed to and stood part of the Bill.

THIRD READING

HON CHIEF MINISTER:

I have the honour to report that:

1. The Court of Appeal (Amendment) Bill 2010;
2. The Supreme Court (Amendment) (No. 2) Bill 2010,

have been considered in Committee and agreed to without amendments and I now move that they be read a third time and passed.

Question put.

The Court of Appeal (Amendment) Bill 2010;
The Supreme Court (Amendment) (No. 2) Bill 2010,

were agreed to and read a third time and passed.

GOVERNMENT MOTIONS

HON CHIEF MINISTER:

I have the honour to move the motion standing in my name which reads as follows:

"This House:-

1. **Notes that the tenure of office as Mayor of Mrs Olga Zammitt ends on the 31st day of July 2010, and thanks Mrs Zammitt for her work and commitment in the discharge of the functions of that Office;**

2. **Notes that Mr Anthony J P Lombard, presently the Deputy Mayor, will assume the Office of Mayor on the 1st day of August 2010, until the 31st day of July 2011;**

3. **Appoints Mr Julio J Alcantara to be Deputy Mayor of Gibraltar, with effect from the 1st day of August 2010 to assist and support the Mayor, and to substitute for the Mayor in the discharge of Mayoral duties; and**

4. **Appoints the said Mr Julio J Alcantara Mayor of Gibraltar from the 1st day of August 2011 to the 31st day of July 2012."**

Mr Speaker, I think the House is now aware with the mechanics of the process whereby each year we appoint a Deputy Mayor who takes over as Mayor next year and so the cycle goes on and on. I think that this House will wish to join me in acknowledging that Mrs Olga Zammitt has performed and continues to perform, for the month that is left to her, her Mayoral duties with great distinction and she has brought to the Office of Mayor the continuation in its dignity and of a seriousness of role within our community which the House had

in mind when it appointed her to it. So, with thanks to Mrs Zammitt for when her term of office expires, I think it is a credit to this community that citizens can just step forward and discharge those functions in the way that she has and in a way which I think, the citizenry of Gibraltar appreciates, is now completely devoid of party politics. The current Deputy Mayor, Mr Anthony J P Lombard, takes over pursuant to the vote that we passed this time last year and we look forward to another successful year for the Office of Mayor. Mr Lombard will bring his distinctive style to the discharge of the functions of the office but I think that he will continue the tradition started, first by Momy Levy, then by Olga Zammitt and hopefully, and I am certain, from August this year onwards for twelve months, by Tony Lombard representing the civic aspects of the representation of our community and the Government wishes him well in the discharge of that office, which leaves us to select a Deputy Mayor for this year who will take over as Mayor next year, in 2011 Mr Speaker, and the Government is proposing Mr Julio Alcantara, who will be well known to all members in this House. He has been a distinguished teacher, a distinguished Director of Education, he is a leading and well known citizen in this community and I think is endowed with the characteristics required to carry out the ceremonial aspects of the office, whilst at the same time allowing Gibraltarians of all political persuasions to feel represented by him in this non-political civic representational role. The Government believes that Julio Alcantara has all the qualities required and that his commitment to many community functions in the past, both qualifies him and entitles him, we believe, to the opportunity to occupy this important civic representational role, which I am glad to see incumbents that we have invited to take up the position, regard with importance, with a great sense of pride, responsibility, privilege, at being asked and being voted by the House to do it, which I think augurs well for the continuation of the role of Mayor in the future in the way we have designed it to be occupied by somebody other than a member of this House. So, Mr Speaker, I commend the motion to the House which, in effect, thanks Mrs Zammitt, simply takes note of what is already a decision from last year and makes the decision to designate Julio Alcantara as Deputy Mayor this year, in the knowledge that we are therefore, in effect, making him Mayor as of 2011. I commend the motion to the House.

Question proposed.

HON J J BOSSANO:

We shall be voting in favour.

Question put. The House voted.

The motion was carried unanimously.

HON CHIEF MINISTER:

I have the honour to move the motion standing in my name and which reads as follows:

> **"This House resolves that the Honorary Freedom of the City of Gibraltar be conferred upon Michael Ancram and Andrew MacKinlay for their sustained and persistent support over many years for the aspirations and interests of Gibraltar and its people and their defence and promotion within and without the House of Commons."**

Mr Speaker, Michael Ancram was first elected to Parliament in February 1974 when he contested and won the seat of Berwickshire and East Lothian. Michael has had a long parliamentary career during which time he served as Shadow Foreign Secretary and as Chairman of the Conservative Party. During the premiership of John Major, Michael served as Minister of State for Northern Ireland. He held numerous posts in the Shadow Cabinet under the leadership of Iain Duncan-Smith, who was later succeeded by Michael Howard. Michael Ancram stood down from the Shadow Cabinet in 2005, following

the election of David Cameron as party leader. Michael Ancram's support for Gibraltar has been solid throughout his parliamentary career, having raised Gibraltar related issues in the House on many occasions. It was perhaps during the ill-fated joint sovereignty proposal by the Labour Government that Michael Ancram, as Shadow Foreign Secretary, may be best remembered. During this difficult period in Gibraltar's history, Michael Ancram, with the support of Iain Duncan-Smith and later Michael Howard, championed the Gibraltar cause, instigating many debates in Parliament and supporting the efforts of the Chief Minister and the people of Gibraltar throughout that period. Michael Ancram and Michael Howard broke off their holidays, the House may remember, and flew by private plane from Greece to Gibraltar, to demonstrate solidarity with the Government and people of Gibraltar during the 2001 National Day celebrations. Michael Ancram also organised my appearance as Chief Minister to address the Plenary of the Conservative Party's Annual Conference during the difficult period of the joint sovereignty proposals, where I was able to brief the full conference on the joint sovereignty issue. He has never missed an opportunity to defend the rights of the people of Gibraltar and his support continues to this day. Michael Ancram retired from Parliament at the last General Election and I therefore consider it appropriate to move his elevation to the register of those who enjoy the Freedom of our City, by virtue of their support and fight for our cause as a people, in the United Kingdom political context.

Mr Speaker, Andrew MacKinlay will equally be no stranger to anybody in this House, at least not to its longest standing members. Andrew was first elected to Parliament as the member for Thurrock East in 1992. Soon after being elected to Parliament, Andrew took a keen interest in the rights of the people of Gibraltar to self-determination. He never missed an opportunity to raise questions in the House in defence of Gibraltar. Andrew MacKinlay was elected Chairman of the Parliamentary All Party Gibraltar Group, succeeding the late Michael Colvin MP, a position which he held for some years before passing the mantle to Lindsay Hoyle. His dedication to all things Gibraltar continued after he had relinquished the Chairmanship of the Gibraltar Group and he was very personally involved in the unofficial representation of the Gibraltar Services Police Association in Parliament, in dealings with the Ministry of Defence and other matters. During the time of the ill-fated joint sovereignty proposal, Andrew MacKinlay was one of the many Labour MPs who dared to raise his head above the party parapet wall in defence of the rights of the people of Gibraltar, an action which many say was taken by him at the expense of a ministerial career in the Blair Government. Andrew MacKinlay served the Foreign Affairs Committee as a member for many years. He, with others, was instrumental in convincing the Committee to visit Gibraltar and witness for themselves the strength of feeling felt by the Gibraltarians and the determination of the Gibraltar Government to defeat the Blair Government's proposals for the sharing of sovereignty with Spain. The Foreign Affairs Committee went on to produce a hugely supportive report on Gibraltar in July 2003. Andrew MacKinlay did not contest the last General Election in the United Kingdom. He is therefore no longer active in parliamentary politics in the UK and I, the Government believe, Mr Speaker, it is appropriate to acknowledge and recognise his work on behalf of the people of Gibraltar over many years, by bestowing upon him and Michael Ancram, that which is the highest honour we can bestow on any citizen, the Freedom of our City. I commend the motion to the House.

Question proposed.

HON J J BOSSANO:

Yes, Mr Speaker. I think it is right that we should … when those two friends of Gibraltar are no longer in Parliament, take the step that the Hon Leader of the House is taking and which we fully support, so that we show them that it is not that our friendship has been reciprocated while they were of use to us, but that we have not forgotten the work they put in for us in the past when they are no longer there to do it and I think they

belong to a generation of MPs that have got a very long history of Gibraltar going back many years. I think in the case of Andrew, perhaps more than in the case of Mr Ancram who was involved more in Gibraltar's issues when Labour was in Government than when the Conservatives were in Government, whereas Andrew MacKinlay was willing to take on anybody, irrespective of their political affiliation and irrespective of the forum. I think he did sterling work for us both in the All Party Group of the House of Commons and in the Foreign Affairs Select Committee, where again, there was cross party whole hearted support for Gibraltar on a number of occasions in going against the Foreign Office and the importance of staunch members of the Gibraltar lobby being inside that Committee has been vital. I think, as new members come into that Parliament, we have to find ways of cultivating a similar allegiance and support for Gibraltar but it is right that we should not forget those who stood by us for so long and defended us for so long. We support the motion whole heartedly.

Question put. The House voted.

The motion was carried unanimously.

HON CHIEF MINISTER:

I have the honour to move the motion standing in my name and which reads as follows:

> **"This House bestows the Gibraltar Medallion of Honour upon Bernard Linares who has served and contributed to the interests of Gibraltar and its people in an exceptional manner that is particularly worthy of recognition by this House on behalf of the people of Gibraltar and in particular, for services to religion, trade unionism, education, public service and politics."**

Mr Speaker, Bernard Linares is I think known to every member of this House either in a political context or perhaps even as a student of his whilst he was a teacher or a headteacher. Bernard Linares was ordained a priest into the Roman Catholic Church in 1960 and between 1963 and 1972 he served the diocese as a parish priest in the Cathedral of St Mary the Crowned until 1972. Between 1963 and 1972, Bernard was the chaplain and deeply involved in the work of the Young Christian Workers Movement in Gibraltar which was one of the organisations, together with the Transport and General Workers Union, that was at the forefront of the establishment of trade unionism and the advocacy and defence of workers rights in Gibraltar both locally and abroad. Indeed, the Young Christian Workers Movement initiated the tradition in Gibraltar of worker rallies on May Day. In 1965 the then AACR Government appointed Bernard to the Secondary Education Commission which was the Commission that advised the Government to introduce comprehensive education in Gibraltar. In 1972 he took leave of absence or he was granted leave of absence from his Church Ministry and he became a Branch Officer of the Transport and Workers Union during which he is credited with enhancing and enlarging the size of its membership, particularly, in the private sector of which he was the Branch Officer between 1972 and 1974. In 1974 he was full-time General Secretary of a new union, the Gibraltar Workers Union. In 1975 he graduated as a teacher and began work at Bayside School. Between 1988 and 1994 he was headteacher of Bayside School and then between 1996 and 2007, after he had retired from his career in teaching, he was a Minister in three successive Governments occupying various ministerial offices forming a part of the Gibraltar negotiating team at the Constitutional Negotiating Conference and assisting me as part of the Gibraltar delegation in the Comision Mixta de Cooperacion Local, which is the local regional cooperation architecture established by the Government. Accordingly, Bernard Linares has served Gibraltar, in one way or another, for fortyseven years in five careers. As a priest, as a leading member of the Young Christian Workers Movement, as a trade union leader, as a teacher, as a headteacher and as a Government Minister but

always with his humanism, his courtesy, his gentleness to the fore. I think Bernard Linares is a truly remarkable Gibraltarian that has dedicated his entire life to the service of Gibraltar and its people, in one form or another, and I think it can genuinely be said of him that he has served Gibraltar in an exceptional manner that is particularly worthy of recognition by this House on behalf of the people of Gibraltar. I think it is possible for us, regardless of political agreements or disagreement, to recognise the virtues and the works of individuals, regardless of whether they have worked towards what they think is for the good of Gibraltar from one or other political perspective. In the hope that the House will be unanimous in its support, and following consultation with the Leader of the Opposition as I am required by the Act to do, I move the motion that Bernard Linares be awarded the Gibraltar Medallion of Honour.

Question proposed.

HON J J BOSSANO:

The hon Member's hope that it will be unanimous will be confirmed. We are voting in favour as I have already told him.

Question put. The House voted.

The motion was carried unanimously.

HON D A FEETHAM:

I have the honour to move the motion standing in my name which reads as follows:

> **"That this Parliament considers and approves, in accordance with section 32(4) of the Judicial Service Act, the draft Code of Judicial Conduct and Ethics laid before this House."**

Mr Speaker, the Code has been drawn up by the President of the Courts of Gibraltar, Sir Murray Stewart Smith, in consultation with the Chief Justice and the then Chairman of the Bar Council, James Neish QC. The draft Code has been considered by the Judicial Service Commission and adopted in accordance with section 32(2) of the Judicial Service Act. The Government has not had, nor indeed is it required by the statute to have, any input into the drafting of the Code. Our obligation on this side of the House is to lay the draft before this House for approval. But, of course, the Government is voting in favour of the motion today. Mr Speaker, guides to judicial conduct have become an essential ingredient in the governance of the judiciary internationally, not only in Gibraltar but everywhere else. Judges are, of course, absolutely pivotal in any constitutional democracy. They are entrusted with the exercise of considerable power which can, potentially, have a dramatic effect on the lives of citizens that come before them. It is therefore only right and proper that they would not wish such power to be reposed on any one whose honesty, ability or personal standards are questionable. The draft Code is based largely on the English guide to judicial conduct and on well known international principles and standards relating to judicial conduct and ethics. Hon Members may recall that in 2001, the United Nations initiated the Bangalore principles of judicial conduct which led to a draft Code which was prepared by a group comprising senior judges from the Commonwealth countries and were endorsed at the Ninth Session of the United Nation's Human Rights Commission in Geneva in April 2003. The six core principles that emanated from that initiative are enshrined in the draft Code and are intended to establish standards for ethical conduct of judges and also to provide guidance to judges and to afford the judiciary a framework for regulating judicial conduct. They are also intended to assist members of the Executive and indeed the Legislature and lawyers and the general public, to better understand and support the judiciary. These six core principles are, of course, judicial independence, impartiality, integrity, equality of treatment, propriety, competence and diligence and I would like to go

through all these as indeed referring to the particular sections of the Code that deal with each principle in turn.

The first of these principles of judicial independence is enshrined in Clause 3 of the draft. Mr Speaker, judicial independence is not a privilege enjoyed by judges. It is, as it is in fact recognised everywhere in the democratic world, a cornerstone of any system of democratic Government and an absolute safeguard of the freedom and rights of our citizens under the rule of law and our Constitution. The code provides that in order to do so, the judiciary, whether viewed as an entity or through its individual judges, must be seen to be independent of the legislative and executive arms of Government whilst maintaining a relationship with the Government of mutual respect, each recognising the proper role of the other. Judges must also take care that in their conduct, official or private, does not undermine their institutional or individual independence. The Code also provides that judges should always be alert to and wary of attempts to influence judges and, in the proper discharge of duties every judge must be immune to the effects of publicity whether favourable or unfavourable. It does not, of course, mean being immune to an awareness of the effect that judicial decisions may have not only on the lives of people before the court but sometimes upon issues of great public importance which may be expressed in the media. Finally, on judicial independence, consultation with colleagues as the draft provides. When points of difficulty arise, of course it is important in maintaining standards as it is in barristers' chambers or firms of solicitors. But in performing judicial duties, the judge has to be independent of judicial colleagues and solely responsible for his or her decision.

The second principle is that of impartiality which is dealt with in Clause 4 of the draft Code. Impartiality is, of course, essential to the proper discharge of judicial office. It applies not only to the decision itself but also to the process by which the decision is made. A judge, according to the Code, should strive to ensure that his or her conduct, both in and out of court, maintains and enhances the confidence of the public in the legal profession and litigants in the impartiality of the judge and of the judiciary generally. Given the judge's primary task and responsibility is to discharge duties of the office, it follows that a judge should, so far as is reasonable, avoid extra judicial activities that are likely to cause a judge to have to refrain from sitting on a case because of a reasonable apprehension of bias or because of a conflict of interest that will arise from such activity. A stark example that is given in the guide itself, as indeed in the English code, is that a judge must forego any kind of political activity and on appointment must sever all ties with political parties. When a close member of a judge's family is politically active, the judge needs to bear in mind the possibility that in some proceedings, that political activity might raise concern about the judge's own impartiality and attachment to the political process. Another application of a principle, though difficult to define and apply to specific situations, is the expression of views out of court that would give rise to issues of perceived bias or pre judgement in cases that later come before the judge. The question whether an appearance of bias or a possible conflict of interest is sufficient to disqualify a judge from hearing a case is, of course, governed by case law and will vary according to the facts and circumstances of every case. Circumstances which may give rise to a suggestion of bias or an appearance of bias is present, must be disclosed by the judge to all the parties well before the hearing if possible and judges must bear in mind the difficult position in which parties and their advisers are placed by disclosure on the day of the hearing, when making a decision whether to proceed or not to proceed with a case. The Code provides that even where the parties consent to the judge sitting, if the judge, on balance, considers that recusal is the proper course, the judge should so act. However, the Code provides that it must also be recognised that the urgency of a situation may be such that a hearing is required in the interests of justice, notwithstanding the existence of arguable grounds in favour of the judge's disqualification.

The third and fourth principles of integrity and equality of treatment are enshrined in Clause 5 of the Code. As a general proposition, judges are entitled to exercise the rights and

freedoms available to everyone. While appointment to judicial office brings with it limitations on the private and public conduct of a judge, there is a public interest in judges participating, in so far as their office permits, in the life and affairs of the community. Moreover, it is necessary to strike a balance between the requirements of judicial office and the legitimate demands of judges' personal and family life. The code recognises that judges have to accept that the nature of their office exposes them to considerable scrutiny and puts constraints on their behaviour which other people may not experience. Judges should therefore avoid situations, according to the Code, which might reasonably lower respect for their judicial office or cast doubt upon their impartiality as judges. They must also avoid situations which might expose them to charges of hypocrisy by reason of things done in their private life. Judges should seek to be, according to the Code, courteous, patient, tolerant and punctual and should respect the dignity of all. The judge should also ensure that no one in court is exposed to any display of bias or prejudice on the grounds of, and I quote, "race, colour, sex, religion, national origin, caste, disability, age, marital status, sexual orientation, social and economic status and like clauses". This is a reference to the Bangalore principle of equality. There should be no bias and prejudice on those grounds which are regarded, according to international law, and well known principles, as irrelevant grounds. In the case of those with a disability, care should be taken that arrangements made for and during a court hearing, do not put them at a disadvantage. If I may digress, Mr Speaker, the new Court building, of course, will have lifts both in the Supreme Court and in the Magistrates' Court which will make them disable friendly and, obviously, comply with this particular principle.

The fifth principle, as set out in Clause 6, is that of propriety. Some of the guidance is so obvious that the inclusion may have appeared unnecessary but their restatement is, in our respectful view, a useful and general reminder that will assist judges in applying the principle stated in the Code. In particular, a judge must conduct himself in a way that is consistent with the dignity of the judicial office including in his or her personal relations with individual members of the legal profession who practice regularly in the judge's court and to avoid situations which might reasonably give rise to suspicion or appearance of favouritism or partiality. Clause 6 of the Code then lists a series of different situations that a judge should avoid and which I do not intend to rehearse. But perhaps it may be of interest to hon Members that a judge, like any other citizen, is entitled to freedom of expression, belief, association, assembly. But of course, in exercising such rights, a judge must always conduct himself in such a manner as to preserve the dignity of judicial office and impartiality and independence of the judiciary. Subject to the proper performance of judicial duties, a judge may write lectures, teach, participate in activities concerning the law, the legal system, in the administration of justice or related matters. He may appear at a public hearing before an official body concerned with matters relating to the law, the legal system, the administration of justice. He may also serve on special bodies or other Government committees or advisory bodies in order to advise the Government and others.

The sixth core principle is that of competence and diligence and that is set out in Clause 8 of the draft Code. The general proposition is that every judge must do what he reasonably can in order to equip himself or herself to discharge his judicial duties with a high degree of competence. This requires the judge to take reasonable steps to maintain and enhance the judge's knowledge and skills necessary for the proper performance of judicial duties, to devote the judge's professional activity to judicial duties and not to engage in conduct incompatible to the diligent discharge of such duties. Beyond stating that general proposition, it is not seen as a function of the Code to consider judicial duties in practice in respect, for example, to case management, the timing, the style of judgements or what is required by way of attendance at judicial seminars or, indeed, training.

After dealing with the core principles, the Code then goes on to deal with a number of specific problems that a judge may

encounter during the course of service as a judge. Thus, Clause 9 deals with personal relationships and perceived bias. The subject matter of this section of the Code and the situations in which they may arise are so varied that great reliance must be placed on the judgement of the judge applying the law, his or her own judicial instincts and conferring with a colleague where possible and appropriate. Again, juris prudence provides authoritative guidance in relation to this area. But the Code provides that a judge should not sit on a case in which the judge has a close family relationship with a party or the spouse or a domestic partner of a party. Personal friendship with or personal animosity towards a party is also a compelling reason for disqualification. Friendship may be distinguished from acquaintances which may or may not be sufficient to reasons for disqualification, depending on the nature and extent of such an acquaintanceship. Patently, a recent business association would disqualify a judge but a business association would not normally include that of insurer and insured, banker and customer, tax payer and Government. Mr Speaker, then Sections 10 to 20 deal with the judge's activities outside court, including after retirement. As far as media is concerned, judges should exercise their freedom to talk to the media and I quote, "With the greatest circumspection". Lord Bingham, Mr Speaker, once commented and I quote, "Habit of reticence makes for a good judge", and there is some of that in the Code, as far as dealings with the media is concerned. A judge can refrain from answering public criticism of a judgement or decision, whether from the bench or otherwise. Judges should not air disagreements over judicial decisions in the press and they must not discuss individual cases in the media. As far as commercial activities are concerned, the requirements of office clearly place, according to the Code, severe restraints upon the permissible scope of a judge's involvement with commercial enterprises. The management of family assets and estates of the deceased close family member, whether as executor or trustee, is unobjectionable and may be acceptable for other relatives or friends if the administration is not complex, time consuming or contentious. However, the Code provides that the risks, including the risk of litigation associated with the office of trustee, even of a family trust, should not be overlooked by judges and the factors involved need to be weighed very carefully before office is accepted. Sections 13 and 14 deal with involvement in community organisation and the provision of references by judges to members of the public. Section 15 provides that every judge holding full-time appointment is barred from legal practice and in addition to his judicial salary, a full-time judge should not receive any remuneration except the fees and royalties earned as an author or editor. The acceptance of a gift or hospitality of modest value as a token of appreciation not related to the exercise of judicial office, may be unobjectionable, depending on the circumstances. For example, a judge who makes a speech or participates in some public or private function should feel free to accept a small token of appreciation. There is also no objection, according to the Code, to the fact that the judge's expenses are paid for attendance to a particular conference in order for the judge to deliver a lecture. As far as contact with the profession, there is also a long standing tradition of association between the bench and the Bar and solicitors' profession. That is not only the case here but in other jurisdictions. This occurs both on a formal occasion such as, for instance, the opening of the legal year and also less formal ones. One caveat to maintain the level of social friendliness with the profession which is dictated by common sense, is that a judge must avoid direct association with individual members of the profession who are, of course, engaged in current or pending cases before the judge and that is reflected in the Code. Finally, Mr Speaker, section 20 deals with the part of the Code that applies to a judge after retirement. Hon Members will note, no substantive senior judicial officer should, within a year of his retirement or ceasing to be a senior judicial officer, return to private practice as a barrister or solicitor and provide services, on whatever basis, as a lawyer in any court or tribunal in Gibraltar or elsewhere, including any international court or tribunal in return for remuneration of any kind, or offer or provide legal advice to any person. The Code itself does not actually define senior judicial officer. But in fact, it is defined in the Judicial Service Act which also defines the term junior judicial officer. So, if hon Members look at the

interpretation section which defines a judge, the Code itself, applies to all judges. This particular Clause, as to a judge not being able to practice until a year after he leaves his office as a judge, only applies to senior judicial officers and that means, Supreme Court judges and upwards. This is one area where there is divergence with the Code applicable in England and Wales in that the conditions of appointment of judicial officers in that jurisdiction provide that judges accept appointment. In other words, their terms of engagement on the understanding that following the termination of their appointment they will not return to private practice as barristers or solicitors and will not provide services, on whatever basis, as an advocate in any court or tribunal in England or Wales or elsewhere. That has never been a condition of the terms of engagement for our judges here in Gibraltar. I should also bring to the attention of the House that although the Code was drawn up by the President of the Courts after consulting the Chief Justice and also the then Chairman of the Bar Council, James Neish QC, the now Chairman of the Bar Council, Mr David Dumas, wrote to the Judicial Services Commission, a copy to me, referring to the English guide of judicial conduct and the inability of judges to return to private practice ever and suggesting that that should be the position also here in Gibraltar. The Judicial Service Commission does not agree with the view advanced by the Chairman of the Bar Council and neither does the Government. Hon Members may recall that appointment of judges here in Gibraltar, as a consequence of the new Constitution, can initially be done on a fixed term contract. I see, for instance, sections 64(1) and (7) of the Constitution. So, for example, judges may be appointed initially on three year warrants. It would be wrong, in our view, in those circumstances for a judge not to be able to earn a living in the legal profession if for whatever reason that contract were not renewable by either party. It may well be that, in fact, the judge, after three years, decides that he does not want to continue as a judge and wants to go back to practice. There are other distinctions between the situation here in Gibraltar and in the United Kingdom. I have also said, as a matter of the terms of engagement, judges here, traditionally, have never had to comply with a clause of this nature of not being able to go back to practice once they cease to be judges. It has always been the position in the UK as a matter of their own contracts. In the United Kingdom as well, it is well known that in fact judges … In fact, the position is the same here but there is no market for it. In the United Kingdom, High Court judges will, for instance, have lucrative practices as arbitrators or indeed as mediators. That kind of a market is not available here in Gibraltar as it is in the United Kingdom. So there are differences between the situation here in Gibraltar and in England and Wales and hence the difference in treatment as between the guide in the UK and the guide here as relating to this particular clause. I therefore commend the motion to the House.

Question proposed.

HON G H LICUDI:

I am grateful to the hon Member for his contribution and for the very clear analysis of judicial conduct and the need for this guide. We will be supporting this motion which brings before the House the draft Code of Judicial Conduct and Ethics. In doing so, we recognise that this is not a Government document as the hon Member has said and the obligation of the Government is to bring this matter before the House. We recognise that this is based, to a very large extent, on the guide for judicial conduct which is available and which applies to judges in England. There are only two matters on which, perhaps, I would comment on which is not to say that it detracts from the fact that we are supporting the motion and this draft. But I would welcome the hon Members views or understanding again, subject to the premise that this is not a Government document. With regard to judicial independence, the hon Member has highlighted the fact that this is at the cornerstone of every judge's conduct. It is in fact absolutely proper that the three arms of Government, the Judiciary, the Executive and the Legislature should all be independent of each other and indeed the hon Member in his contribution did refer to the legislative and executive arms of

Government. I am curious as to why that is not specifically mentioned in the guide to judicial conduct. In paragraph 3(2) it says, every judge should maintain that the relationship between the judiciary and the Government with a capital G, is one of mutual respect, each recognising the proper role of the others, as if there was more than two. But it has Government with a capital G which could be interpreted as a political Government rather than the other arms of Government. By contrast, the guide to judicial conduct in the UK, in England and Wales I should say, says, the judiciary, whether viewed as an entity or by its individual membership, is and must be seen to be independent of the legislative and executive arms of government with a small G. The relationship between the Judiciary and the other arms should be one of mutual respect, each recognising the proper role of the others, which suggests, by reference to others, that there are three. It is not the mutual, that there should be mutual respect with different role of the other. So I am curious to understand the hon Member's analysis as to why. Clearly, we agree that judicial independence applies in respect of the Judiciary, Executive and Legislature but this draft refers to the Government with a capital G which, when I saw it, certainly suggested to me that what it was was a reference to the political Government rather than to what it says in the English guide to judicial conduct. The other matter on which I would welcome the hon Member's comments or understanding is in relation to the relationship with the media or talking to the media which appears in paragraph 10 of the Code. That, as the hon Member has said, makes it clear that the judges should exercise freedom to talk with the media with a greater circumspection, should refrain from answering public criticism of a judgement or decision whether from the bench or otherwise and then it provides, no judge should air disagreements over judicial decisions in the press and discuss individual cases with the media. But there may be circumstances, of course, where a judge is factually misreported in the press. What happens then? Is the judge not allowed to speak to the media? The guide to judicial conduct in England has provision for that. Under paragraph 8 of the guide of judicial conduct which applies in England which is headed "Activities outside the Court, 8.1 the Media", says, guidance as to how to react when a judge is factually misreported or where a judge is aware, particularly when sentencing in a criminal case, that remarks could be misinterpreted by reporters, is contained in the document, "The Media, A Guide for Judges", first published by the Lord Chancellor's Department in July 2000. That guide appears not to have been adopted for the purposes of the judiciary in Gibraltar. Yet there is a blanket provision which suggests that there should be no discussion at all with any parts of the media, even if there is a disagreement, a factual misreporting. There is guidance in England as to how a judge should deal with specific situations which create that sort of situation. Again, I am just curious to find out whether the hon Member is aware why that particular guide, which has been available and published by the Lord Chancellor's Department in July 2000, for ten years, that has not been adopted for the purposes of Gibraltar. But subject to those two caveats, we will be supporting the motion and the Code in its entirety.

HON D A FEETHAM:

Yes, Mr Speaker. I doubt very much that the President of the Courts, the Chief Justice and the then Chairman of the Bar Council when they came to draft clause 3(2) and made reference only to Government, wanted to morph that side of the House with this side of the House. I think that, clearly, this is based on… the clause is taken from the English guide, word for word and it is either a mistake that they have left the Legislature out, because, clearly, the Judiciary have to be independent, not only of the Government of the day but also of the Legislature, or alternatively, they made a conscious decision. I believe it is the former. I cannot really help the hon Member to take it much further because it is not my document and certainly it is not my role, in fact, to go back… In fact, there is no provision in the Judicial Services Act for me to actually go back to the President of the Courts and say to the President of the Courts, well look, you know, let us amend this before we go to the House. Because the whole idea is for the document to remain

completely untainted of Executive influence before it comes to the House for consideration by the House. I personally think it is actually a mistake and they have left Legislature out of that particular clause. The hon Member will have noticed that, during the course of my speech, I actually referred to the more general principle of judicial independence and I said, judges have to be independent not only of the Government of the day, but also of the Legislature. As far as the question of talking to the media is concerned, discussing individual cases with the media, I think there is also, this particular clause is also contained in the Code for barristers as well, not only applicable to judges but also to barristers about discussing cases with the media. The exception with barristers is, without the consent of the client and even then there are actual restrictions. What the hon Member is really talking about is… The distinction that has to be drawn is, not discussing cases whilst those cases are ongoing but really the peculiar situation that may arise from a situation where the judge gives a judgement or makes a decision and his views are misrepresented in the media. So effectively, the case, as I understand it, please correct me if I am wrong but, as I understand it, what the hon Member… is at the point at which the case effectively is at an end, because prior to that, my understanding of, in fact the judicial code in England is that the judges cannot talk to the media about a case whilst the case is ongoing. Now, what I am prepared to do, Mr Speaker, is note the hon Member's comments and, in fact, discuss it with the President of the Court the next time that he is here in Gibraltar and I have my meetings with him, to say to him, well look, you know there is this particular guidance as provided in the United Kingdom to judges about communication with the media after cases have been completed and see what he has to say to me. But other than that, I cannot really…

HON CHIEF MINISTER:

Xxxxx.

HON D A FEETHAM:

And I will do the same about the first point as well, of course.

Question put. The House voted.

The motion was carried unanimously.

ADJOURNMENT

HON CHIEF MINISTER:

I have the honour to move that the House do now adjourn sine die.

Question put. Agreed to.

The adjournment of the House was taken at 4.37 p.m. on Monday 5th July 2010.