



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.10 p.m. – 6.30 p.m.

Gibraltar, Thursday, 16th February 2012

The Gibraltar Parliament

The Parliament met at 3.10 p.m.

[MR SPEAKER: Hon. H K Budhrani QC *in the Chair*]

[CLERK TO THE PARLIAMENT: M L Farrell Esq RD *in attendance*]

Questions for Oral Answer

5 **Clerk:** Sitting of Parliament, Thursday, 16th February 2012.
Answers to Questions continue.

10 **CHIEF MINISTER**

**2012 Census
Government arrangements**

15 **Clerk:** Question 205/2012, the Hon. Mrs I M Ellul-Hammond.

Hon. Mrs I M Ellul-Hammond: Can the Government state when they will be initiating the arrangements to carry out a census in 2012?

20 **Clerk:** Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, preparatory work in connection with the forthcoming census has already commenced.

25 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, when does the Chief Minister envisage that the census will be distributed? How long will it take for it to be filled in?

Hon. Chief Minister: Mr Speaker, it is really not so much a question of how long it will take, but when is the best time to carry out a census.

30 We are advised by those responsible in the Statistics Office that it is likely to be best something done in November, and therefore it is anticipated that the work will commence... the actual delivery of questionnaires will commence on Monday, 12th November 2012.

35 **Guaranteed Superannuation Fund
Annual cost to the taxpayer**

Clerk: Question 206, the Hon. D A Feetham.

40 **Hon. D A Feetham:** Are the Government in a position to state what is it estimated the annual cost to the taxpayer will be of the Guaranteed Superannuation Fund?

Clerk: Answer, the Hon. the Chief Minister.

45 **Hon. Chief Minister:** Mr Speaker, I will answer this question together with Question 207/2012.

50 **Guaranteed Superannuation Fund
Nature of guarantee to employee**

Clerk: Question 207.

55 **Hon. D A Feetham:** In relation to the Guaranteed Superannuation Fund, how will the Government guarantee the value of an employee's pension fund?

Clerk: Answer, the Hon. the Chief Minister.

60 **Hon. Chief Minister:** Mr Speaker, as already explained in answer to Question 124/2012 yesterday, if, by the cost to the taxpayer, the hon. Member means how much will be the Government's contribution as an employer, this is impossible to calculate until such time as there have been contributions made by employees on the basis of which a calculation can then be made.

65 As has already been made public, the Guaranteed Superannuation Fund will be invested in the Gibraltar Savings Bank, which carries a Government guarantee.

70 **Hon. D A Feetham:** Just focusing on this question of the guarantee and the investment in the Gibraltar Savings Bank, is the position – and I have read the pension deed that pensioners will be asked to sign – that the pension, the money, will be invested in a bond whose return will be pegged on the 25-year yield of UK government gilts, or is it that the money will actually be invested in UK government gilts? What is the position?

Hon. Chief Minister: No, Mr Speaker, the position is that it will be invested in a bond with the Gibraltar Government.

75 **Hon. D A Feetham:** So when, in the actual trust, the deed, it says that the yields will be based on the 25-year yield for UK government gilts, it is because it is going to be *pegged* to that yield. Is that correct?

Hon. Chief Minister: That is correct, Mr Speaker.

80 **Hon. D A Feetham:** Is he aware that this type of investment, in fact – UK government gilts – is as near as possible as you can get to cash, and therefore virtually risk free? Is he aware of that?

Hon. Chief Minister: Mr Speaker, I am aware that that is a particular view.

85 **Hon. D A Feetham:** Is he aware that, for example, the returns on UK government gilts are 3.1% and that, in actual fact, it has only ever been, in the last 20 years, over 5% in 1998, thus reflecting the level of risk that this kind of investment poses?

90 **Hon. Chief Minister:** Yes, Mr Speaker.

Hon. D A Feetham: Does he not think, therefore, that when the Government talks about guaranteeing the fund, that is obviously misleading because there is absolutely no risk to the underlying investment?

95 **Hon. Chief Minister:** No, Mr Speaker.

Hon. D A Feetham: Am I right in saying that contributors to the Provident Pension Funds No. 1, No. 2 and No. 3 will be able to transfer into the Guaranteed Superannuation Fund?

100 **Hon. Chief Minister:** Mr Speaker, the position is that if they wish to do so, they may.

105 **Hon. D A Feetham:** Is he aware that, in relation to the Provident Funds No. 1, No. 2 and No. 3, there are different types of pension plans – there is income, there is growth, there is balanced – and for the different pension plans, the underlying investments are actually different? There are very low-risk investments; there are also higher-risk investments, such as investments in equities. Is he aware of that?

Hon. Chief Minister: Yes, Mr Speaker.

110 **Hon. D A Feetham:** Therefore, will he not agree with me that the level of risk, in terms of investments in the Provident Funds No. 1, No. 2 and No. 3, the type of pension plan that one is talking about – the creature – is completely and wholly different to the type of risk that one is dealing with in relation to the Guaranteed Superannuation Fund?

Hon. Chief Minister: Mr Speaker, I am now aware that that is *his* view.

115 **Hon. D A Feetham:** The hon. Gentleman obviously has not done his homework! There is a simple answer: yes, or no. Is he aware, or is he not aware? (*Interjections and laughter*)

Mr Speaker, will the Hon. the Chief Minister confirm whether anybody that is transferring into the Guaranteed Superannuation Fund from what is a different type of investment, a different type of pension creature, will be provided advice in relation to that transfer, or will it be on the basis of execution only?

120 **Hon. Chief Minister:** Mr Speaker, the position, as the hon. Gentleman knows, I think, from the answers given in this House yesterday, is that, as yet, there have been no applications by anyone to come into this Fund.

125 **Hon. D A Feetham:** But I am not asking about whether there have been any applications. I am asking, if somebody wants to transfer from the Provident Fund No. 1, No. 2 or No. 3 into the Guaranteed Superannuation Fund, is that going to be on an execution basis only, or is the Government going to provide some form of advice to those pensioners – to *their* pensioners?

130 **Hon. Chief Minister:** Mr Speaker, I am not going to be answering any hypothetical questions because, in fact, there is a clear parliamentary provision that we should not, but when the time comes, we shall make a determination as to how to deal with those issues. Perhaps I should thank the hon. Gentleman for flagging that.

135 **Mr Speaker:** Well, I did consider whether that was a hypothetical question, but I did not take the view that it was a hypothetical question. It is a question aimed at a policy: whether advice would be tendered or would it be executed only.

140 **Hon. D A Feetham:** Well, I am very glad that I have been able to assist the Government but, obviously, I am none the wiser as to what the Government's policy is! (*Interjection and laughter*) Let me just read...
He has obviously been taught very well by the hon. Gentleman to his left!

Hon. Chief Minister: It is a pity you left his tutelage!

145 **Hon. D A Feetham:** Let me read what you said, what the GSLP said in its manifesto. It said this, and I quote:

'The value of the Provident Funds can go up or down and is not guaranteed.'

150 Then it went on to say that anybody could transfer into the Guaranteed Superannuation Fund and that, because it was guaranteed, that this was an additional benefit.

Will the hon. Gentleman not accept that that is, in fact, a misleading statement? One, because... (*Interjection*) Well, I haven't finished.

155 **Hon. Chief Minister:** I can tell you the answer now. (*Laughter*)

Hon. P R Caruana: No, we have heard the answer from Mr Bossano already: no.

160 **Hon. Chief Minister:** When one predicates a question like that, I can tell him what the answer will be, but I am quite happy to allow him to waste his time and his breath in expanding on his question!

165 **Hon. D A Feetham:** Well, because – let me explain, then he can answer the question – it is absolutely right that the investments in pension plans and the Provident Funds No. 1, No. 2 and No. 3 can go up or down, but, in relation to the Guaranteed Superannuation Fund there is absolutely no risk with the investment going down because the underlying investment is as near as possible as investing in cash. It is like putting the money into a bank account. In actual fact, it is even worse, because the investment is going to be in the Gibraltar Savings Bank. Unless the Gibraltar Savings Bank goes bust then, of course, nobody is going to lose their money.

Does the hon. Gentleman not accept that, in the light of those facts, the promises made, and the

170 representations made, in their manifesto were false, and does he not accept as well that, in the light of those representations, it becomes even more necessary for the Government to provide *proper advice* to its own workers and make it absolutely clear that the fact that the Guaranteed Superannuation Fund uses the term 'Guarantee' is actually misleading?

175 **Hon. J J Bossano:** It is not a guarantee.

Hon. Chief Minister: Mr Speaker, to the first question, no; to the second question, no; to the third question, no.

180 **Hon. D A Feetham:** Has the hon. Gentleman received any representations from private pension providers in the private sector?

185 **Hon. Chief Minister:** Mr Speaker, I have spoken to a number of people in the financial services industry, some of them who are private pensions providers about this and other matters, but this, frankly, Mr Speaker, deviates quite a bit from the question that I am dealing with.

Hon. D A Feetham: Mr Speaker, if it is a point of order, I would argue the point of order. It is a valid supplementary arising from my original question.

190 **Mr Speaker:** Well, the question which I heard seemed rather wider. It did not seem to be linked to the Guaranteed –

Hon. D A Feetham: No, I am talking about representations in relation to the Guaranteed Superannuation Fund.

195 **Mr Speaker:** Ah.

Hon. D A Feetham: And he has understood the question.

200 **Hon. Chief Minister:** And he has answered it.

Hon. D A Feetham: Is it not the case that, in fact, private pension providers have expressed concern to the hon. Gentleman precisely on the grounds that I have expressed concern to him today, and also in relation to competition concerns? Is it not the case?

205 **Hon. Chief Minister:** Mr Speaker, no, it is not the case.

Hon. D A Feetham: Will the hon. Gentleman at least give me a clear answer this afternoon –

210 **Hon. G H Licudi:** It is very clear. Very clear.

Hon. D A Feetham: – and at the very least tell me what the nature of the representations about the Guaranteed Superannuation Fund were that were made to the Chief Minister?

215 **Hon. Chief Minister:** No, Mr Speaker, because I do not think it is fair to tell people what it is that the representations that have been made to me in private are across the airwaves just because the hon. Gentleman happens to be curious about it. (*Interjection*)

220 **Hon. D A Feetham:** The hon. Gentleman is aware, because the hon. Gentleman has sought to cloak himself with a cloak of transparency, accountability, greater consultation and all those nice terms that the hon. Gentleman uses on a constant basis, that he is accountable to this Parliament, that we have concerns about the Guaranteed Superannuation Fund... (*Interjections*) that we believe that similar concerns have been expressed to him. Does the hon. Gentleman not agree with me that it is absolutely outrageous that the hon. Gentleman refuses to answer any questions and be accountable to this Parliament on what is an important aspect of

225 Government policy, affecting thousands of Government workers?

Hon. Chief Minister: Mr Speaker, I did not need to be elected on a manifesto that pledged accountability and transparency to know that Ministers are accountable to this Parliament, because I have spent eight years trying to hold Ministers accountable in this Parliament and they have been much less accountable in four-year terms than we have been in the eight weeks that we have been elected. *(Laughter and applause)*

230 In fact, Mr Speaker, one thing is to be accountable and another thing is for me to tell the hon. Gentleman everything that happens in my meetings, some of which continue to be ongoing and some in respect of which people are coming back to meet me to make fuller representations than they have made.

235 **Hon. D A Feetham:** May I suggest to the hon. Gentleman that either he really does not know very much about the Guaranteed Superannuation Fund... and, in fact, I have noticed that before he answered my questions, the hon. Gentleman, Mr Bossano, was constantly whispering in his ear. It appears that, although he has plucked up the courage to actually answer questions about the Guaranteed Superannuation Fund on this occasion because, on the last occasion that I asked him, in fact, he said that he would not answer because he was not in a position to answer because Mr Bossano was dealing with the position...

240 Does he not agree with me that that is an outrageous attitude for him to adopt in this Parliament?

Hon. Chief Minister: Mr Speaker, in answer to the first question, no; in answer to the second question, no. But let me tell him a little bit more.

245 Mr Speaker, I know that, having left the confraternity of socialists to go to the hon. Gentlemen opposite –

Hon. D A Feetham: I can assure you that I am happier...

250 **Hon. Chief Minister:** – and to fall into the vice of seeking power at any price, the hon. Gentleman has obviously fallen out from the possibility of having what we are enjoying as a Cabinet, collegiate government, where we talk to each other about the things that matter to each other, we work together on the issues and we do not have to stand up on our own, defenceless, before a merciless cross-examiner who seeks only to ridicule us.

That is not what Government is about and it is not what the Opposition should be about, either.

255 **Hon. D A Feetham:** Mr Speaker, I am astounded, I have to say, but let me tell the hon. Member, the Hon. Chief Minister, that if he is going to be talking about *my* U-turns, let me remind him that he is, at heart, a liberal; that a liberal now leads the Gibraltar Socialist Labour Party; and that if I were to stand in this Parliament and say what the hon. Gentleman used to say to me about the Hon. Mr Bossano, there would be a nuclear explosion on the benches opposite from here to Madrid! *(Interjections and applause)*

260 **Two Members:** What is the question?

265 **Hon. Chief Minister:** Mr Speaker, I have been called many worse things than a liberal before *(Laughter)* and if I want to stand here and say to the hon. Gentleman across the floor of the House, or remind him, of the things he used to say about the hon. Gentleman sitting to the left of him –

Mr Speaker: Please don't!

270 **Hon. Chief Minister:** – Hiroshima would pale into insignificance, compared to the explosion he would be sitting next to.

But, given that I understand that the hon. Gentleman sitting to his left used to say the same things about the hon. Gentleman sitting to his right, *(Laughter)* it may be that the implosion might be such that we might learn how to split the atom! But this is Question Time, not Science Time, Mr Speaker. *(Applause)*

275 **Mr Speaker:** I think the last two remarks were not questions.
The Hon. Leader of the Opposition.

Hon. P R Caruana: Mr Speaker, the Hon. Chief Minister can rest easy: Mr Feetham and myself kissed

280 and made up a long time ago! (*Interjections, laughter and applause*)
Politically speaking! (*Laughter*) Whether the same (*Interjections*) –

Mr Speaker: Order! Order!

285 **Hon. P R Caruana:** Whether the same kissing and making up is evidenced in the ranks of his Government, given some of the tensions that one hears are already occurring within it, is another matter.

Anyway, Mr Speaker, I can see that the Hon. the Chief Minister is in the mood for multiple-choice questions and answers today, given that he is in a yes-and-no mood. My first supplementary, then, will lend itself to that sort of treatment.

290 Does he not agree with me that the Hon. Mr Feetham, rather than have left the confraternity of socialists, has left the confraternity of socialistas? Does he not agree with me that almost every working-class representative in Gibraltar that has ever been respected by the working classes in Gibraltar has recognised that the GSD Government has shown many, many, many more signs of being genuinely concerned with the social and labour interests of working people than the GSLP has ever even dreamt of showing? (*Applause*) Does he agree with me about that?

295 **A Member:** That is why you are there and we are here.

Hon. P R Caruana: And does he agree with me (*Interjections*) –

300 **Mr Speaker:** Order! Order!

Hon. P R Caruana: And does he, thirdly, agree with me that, whilst he may be free to take the view, as a matter of policy, that he should not account in this House for representations made to him by third parties for fear of breaching their confidence, it is nevertheless inappropriate of him to reduce this Parliament's right and interest in the public affairs of Gibraltar to, as he accused my friend, simply being 'curious' about it?

Hon. Chief Minister: Mr Speaker, that is a self-serving diatribe that is a party political broadcast and a pretext for debate, not a proper question for Question Time, which may account for the fact –

310 **Hon. P R Caruana:** All I ask for is answers.

Hon. Chief Minister: – that it has taken us half an hour to get through two questions, the whole of the time that the British Prime Minister would have spent on his feet in the Commons, in Parliament, answering many more.

315 As it is a pretext for debate, as it suggests things, Mr Speaker, that the hon. Gentleman simply wants to raise in order to find perhaps, or carry, some more favour with headline writers tomorrow than he has been able to do (*Interjection by Hon. P R Caruana*) to date since 8th December, I am simply going to say to him that, frankly, he should, next time, give me notice of that question and I will come back with a retort that he will not enjoy.

320 **Hon. P R Caruana:** Mr Speaker, I will take that as a refusal to answer the question.

I do not know why he needs notice of supplementaries, each of which arise exclusively from what he has said in his last intervention.

325 **Hon. Chief Minister:** About the Superannuation Fund, not...

Hon. P R Caruana: Very well, Mr Speaker, a more constructive supplementary that the hon. Member may be able to handle: have I correctly understood the Government to have said that it will be offering annuities?

330 **Hon. Chief Minister:** Mr Speaker, I think that is clear from the way that the whole of this subject has been phrased, even in the press releases.

335 **Hon. P R Caruana:** So, if the Government intends to issue annuities, can I ask the Government out of what fund it will absorb any losses that might arise?

340 The issuing of annuities is the purchase... An annuity is an annual payment for the rest of your life, or for a certain number of years, purchased by the payment up-front of a lump sum. That is what an annuity is. Therefore, if the Government of Gibraltar is going to go into the business of writing annuities, which is the business usually of life insurance companies – you can make a profit and a loss from the activity, depending on the accuracy of the actuarial calculations of how long people are going to live – does the Government entertain the possibility, then, that the taxpayer may make losses from it conducting the business of issuer of annuities?

345 **Hon. J J Bossano:** Mr Speaker – (*Applause*)

Mr Speaker: Order! Order!

Hon. J J Bossano: I see, (*Interjections*) Mr Speaker –

350 **Mr Speaker:** Order!

Hon. J J Bossano: – that the hon. Members' opposite conversion to socialism includes recognising me as the legitimate leader of socialists in Gibraltar. I welcome that. (*Applause and interjections*)

355 **Hon. P R Caruana:** Socialist leader of the Government, yes.

Hon. J J Bossano: And the Opposition, because the Opposition have been trying to persuade the electorate –

360 **Mr Speaker:** Order! Order!

Hon. J J Bossano: – that they are genuinely the working-class party of Gibraltar. I do not think there is any other country in the whole of Europe, or possibly in the whole of the western world, where the Government and the Opposition are competing both to be socialists. I never thought I would live to see the day!

365 I would remind the hon. Member that when he launched... He, in fact, is the originator of the concept of providing Government Provident Funds. Yes, there were no Government Provident Funds with the possibility of an annuity until he introduced the concept in the House, and at the time he created something which I recall that he originally said, in answer to my question, was going to be done through the Post Office, and then he told me he was going to do it outside the Post Office, outside the Savings Bank, because of the 10% that was required in addition to the money in the fund, and I think... If he does not remember, because he is shaking his head, then I will have the question fished out and send it to him.

370 The hon. Member, originally, when he announced it in Parliament, announced that the thing would be done through the Gibraltar Savings Bank, which is what we are doing now, and then he said that he had decided against it when, at a later stage he did not do it that way, because it meant that every time people put money into the Provident Fund, the Provident Fund would then require the Savings Bank to hold an additional 10% – which is no longer the case – and therefore, if the stage comes... which is a very long time in the future because, in fact, the new Superannuation Fund starts on 1st January. There is currently nobody who is contributing to it. There may not be anybody in any of the other funds that wants to move. So far, only one person has publicly announced his intention of moving – somebody who is very familiar to the other side, who clearly does not share all their reservations about it.

380 **Hon. P R Caruana:** No, well, I would [*inaudible*].

385 **Hon. J J Bossano:** But you can advise him, of course, since he is one of yours! (*Interjection by Hon. P R Caruana*) You can give him the advice not to do it! (*Laughter*)

The point is that when we find that there are people who switch it and when we find that there is interest in the annuity, we will revisit the arrangements that he was planning to introduce initially, which was, in fact...

390 there was, indeed, a fund in the Savings Bank that would provide the annuities and that is what we propose to do, go back to what he had at the beginning.

Hon. P R Caruana: Mr Speaker, everything that the hon. Member has just said and attributed to me about any intention or statements on my part to issue anything that looks anything like an annuity is complete and utter fabrication on his part.

395 Mr Speaker, the Provident Scheme that *we* designed, will he accept, does not provide for annuities. What it provides for... He may be interested in listening to this supplementary. What it provides for, will he not recall more carefully now, is for the pensioners' accumulated fund to be drawable on retirement in *annual instalments*, but annual instalments from his fund, not annual instalments in terms of a contractual right against the Government, the issuer of the gratuity?

400 The Government was concerned at the time that if somebody had accumulated £150,000 in their account, they should not be able to draw it all out and blow it on a cruise and in the casino in one year and then have nothing more to spend for their old age, so we introduced what *he* is describing – which is not an annuity – which is that they could only withdraw it in annual amounts, and that is what he is describing, which is *nothing* like the annuity that they have described.

405 The annuity, as I understand it, that they have announced is that the pensioner surrenders the capital sum of his pension pot to the Government, in exchange for which the Government will contractually, or statutorily, agree to issue the person with a right to an annual income. That is an annuity: not what we intended to do.

410 Whether the Government makes a profit or loss on that, I would ask him to agree with me, just to convert this into a question... that would expose... Whether the Government makes a profit or a loss on such a transaction depends on the accuracy of the actuarial assumption made at the time that the annuity is purchased, and you decide, 'For that sum of money I will pay you *y* thousand pounds a year either for the rest of your life or for *x* years,' and if it is for the rest of your life, it subsequently depends on a second variable, which is whether the person lives longer or less. If he lives less, the annuity issuer makes a profit; if the person lives longer, then the annuity issuer makes a loss.

415 I am asking the hon. Member to simply recognise that issuing annuities in that way exposes the Government, if the Government is to issue it, both to the possibility of making profit and to the risk of making loss. Does he agree? (*Mobile phone rings*)

420 **Hon. J J Bossano:** I agree, Mr Speaker, that those possibilities exist.
All I am saying to him is that before he introduced the scheme that is...
He does not have to hide; I am not going to be nasty to him! (*Laughter*)

425 **Hon. P R Caruana:** I am trying to work out how to turn off my phone! (*Laughter*) And, anyway, my protégé assisted me... (*Interjections*)

Hon. D A Feetham: But no kissing, please!

Mr Speaker: Order!

430 **Hon. J J Bossano:** If that is what the hon. Member is relying on, I suggest he comes along with a bulletproof vest.

435 Can I tell the hon. Member that, before he moved to the system of telling people (*Mobile phone rings*) that they had the option of reducing their capital base by making withdrawals, the first proposal was an annuity, and I will prove it to him. I will prove it to him. I will be able to fish it out because I remember it, you see. He may not, but I do.

440 The second thing is that if, when the time comes – which is probably a very long time in the future – that the first persons will be retiring from having contributed to the Guaranteed Superannuation Fund... When that happens and a decision then is taken and people are being given either an annuity or a lump sum – which they will be able to choose because a decision will only be made when you reach retirement – the plan at present is that that should be done through a fund that would be part of the Savings Bank, but, clearly, I think that before that happens there will be many elections and many changes of Government and another Government may have a different policy, but that will be the plan now if it was happening now.

445 **Hon. P R Caruana:** So any losses that might accumulate in this annuity-selling scheme would be the problem of some future Government and the hon. Members appear to be consoled by that fact?

Hon. J J Bossano: Well, no, since I am telling the hon. Member that there is not yet one single contributor (Hon. P R Caruana: As yet.) to the system and that the date when the first payments have to be made is in the future. If at that time he or somebody that thinks like him is in Government, they can decide not to proceed down that route and not provide it.

I have no doubt that this can be done and that it can be done at zero loss, but I am not going to explain to him how it is done, if he does not want to do it. We will do it if we are there. It will not happen if we are not.

455 **Hon. P R Caruana:** Mr Speaker, if the hon. Member believes, surely, that annuity-writing business can be done with a guarantee of no loss, he has lost his vocation. He could have made himself a multi-billionaire in the City of London, explaining to insurance companies how it is possible to go into the business of selling annuities with *no risk whatsoever of loss*.

The hon. Member may think that he can just make glib statements in this House and get away with them, but no-one in the history of mankind has yet devised a way of selling annuities with a guarantee that it cannot result in a loss to the person who, in exchange for a fixed lump sum of money at the beginning, has to pay an annual amount for an indeterminate number of years, which may or may not exceed the amount that he received in the front end, plus financing costs. The hon. Member thinks that he can get out of every inappropriate policy that he announces in this House simply by saying that there are not any clients yet, and when there is a client I will have to wait until I am 156 to find out whether he was clever enough to invent a system that exposes the taxpayer to loss.

460 *Everybody* will know that if the Government of Gibraltar competes with insurance companies in the selling of annuities, then the Government of Gibraltar can make a loss on that business as easily and as much as the commercial companies can do. Will he not acknowledge at least the possibility of that? I acknowledge the possibility that the Government could make a profit from it. All I am asking him to acknowledge in return is that if you have the possibility of making a profit, you have the possibility of making a loss as well.

470 **Hon. J J Bossano:** Mr Speaker, let me just remind the hon. Member that yesterday he did not know how it was going to be possible to provide 100% commutation to existing Civil Service pensioners.

475 **Hon. P R Caruana:** At no cost to the Government.

Hon. J J Bossano: That is correct.

480 **Hon. P R Caruana:** That is what he said.

Hon. J J Bossano: Yes, that is correct, and therefore he clearly did not know how to do it in Government, because when I asked him to do it he told me from this side of the House it was impossible.

485 **Hon. P R Caruana:** I still believe it is not possible.

Hon. J J Bossano: Yes, and you still believe it is not possible. Therefore, you will believe it when it happens, and since this is not going to happen for a very long time –

490 **Hon. P R Caruana:** Explain it now!

Mr Speaker: Order!

Hon. J J Bossano: Well, no, Mr Speaker, I am afraid –

495 **Mr Speaker:** Order!

Hon. J J Bossano: The hon. Member is asking questions about a policy. I have told him what the policy is. I have told him that it is a policy that is unlikely to be required to be activated within the term of office of

500 this Government. It is a policy that will happen with this Government or a successor Government that carries on with that same policy.

505 If there is a different Government in future when there is the first contributor due to take his money and that Government at that time – in 10 years, 20 years or 30 years' time – decides that they do not know how to provide an annuity fund through the Savings Bank which can, in fact, match its exposure with an alternating asset that will guarantee no loss, then that is the problem of the Government at that time. I can tell him we know how it can be done and that we could do it tomorrow if there was a need to do it tomorrow, but there is no need to do it tomorrow and there is no need to explain it.

Hon. P R Caruana: Mr Speaker, why does the hon. Member believe that this will not arise in this term of office?

510 Look, Mr Speaker, the hon. Member has said that the Provident Scheme is open to the private sector; that you can change, transfer, from the Provident Scheme to the Superannuation Fund; that the Superannuation Fund will be available also to existing civil servants, who will be able to get full commutation. How does he know that, some time in the next few months, a civil servant who retires and commutes the entirety of his pension is not going to knock on his door and say, 'Now keep to your promise and sell me an annuity'?

515 **Hon. J J Bossano:** Mr Speaker, the reality of that is that it would take a very ignorant civil servant to do that, and I can only suppose that the level of economic ignorance of that civil servant must be matched by the level of economic ignorance of the questioner, if he suggests that that is conceivably possible for anybody that they should have a Civil Service final salary scheme, that they should convert that into a lump sum and then use their lump sum to buy an annuity which would give them a lower income than they had in the first place.

Hon. P R Caruana: It may not be a lower income.

525 **Hon. J J Bossano:** Yes, it will be a lower income. There is no question –

Hon. P R Caruana: Why?

530 **Hon. J J Bossano:** Why? I will tell him why: because a commutation is based on 8%, that is why, and you cannot get that return. So you are selling something at 8% and then buying it back at 7% or 6% and you make a loss.

Hon. P R Caruana: So, is the hon. Member –

535 **Hon. J J Bossano:** So what that is saying is if anybody came along with that idea, the advice that he would get was that the annuity that we would be able to offer him would be less than the pension he had just sacrificed.

540 Secondly, I have *not* said that the Guaranteed Superannuation Fund is for civil servants who go for 100% commutation. I am saying that the Guaranteed Superannuation Fund is for the people who no longer have a final salary pension because he thought it was necessary to bring it to an end because it would be a millstone around the necks of future generations. What we have done is we have produced a smaller millstone around the necks of future generations by the Guaranteed Superannuation Fund, which, until a few days ago, was being condemned as being something that was so exposed that it would ruin the Government, and today it is being condemned as being misleading because it is so safe that it is almost cash!

545 So it is quite obvious that if they think that it is a risk they exaggerate the risk in order to attack what we are doing, and if they think there is no risk, they attack that there is no risk, so as to tell us we are misleading people in saying we are guaranteeing something that is self-evidently guaranteed! Well, if it is self-evidently guaranteed, then all their criticisms until now have been wrong.

550 I can tell the hon. Member that the reason why I am saying it is not going to happen in the next three years is because if somebody was close enough to retirement to join the Superannuation Fund tomorrow after three years' contributions, the amount that he could buy in terms of an annuity would be so little that nobody would do it.

He must remember that the first step that was taken by the Government in giving people the lump sum from the Provident Fund was on the basis that the amount of money that had been accumulated in the

555 Provident Fund was so small that to force people to take an annuity or to take an income stream was wrong
and that they should be able to take all their money out. That is how we started moving in the direction of
letting people take everything out, when the Government first started the process of removing the requirement
for the 25% maximum amount that could be withdrawn, and the argument then, quite rightly, was, 'Look, you
560 are saying to people they have got to buy an annuity with the 75%,' and nobody will sell them an annuity
because all they have got is only a couple of thousand pounds saved up. Well, that is all that would be
happening in the next few years from new entrants. I do not believe there is going to be a rush of people
wanting to switch from one to the other, anyway. It is just something that we have put there as a possibility
for those who are interested.

565 If there is anybody in the private sector who wants to use this as a vehicle for their future, for his
retirement, on the basis that what is available in the market carries the risk that he puts the money there and
loses it, then that is all that we are offering. We are offering people something that is more secure, but more
secure with the kind of return that you get on 25-year deals. What people cannot expect is to have a high-risk
return on a zero-risk investment.

570 **Hon. D A Feetham:** Well, that is what your manifesto appears to indicate.

Hon. J J Bossano: Well, it appeared to indicate it to *you*.

A Member: And to everybody else.

575 **Hon. J J Bossano:** Yes, well, Mr Speaker, if the hon. Member thought that that is what it indicated...
First of all, he *invents* what the manifesto says; then he criticises it because it is not what we are doing; then
he accuses us of doing a U-turn because we are not doing what he invented. Well, look, I am afraid he can
keep on doing that for as long as he wants, but it will not get him anywhere.

580 The Superannuation Fund that we are offering is considered to be an improvement on what is there today
by many people, but we are doing more than that. We are saying to people in the public service, 'You have
got the choice of staying with the Provident Fund as it has been until now; you have got a second choice of
opting for the improvements that the GSD offered in their manifesto and we are committed to introducing;
and, thirdly, you have got the choice of going for what we have put.'

585 What are we being accused of doing? Not giving people enough advice as to which of the three they
should choose? Well, look, we are doing more than anybody else has done before. We are doing something
that *we* happen to think is better, but nobody is being forced to take it. They can either stay with what they
would have had if the GSD had won the Election, or they can stay with what they used to have until 2011, or
they can take what is new in 2012 – and they *still* have to find fault with it!

590 Well, I can tell the hon. Member that he can rest assured that this can be done, that it will not ruin
Gibraltar and that it will not create massive losses for the Savings Bank, and that if he does not know how it
can be done, then I am afraid I am not here, nor any of us are here, in order to give him lessons in economic
theory or in anything else.

595 I can tell him that I do not believe I could have made a million advising insurance companies because of
what I have said today, but even if I could, I would not have chosen to do that because when I chose to come
back in 1972 to serve the people of Gibraltar it was not because there were more millions to be made here
than in London, but because it was what I wanted to do with my life. (*Applause*)

600 **Hon. P R Caruana:** I was wondering when he was going to deliver his valedictory speech. What I did not
imagine was that it would be in answer to a supplementary question in Parliament!

Now, Mr Speaker, will the hon. Member just tell me whether he has said that the Superannuation Fund
will be available to the private sector, to employees of private sector companies?

605 **Hon. J J Bossano:** Mr Speaker, it was not my valedictory speech, because I have got 19 years left.
(*Laughter*)

Two Members: Hear, hear.

Mr Speaker: Order! Order!

610 **Hon. J J Bossano:** What I announced when we launched this fund, which is a fund that is under the Gibraltar Development Corporation, like the other Provident Funds are, is that it will be open without a contribution from the Government, clearly, to any employer that wants to join this, instead of joining the No. 3 Provident Fund, which is the one that was set up by the previous administration for the private sector, or to an individual who is self employed and wants to provide for himself or, indeed, to an employee who wants to have a secure vehicle to provide for his own retirement in an area where the employer does not do it.

615 So, effectively, there are three categories of people in the private sector who, if they wish, can in fact become members of the Guaranteed Superannuation Fund and contribute, but the value will be the value of what they put in, plus the reinvested accumulated interest.

620 **Hon. P R Caruana:** ‘Yes’ would have been sufficient.

Therefore, any of the persons he has listed could transfer into this scheme the accumulated capital value in his present pension arrangement by way of transfer – yes, or no?

Hon. J J Bossano: I cannot say a categorical yes or no to that, because –

625 **Hon. P R Caruana:** Ah, well, because, you see, it is implicit...

Hon. J J Bossano: Because, in fact, I think it depends not just on our willingness to receive the money. The... (*Interjection by Hon. P R Caruana*)

630 Well, I was going to say it does not just depend on that. I have not said we are willing to do it. I have just said it does not just depend on that, but it must also depend on what are the rules in the alternative where their money is now.

635 In fact, the scheme, as it is set up now, does not... I do not think it is structured now. It may be we may need to amend it to do that, but I think, as it is structured now, it does not actually specify that you can make lump-sum payments irrespective of the amount, because what we are talking about is making regular contributions on a monthly basis. So I am not 100% sure that somebody can say, ‘Well, look, I am going to withdraw the money that I have got in another pension fund,’ and arrive with £½ million and put it into that. Certainly, it is something we are willing to consider if somebody comes along with that proposal, but I am not 100% sure that the rules, as they are now, include that possibility. It includes the possibility of somebody joining as from the current date, at the moment, as it stands.

640 **Hon. P R Caruana:** Does he not understand that if somebody can transfer into the scheme with a lump sum he is then in a position – if such a person were approaching retirement age – unlike the civil servant who is unlikely to happen because in the next three years it is not going to happen during this term, because no-one is going to have accumulated...

645 Such a person as we are now discussing could transfer a lump sum from an existing scheme into the Superannuation Fund, retire in two years’ time, and come knocking at his door before the next Election, therefore, and ask him to sell him an annuity, and all the diatribe that he gave me before would not apply to such a person.

650 **Hon. J J Bossano:** I imagine that that is a list of hypothetical possibilities.

Hon. P R Caruana: There is nothing hypothetical about it.

655 **Hon. J J Bossano:** Yes.

Hon. P R Caruana: And it is not a new word that they have discovered...

660 **Hon. J J Bossano:** Mr Speaker, he is saying do I not agree that it is possible that A will happen, and then that B will happen and that C will happen. It is also possible that Iran may have a nuclear bomb and attack Israel. That is also possible, in which case, nothing is safe any more!

Hon. P R Caruana: Whether it happens or not is hypothetical. The possibility that it can happen is not hypothetical; it is real. (*Interjections*)

- 665 **Mr Speaker:** Order! Order! Order!
The Hon. Minister is answering... his answer is hypothetical, but I believe he is willing to continue...
- 670 **Hon. J J Bossano:** So I am saying that the fact that any of those things may happen or may not happen is a hypothetical question, but I will tell him what the answer is: if it happens – which I do not think it will, but if it happens – we would provide the annuity from the Savings Bank for that one or two or three people who decide to do it, and I can assure the hon. Member that we will do it in a way which guarantees that we will not lose money on it.
But I do not think we will have the opportunity of demonstrating to him that he does not know what he is talking about because, regrettably, all those hypothetical situations I do not think will materialise. I would welcome if somebody comes and does it so that we can show him that he does not know what he is talking about.
- 675 **Mr Speaker:** Before the hon. Member stands up, I have allowed over half an hour discussion on this particular topic.
- 680 **Hon. P R Caruana:** I am moving on to a new topic, Mr Speaker.
- Mr Speaker:** I beg your pardon?
- 685 **Hon. P R Caruana:** I am moving on to a new aspect.
- Mr Speaker:** But on the same topic. It cannot be a new topic. (*Laughter*)
- Hon. P R Caruana:** We have already established what we wanted to establish on annuities.
- 690 **Mr Speaker:** Thank you.
I was just going to suggest something: that I would allow one more supplementary in the hope of bringing this whole discussion to an end. It is open to the hon. Member to debate the matter on a separate motion whenever. I am told by the Chief Minister he will make time available to this Parliament as often as required.
- 695 **Hon. P R Caruana:** That is very generous of him indeed.
Mr Speaker, did I correctly understand the Chief Minister to say that these Superannuation Funds would invest in Gibraltar Government bonds and debentures?
- 700 **Hon. Chief Minister:** No, Mr Speaker, I did not. I am just checking I did not say that... I said it would invest in a Gibraltar Government bond, not in a debenture.
- Hon. P R Caruana:** Well, I do not know what he thinks the difference is between a bond and a debenture but, anyway, leaving that point just to one side for a moment...
- 705 So this will constitute the sale of public debt. In other words, the same way as Government debentures is now. Does the hon. Member not agree – (*Laughter from the hon. Chief Minister*) Does the hon. Member not agree... But don't worry, I am not questioning him about the level of public debts, about which I am not as concerned as he is. Does the hon. Member not agree that the effect of people getting what is, in effect, their pension fund and using it to buy Government bonds – which is, in effect, Government borrowing instruments which the Government can then *spend* – is tantamount to the Government spending people's pension pots?
- 710 **Hon. J J Bossano:** Mr Speaker, I think the hon. Member demonstrates –
- Hon. P R Caruana:** Yes, or no?
- 715 **Hon. J J Bossano:** No, I will tell him. The answer is no, because every time (*Interjection by Hon. P R Caruana*) he asks us new questions he increases the exposure of his level of ignorance of the subject.
What is he now saying? That for the first time the £300 million deposited in the Government Savings Bank is now public debt – is that what he is telling the House?

720 **Hon. P R Caruana:** No, Mr Speaker.

Hon. J J Bossano: No, then, in fact –

Hon. P R Caruana: That is not what I have said; nor is it what he said.

725 **Mr Speaker:** Order! Order!

Hon. J J Bossano: Then I have to tell him the contributions to the Superannuation Fund will be in the fund created under the same rules as the existing Provident Fund.

730 If he reads the audited accounts –

Hon. P R Caruana: That is not what I said before.

Hon. J J Bossano: No, it –

735 **Hon. P R Caruana:** In other words, what he is saying is –

Mr Speaker: Order! Order!

740 **Hon. P R Caruana:** On a point of order –

Mr Speaker: Order!

745 **Hon. P R Caruana:** On a point of order... Mr Speaker, when they rise and say, 'Point of order,' it is a licence for them to say what they feel. Eventually. Thank you.

Mr Speaker: I asked you the point of order.

750 **Hon. P R Caruana:** Mr Speaker, that would be a clarification of what they said before, upon which I based my last supplementary, but it is not what they said before.

When I asked the Member whether the Superannuation Fund would be invested in a Government Savings bond/debenture, he said, 'No, not debenture, bond.' In other words, the Superannuation Fund *directly* buying Government bonds. That is what he told me and that is what justified my supplementary.

755 If he is now saying that the Superannuation Fund would invest in the Gibraltar Savings Bank and that the Gibraltar Savings Bank will *then* buy Government bonds, that is a wholly different transaction to the information that was given to me in the last supplementary but one and would not have attracted my last supplementary. It is nothing to do with ignorance; it is about the accuracy of the information that they give me in answer to questions.

760 **Hon. J J Bossano:** Mr Speaker, the accuracy of the information given is that in the previous answers that had been given to questions it was made clear that the hon. Member was told the reason why the fund is guaranteed is because the fund will invest the money in the Savings Bank. That is in the original answer.

765 **Hon. P R Caruana:** I asked whether the Superannuation Fund would be invested in Gibraltar Government debentures and the answer was 'yes'. The answer should have been 'no', it would be invested in Gibraltar Savings Bank debentures or bonds. That would have been an answer which would not have invited my subsequent supplementary, but when I asked, I was told that they were investing *directly* in Government debt, Gibraltar Government bonds.

770 **Hon. J J Bossano:** No, the answer is no. The answer is, if the answer that we have given misled the hon. Member –

Hon. P R Caruana: No, he did not mislead me. It was the answer.

775 **Hon. J J Bossano:** Well, the answer is as stated originally in the original answer to the question: the fund will invest only in the Savings Bank, and that is why the fund is able to say to people the money that we are investing is, in fact, guaranteed, because the Savings Bank is guaranteed by the Government.

Mr Speaker: I really must invite the Leader of the Opposition to take up my offer to bring a motion if you wish to debate the matter further.
780 We will move to the next Question.

785 **Televising parliamentary sessions
Gibraltar Broadcasting Corporation**

Clerk: Question 208, the Hon. D A Feetham.

790 **Hon. D A Feetham:** When does the Government envisage that parliamentary sessions will be televised by GBC?

Clerk: Answer, the Hon. the Chief Minister.

795 **Hon. Chief Minister:** Mr Speaker, the intention of the Government is to provide a live stream of proceedings on a dedicated website of this Parliament.

That live stream will also be made available to GBC or to any other interested party. The Government IT Department have already started working on the specification of the cameras and systems required in order to facilitate the webcasting of the work of this Parliament.

800 **Hon. D A Feetham:** The original question referred to being televised by GBC. Is it the intention, at some stage, for proceedings of Parliament to be televised by GBC, with cameras here in the House?

805 **Hon. Chief Minister:** Mr Speaker, I think I have made very clear what the answer to that question is – in other words, that there will be cameras here and that the feed from these cameras will be made available to GBC. That would cause what is happening here to be broadcast by GBC.

Hon. D A Feetham: I understood the answer... I am not trying to be controversial; I just want to understand the answer.

810 I understood that it is going to be broadcast via the internet. Is it going to be also broadcast via conventional GBC broadcasting?

Hon. Chief Minister: Mr Speaker, I think the best way to deal with that question is to explain to the hon. Gentleman what happens in other parliaments. In other parliaments, the parliament itself films its proceedings and makes available the feed to such broadcaster as may wish it.

815 In the United Kingdom, there is a channel that broadcasts what happens in the UK in the House of Commons, but not just in the Commons, also what happens in some of the debating chambers, what happens in the Upper House etc. The feed is made available to the BBC by the parliament.

820 It is our intention that the Parliament should have control of its cameras and make the feed available. The hon. Gentleman will know that there is more than one entity now seeking to broadcast. There are some entities online that want to broadcast news, for example. The feed will be made available to everyone and anyone, whether a broadcaster or otherwise, who is sitting at their desk at work and is minded not just to listen to the proceedings on the radio but to watch us.

825 They might think that there are some handsome devils in this House, or beautiful ladies, that they might like to see and not just listen to! Well, Mr Speaker, they will be able to see them on our website, as well as that night on television if a broadcaster decides to extract some part of the proceedings for the news. Or, of course, one of the broadcasters could also make available on their channel what is being put out on the internet, if they so wished.

830 **Hon. D A Feetham:** What type of timescale are we talking about?

Hon. Chief Minister: Mr Speaker, the first time *I* talked about televising the proceedings of this parliament was in 2003, when I was first elected so, therefore, to the hon. Gentleman I will say that it is my intention that this should happen as soon as possible.

835 I know that already the IT Department are working very hard on this. I know there are some planned visits as early as next week by experts who have fitted the type of hardware required in other parliaments, and it may be that, therefore, hopefully before the summer we will have the systems in place to allow that, but, Mr Speaker, subject to this caveat: I do not think it is within the gift of the Government to simply say that this should happen. This exploratory work is going on on the basis of co-operation with your Parliament, but we would have to, I think, have a motion of this House before we can actually press the button to televise and
840 allow a camera in here.

Hon. P R Caruana: Mr Speaker, as I have understood the hon. Member, what he has explained is that the filming – to just choose a layman’s term – by parliamentary equipment. That will initially be put out on the internet and then the feed will be provided to any other broadcaster such as may want to broadcast it by any other medium – television, for example.
845

My supplementary is this: the hon. Member is aware that the quality of the broadcasting, the quality of the transmission, the quality of the equipment required for *internet* transmission differs significantly, or may differ significantly, from that required for the production of a signal which is of sufficiently high quality to be broadcastable by analogue or digital television. Will the hon. Member agree that, if that is the case, the
850 equipment and the systems in place would be such as to produce signal and broadcast of a standard both sufficient for the internet but also sufficient, if different, for broadcasting on analogue and digital television?

Hon. Chief Minister: Mr Speaker, I do not agree with him for technical reasons, but I think we are both wanting to go in the same direction.
855

I think that there are now cameras of the sort that are used for internet broadcasting which are of the same quality – and it is high-definition quality, HD quality – as the cameras that would be used for television broadcasting. The difficulty in getting the quality, Mr Speaker, is very often in the transmission. In other words, when it goes down the internet, there is a lot of quality loss, but our view is that it is possible to give
860 broadcasters – in other words, people who do not want to watch it on the internet – who want to produce television news programmes or live television feeds, a feed before the internet... so that, therefore, if there is any quality lost as a result of the internet here, it is not going to be suffered when people watch the video of it at home, because the HD cameras that we are intending to use, or believe it is possible to use, will be of the quality required for television, (*Interjection by Hon. P R Caruana*) whether that television is IP television or whether it is broadcast television, digitally broadcast or analogue broadcast television.

865 The hon. Gentleman, I think, will understand my example in this sense: it is possible to watch Prime Minister’s Question Time in the United Kingdom on the Downing Street website, but you get there internet-quality video. At the same time, simultaneously, it is possible to watch it on the BBC Parliament channel and some of the other news channels that consider that an event that should be broadcast. That is high-quality, transmission-quality video, and that is what we anticipate providing, those two types of feed.
870

Hon. D A Feetham: Will this be run by the Government IT Department, or is the Government proposing to go out to tender for this to be run by a company in the private sector?

875 **Hon. Chief Minister:** Mr Speaker, it very much depends on what the anticipated costs may be once we have had an indication of how much hardware is going to be required. It may be that there is a procurement process for third parties to provide and install the equipment, but that maintenance is then something that can be done by the Government’s in-house IT Department. So it may be a combination of both of those.

880

**Gibraltar Broadcasting Corporation
Government premises for relocation**

885 **Clerk:** Question 209, the Hon. D A Feetham.

Hon. D A Feetham: Can the Chief Minister confirm whether the Government will be making premises available for GBC for relocation?

890 **Clerk:** Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, I will answer this question together with Question 222.

895

**Gibraltar Broadcasting Corporation
Government action on King Report**

900 **Clerk:** Question 222.

Hon. P R Caruana: Mr Speaker, have the Government yet decided on the best way to proceed in the light of the King Report into GBC?

905 **Clerk:** Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, in relation to Question 209, yes.

In relation to Question 222, the Government had asked that GBC progress the appointment of a CEO designate. As a result, interviews were held and Mr Gerard Teuma was appointed. These were the things... the principal issue for us, Mr Speaker, as a result of the King Report.

910 We are progressing the move to digital as a matter of urgency because this was so delayed by the previous administration that it is now very urgent indeed.

Hon. P R Caruana: Mr Speaker, I think the hon. Member will agree that the King Report speaks about more than just premises and the need to appoint a permanent CEO. It is about the whole change in the culture and a whole series of restructures and things of that sort... programming.

915 Has the Government decided whether it wishes to pursue any of the aspects of the King Report beyond the ones that he has touched on – premises, switch to digital and appointment of a permanent CEO – which is not even a quarter of the King Report?

920 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman is right. That is not even a quarter of the King Report, but he will also agree with me, I have no doubt, that they were some of the most fundamental issues that *did* arise from the King Report – in other words, the need to move out of premises that are no longer fit for purpose, and I think that, across the floor of the House, we would agree with that finding of Mr King; the need to have a proper management structure, in respect of which the appointment of a CEO designate, given that Mr King's own appointment expires next year, was also a very important matter. Of course, Mr Speaker, all of this pivots around the fact that there needs to be the capacity to broadcast; otherwise there can be no Gibraltar Broadcasting Corporation.

925 Mr Speaker, as the hon. Gentleman knows, the most urgent thing now is the move to digital, because if GBC is not digital by 31st December it will not be able to broadcast *at all*. There will be an analogue switch-off at midnight on 31st December, because that is now required by the EU and by various international agreements to which Gibraltar is a party.

930 Those, therefore, Mr Speaker, are for us the most important aspects of progressing the King Report. It is true, Mr Speaker, to say that there are other aspects of the King Report which we are considering with Mr King himself, who is still with us, and with the management of GBC, in order to ensure that we deliver the best broadcasting that we believe is available to our community.

935

Hon. P R Caruana: Mr Speaker, would the hon. Member agree with me... I will agree with him that, certainly, the switch to digital has now become urgent and was always going to be a priority in 2012.

940 Will the hon. Member agree with me that it is simply too simplistic a view to think that if GBC had always had digital broadcasting and had always had a CEO and had always had spanking premises, it would not suffer from any of the issues that the King Report thinks need attention?

945 In other words, does he agree that, whilst I do not say it is illegitimate for him to start with those three issues, those are not... However important they may be and, indeed, however time urgent some of them may be, they are not what is fundamental about what needs to be re-jigged and restructured in GBC, that it actually goes much more deeper, very often into non-tangible things?

Hon. Chief Minister: Mr Speaker, I know that the hon. Gentleman will not want to agree with me when I tell him that, in fact, a lot of the things that he has talked about have become urgent.

950 Going digital, when zero investment almost has been made to date – in 11 months – is going to be a very hard slog indeed, but I am sure that we will make it, with the goodwill and the investment that is required, not just from the professionals at GBC but also from the regulatory authority.

955 Not having had a CEO, Mr Speaker, or even a general manager since the last general manager retired many years ago, before the 2007 Election, the hon. Gentleman will know, is an issue that he and I have disagreed about since the date of that retirement, when I was asking him, as shadow Member for Broadcasting and he was then Minister for Broadcasting, to go down the route of appointing a general manager. He took this community through a General Election with no general manager of GBC and a rotating headship.

960 Of course, Mr Speaker, it is true that there are other problems at GBC, other than just going digital and the appointment of a CEO designate. Of course, that is the case. That is the case in every organisation, Mr Speaker, but I am very confident that the good people of GBC, the fantastic professionals that we have up there will be able, with the right backing from this Government and the right level of investment, to produce the broadcasting that this community deserves in the second decade of the 21st century.

A Member: Hear, hear.

965

Direct Democracy First session this month

970 **Clerk:** Question 210, the Hon. D A Feetham.

Hon. D A Feetham: Will the Chief Minister confirm that the first session of his proposed system of direct democracy will commence this month?

975 **Clerk:** Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, yes, sir.

980 **Hon. D A Feetham:** Can the Hon. the Chief Minister state what form this system of direct democracy will take?

985 **Hon. Chief Minister:** Not at this moment, Mr Speaker, because there are different forms that it will take in different quarters, in order to ensure that it is as accessible as possible to the different people who may be interested in accessing us directly.

For example, it may be that there are some social media sessions which enable people to put questions through social media and for the Government to answer those questions through social media. It may be that there is a more traditional sort of session where the Chief Minister appears on television to answer questions from a live audience or from telephone calls. All of that, of course, will require GBC to be involved, or any other broadcaster that may be interested in carrying it.

990 Mr Speaker, it is very likely that one of the options for the first quarter will have been chosen and announced by the end of next week. It is very likely, Mr Speaker, that we will choose to change the option

that we go for each quarter, so that different people who feel more comfortable with different sorts of media will find it easier to access us in each quarter.

995

Hon. P R Caruana: Mr Speaker, does the hon. Member agree – would he agree with me – that, to the extent that he uses GBC as a platform for what he calls ‘direct democracy’, GBC would have an obligation under their charter and statute to balance that with equivalent or commensurate facilities to the other side of this House?

1000

Hon. Chief Minister: Mr Speaker, I am very happy to consider that with the hon. Gentleman, if he wishes, but of course he is (*Interjection by Hon. P R Caruana*) as able to open himself up to questions on Twitter or on Facebook as I am, without engaging GBC in its obligations. But it is an issue that would have to be considered in respect of *any* aspect of direct democracy that is carried on the national broadcaster, that is a statutory body.

1005

New Union in Gibraltar Support by GSLP activists

1010

Clerk: Question 211, the Hon. D A Feetham.

Hon. D A Feetham: Is the Government supportive of the attempts by GSLP activists to form a new Union in Gibraltar?

1015

Clerk: Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, the Government respects the right and freedom of association of workers and our policy is to positively engage with all trade unions that exist in Gibraltar.

1020

It is not the policy of the Government to discourage or support the formation of new unions. Freedom of association and the freedom to form unions are fundamental rights.

Hon. D A Feetham: Is he aware that, in fact, the main movers – the ringleaders in relation to this particular union – are GSLP members and at least one GSLP executive member; and is he not aware that GSLP headquarters is also used for the same purpose?

1025

Hon. Chief Minister: Mr Speaker, I do not recognise any of the pejorative things that the hon. Gentleman is suggesting, (*Interjection*) but I do have my own personal union card, which still says ‘T&G’ and it is a Unite card.

1030

Hon. D A Feetham: There was nothing pejorative in the question, but does he not accept –

Mr Speaker: The word ‘ringleader’ was pejorative.

1035

Hon. D A Feetham: Does he not accept –

Mr Speaker: The word ‘ringleader’ only applies to someone who is engaged in an activity that is distasteful, at the very least.

1040

Hon. D A Feetham: Well, I have to say that that was not my understanding of the term ‘ringleader’ –

Mr Speaker: If it was not intended, then it is understood.

1045

Hon. D A Feetham: But, in any event, does he not accept that, in fact, if he wanted to, he could put a stop to it by instructing his colleagues within the GSLP executive to actually put a stop to the attempt to create a new union? And is it not the case that this is an attempt, in fact, to undermine Unite and its leadership?

Hon. Chief Minister: Mr Speaker, first of all, I do not come from a political party where we tell people what to do.

1050 Second, the freedom to associate and the right to establish unions, as far as I am concerned, is so fundamental that I would never be involved in telling people what they should or should not do.

Mr Speaker, frankly, to put all that into a parcel and present it as an attempt to undermine Unite really is just the hon. Gentleman trying to imagine himself into a better political advantage than the one he is in.

1055 The fact is, Mr Speaker, that I enjoy *excellent* relationships with *all* the trade unions in Gibraltar: with Unite, with the Taxi Association, with the GGCA and with the Teachers' Association.

I should stop there, Mr Speaker, and congratulate the Teachers' Association for having achieved, today, 50 years of representation of those teachers in our schools. (*Applause*)

Mr Speaker, the hon. Gentleman will be very disappointed to know that I had dinner last night with Kevin Coyne from Unite, the union, and he came to visit me this morning in my office.

1060 **Hon P R Caruana:** Did he apologise to you?

Hon. D A Feetham: Mr Speaker, no doubt the hon. Gentleman says that he has excellent relations with Unite and with its leadership. From answers to questions yesterday by the hon. Member to his left, your position is completely in contrast with the position of the hon. Member, Mr Bossano.

1065 Is there a division in the Government in relation to this particular issue and in relation to the position that you, as Chief Minister, are taking and the position that the hon. Member, Mr Bossano... the more aggressive position that the hon. Member, Mr Bossano, is taking in relation to sponsorship of this new union?

1070 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman wants to misinterpret everything he is told.

I was delighted to listen to the debate yesterday after I left and all I heard was that the Hon. Mr Bossano was very rightly stating that he is not the Minister with responsibility for industrial relations – that I am – and that, therefore, I see unions when they want to negotiate directly with the Government.

1075 The hon. Gentleman wants to see division where there is none because it is in his political interest that there should exist division. He wishes we were divided, Mr Speaker. He wishes we were acting against one union in order to favour another so that he could sow his seed of dissent and make it grow, so that it might elevate him into the post that he so covets. It is just not there, Mr Speaker.

1080 **Hon. D A Feetham:** Mr Speaker, does he think that it is appropriate for the former Leader of the Opposition, Mr Bossano, to actually say that the leadership of Unite could not spell the term or the word 'duress'? Does he think that is appropriate? And does he not agree with me that that is indicative of the hostility that Mr Bossano feels towards the leadership of Unite?

1085 **Hon. Chief Minister:** Mr Speaker, I think that we say a lot of things across the floor of this House in jest and in the heat of the parliamentary moment, (*Interjections*) but I must say that, of course, Mr Bossano must have been absolutely right, given that the post of leadership of Unite at the moment is vacant, as he knows, and there is nobody there.

Hon. D A Feetham: Did he discuss the leadership of Unite yesterday with Mr Coyne at the dinner?

1090 **Hon. Chief Minister:** Mr Speaker, I had a fantastic dinner last night with Mr Coyne. We discussed many things, none of which I am going to refer to the hon. Gentleman. I discussed them, Mr Speaker, with Mr Coyne as a member of the union that he represents and as Chief Minister of Gibraltar.

1095 I must tell him that we had a fantastic dinner and however hard he tries to sow that seed of dissent, it is just not going to take, Mr Speaker. The soil ain't fertile for this.

Hon. D A Feetham: Mr Speaker, I did not ask the hon. Gentleman as to whether the swordfish that he had last night tasted good or not. I have asked him whether he has discussed the issue of the leadership of Unite: yes, or no?

1100 May I ask another supplementary question linked to this? Has he, on any previous occasion, written or spoken to Mr Coyne or the UK Unite about the leadership of Unite in Gibraltar?

1105 **Hon. Chief Minister:** Mr Speaker, I am not going to tell the hon. Gentleman what I discuss over dinner with people. I just do not think I am accountable, but I will say this: I did not have swordfish – and I should not be telling the hon. Gentleman because my wife thinks I am on a diet and I am having fish – but I had beef. *(Laughter)*

I will say this, Mr Speaker: in my capacity as Chief Minister of Gibraltar and in any other capacity, I have not written to anyone about the leadership of Unite. I hope that gives the hon. Gentleman the satisfaction that he is obviously looking for.

1110 **Hon. D A Feetham:** What about in a previous incarnation?

Hon. Chief Minister: Mr Speaker –

1115 **Mr Speaker:** I do not think that needs answering. It is not a question. Next question.

1120 **Overall Government revenue and expenditure
Current financial year as at 31st January 2012**

Clerk: Question 212, the Hon. P R Caruana.

1125 **Hon. P R Caruana:** Mr Speaker, can the Chief Minister say what is the overall Government revenue and expenditure in the current financial year, as at 31st January 2012?

Clerk: Answer, the Hon. the Chief Minister.

1130 **Hon. Chief Minister:** Mr Speaker, I will answer this Question together with Questions 213 to 217.

1135 **Consolidated Fund to the Statutory Benefits Fund
Payments since 18th January 2012**

Clerk: Question 213.

1140 **Hon. P R Caruana:** Mr Speaker, can the Chief Minister say whether any payments have yet been made from the Consolidated Fund to the Statutory Benefits Fund pursuant to his public statement of 18th January 2012?

1145 **Consolidated Fund to the Statutory Benefits Fund
Payments to any Special Fund, Government-owned company or statutory corporation since 9th
December 2011**

Clerk: Question 214.

1150 **Hon. P R Caruana:** Question 214 or 217, did you say? Question 214 and 217?

Hon. Chief Minister: Questions 214, 215, 216 and 217.

1155 **Hon. P R Caruana:** Oh, I see.

Can the Chief Minister say what is the total amount of payments that have been made from the Consolidated Fund to any Special Fund, Government-owned company or statutory corporation since 9th

December 2011, giving the total amount for each?

1160

**Aggregate public debt
Breakdown by bank loans, bank and Government debentures**

1165

Clerk: Question 215.

Hon. P R Caruana: Can the Chief Minister give a breakdown, as at 31st January 2012, of aggregate public debt by bank loans and bank and each different issue of Government debenture?

1170

**Aggregate public debt and Government cash reserves
As at 31st January 2012**

1175

Clerk: Question 216.

Hon. P R Caruana: Will the Chief Minister say what were the aggregate public debt and the Government cash reserves as at 31st January 2012?

1180

**Gibraltar Savings Bank
Nominal value of debentures or other debt security issued since 9th December 2011**

1185

Clerk: Question 217.

Hon. P R Caruana: And, last but not least, will the Chief Minister say how much, by nominal value, has been issued in debentures or other debt security by the Gibraltar Savings Bank since 9th December 2011, giving a breakdown in respect of each such issue?

1190

Clerk: Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, tentative overall revenue in the current financial year to 31st January 2012 stood at £351.6 million, and the tentative overall expenditure stood at £318.7 million.

1195

No payments have yet been made from the Consolidated Fund to the Statutory Benefits Fund.

No payments have been made to any of the Special Funds since 9th December that were not already approved by Parliament in the estimates and the Budget debate. If any payments above those set out in the Budget are required, these will be provided for in a Supplementary Appropriation Bill.

1200

We will not be providing a breakdown by month, as that is just a snapshot of the internal accounts of the Government, which will be constantly changing. At the end of the financial year, in less than six weeks, the Member opposite will see the position reflected in the estimates. In respect of advances to Government companies, a further £1 million has been advanced since 8th December, when he left office.

In respect of Question 215, Mr Speaker, I will hand the hon. Gentleman a statement with the information requested in a moment. *(See following page)*

1205

Mr Speaker, as at 31st January 2012, the aggregate public debt stood at £524.4 million. The cash reserves on that date stood at £224.5 million.

I hand the hon. Gentleman a statement with the information requested in Question 217. *(See following page)*

1210

Hon. P R Caruana: Mr Speaker, did I correctly interpret the hon. Member's statement of 18th January 2012 to mean that the Government intends, before the close of this financial year, to make a payment from the Consolidated Fund into the Statutory Benefits Fund, equivalent to the shortfall in revenue over expenditure in

the Statutory Benefits Fund, not just in this current financial year, but in respect of previous financial years as well?

1215

Hon. Chief Minister: Mr Speaker, what I have said – and I think I said it also in the statement that I made to the nation on 18th January – was that it was going to be, in fact, a further £2.5 million that was going to be required. So a total of £10 million will be contributed this year, instead of £7.5 million.

ANSWER TO QUESTION 217 of 2012

Answer to Question 215

Summary of Public Debt as at 31st January 2012

1. Government of Gibraltar Debentures

	<u>Maturity</u> <u>Date:</u>		
Pensioners' Monthly Income Debentures		£51,543,100	
Monthly Income Debentures		£11,516,300	
Special Issue of Monthly Income Debentures 2008		£51,657,300	
Limited Issue of 3-Year Fixed Monthly Income Debentures	30/06/2012	£22,375,700	
Limited Issue of 3-Year Fixed Monthly Income Debentures	31/12/2012	£33,488,400	
Limited Issue of Fixed Monthly Income Debentures	31/12/2013	£15,188,000	
Limited Issue of Fixed Monthly Income Debentures	31/12/2015	£70,304,300	
Limited Issue of Fixed Monthly Income Debentures	28/02/2017	<u>£68,305,800</u>	
			£324,378,900

2. Commercial Loans (Bank Revolving Facilities)

Barclays Bank PLC	£150,000,000	
Natwest Offshore Ltd	<u>£50,000,000</u>	
Total Commercial Loans		£200,000,000
Total Public Debt as at : 31/01/2012		<u>£524,378,900</u>

ANSWER TO QUESTION 217 of 2012

Answer to Question 217

The Gibraltar Savings Bank has issued the following Debentures and Bonds from the 9th December 2011 to the 14th February 2012:

	Total Issues
Monthly Income Debentures (Issued 17 January 2012)	£192,800.00
3-Year Fixed Maturity Monthly Income Debentures (1 February 2015)	£384,100.00
5-Year Fixed Maturity Monthly Income Debentures (1 February 2017)	£10,861,200.00
10-Year Accumulator Bonds	£481,800.00
	<u>£11,919,900.00</u>

1220

Hon. J J Bossano: To meet this year's...

Hon. Chief Minister: To meet this year's shortfall.

Hon. P R Caruana: So, when he said in his statement about an adjustment in respect of previous years, that is not... The intention behind whatever that statement may have meant was not that in this financial year

1225 the Consolidated Fund would be charged with previous years' 'shortfall'?

Hon. Chief Minister: No, Mr Speaker. It was that we were going to be making provision as from this year – what we consider to be adequate provision as from this year – and there would be a note below the line in respect of what was required in other years.

1230

Hon. P R Caruana: But his statement, does he not recall, treated separately what was required, in their view, for this year, and then went on to say:

1235

'... and we will be restating, we will be providing an amount in respect of the alleged shortfall...'

– well, 'alleged shortfall'; there was a shortfall of revenue over expenditure –

'...in previous years.'

1240

That is what he said and I am just trying to... The obvious meaning of the words, unless they mean something other than the obvious, is that they were going to make a one-off provision in respect of *past* years' alleged shortfalls *in addition to* this year's.

1245

Hon. Chief Minister: Mr Speaker, I think that he is confusing what I said in respect of companies and what I said in respect of the Statutory Benefits Fund. I am quite happy to read him what I said in respect of the Statutory Benefits Fund so that it is clear. I said this, Mr Speaker:

'The figures presented by Mr Caruana to the Parliament...'

1250

– I say 'Mr Caruana' instead of 'the hon. Gentleman' because that is what I said in my statement –

1255

'... in the estimates did not reflect this as part of the Government's own recurrent spending. Neither does this take into account the reduction in the reserves of the Statutory Benefits Fund, from which we pay old age pensions, in respect of which we will have to increase the provision from £7.5 million by a further £2.5 million required to keep the Fund at the same level at which it was at the beginning of the year. That will further reduce the surplus.'

That is all I said.

1260

Hon. P R Caruana: Carry on.

Hon. Chief Minister: That is all I said.

Hon. P R Caruana: Next sentence.

1265

Hon. Chief Minister: Mr Speaker, then I said:

'The surplus for the current year will therefore be recalculated to give you a true and fully accurate picture by including the recurrent losses of Government companies and by reflecting the additional funding required by the Statutory Benefits Fund.'

1270

Hon. P R Caruana: So, when he lumps that last reference to the Statutory Benefits Fund, the last words that he has uttered, he lumps them with a reference to company balances, *both* in respect of previous years, leading me to believe that both related to previous years' shortfalls.

1275

Hon. Chief Minister: No, Mr Speaker. I think my statement is very clear. He has had an opportunity to reply on the national broadcaster, too. He knows my views; I know his views. I think that, on this, my statement is abundantly clear.

Clerk: Question...

1280

Hon. P R Caruana: Mr Speaker, can the hon. Member say whether Gibraltar Government debentures, as opposed to Savings Bank debentures, are still open for public subscription?

Hon. Chief Minister: Mr Speaker, I understand that they are no longer available.

1285 **Hon. P R Caruana:** So that, in fact, local savers may now only invest in the Savings Bank, where it does not reckon as public debt, as opposed to in the Gibraltar Government, where it does reckon as public debt, even though the Savings Bank is guaranteed by the Gibraltar Government?

Hon. Chief Minister: Yes, Mr Speaker, that is the position.

1290 **Hon. P R Caruana:** Mr Speaker, it was a little bit difficult for me to follow exactly which of the questions he was answering.

When he said that he will not give me monthly information, was that in relation to the amount paid by the Consolidated Fund for any special Government or Government-owned statutory corporation? I did not ask for that...

1295

Hon. Chief Minister: That is right, Mr Speaker, it was in relation to that, but I did give him the amount in respect of companies, which was £1 million.

1300 **Hon. P R Caruana:** Yes, but I did not ask for it on a monthly basis; I asked for it as at a certain date. Is he saying that he is going to refuse to answer this question *next* month?

Hon. Chief Minister: Mr Speaker, the advice that I have is that that is a snapshot picture which would change and means absolutely nothing and that, in fact, the contributions to the funds are made at the end of the financial year, and I think that has always been the position.

1305

I think I also said, Mr Speaker, that in six weeks, in effect, he will know what the position is going to be.

**Government procurement since 9th December 2011
Goods and services obtained without tender**

1310

Clerk: Question 218, the Hon. P R Caruana.

1315 **Hon. P R Caruana:** Mr Speaker, can Government say what goods and services have been procured by Government since 9th December 2011 without going out to tender?

Clerk: Answer, the Hon. the Chief Minister.

1320 **Hon. Chief Minister:** Mr Speaker, as the hon. Member knows, there is currently a backlog of EU directives dating back to 2004 that are pending transposition into Gibraltar law that relate to procurement. In line with its manifesto commitment, this Government will prioritise transposing into Gibraltar law *all* EU directives on procurement, including those that relate to the procurement of services.

1325 It is anticipated that these directives will be made law very shortly. It is this Government's policy that all goods and services which are above the prescribed tender thresholds set out in those directives are to be put out to tender, as required by law. The Government is not aware, having checked with the Treasury and the Procurement Office, of any goods or services provided for in these laws or above these thresholds which have been procured without going out to tender.

1330 **Hon. P R Caruana:** Mr Speaker, the hon. Members' answer is neither an answer to my question, nor is it consistent with an answer that he gave me in last month's Parliament.

I have not asked him what procurement has been done of goods and services above the value threshold which are mandatory to be by public tender under EU directives. I have asked him what has been... You do not need an EU directive to go out to tender for every amount if it is your policy to go out to tender for any amount.

1335

Last month, he told this House, without reference to EU directives, that it was the policy of his Government that, 'save in the case of urgency and other exigencies' – his exact words – it was the policy of

1340 his Government that all procurements of goods and services should be by tender. That has nothing to do, will he not agree with me, with EU directives? Has the policy, therefore, changed during the last month, such that it is no longer the policy as it was last month that *all* goods and services will be procured by public tender, save urgency and exigency, to the one that he *appears* to have described by his answer today, which is that he will go out to tender above the EU requirement threshold when he has got round to doing those laws? Is it last month's, or is that the position today?

1345 **Hon. Chief Minister:** Mr Speaker, I do not recognise any inconsistency in what I said last month and what I am saying this month.

In fact, Mr Speaker, I do not believe that we have gone out for any goods or services to be procured that have not gone out either to tender or they have been dealt with in accordance with people who have pre-qualified to make, supply even, services to the Government.

1350 **Hon. P R Caruana:** The answer is none.

Hon. Chief Minister: Well, exactly.

1355 **Hon. P R Caruana:** The answer to my question is none...

Mr Speaker: Order! Order!

1360 **Hon. Chief Minister:** Mr Speaker, therefore what I said to the hon. Gentleman was that, in checking with the Treasury and the Procurement Office, we do not believe that there was *any* procurement in excess of those thresholds.

1365 Mr Speaker, if this has suggested that the thresholds are only the EU thresholds, then it should not have suggested it because the position is that we *will* go out to tender for *any* goods and services that we need to obtain for the Government, other than in cases of urgency or exigency, either with a tender per item or by pre-approving people to provide things for the Government which it would just be impossible to be going out to tender for.

Hon. P R Caruana: But, Mr Speaker, that is not what he has told me in his answer.

1370 My question does not relate to EU directives and what he has told me, when he first answered the question and indeed just repeated, is that he has checked with the Treasury and, as far as he can see, there are no procurements that have not gone out to tender above the threshold that would be required by the EU directives.

1375 My question does not relate... or is not benchmarked against any EU directives. My question is because last time he told me that it was the Government policy *regardless* of EU directives. EU directives are mandatory tenders above a certain level. He told me last month that it was in any event the Government's policy to go out to tender for everything, even below the EU threshold of mandatoriness except for – I keep on saying it, so that I am not misquoting him – ‘urgency and other exigencies’.

1380 So I am asking him what has been procured by tender to which he can say, ‘I don't know’ or ‘I think nothing’ but [*inaudible*] so by reference to would have required an EU process under tender. Does he understand my predicament?

Hon. Chief Minister: Mr Speaker, I understand what the hon. Gentleman is saying. I believed I was saying clearly and I am happy to say clearly, nothing has been procured other than by tender or by the pre-tendering procedure that makes services available to Government from people who have pre-qualified.

1385 **Hon. P R Caruana:** Because the reason why I am asking this question, Mr Speaker, is not because I am particularly interested in this point in what might or might not have been procured by tender, but because last month I did not make a great deal of progress with the hon. Member in extracting from him what he meant by ‘other exigencies’. I can understand, because I have been sitting on that side for many years, that there are occasions where urgency of the need to procure make it impractical for the Government to go out to tender. If something breaks down, if there is an emergency, there are any number of circumstances of *genuine urgency* where it would be quite absurd to expect the Government to delay the procurement by the period of time that

1390

the tender process requires. That part of his answer last month caused me, therefore, no difficulty.

1395 But I was a little bit concerned by the undefined width of the term 'or other exigencies'. 'Other exigencies' unless further defined could mean *anything at all* that they think.... So, in other words, emergencies or other exigencies *could* mean – is capable of meaning – emergencies or whenever the Government decides not to put it to the tender process, and I am just trying to get him to... through an interpretation of his examples – of which there are none, apparently, this last month – but he can do it dialectically across the floor of the House now if he wants to, to try and assist me further with what the Government understands and is there some curtailment, therefore, to the concept of 'other exigencies'?

1400

Hon. Chief Minister: Mr Speaker, there is absolutely no intention in this Government of granting contracts for services for many millions of pounds without going out to tender, as was the case before 9th December, when we came into office. It is not the intention of this Government to procure anything other than by tender, unless there is a great urgency or other exigency.

1405

There may be exigencies which are not urgent, Mr Speaker. It is not urgency alone that will drive us to have to procure something by tender, but what I want the hon. Gentleman to understand is that we would have to be in a very difficult position *absent* urgency, before going down the route of procuring something other than by tender, because we think that is the fairest system and that is the best way for us to ensure that we are getting the best value for money for the people.

1410

Now, he says that he can understand the need on some occasions not to go out to tender. Mr Speaker, I know that he and I have debated in this House things which have been procured for Government which were not procured through tender, not as a result of any urgency. So he himself must understand that there are other exigencies, absent urgency, which sometimes may drive you to have to procure something not by tender. He and I have disagreed about what those exigencies were for *him*. I hope that if they ever come to us – and it may be that they never do – he and I may not disagree about it being an exigency.

1415

If it is helpful, Mr Speaker, it would have to be, for my Government, 'Man bites dog' that we go out to procure something not by tender for a reason other than urgency.

1420

Hon. P R Caruana: Well, Mr Speaker, I know that that is the stated policy – I have heard it before – of this new Government. When he refers in his answer, unlike the previous Government, absolutely right, it was *not* the policy of the previous Government – as, indeed, it has never been the policy of any Gibraltar Government before.

1425

Let us leave to one side the question of EU directives. It has never been the policy of *any* Gibraltar Government – GSD, GSLP, AACR, IWBP before it – to go out to tender for the procurement of professional services. Those professional services, as the hon. Member well knows to his benefit, include legal fees, as it does architect services, as it does engineering services.

1430

Now, this Government is, of course, free to reverse that longstanding position... I think, if he wants, as an aside, in the anteroom or on some other private occasion, I can tell him why *I* think previous Gibraltar Governments did not go down the tender route for professional services, but that is a different matter. They are certainly free to take a different view.

1435

But will the hon. Member agree with me that the tender process practice is one that if the hon. Members apply, as they say, to everything except urgent matters and over his.... he has not quite said 'over his dead body', but over a very sceptical Chief Minister that would have to be persuaded, as a definition of exigency, will he agree with me that it is reasonable for us then to interpret his answer – which I think *does* take the debate further than he took it last month – that given the height to which he has raised the threshold – not the urgency threshold; the 'other exigencies' threshold that he has personally just raised it to – it would be legitimate of us in this House to continue to ask him of the occasions upon which he has been persuaded, despite his great scepticism and personal commitment to the contrary, to go down the non-tender route?

1440

Hon. Chief Minister: Mr Speaker, yes. And if there is a reason which is grounded in public security or public policy, I would ask him to accept that I should tell him behind the Speaker's Chair, rather than across the floor of the House.

1445

Hon. P R Caruana: Of course.

Hon. Chief Minister: But, look, I want to be accountable for my actions, and it is the hon. Member's job

to make me accountable for my actions. I do not want the Government to be spending its money based on preference or favour to any particular person providing any particular goods.

1450 Now, there is a mechanism, which is this pre-authorisation mechanism, which means that people pre-qualify to provide goods and services to the Government. I think that is an important –

Hon. P R Caruana: By tender.

1455 **Hon. Chief Minister:** Well, that is a tender –

Hon. P R Caruana: Long-term tender.

1460 **Hon. Chief Minister:** – but it is long-term supply tender, which I think, frankly, works in keeping Government going, in all the things that it needs to be getting which are not exceptional. I know that the stock of wine gums that the hon. Gentleman used to have is running out, and I am assuming we are not going to issue an advert to see who is going to replace them – although again, that is an issue that affects my diet and we may be getting dried fruit instead of wine gums when they have run out!

1465 But, Mr Speaker, otherwise yes, I would expect that this is the sort of thing that, when it happens, is something that we can debate.

Hon. P R Caruana: I do not know whether to interpret that, Mr Speaker, as an admission on his part that he is in greater need of dieting than I am! (**Hon. Chief Minister:** Absolutely!)

1470 Mr Speaker, when I have asked him... I am grateful to him for his last substantive answer and I note the degree at which he has put the threshold. When I have asked him for examples today, he has prefixed his answer by saying, ‘I have asked the Financial Secretary’ – or whoever he said he had asked – ‘and as far as I am aware...’ etc, etc. Given the importance that he attaches, according to what he has just said, to the non-urgent out-of-tender procurement being an exception of which he should be persuaded, does he think it is appropriate that all procuring Department heads should be aware of the strength of the Government’s policy position on this matter, that any exceptions therefore should be reported and recorded in his Office, so that the next time I ask him he is able to say, ‘There have been none’ or ‘There have been the following ones’? But if all he can ever tell me – because I realise, where he sits in No 6, he does not see the whole of the Government machinery – if he is always going to come back to this House and say, ‘I have asked, and no-one has told me there have been any’, that is not reliably forensic about whether or not it has happened.

1480 **Hon. Chief Minister:** Mr Speaker, it is the policy of the Government that that should be the case, and it is the set-out policy of the Government, because the hon. Gentleman is asking me, based on the fact that he knows it is the policy of the Government.

1485 I think when we started this debate last time, he was referring to statements in our manifesto before the Election or otherwise, so I would have thought, Mr Speaker, that anybody who is procuring services for the Government is procuring it in line with the Government’s rules for procurement and the policy of the Government. Absolutely, it is something that if somebody is going to go outside these rules, they will have to persuade the political Government – not necessarily me; their Minister who has been present in this debate – that they are going outside the tender procurement process, in order to obtain relevant goods and services for the Government – absolutely.

1490

**Paperless Government initiative
Storage, preservation, retrieval and audit of electronic communications**

1495

Clerk: Question 219, the Hon. P R Caruana.

1500 **Hon. P R Caruana:** Mr Speaker, can the Chief Minister confirm that its paperless Government... This is at the risk of being called – what was it? (**Hon. Chief Minister:** Luddite.) A Luddite, yes.

Can the Chief Minister confirm that its paperless Government initiatives will allow and require e-mail correspondence and other paperless communications to be safely stored, preserved and retrieved and audited

indefinitely in the future?

1505 **Clerk:** Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, the Government has in place IT measures within the corporate network to securely store, preserve and retrieve any information held electronically for as long as required – and I will not pretend that has been done since 8th December.

1510 Provisions for archiving and search and discovery solutions are currently being made in order to implement what is called ‘data auditing’. This has been an ongoing improvement, commenced before 8th December. I am advised by the Government’s own IT technicians that these tools will enable the Government to use powerful analytics, in order to comply with regulations, as well as to maintain audit trails, manage and enforce corporate policies on any Government-retained electronic information – which I think, Mr Speaker, is to say ‘yes’ to the question that he has asked, in technical jargon.

1515 **Hon. P R Caruana:** Well, if you humour a Luddite for a while longer, Mr Speaker, this Luddite has it in his mind that, with a paper file, if somebody wants to review and research and audit and to look at the papers relating to a matter, it is all in a paper file, marked this or that.

1520 Is it implicit in the answer that he has just given me and the technical jargon that he has used in it that these records will be searchable as if they were all sitting in the same file, physically?

Hon. Chief Minister: Yes, Mr Speaker, and my experience from using a similar system in private practice suggests that it is actually easier to find when they are in this form, once the system is up and running, than if they are in a paper file because, usually, documents are indexed either in a way that every word on the page is available to search for, or the document – if it is a document not created by a computer, but something scanned into a computer – is given tag words to enable the document to be found when those tag words are put in or it can be found by date order – which is probably the way the hon. Gentleman will go to a file, to look for something that he remembered, in other words, either looking for the specific word or document or looking around the date that it might have been created.

1530 Mr Speaker, it is in my view the right initiative, if we are also going to make archived material available because, as we start going forward and we create new material, it will be easier to archive and make available.

1535 I am quite happy to say to the hon. Gentleman, Mr Speaker, that e-mail – at the pain of being called a Luddite myself, which I do not think I am going to encourage – can sometimes be a curse and people can say short things in internal communications – ‘Okay’ or ‘See you later’ – the sort of thing you might not usually have archived and might have been a telephone conversation, which will be there forever.

1540 So people who are using e-mail now need to know that those things will be searchable and available and they need to say to friends that this is a work e-mail address and it is the Government e-mail address that will be the Government’s archive. But, yes, Mr Speaker, it should all be searchable and kept for good in this format.

Hon. P R Caruana: I am grateful to the hon. Member, and will it – I mean it is not necessarily implicit in the fact that it can be done, that it will be done – is it the Government’s intention that, once this system is in place and up and running, which I acknowledge is not yet, that the creation of paper copies will be discouraged, so that the Government is going to try and get used to working without paper, so if somebody sends an e-mail with an attachment, with a document attached, people will be discouraged – or not required, at least – to print them out and put them in a file? In other words, is that the philosophy or the policy? So, because it is searchable and auditable and all that, in order to get the principle – yes, I think he has understood the question – that people will not be expected to keep a paper file as well?

1550 **Hon Chief Minister:** With this nuance that, operating a paperless office does not mean that you do not print things out *ever*, because, very often – we are human beings – we sometimes appear to be able to interact better with a piece of paper, if we are checking an agreement, than we can with a screen. So, very often, people, when they are receiving documents that they need to work on, will want to print them at least as working copies and they will not necessarily want to shred that: they may want to put it in a file, in order to

1555 keep it with their notes etc.
So, what is happening already is that people, Ministers in particular, are looking at things on screens

where that is viable. It is not, Mr Speaker, that this system is not already in place, it is that it is being improved and I recognise that if it is already in place, it must have been put in place, as a matter of good IT management, before 8th December.

1560 He may have noticed, Mr Speaker, that even in Parliament each Minister is only bringing copies of their own questions in paper form. Copies of questions being answered by other Ministers are being made available to the Ministers – in the old days, people will recall, they all brought copies of everybody else’s – on their iPads, so they are able to follow which question I am on and the answer that I am programmed to give on their iPads. Some of them have more –

1565

Hon. P R Caruana: If he will supply iPads to the Opposition, we will do the same!

The Chief Minister: Mr Speaker, I am perfectly open to an Opposition request that the taxpayer should provide them with iPads. That is absolutely no problem at all. Some of my members are more or less enamoured of their iPads. Most of them have taken to them like ducks to water and we save an amount of paper there.

1570

Mr Speaker, the hope is, and the aim is, not just of this Government, but I am sure of many professional organisations and many governments, to be able to cut down the amount of paper that we use, so far as is reasonable, without affecting how we have records for ever of the things that we are doing and it is in the interests of our community that we should for ever have records of. In fact, the whole aim is to make those records more permanent, more lasting and more easily searchable within the confines of political conventions.

1575

1580

**Government advertising
Cost of local media spend since 9th December 2011**

Clerk: Question 220, the Hon. P R Caruana.

1585

Hon. P R Caruana: Mr Speaker, will the Chief Minister say how much advertising by monetary cost has been placed by the Government since 9th December 2011 with (1) the *Gibraltar Chronicle* (2) the *Panorama* (3) the *7 Days* (4) the *New People* and (5) any other Gibraltar newspaper or magazine?

And I hope that is not too far from the way he used to formulate the questions.

1590

Clerk: Answer, the Hon. the Chief Minister.

The Chief Minister: Mr Speaker, the Government has been invoiced £6,363.85, of which £1,400 has been paid and £3,963.85 is pending payment. Costs by newspapers is broken down as follows since 9th December.

1595

The *Gibraltar Chronicle* has invoiced £4,404 and had £1,400 paid and £3,004 is pending payment.

The *Panorama* has invoiced £1,669.85 and that amount is pending payment.

Gibsport has invoiced £290 and that amount is pending payment.

The *7 Days* newspaper has not invoiced anything and has not been paid anything and the *New People* newspaper has neither invoiced anything nor had any advert placed and has, therefore, not been paid anything.

1600

This information is now being made available on a monthly basis on the Government website, worked out on the basis of what has actually been paid and not on the basis of ‘monetary cost’. If I could just say to the hon. Gentleman, I think I used to ask what has been paid and when he has put the question in terms of monetary cost, he has made us think whether he was asking us what adverts had been placed, not yet invoiced for and not yet paid, which, I am told, we could not work out.

1605

He may be interested to know that the information which is now on the website actually goes back to the 24th June 2011, the day after he last answered my question. So whoever is interested can continue to trace through the time since I last asked the question in this House, what amounts had been paid to any of the relevant publications.

1610

This, in my view, Mr Speaker, is information that should have been up in January. It was not up in January, it is now February and the hon. Gentleman has had to ask the question for us to realise that it was not on the website. It will now be on the website on a monthly basis, so he can ask questions arising from the

data, rather than having to ask for the data.

1615

See following page.

ANSWER

THE HON THE CHIEF MINISTER

Mr Speaker,

The Government has been invoiced £6363.85 of which £1400 has been paid and £3963.85 is pending payment.

Cost by newspapers is broken down as follows.

	Invoiced	Paid	Pending Payment
Gibraltar Chronicle	£4404.00	£1400.00	£3004.00
Panorama	£1669.85	-	£1669.85
Gibsport	£290.00	-	£290.00
7 Days	-	-	-
The New People	-	-	-

This information is now being made available on a monthly basis on the government website worked out on the basis of what has actually been paid and not on the basis of "monetary cost".

1620

Gibraltar Chronicle

Government contribution to occupational pension arrangements

Clerk: Question 221, the Hon. P R Caruana.

1625

Hon. P R Caruana: Yes, Mr Speaker.

Can the Chief Minister say whether the Government is committed to paying, or intends to make any payment, from public funds towards the past or present occupational pension arrangements of the past or present employees of the *Gibraltar Chronicle* newspaper or Gibraltar Chronicle Printers?

1630

Clerk: Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, no sir.

1635

Hon. P R Caruana: Mr Speaker, will the hon. Member confirm that his 'no' is a comprehensive 'no' on the subject matter, and not 'no' to the question as formulated. In other words, that it is not the Government's intention to fund in any way, directly or indirectly, the pensions liability of a company that it does not own, such as the *Gibraltar Chronicle*?

1640

Hon. Chief Minister: Mr Speaker, although I should only be answering the question as asked, but his interpretation is correct.

1645

**Government decision on proceeding
Runway tunnel and new power station**

Clerk: Question 223, the Hon. P R Caruana.

1650

Hon. P R Caruana: Mr Speaker... no.

Clerk: 223.

1655

Hon. P R Caruana: Mr Speaker, will the Chief Minister say whether the Government has yet decided whether it will proceed with (1) building the tunnel under the Eastern Beach end of the runway and (2) a new power station at Lathbury Barracks Parade Ground?

Clerk: Answer, the Hon. the Chief Minister.

1660

Hon. Chief Minister: Mr Speaker, in respect of the project relating to the tunnel under the runway, the Government is going to tender for the completion of the works. This will require an EU procurement procedure.

1665

In respect of the proposed new power station at Lathbury Barracks Parade Ground, the Government is in advanced negotiations with the joint venture partners, Volker Stevin Construction Europe and ETDE S.A., to determine whether we will proceed with the project as presently envisaged, or with modifications.

1670

Hon. P R Caruana: I acknowledge two things. (1) the conversation we had last week about legal implications and I also acknowledge the fact that because the Government goes out to tender, does not mean it is obliged to proceed with actually carrying out the project.

Can I ask the hon. Member, subject to those two caveats, whether the answer means that, in principle, they have decided, as a matter of policy, to proceed with a power station, if the price is right, can be right, can be made right, in their view and a tunnel, if the price is one that they are happy to accept on the conclusion of that tender? So what I am trying to find out is whether there is now political commitment to the concept of a tunnel proceeding and the need to build a new power station at Lathbury Barracks?

1675

Hon. Chief Minister: Mr Speaker, the issue in respect of the tunnel, really, has always been cost and I know it must also have been cost, before 8th December, because the contract to do it for £30 million went pear shaped and the hon. Gentleman knows I have discussed that with him.

1680

So cost is an issue. I think you would find unanimity in Gibraltar that a tunnel would be the *preferred* option, as long as it is affordable and it may be that we have to have an argument about what is or is not affordable in the future but, in principle, we believe a tunnel would be the best option for people to cross the runway vehicularly.

1685

In terms of the power station, Mr Speaker, cost is also very much the leading consideration and he knows we have differences as to what the appropriate cost of that, perhaps, should be and that is why we are discussing these issues, but there are, of course, other questions which are relevant in respect of the power station, not least, complying with European environmental directives and, in any event, wanting to find the best method for generating electricity in the safest and most secure fashion for our community. It may be that we do not disagree with decisions that the hon. Gentleman made before the Election, or it may be that we do, once we have had these further negotiations and we have seen what further options might have been available to him. Or, Mr Speaker, because this is an area, which I acknowledge is in flux, if technologies have moved on from the time when he commissioned a report into the issue and he was advised in respect of one particular technology.

1695

**Economic interests of Gibraltar
Justification for additional office accommodation**

Clerk: Question 224, the Hon. P R Caruana.

1700 **Hon. P R Caruana:** Mr Speaker, can the Chief Minister say whether he believes that the economic interests of Gibraltar require that additional office accommodation be built?

Clerk: Answer, the Hon. the Chief Minister.

1705 **Hon. Chief Minister:** Mr Speaker, the Government believes that additional office accommodation will be required as new business is attracted to Gibraltar. The Government will not, however, finance the new development of office space by private developers.

1710 **Hon. P R Caruana:** Yes, Mr Speaker, my question was not aimed at the second part of his question, which would put him in a very awkward spot, given how critical they were of the previous Government when, as a last resort, we indicated that we would be willing to do it. But the first half of the answer is, really, the one that I was hoping to explore because, Mr Speaker, it begs the very question that I think is at stake here.

1715 The hon. Member has said, in answer to the question, 'Can the Chief Minister say whether he believes that the economic interests of Gibraltar require that additional office accommodation be built?' – he has said, effectively, yes, as new businesses are attracted, office accommodation will be required, as new businesses are attracted to Gibraltar.

1720 Will the Chief Minister agree with me that precisely the point is that there is a chicken and egg situation and that the chicken and the egg need to resolve their differences in the opposite way to the way that he has just described in his answer because, if accommodation is only available *as* businesses are attracted to Gibraltar, they will never be attracted to Gibraltar, because the availability of suitable office accommodation is one of the factors that businesses take into account, in deciding whether to put Gibraltar on the shortlist of alternative locations, of various possible locations, for their business? This is why the previous Government became so concerned, because the private sector was, for banking crisis reasons, unable to obtain bank funding for it and we were being told that insurance companies and other economic activity was finding that there was insufficient quality of business accommodation.

1725 Hence the question, designed to get to the conclusion of my urging the Government to take the view that a stock of office accommodation, a stock of *suitable* type of office accommodation needs to be available speculatively *in order* to attract businesses to Gibraltar, rather than only be provided *as* businesses are attracted to Gibraltar, which is too late for the business to actually come here.

1730 **Hon. Chief Minister:** Mr Speaker, it is a chicken and egg situation. Is it, if you build it, they will come, or is it that if you do not build it, (*Interjection by Hon. P R Caruana*) they can never come.

1735 **Hon. P R Caruana:** They cannot come.

Hon. Chief Minister: Mr Speaker, we built it. He turned it into a hospital! (*Interjection by Hon. P R Caruana*)

1740 Therefore, Mr Speaker, the issue, really, is this. Is it that the private sector cannot bank any of its projects to build offices. Well, Mr Speaker, we do not think that is the situation at the moment and we do not think there has been a dramatic change since 8th December. In fact, all the evidence I have seen suggests that there is more than one project to build offices which is likely to be taking off very soon indeed, although one project, which should have been a flagship, may not take off.

1745 **Hon. P R Caruana:** Well, Mr Speaker, we are talking about the supply and demand equation today, where the economy of Gibraltar has tripled in size from when the days of the office building to which he is referring had lain vacant for many years and would have lain vacant for many more years in an economically unviable fashion for its then owners.

The question is that as he knows that there is a two or three-year lead from an office development being conceived and commenced to it being available for occupation.

1750 I am not pressing the hon. Member as to why he has not built any offices yet; I am simply trying to establish consensus with him that one of the obstacles at present to any success that the Hon. Mr Licudi may enjoy in attracting more gaming companies to Gibraltar, if that is what the Government wants to do, or new banks or insurance companies or any other financial [*inaudible*] Gibraltar, his success will be in vain if, when they get here and come to look, they cannot be physically accommodated in office space and therefore go

1755 elsewhere.

This is not an attack on the Government; I am simply sharing with them our experience over the last 18 months or so in Government, that the chicken-and-egg equation has been determined by the *[inaudible]*. People come, look, see the office accommodation that is available – there is always a little bit – but it is not what they are looking for and therefore cross Gibraltar off the line. One of the things we need to put in place – will he agree with me – is somehow encouraging private sector development – which I agree with him is by far the most preferable way of doing it – to get on with building these offices, so that whatever success the Government has in attracting additional business to Gibraltar can actually be accommodated?

1765 **Hon. Chief Minister:** Well, Mr Speaker, I think he is asking me to agree with something that I can certainly agree with, which is that we can encourage private sector development of more suitable office space. But, of course, private sector development will do so when it considers there will be a market there and not to provide a bank of offices for Gibraltar.

1770 But he says rightly, Mr Speaker, that there is a three- or four-year lead to the development of offices, and he says rightly, Mr Speaker, that there is not at the moment a bank of office space. Well, Mr Speaker, that is the position that we inherited two months ago from the Government that he was leading.

1775 So without the need to get into something which might be less than a convivial discussion about it, where we can agree that private sector developers should be encouraged to develop offices for the expansion that we expect there will be Gibraltar's economy in the next four years, what we are not going to do – and this is a clear dividing line between us – is help them in financing it, by providing them with cash. That is something that the hon. Gentleman suggested he *might* be prepared to do as a joint venture partner or as an equity investor in one particular project (*Interjection by Hon. P R Caruana*) and we said at the time, and we maintain, that that will not be the tack that we take.

1780 Short of that, can there be agreement across the floor of the House, that there should be private sector development of office space encouraged by Government and Opposition? Well, yes, Mr Speaker. He obviously agrees with us that Gibraltar is going to expand quite substantially in the coming four years, and we are going to need it. I am grateful for his... I will not call it 'U-turn', I will just say 'support'!

1785 **Hon. P R Caruana:** Mr Speaker, the hon. Member is not correct. The previous Government never intended to provide 'cash' as he calls it. We were not offering to finance a private property development. In fact, we made it perfectly clear that we were not willing to do that.

1790 What we were willing to do was to take party, as joint venture equity partners, on a matching basis. In other words, a public investment in offices, just as there is public investment in many things. I have to say that... Will the hon. Member not agree with me that too hard and fast a commitment to the view that he has just expressed is capable of becoming illogical and irrational? This idea that there are *no circumstance* which the hon. Members can be persuaded that it would be an appropriate use of public funds to assist or participate as an equity investor in the building of offices, so that, for example, if the Government was *certain* that the economic prosperity and development and sustainability of our economy were being constrained, held back or prejudiced by the lack of offices – which may not be due to the fact that developers do not see demand, but simply that banks, because they have got their own balance sheet problems, are simply not lending for property developments, regardless of what demand there may be for the finished product; that, in those circumstances, the Government will continue, anchored in the view that better to let the economy of Gibraltar suffer structural macroeconomic damage than do whatever may be necessary to provide you with the office space that it needs.

1800 I agree that it is much better... governments are not in the business of building offices; but governments are in the business of ensuring the success of our economy. And if the success of our economy, for reasons outside the Government's control meant that it had to resort to the extraordinary exigency of making itself an office property developer, does he not agree that in those circumstances, it would be the right thing to do?

1805 **Hon. Chief Minister:** Mr Speaker, in the very exigent circumstances that the hon. Gentleman describes, yes, it would be the right thing to do. We do not recognise that that has happened in Gibraltar in the past four years and that he was put in that position, when he was about to make an equity investment – which is providing cash, Mr Speaker, whether we express it one way or another.

You see, Mr Speaker, (*Interjection by Hon. P R Caruana*) we do not see the position developing in the way – (*Interjection by Hon. P R Caruana*)

1810 I am not suggesting that the hon. Gentleman was a lender, Mr Speaker. (**Hon. P R Caruana:** Thank you.)
You provide cash when you are an equity investor as well.

1815 Mr Speaker, but I do not see the position being as the hon. Gentleman posits, for reasons that he is probably in a better position to understand than me, because there are two particular types of office development that he will know of, because they have not arisen in the past eight weeks, which are very likely to take off, which do not rely on bank financing, and which would provide the sort of office environment that he and I might think is relevant in the future.

1820 Mr Speaker, there is, of course, the Government is not in the business of building offices, because we are not developers. We are in the business of building other things. We build industrial parks, which include some offices; we build homes for rent or co-ownership; but investing in the project that the hon. Gentleman was thinking of investing in, simply did not enjoy the confidence of us when we were on the opposite benches, and it would not enjoy our support today as a Government, in particular given that we know that there are two projects in the pipeline at different levels in that pipeline, that are likely to come to fruition and are likely to provide the sort of accommodation that the hon. Gentleman thinks is appropriate, and I agree.

1825 **Hon. P R Caruana:** Mr Speaker, would the hon. Member not acknowledge that the reason why the previous Government did not proceed with that investment...? The previous Government's position was always that, as a last resort, it would invest public funds to ensure that the economy of Gibraltar did not suffer. For two years, we were unable to find a single developer willing to commit to start an investment, in the knowledge that even when they had started, it would take them three years to bring it online.

1830 That position was publicly abandoned by the Government – does he acknowledge, precisely when the proposed development that he has just referring to came on line? And he may recall, he was present at Gibraltar Day in London last year, when I said that the Government was in negotiations which would result in it not having to proceed as a developer itself. That is a project facilitated by an agreement, which the Government has also been highly critical of in the last few weeks – one of the two projects in question is that.

1835 I do not know if that is the project he had in mind or the other one, more in Queensway. *Both* projects are good projects. *Both* deserve to be supported and encouraged, and I agree entirely with the hon. Member if both... perhaps if one of those – just one of those – proceeded, then it would *not* be necessary for the Government to invest public funds.

1840 **A Member:** Is there a question there?

Mr Speaker: Will he acknowledge?

1845 **Hon. P R Caruana:** Yes.

Hon. Chief Minister: Well, Mr Speaker, I am not able to say when the hon. Gentleman decided not to invest and what was happening at the time, behind the impenetrable curtain. But what I will say is that we are discussing what is happening today, and look, in these circumstances, we do not believe we are in the last resort.

1850 We do not necessarily accept what the hon. Gentleman has said about the one issue that has been the subject of a public dispute between us outside of this House, in respect of one particular office development, but I will only say this, Mr Speaker: I was in Gibraltar Day in London last year, and I have extended an invitation already publicly for the Leader of the Opposition, whoever he or she may be, to be there this year, too – something that was not a courtesy extended to me or to my predecessor.

1855 **Clerk:** Question –

Hon. P R Caruana: [*Inaudible*] refer to the United Nations? No?

1860 **Hon. Chief Minister:** No.

1865

**New air terminal
Cleaning costs**

Clerk: Question 225, the Hon. P R Caruana.

1870

Hon. P R Caruana: Mr Speaker, can the Chief Minister say, what was the cleaning cost of the new air terminal in respect of (1) cleaning carried out before it opened for arriving passengers and (2) the weekly cleaning costs in respect of the period from the date of its opening for arriving passengers to the current date and, in the case of the latter, give a break down by week?

In other words, the weekly cost after opening, and the cost before opening.

1875

Clerk: Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, if it is of assistance to the hon. Gentleman, I am going to read what is here, but then I am happy to give him a copy of what I am going to read.

Mr Speaker, the information available to the Government is as follows and it straddles the two administrations:

1880

The cleaning carried out before the new air terminal opened for arriving passengers, assuming the hon. Member means from the date the terminal was handed over to the Government, was handled by Dragados as part of their contract. The cost to the Government of the cleaning on the days the airport was open for pre-election tours was handled by GJBS Ltd at a total cost of £35,889.

1885

The invoiced weekly cleaning costs in respect of the period from the date of the opening of the airport for arriving passengers to date are as follows:

For the first week, from 26th to 27th November – that is just one day, because of the way the weeks have been worked out – £280.80.

For the second week, from 28th November to 4th December 2011, £904.80.

1890

Week 3, from 5th to 11th December, £904.80.

For the fourth week, from 12th to 18th December 2011, £904.80.

For the fifth week, 19th to 25th December, £748.80.

For the sixth week, 26th to 31st December, £904.80.

I think there is one day missing in the other week because, on Christmas Day, the terminal is closed in Gibraltar.

1895

We have not been invoiced for daytime cleaning for January and February to date. The weekly cost has increased to £1,453.60 per week, as the cleaning hours have increased due to the cancellation of the night-time cleaning contract service provided by GJBS and that was cancelled on 9th January 2012.

1900

A night-time cleaning service was contracted by the previous Government through GJBS Ltd during the public viewing days. The rates were based on a short-term contract basis and included what I am told was a mark-up by GJBS Ltd. An invoice for the initial period of arrivals of operations from 25th November to 10th December was expected for £88,281.90. That is an astonishing figure for two weeks of night-time cleaning contracted by the previous administration.

1905

This figure was challenged by the new Government. As a result of this, GJBS Ltd have reviewed the matter, and the invoice for the longer period of 24th November 2011 to 8th January – so in other words, not from 25th November to 10th December, but from 24th November to 8th January – is now £122,840.13.

The night-time cleaning service was cancelled on 9th January 2012, as I have just told the House.

ANSWER

THE HON THE CHIEF MINISTER

Mr Speaker,

The information available to the Government is as follows:

1. The cleaning carried out before the new air terminal opened for arriving passengers, assuming the Hon member means from the date the terminal was handed over to the Government, was handled by Dragados as part of their contract. The cost to the Government of the cleaning on the days the airport was open for pre-election "tours" was handled by GJBS Limited at a total cost of £35,889.00
2. The invoiced weekly cleaning costs in respect of the period from the date of the opening of the airport for arriving passengers to date is as follows:-

		<u>Daytime</u>
Week 1	25 th to 27 th November 2011	£280.80
Week 2	28 th November to 4 th December 2011	£904.80
Week 3	5 th to 11 th December 2011	£904.80
Week 4	12 th to 18 th December 2011	£904.80
Week 5	19 th to 25 th December 2011	£748.80
Week 6	26 th to 31 st December 2011	£904.80

We have not been invoiced for daytime cleaning for January and February to date. The weekly cost has increased to £1,453.60 per week as the cleaning hours have increased due to the cancellation of the night time cleaning service, provided by GJBS Limited, on 9th January 2012.

3. A night time cleaning service was contracted by the previous Government through GJBS Ltd during the public viewing days. The rates were based on a short term contract basis and included a mark up by GJBS Ltd. An invoice for the initial period of arrivals operations (25th November to 10th December) was expected for £88,281.90. That is an astonishing figure for two weeks of night time cleaning contracted by the previous administration. This figure was challenged by the new Government. As a result of this, GJBS Ltd have reviewed the matter and the invoice for the period 24th November 2011 to 8th January 2012 is now £122,840.13. The night time cleaning was cancelled on 9th January 2012 as I have just told the House.

1910

Hon. P R Caruana: Yes, Mr Speaker, it is precisely that presentation – that misrepresentation – of statistics that appeared –

1915

Hon. Chief Minister: Point of order, Mr Speaker!

I think we have had an afternoon where we have been able to put points to each other which are political points in a political way; but to say that I have misrepresented anything, when I am providing the hon. Gentleman with figures that I have been provided by those that operate the terminal for the Government, I think starts to stray into the area where we are going to have arguments which we do not need to have.

1920

Mr Speaker: Does the Leader of the Opposition wish to reconsider – ?

Hon. P R Caruana: No, I wish to be allowed to finish my answer. Then he will understand...

1925

Hon. P R Caruana: No, I wish to be allowed to finish my answer and then he will understand that it is not quite –

A Member: It is a question, not an answer.

1930

Hon. P R Caruana: The question. I beg your pardon.
It is precisely that distorted representation, then, if he does not like the word 'misrepresentation', it is precisely that distorted representation of the comparability of figures which he has just read out which were

contained also in the Government's Press Release that has motivated me to ask this question.

1935 Does the hon. Member not understand that to compare the cost of cleaning, post opening, once the cleaning from a building site to a clean terminal had been carried out, and then comparing it to the weekly cost after that – which was just cleaning the daily soil, the daily dirt and rubbish – is not a fair comparison? That before it opened to tender, there was not the three, four, five or six – I do not know what the contingent is that are bought in now to do the regular cleaning – there was an army of cleaners required to clean a terminal which had been a building site and convert it into the condition in which it could open for business and that, beyond that, the cleaning contract was to maintain it clean, and not to clean it. Does he, therefore, 1940 acknowledge that to compare what is, in effect, a lump sum deployed over a number of days is not comparing apples to apples, when the other apple is the daily cost of maintaining it clean?

1945 **Hon. Chief Minister:** Mr Speaker, I know that the hon. Gentleman has got the problem that the airport contract has gone pear shaped for him, but we *are* comparing apples with apples.

I said specifically that the cost of cleaning the terminal, or that part of the terminal that was handed over to the Government, given the previous administration's angst to receive something to operate down there before the Election and to operate tours which operated as almost a *live manifesto*, that cost, Mr Speaker, of going from building site to keys handed over, was handled by Dragados as part of their contract. I have not given a figure for that, Mr Speaker.

1950 Then, the Government – and, of course, Mr Speaker, I assume that when a contractor hands over a site, he does not hand it over as if it were something to hand over where you could eat your lunch off the floor... then the Government spent an amount of money in getting it into the condition that the then Government wanted it to be for these pre-Election tours. That cost (*Interjection by Hon. P R Caruana*) £35,889... That cost £35,889!

1955 So, the contractor cleans it – we do not know for how much – and hands it over. It is perfectly normal, Mr Speaker, that when you get a building back from a contractor you might think it is not as clean as I want it to be before I can start operating it or *showing it off* as my flagship project – and that cost £35,000!

1960 Mr Speaker, that is a lot of money to spend on cleaning, but it is a quarter, or just over a quarter of the £122,000! Let me just get that right: £122,000 that it cost to clean the terminal from 25th November – open for arrivals from that day, Mr Speaker – to 9th January because, of course, Mr Speaker, if it is in the politician's mind that he is *definitely going to open at least a part of this airport before the Election*, not just for tours, not just for 'manifesto live', but for operations, for arrivals... well, Mr Speaker, look, I perfectly understand that you are operating in a building site and that it costs a lot of money to clean a building site every day. And it has cost a hell of a lot of money, Mr Speaker – £122,000 – until a more sensible Government grabbed the bull by the horns, found a different way of ensuring that the terminal was cleaned. It now costs, instead of £122,000 for the seven-week period between 25th November and 9th January... it now costs £1,453 a week.

1965 Mr Speaker, the hon. Gentleman can say, Fabian – or here, I suppose, he should call me 'hon. Member' – you need to multiply what it costs per week now, by the number of weeks for which it has cost £122,000, to compare like with like. Well, you know what, Mr Speaker, I might be prepared to agree with that. He can do it himself, Mr Speaker. He can multiply £1,453 by seven and he can compare that to the £122,000.

1970 It is likely, Mr Speaker, that he is going to find that he has spent – or he gave orders for spending – £112,000 more than had to be spent to keep that terminal clean and open for arrivals, Mr Speaker. (*Interjections*)

1975 **Mr Speaker:** Order! Order!

Hon. Chief Minister: That is, in my view, Mr Speaker, the most obvious case of financial neglect that we have found since we were elected into Government in respect of this terminal to date.

1980 But, Mr Speaker, I am also happy to tell him... and he will be very happy to learn that I took another executive decision in respect of this terminal, and that was to switch the lights off at night, because he wanted them switched on for it to look tremendously beautiful. I said, 'Look, the environmental issues matter more to us. You can switch the lights off when there ain't anybody there.'

1985 **A Member:** Hear, hear. (*Applause*)

Hon. P R Caruana: Mr Speaker, I do not know whether he is saying that the GJBS, which is a

Government-owned company, went out to pay £122,000 for what should have cost them £35,000. I do not know whether that is what he is saying.

1990 Or I do not know whether he is saying that I said to GJBS, ‘No, even though it can be done for £35,000, go out and find somebody that will charge you £122,000.’ I do not know what nature of allegation he is making against the management of a Government-owned company that was simply instructed to clean the terminal. But, certainly, some sort of allegation he is making because he cannot possibly believe that I personally – or any Minister – engaged themselves in the sub subcontract, given that JBS was a subcontractor of the contractors (*Interjection*) and the cleaner was a subcontractor of the subcontract...

1995 I do not know if he is suggesting whether Government Ministers engaged and found and negotiated with the cleaner. So, given that he cannot possibly believe that, he is either making the most serious of allegations against the management of JBS or he is continuing – and I would prefer to think it was the latter – to fail to understand the point that I am making, and that is that the process of cleaning a building the size of this air terminal from the moment that the Government were allowed access to it in order to prepare for the ‘live manifesto’, and in order to prepare to have as many voters as possible see it before polling day, that that, as a one-off cost which would have had to be done at some stage and was advanced, according to him, for electoral purposes, that that is a one-off cost which cannot fairly be considered, which cannot fairly be compared with the cost during any period starting *after* that effort had been made, and that effort was not a one day effort or a one week effort... It took quite a long time to get the building into that clean enough condition. It was not done by 100 women in one night.

2000

2005

Hon. Chief Minister: It is not just women who clean –

2010 **Hon. P R Caruana:** No, mostly... No, I think when I used to go down there were only women there. (*Interjections*)

Hon. Chief Minister: Well, Mr Speaker, clearly the hon. Gentleman and I have different views of the world. You see, I just do not think it is women who clean.

2015 **Hon. P R Caruana:** No, I haven’t said –

Mr Speaker: Order. (*Interjections*) Order.

2020 **Hon. Chief Minister:** Mr Speaker, you see, the hon. Gentleman is doing what he best does politically, which is to try and pretend that he can talk about something other than the very serious inheritance that he left this Government.

2025 You see, Mr Speaker, I have not made any allegation against my great friends at GJBS who do such fantastic work for the Government and for the community. I have made, in fairly transparent form, Mr Speaker, an allegation of negligence and financial mismanagement against *him* (*Interjections*) although, of course, Mr Speaker, he would rather now say that the airport terminal had nothing to do with him; that he wasn’t the Clerk of Works, that he wasn’t on top of everything that was happening there, that he wasn’t the person who came down there and threw his hard hat on the floor when it did not look like he thought it should look in time for the Election, Mr Speaker! (*Interjection*)

2030 He *was* the Clerk of Works. He knew *everything* that was happening. I sent him back his *boots*, Mr Speaker – because he left them at 6 Convent Place – that he used to use when he walked on site on all of these projects. (*Laughter*)

2035 Mr Speaker, it is impossible for him to wriggle out of this. The sum of £122,000 is not the sum that it cost to get the terminal into the state in which it could start to operate for arrivals. Let me make it clear. I know he is clever enough to understand it, but he is trying to obfuscate so that people do not understand what he did.

The sum to get the terminal up to scratch for arrivals is (a) an indeterminate amount paid by Dragados in handing over the site and cleaning it, such as they might understand cleaning to be; and (b), £35,889; and then it opens for pre-Election tours.

2040 Mr Speaker, from that moment on, from the moment that the terminal is open for arrivals, the cleaning, the continued cleaning – so therefore it must have clean enough to open for arrivals, otherwise the hon. Gentleman opened up a place that was not clean enough for arrivals in his haste to open something up in time for the Election...

2045 From the date that the terminal opened for arrivals and was operating until we grabbed the reins and stopped it, for the seven-week period between 25th November to 9th January, the cost of cleaning overnight – in other words, the same areas cleaned each night – was £122,000 – £122,000! Mr Speaker, they can divide by seven and they can get the weekly amount. That is what it cost, and it would have continued to cost that per week if we had not stopped it.

2050 It now costs £1,453 per week, and the terminal is clean and open for arrivals, although, Mr Speaker, we have made no bones of the fact that we considered closing the terminal for arrivals because it is only in the mind of the hon. Gentleman in his pre-Election frenzy than it can have appeared reasonable to have two airports operating within 50 yards of each other – one for arrivals and one for departures – just because he needed them to be open in time for the Election!

2055 But, in terms of a financial cost, it is absolutely clear: what was done for £122,000 in seven weeks, we are now doing for £1,453. Therefore, Mr Speaker, if we had done it from 25th November to 9th January, it would have cost £10,000. The shortfall to the taxpayer, Mr Speaker, is £110,000 because the hon. Gentleman wanted to open a terminal for arrivals in time for the Election.

Mr Speaker, there are so many things that we could have done with that money that would have been better for the community. Forget our arguments about the cost of the terminal – just that cleaning cost. *(Applause)*

2060 **Hon. P R Caruana:** Mr Speaker, then, having heard the hon. Member again, does he agree with me that he obliges me to change my mind: that, of the two options that I gave him before, making serious allegations against the management of JBS or not comparing apples with apples, when I told him that I would prefer to think that it was the second, I have got to change my mind, having heard him now. It has got to be first. He must be making serious allegations against the persons that he says are his ‘great friends’ because, Mr Speaker –

Hon. Chief Minister: Mr Speaker, on a point of order –

2070 **Hon. P R Caruana:** No, no.

Hon. Chief Minister: It is not up to you to decide.

Mr Speaker: I have to listen to the point of order.

2075 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman has put that point before and I have made very clear that I am not making allegations against anyone at JBS. I have said the opposite. I specifically spelt it out.

2080 He is not allowed, Mr Speaker, to put words into my mouth, in particular in respect of something as serious as saying that I am making an allegation against someone when I specifically told the House that I am not. If he wants to tell the House that I am lying, he can put a motion. I can tell him now what the result would be.

2085 **Hon. P R Caruana:** I am telling the House that there are two possible explanations for what he is saying in it: (1) that he is making serious allegations against those who administer and issue the contract; or he is not comparing apples with apples, because he must know that I personally... I know that he is desperate to make this stick on me personally, but he must know that I personally neither negotiate nor award... *(Interjections)* nor find cleaners, and that what Ministers do is say to the Government’s company, ‘Get the air terminal clean,’ and if the person to whom the Government says ‘Get the air terminal clean’ chooses to do something as outrageous as he appears to think what they did is, then either they are incompetent – serious allegation –

2090 or, worse, even more serious allegation. It is not me or any other Minister that knew of, or agreed to, or brought about, or procured a situation, where something that he thinks should cost one-seventh of what it actually cost, actually cost seven times more than that, and because however many times he may, for political effect, repeat the allegation as if it was being an allegation made against me, he must know that I am responsible in the sense that I was responsible for everything that happened in the Government or under the

2095 Government, but that I am not *directly* the cause of that situation being the case, however politically responsible I may be for it as the head of the whole Government organisation, and as he continues to insist

that this is some outrageous act, it can only be an outrageous act by those who perpetrated it, not by those who simply asked for the terminal to be clean and then find that it costs what the hon. Member thinks is outrageous.

2100 I have to say one more thing to the hon. Member.

Hon. Chief Minister: You have to answer the point of order.

2105 **Hon. P R Caruana:** I have to ask, yes, whether he will agree with me.

Mr Speaker: What?

Hon. Chief Minister: Exactly.

2110 **Hon. P R Caruana:** I will convert it into a question, don't worry.

Hon. Chief Minister: Mr Speaker, I thought the hon. Gentleman was going to reply to my point of order.

2115 **Hon. P R Caruana:** Will the hon. Gentleman not agree –

Mr Speaker: Order! Order!

Hon. P R Caruana: Look, Mr Speaker, I have sat here –

2120 **Mr Speaker:** No, no –

Hon. P R Caruana: As a point of order, I have sat here quietly listening to all the diatribe and allegations and bitterness that he has just uttered. I have not jumped up like a nervous jack-in-the-box trying to prevent him from uttering what he has done. He should do the same –

2125 **Hon. G H Licudi:** No.

Hon. P R Caruana: – and be man enough –

2130 **A Member:** You just ask the questions. We will say whatever we want.

Hon. P R Caruana: Well, I am asking a question, but he will not let me finish it, Mr Speaker. It takes so long because he tries to stop me asking it, (*Interjection and laughter*) because he does not want me to populate the question.

2135 **Mr Speaker:** Well –

Hon. P R Caruana: Mr Speaker –

2140 **Mr Speaker:** Before the Hon. the Leader of the Opposition carries on –

Hon. P R Caruana: Yes.

2145 **Mr Speaker:** – a point of order has been raised –

Hon. P R Caruana: Yes.

Mr Speaker: – and I have to rule on that.

2150 I was waiting to hear the question. (*Interjection by Hon. P R Caruana*) Well, exactly. There has been a very long preamble but I am promised... (*Interjection by Hon. P R Caruana*) Since I am promised that a question is on its way, and right now... The question, I hope, will be phrased correctly, which will help me to

overturn the point of order.

When I hear the question I will be in a better position to rule on the point of order.

2155

Hon. P R Caruana: I see, yes.

Well, Mr Speaker, the question is this... I will go straight to it without any preamble whatsoever.

Mr Speaker: Well, you have had the preamble already. (*Laughter*)

2160

Hon. P R Caruana: Does the hon. Member not agree that, thanks to the personal and careful interest taken by Ministers in the GSD Government in the execution of Government projects, *nobody* has had to suffer the consequences of the gross negligence that resulted from the careless execution by the previous GSLP Government of almost all of *their* projects?

2165

Hon. C A Bruzon: That is irrelevant.

Mr Speaker: Before the Chief Minister answers the question (*Interjection by Hon. P R Caruana*)

Yes, but dealing now with the point of order which the Hon. Chief Minister raised, is it now clear from the questioner that he is not attributing to the Chief Minister any blame on the –

2170

Hon. Chief Minister: Making an allegation.

Mr Speaker: – or any allegation on the members of GJBS, as that is the issue which the Hon. Leader of the Opposition started his question with and that is what caused the Chief Minister to rise.

2175

Hon. P R Caruana: Mr Speaker, I have said, and I have repeated after he has made the point of order, that the things that he is accusing me of can only mean one of two things, and it is his choice, and I refuse to withdraw one of the two choices. *Facts* are only capable of two explanations and I am entitled to identify what those two explanations are, Mr Speaker.

2180

He cannot say to me that I have perpetrated the most serious example of public financial dereliction that he has found, and expect me to accept that as if I was personally the perpetrator of the facts that he believes resulted in that dereliction, and when I say to him that it cannot possibly mean that unless you are saying this, he says ‘No, if you are saying that, you are making a serious allegation.’

2185

Mr Speaker, debate in Parliament is not possible. I am saying to him that, as he *knows* that I am not the person that agrees the price of the cleaning contract, he must either be making all the suggestions that he is making against me about the person who *does* allocate the cleaning contracts, or he agrees with me that he is not comparing like with like.

2190

Mr Speaker: The question has moved on since then.

Hon. Chief Minister: Mr Speaker, I think that we have to deal with the hon. Gentleman as the punch-drunk clown he is, (*Laughter*) drunk on sour grapes that have made the wine –

2195

Hon. P R Caruana: That is unparliamentary language.

Hon. Chief Minister: As unparliamentary as calling somebody a ‘nervous jack-in-the-box’.

Mr Speaker: Order! (*Interjection by Hon. P R Caruana*)

I am well aware of the –

2200

Hon. Chief Minister: Well, that is your view.

Mr Speaker: I am well aware of the Hon. Chief Minister’s desire to generally lower the tempo in this House and I am sure he will agree with me (*Interjection by the Chief Minister*) that the language ‘punch-drunk clown’ does not really help.

2205

Hon. P R Caruana: No, Mr Speaker, it is not... On a point of order –

2210 **Hon. Chief Minister:** Mr Speaker, in that case –

Hon. P R Caruana: It is not a question of it not ‘helping’. It is a question of it being unparliamentary language. Unparliamentary language is not either just the use of the word ‘lie’ or any word which offends him which is used from the Opposition benches, which appears to be the emerging rule.

2215 The people of Gibraltar have elected me to the office of Chief Minister four times in a row, which is greater than the number of months that he has been in office for the first time. Unless he is insulting the people of Gibraltar by thinking that they are capable of repeatedly electing a clown into the highest office of the land, he is lying and misleading this House. (*Interjection by Hon. Chief Minister*)

2220 **Mr Speaker:** Order!

Hon. Chief Minister: Mr Speaker, this is what he wants Parliament to become. It is clear to me, Mr Speaker, that the hon. Gentleman defines himself by his combative style and by his enemies. He can call me a nervous jack-in-the-box –

2225 **Hon. P R Caruana:** *Like* a nervous jack-in-the-box.

Hon. Chief Minister: – but I cannot call him a punch-drunk clown, in his estimation. Let’s move on from all of those things, Mr Speaker, and if ‘like’ is all it takes, then I am quite happy to say that he is just *like* a punch-drunk clown, but not really one. (*Laughter*)

2230 Mr Speaker, this is an important debate and we should be having it, if he wanted to have a debate, on the basis of a motion, but he is asking a question. Questions are about elucidating information. He does not like the information that he is getting. I am not making *any* allegation whatsoever against my friends in GJBS, Mr Speaker, but he wants it to be that I am doing so, so that *he* can wriggle off the hook that he made for himself.

2235 Does he think, Mr Speaker, that anyone in Gibraltar believes that he would not be responsible for determining exactly what was happening in that terminal? Does he think, Mr Speaker, that Gibraltar is a big enough place that nobody knew that he was going down there almost every day to make sure that it was perfect for his manifesto? Does he really think, Mr Speaker –

2240 **Hon. P R Caruana:** On a point of order, Mr Speaker, this is complete... On a point of order, he is accusing me of lying. I have told this House repeatedly (*Interjection by the Chief Minister*) that I am *not* aware of the contract.

2245 Is he saying, by suggesting to you that I used to go down to review the progress of works, that therefore I must be telling an untruth in this House when I say that I had no idea what the cleaning arrangements were or how much they cost? That is all he is doing on his feet right now: he is trying to suggest that it is not credible that I did not know what the cleaning costs or arrangements were and, since I have said, *twice*, that I can recall that that is the case, then he is simply accusing me of lying, Mr Speaker.

2250 I am very happy for Standing Orders to be binned. I have quite a thick skin and very broad shoulders and I do not mind what language is used in this House. The point that I am making is that he is the first one to leap up and complain whenever anybody uses a word against *him*. Either we are both allowed to use words or *neither* of us should use words. All I am complaining about is the situation in which only we are not allowed to use words by *they* are.

2255 **Mr Speaker:** Well, I do not believe there exists a situation where only one side is not allowed to use unparliamentary language. That applies to both sides.

If the hon. Member is referring to the remark of ‘punch-drunk clown’, I have ruled it is not a helpful remark in the context of the spirit in which we intend to conduct these proceedings.

Hon. P R Caruana: Well, is it parliamentary or unparliamentary?

2260 **Mr Speaker:** It is no less and no more parliamentary than accusing somebody else of being like a jack-in-the-box. (*Interjection by Hon. P R Caruana*). I think we ought to play the game by the same rules. If one

Member sees fit to accuse another of being like a jack-in-the-box, then being a punch-drunk clown is not far removed from a jack-in-the-box.

2265 Again, I do not condone and I do not wish to encourage the use of any language of that nature. Leaving aside the description ‘unparliamentary’, I know of no argument that is enhanced by hurling insults across the floor. I think if we can all work to that rule that... Let’s avoid language which is likely to inflame the situation, and I think we would all achieve a lot more.

2270 Talking about the way this debate has arisen, there was a question from the Hon. the Leader of the Opposition asking for cleaning costs. I have read the answer and I have heard the answer. The answer has been provided in a factual manner. Then, the Leader of the Opposition has referred to that answer as a misrepresentation in the first instance, and when that was challenged he used the word ‘distorts’ the representation of the facts.

2275 What the Hon. the Leader of the Opposition has done is he has treated this question as a line of supplementary into a trial, if I may call it that, of his conduct of the cleaning costs. With respect, having done so, he can hardly complain if then the Chief Minister seeks to justify his answer.

Hon. P R Caruana: I am not complaining.

2280 **Mr Speaker:** Well, that is the way I understood it, with respect.

Hon. P R Caruana: He is the only one who is complaining.

2285 **Mr Speaker:** Well, no. The way I understood the line of debate – and I hope I have understood it correctly – is, it is the Hon. the Leader of the Opposition who then says it must mean either this or that. But then, if the Leader of the Opposition invites a conclusion, with respect, he must be willing to listen to the conclusion.

The Hon. the Chief Minister.

2290 **Hon. P R Caruana:** As must he. He is the one who is *[inaudible]*.

2295 **Hon. Chief Minister:** Mr Speaker, there are also two potential conclusions from *his* position. Let me just put it this way, because the hon. Gentleman has wanted to open up the debate: I do not believe that there is any bitterness on this side of the House, because, look, we won the Election! There is actually a lot of happiness on this side of the House because we are now able to implement the manifesto that we think is best for Gibraltar.

That manifesto, Mr Speaker, I believe, is never going to result in £17,500 per week being spent on something that is still a building site, in order for us to be able to operate something there for the benefit of our electoral success, as the hon. Gentleman tried to do down at the airport.

2300 Let’s be very clear. It is not just that I am saying £122,000 in seven weeks – £17,500 a week – was spent, and he says... because he recognises, Mr Speaker... The hon. Gentleman recognises that this is a massive political hook onto which he has hooked himself by asking this question. It is a massive political negligence that he allowed – if he was not responsible for the cleaning contract – to happen under his watch. But there is an even *bigger* sign that he *was* responsible for massive overspends that have cost the community. I think he used to laugh, during the Election campaign, when I turned up at debates with my battered copy of the *Chronicle* when he first announced the terminal at £24 million, only to confirm, just before the Election, that it came in at €80 million – €80 million, not £24 million, Mr Speaker. The change, the order of magnitude of the increased costs is such, Mr Speaker, that anybody listening might be prepared to accept that the person who allowed a contract to build the terminal to slip from £24 million to €80 million is exactly the sort of Chief Minister that might have allowed cleaning for £17,500 a week, £122,000 in seven weeks, in order to be able to operate his building site terminal in time for the Election and show it off.

2310 But, Mr Speaker, the hon. Gentleman then says that he wants to talk about the problems that people have experienced in developments under the previous GSLP administration, compared to the absence of any problems whatsoever in his developments. You know, I thought he was actually connected to what was happening, but it became such an ivory tower, clearly, in Convent Place, that he did not hear, from what he tells us, the many complaints of the good people at Cumberland Terraces, that are coming to us even now to ask us to fix their homes; the complaints of the good people at Waterport Terraces who have problems in their

2315

homes; the complaints of the people in the Flat Bastion development that they did; the complaints of the elderly people in Bishop Canilla House.

2320 Look, Mr Speaker, I take it from him, although he has not said it, but it is implicit in what every Government does, that when a Government builds, it wants to build to the best quality and if there are problems, it is not because any Chief Minister or any Minister has wanted there to be water ingress, or has wanted there to be a problem, but he believes, Mr Speaker, that he is entitled to say of others, that they were negligent, but when someone raises the fact that even in the projects that he was in Government for the development of, there are problems, he does not like to hear it. Well, Mr Speaker, you know what? I think you are absolutely right. There is no point calling each other nervous jack-in-the-boxes or anything else, we are here to debate, in order to give people the information that they are entitled to have from their Government and which they are paid to elicit in questions and when it is appropriate to provide it, we provide it.

2325 We are not here to call each other names, but that is the politics of the Gentleman opposite, and I am grateful for your rulings and I hope that we will therefore – both of us – be able to stick to the business at hand.

2330 **Mr Speaker:** The Hon. Daniel Feetham.

2335 **Hon. D A Feetham:** Yes, can the hon. the Chief Minister confirm that it has taken him seven weeks, or is it longer, for him to find out that there was this ‘outrageous’ cleaning contract, that had been entered into by GJBS?

2340 **Hon. Chief Minister:** Mr Speaker, I think the hon. Gentleman obviously was not listening to the debate and he decided that he wanted to intervene, because he needs to be relevant on the opposite side. If he looks back at my answer, he will see when we identified this contract and the fact that it changed, as from 9th January 2012, means that we would have identified the problem sooner. The 9th January to 9th December is four weeks, not seven and as he can understand, it is not always immediately possible to get all the information that one needs.

2345 He may be very interested to know that when one arrives at Convent Place, having been newly elected as the Chief Minister, an experience that he has not enjoyed, but at least not yet, I know he is very keen to have a go. One does not have a list of all the contracts and what they cost, so that one can quickly identify which to stop.

2350 **Hon. D A Feetham:** Tut, tut. The Hon. the Chief Minister is unduly spiky. I asked him a very simple question and he has gone on, on this tirade of those subtle insults, for which he is an expert.

2355 Let me just put this to him. If it has taken the Government four weeks to identify this outrageous contract, cleaning contract, that GJBS has entered into, does he not think that it is not unreasonable for a Government, bearing in mind that the airport terminal opened on 25th or 26th November, the General Election was on the 8th, so we are talking about two weeks, that in fact my hon. Friend, the Leader of the Opposition, may well be right, that he did not know and he did not identify that there was an outrageous cleaning contract entered into by JBS during that two-week period of time, in the same way as it has taken the hon. Gentleman four weeks in which to identify that it existed.

2360 **Hon. Chief Minister:** Mr Speaker, I do not consider that ambition is an insult, so if I am accusing the hon. Gentleman of being ambitious in leading our community, I do not consider that I am insulting him, but you take it as you wish.

2365 In order not to appear too spiky, in order not to offend in any way, I will just answer his question in a very simple way: no, Mr Speaker, I do not agree that the person who was there and who ordered the opening of the terminal could not have known what this was going to cost. (*Laughter*)(*Interjection Hon. P R Caruana*)

2370 **Hon. Chief Minister:** Point of order, Mr Speaker. The hon. Gentleman is saying from a sedentary position that it is implicit in what I am saying that he is lying. As the hon. Gentleman knows (*Interjections*) parliamentary language requires never to say that one or the other is lying and to put a motion. It is very often implicit in the things that we say that we do not believe each other and he has spent the eight years that I was sitting over there more or less telling me that and sometimes going over the edge and saying I was lying and then withdrawing it, or never bringing the motion that he promised to bring.

Mr Speaker, I do not mind saying that I do not believe him. I do not believe that puts me in a position where I am making unparliamentary remarks.

2375 **Mr Speaker:** I was not going to rule on it, because I am not entitled to take into account remarks made from a sedentary position, sir.

Next question.

2380 **Clerk:** Question 226 –

Hon. P R Caruana: The hon. Member ought to know for the record that I did not know. Nor am I accepting his interpretation of the facts and figures.

2385

**Gibraltar postage stamps
Prior approval of HM the Queen's effigy**

2390 **Clerk:** Question 226, the Hon. P R Caruana.

Hon. P R Caruana: Can the Chief Minister confirm that the design of Gibraltar postage stamps bearing the effigy of Her Majesty the Queen requires the prior approval of Her Majesty obtained via the Convent and the Foreign and Commonwealth Office?

2395 **Clerk:** Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, yes, that is correct.

2400 **Hon. P R Caruana:** Mr Speaker, and is the hon. Member aware that, in respect of a postage stamp issue, a proposed postage stamp issue, that has obtained a degree of coverage and notoriety in the press, relating to the appearance on a joint stamp issue with the State of Israel, including a representation of the Tower of David in Jerusalem that the Foreign and Commonwealth Office indicated that the Palace's consent to that design would not be forthcoming?

2405 **Hon. Chief Minister:** Mr Speaker, yes, and I will go further.

I have seen a letter from the Foreign and Commonwealth Office, from their offices across the road from where he used to sit and where I sit now, expressing that in terms which I think merited the reply that he caused to be sent.

2410 **Hon. P R Caruana:** Therefore, implicit in that very helpful answer, for which I am grateful to him, is that anybody who made any correspondence to the *Gibraltar Chronicle* that may, in ignorance of the facts, mischievously wish to create the impression that the refusal to proceed with the aforesaid issue with the aforesaid depiction of the Tower of David was somehow the policy decision of the Government of Gibraltar, would be mistaken?

2415 **Hon. Chief Minister:** This is not an issue on which there needs to be a party political difference, I agree.

Hon. P R Caruana: I am obliged to the hon. Member.

2420

**Civil servants and staff of Government undertakings
Transfer details since 9th December 2011**

2425 **Clerk:** Question 227, the Hon. P R Caruana.

2430 **Hon. P R Caruana:** Mr Speaker, can the Chief Minister provide a list of (1) civil servants (2) GDC employees (3) Statutory Agency and Authority employees and Government company employees that have, since 9th December 2011, been transferred from the post that they occupied on 8th December 2011, giving a breakdown by entity, employee, post occupied on 8th December and post transferred to?

Clerk: Answer, the Hon. the Chief Minister.

2435 **Hon. Chief Minister:** Mr Speaker, I now hand the hon. Gentleman a schedule with a list of civil servants and GDC employees that have been transferred. (*See following page*)

I think the hon. Gentleman will find that most of the moves are actually because whole Departments have changed nomenclature and perhaps changed office.

2440 **Hon. P R Caruana:** Mr Speaker, I am not going to detain the House by trying to analyse this list now and asking supplementaries based on it, but can he just assist me by telling me whether all the information sought in the question is provided? In other words, civil servants, GDC employees, Statutory Agency and Authority employees and Government company employees?

I do not see, at first blush, the nomenclature on the columns appear to relate to civil servants.

2445 **Hon. Chief Minister:** Mr Speaker, I think there is something else I should have said, which is that it has been confirmed by the relevant Statutory Agencies and Authorities and Government companies that no transfers of employees have been effected since 9th December 2011, although there was a discussion about a post having been abolished, I think, yesterday.

2450 **Hon. P R Caruana:** Mr Speaker, in relation to GDC employees, is the hon. Member confident that the answer he has given me is correct? There are no GDC employees – I do not think this is controversial information, but there are no GDC employees, for example, that have transferred from ministerial offices, which is perfectly legitimate but...

2455 **Hon. Chief Minister:** Mr Speaker, that is the information I have been provided and I assume it is correct. I do not have control over this information.

GIBRALTAR PARLIAMENT, THURSDAY, 16th FEBRUARY 2012

Answer to Question No.227 of 2012

NAME	GRADE	FROM	TO
Ms Myra Zayas	EO (Supernumerary)	Dept of Public Transport & Commercial Affairs	Gibraltar Law Courts
Mr Anthony Pitaluga	AO	Post Office	Culture
Mr Darrien Ramos	SEO (ex GDC)	No.6 Convent Place	Ministry of Education, Financial Services, Gaming, Telecommunications & Justice
Mr Cain Sanchez	HEO	Ex Ministry for Justice	No.6 Convent Place
Mrs Coral Schembri	Personal Secretary	Ex Ministry for Justice	No.6 Convent Place
Mr Charlie Curtis	EO	Treasury	Youth
Mrs Mandy Brocco	AO	Gibraltar Law Courts	Human Resources Department
Mrs Tanya Hendy	AO	Post Office	Gibraltar Law Courts
Mr Christian Zammit	AO	Income Tax	Post Office
Ms Nadia Casciaro	AO	GHA	Human Resources Department
Mr David Benyunes	AO	Maritime Administration	GHA
Mrs Kim Bain	AO	Culture	Maritime Administration
Ms Lynette Olivero	AO	Income Tax	Culture
Mr Charles Avellano	AO	Treasury	Income Tax (Initially seconded to GGCA w.e.f. 5/1/2012)
Mrs Susan Sanchez	HEO	GHA	Maritime Administration
Mrs Jyoti Neish	HEO	Human Resources	GHA

Contd... Answer to Question No.227 of 2012

NAME	GRADE	FROM	TO
Mr John Reyes	SO	No.6 Convent Place	Human Resources Department
Mr Julian Baldachino	SEO	Ex - Ministry of Enterprise, Development, Technology & Transport	Ministry of Education, Financial Services, Gaming, Telecommunications & Justice
Mr Peter Rodney	Legal Advisor	Ex - Ministry of Enterprise, Development, Technology & Transport	Ministry of Education, Financial Services, Gaming, Telecommunications & Justice
Mr Flavio Madeira	SEO	Ex - Ministry of Enterprise, Development, Technology & Transport	Ministry of Education, Financial Services, Gaming, Telecommunications & Justice
Mr Karl Rose	EO	Ex - Ministry of Enterprise, Development, Technology & Transport	Ministry of Education, Financial Services, Gaming, Telecommunications & Justice
Mrs Lourdes Borg	Personal Secretary	Ex - Ministry of Enterprise, Development, Technology & Transport	Ministry of Education, Financial Services, Gaming, Telecommunications & Justice
Mr Jason Davies	AO	Ex - Ministry of Enterprise, Development, Technology & Transport	Ministry of Education, Financial Services, Gaming, Telecommunications & Justice
Ms Fabiola Gomez	AO	Ex - Ministry of Enterprise, Development, Technology & Transport	Ministry of Education, Financial Services, Gaming, Telecommunications & Justice
Mrs Leanne Chipolina	AO	Ex - Ministry of Enterprise, Development, Technology & Transport	Ministry of Education, Financial Services, Gaming, Telecommunications & Justice
Mrs Lourdes Piri	Clerk/Word Processor	Ex - Ministry of Enterprise, Development, Technology & Transport	Ministry of Education, Financial Services, Gaming, Telecommunications & Justice
Mrs Eva McLaren	Clerk/Word Processor	Ex - Ministry of Enterprise, Development, Technology & Transport	Ministry of Education, Financial Services, Gaming, Telecommunications & Justice
Mr Daniel Cortes	Support Grade Band 2	Ex - Ministry of Enterprise, Development, Technology & Transport	Ministry of Education, Financial Services, Gaming, Telecommunications & Justice
Mr Tyrone Monteverde	Support Grade Band 2 (ex GDC 1)	Ex - Ministry of Enterprise, Development, Technology & Transport	Ministry of Education, Financial Services, Gaming, Telecommunications & Justice
Ms Sylvana Costa	Support Grade Band 1	Ex - Ministry of Enterprise, Development, Technology & Transport	Ministry of Education, Financial Services, Gaming, Telecommunications & Justice
Mr Paul Martinez	SEO	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Public Transport & Commercial Affairs
Ms Charmaine Souissi	Personal Secretary	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Public Transport & Commercial Affairs
Mr Dustin Orfila	Marketing Co-ordinator (ex GDC 3)	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Public Transport & Commercial Affairs

Contd... Answer to Question No.227 of 2012

NAME	GRADE	FROM	TO
Mr Javier Redondo	Assistant Business Support Officer (ex GDC 2)	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Public Transport & Commercial Affairs
Mrs Elisa Sene	AO	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Public Transport & Commercial Affairs
Mrs Desiree McDonald	AO	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Public Transport & Commercial Affairs
Mrs Marisa Celecia	Typist	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Public Transport & Commercial Affairs
Mr Christopher Purkiss	Director of Civil Aviation	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Planning & Building Control
Mr Robert Santos	SPTO	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Planning & Building Control
Mr Hubert McKay	SPTO	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Planning & Building Control
Mr Paul Origo	SPTO	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Planning & Building Control
Mr Paul Naughton-Rumbo	HPTO	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Planning & Building Control
Mr Norman Neale	PTO	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Planning & Building Control
Mr Michael Peliza	PTO	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Planning & Building Control
Mr Ernest Borrell	PTO	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Planning & Building Control
Mrs Valerie Cortes	PTO	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Planning & Building Control
Mr Ernest Francis	EO	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Planning & Building Control
Ms Annette Goodman	Technical Grade 1	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Planning & Building Control
Mrs Gerry Gomez	Technical Grade 1	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Planning & Building Control

Contd... Answer to Question No.227 of 2012

NAME	GRADE	FROM	TO
Mrs Analis Agius	AO	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Planning & Building Control
Mr David Francis	AO	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Planning & Building Control
Mrs Angelica Pipo	AO	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Planning & Building Control
Mrs Lianne Gonzalez	AO	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Planning & Building Control
Mrs Myra Romero	Typist	Ex - Ministry of Enterprise, Development, Technology & Transport	Department of Planning & Building Control

2460

**Quadripartite talks with UK, Spain and Spanish local government
Government position**

Clerk: Question 228, the Hon. P R Caruana.

2465

Hon. P R Caruana: Mr Speaker, can the Chief Minister say whether the Government will agree to take part in – let's see if I pronounce this correctly – quadripartite, I suppose – quadruple – I am not sure the word exists, actually, but it has been used in the press – quadripartite talks with the Governments of UK, Spain and another non-national tier of government in Spain?

2470

Clerk: Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, no, sir.

Hon. P R Caruana: Mr Speaker, that is a position in which the Government has, and will continue to

2475 have, the Opposition's support.

Is the hon. Member aware that it has been an aspiration amongst parties in Spain for some time now, certainly before 8th December, to alter the architecture of the trilateral forum to make it non-trilateral and does he share the view which underpinned our holding the position which he has now described also to be theirs and does he hold it perhaps for the same reason, that to have symmetry on a quadrapite – on a quadripartite basis whereby the Gibraltar position and status is made symmetrical to the position of some regional or local Spanish entity, is to downgrade the status of Gibraltar to a position that would not be compatible with our international political rights and aspirations?

2485 **Hon. Chief Minister:** Mr Speaker, yes, sir and I think I have expressed that when I have been asked questions in the media since then. Sometimes those in the media ask the question and then wish a positive answer, do not print the whole answer that one gives when it is in the negative.

I think that, within this House, we are agreed on this issue.

2490

**UK Overseas Territories Review
Submission of views by Gibraltar Government**

2495 **Clerk:** Question 229, the Hon. P R Caruana.

Hon. P R Caruana: Mr Speaker, can the Chief Minister say whether he or anyone else on behalf of the Gibraltar Government has submitted views or information in response to the United Kingdom's current Overseas Territories Review?

2500 **Clerk:** Answer, the Hon. the Chief Minister.

2505 **Hon. Chief Minister:** Mr Speaker, I can confirm that, on behalf of Her Majesty's Government of Gibraltar, I wrote to Miss Jessica Irvine, the Head of the Iberian Team at the FCO, setting out a detailed response to the UK government's current Overseas Territories Review.

Hon. P R Caruana: Mr Speaker, in the spirit of openness and transparency, which he continually reminds us informs his approach to Government, is he willing to lay that document on the table of this House?

2510 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman will know that when I have asked him to disclose correspondence, as he has had with the Foreign Secretary or with others, he has always said that he was inclined not to, and I am inclined to think that that was actually correct in respect of sharing information across the floor of the House.

2515 He has talked about 'laying on the table', which would, in any event, make the information public. I am quite happy to discuss with him what we said, but not lay it on the table. He will know that a lot of the issues were the issues that he and I have had an opportunity to talk about and which I think both of us agree should not necessarily be the issues that we ventilate across the floor of the House.

2520 **Hon. P R Caruana:** Mr Speaker, does the hon. Member acknowledge that he cannot at one and the same time say that he is better than we were in Government at transparency and accountability and then continually deny providing information on the basis that we used not to do it. Clearly, he thinks that we were worse than him. If he is no better than us, then we are no worse than him!

2525 Now, he can, of course, legitimately take the view – which I was not seeking to dismiss as a possibility, not knowing the nature of the content of the document – that it is inappropriate quite so recently after it was sent to make public inter-ministerial correspondence, and that might be, depending on the content of it, a perfectly sound judgement on his part.

But given that this letter must reflect the views, the policy, of this Government – which may, indeed, coincide with ours, and I would be surprised if it did not on many if not most issues – but given that, in effect, that letter contains a statement of the Government's policies on important constitutional bilateral relationship issues, does he not think that it is not really a confidential exchange of correspondence, but rather a

2530 communication by the Government of Gibraltar to the government of the United Kingdom of the policy position of the Gibraltar Government on a constitutional matter, which would make it, I think, legitimate to table in Parliament?

And, further, even if I cannot persuade him of that view, does he not consider that, indeed, the UK government may publish it, because the UK government has... As you know, there are Cabinet Office directives about the publication of things submitted to the UK government in response to consultation papers, which I believe are that the responses to government consultation processes are published and that he may find that the UK government will publish his letter, treating it not as a confidential exchange of correspondence, but as a response to a consultation process. In those circumstances, would it not be better for him to table it himself, as his own parliamentary act?

2540
Hon. Chief Minister: Mr Speaker, let me start by saying that I do not accept that we are taking the same attitude to disclosure that the hon. Gentleman took when he was here. The fact that I have equated *one* item, a request of disclosure, to that attitude which he took does not necessarily mean that I accept that we are as bad as they were – but it is nice to know that he accepts that they were bad, Mr Speaker.

2545 The position, clearly, is that we are trying to provide as much disclosure as is possible of all Government information, because Government belongs to people. Mr Speaker, that is one thing.

Another thing is that we should be laying on the table, and making publicly available, every document that the Government creates and which we have cause to send to the Foreign and Commonwealth Office on these issues: I am not saying that we are not going to make it available; I am saying that, at this stage, I think it is not right that it should become available.

2550 If it is going to become available in the United Kingdom as a result of Cabinet directives or as a result of the consultation process being open and, surprised as I might be that that is going to be the case, then certainly we would take the attitude that we should make it available as soon as possible to our people. I am not advised that that is the position at the moment.

2555 I am fully aware of Cabinet Office directives in respect of disclosure in the UK, which are very informative. Unfortunately, they do not lead to disclosure of documents and notes made about conversations that people may have had with Ministers about 10 years ago, which I am very interested in seeing, when they become publicly available.

2560 **Hon. P R Caruana:** Mr Speaker, the hon. Member then complains that Parliament becomes aggressive!

I could not have asked a more innocuous set of questions in a less aggressive fashion, and he just could not resist the temptation to make insinuating allegations which have absolutely no connection – and he does this continually. In Spain, there is a phrase to describe the hon. Member: *este tira la piedra y esconde la mano*.

2565 **Hon. Chief Minister:** Mr Speaker, although I do not recognise the accusation made by the hon. Gentleman, (*Laughter and interjections*) I provided an answer in respect of communications with the Foreign and Commonwealth Office.

2570 I know that he did not like it but, look here, Parliament is also about a bit of spice, isn't it?

Hon. P R Caruana: Think about whether you get nasty and then accuse others of getting nasty – that is all.

2575 **Hon. Chief Minister:** Mr Speaker, I know that the hon. Gentleman is saying that there are issues about being nasty; I do not think there is anything nasty about my saying that I want to see notes of conversations that happened 10 years ago. (*Interjection by Hon. P R Caruana*) If the hon. Member thinks that there is something nasty about that, it may be because he thinks there is something nasty in the notes.

2580 **Hon. P R Caruana:** Mr Speaker, the hon. Member may think that everybody who listens to him is as thick as two short planks, but they are not as thick as two short planks and there cannot be anybody listening to this debate who has not understood him to imply that he thinks that there might be things recorded in telephone conversations between me and Peter Hain which are not consistent with the things that I have said publicly.

That is what he had in his mind. That is what he meant. It had nothing to do with what we are discussing.

2585 It is completely accusatorial and out of tone with the conversation that we were having and is monumental to his attitude in this House, which is that he lights the fuse and, when the bomb explodes and people react, then he accuses the reactors of being unpleasant, aggressive, and wanting to convert Parliament into a fracas. He is, in that respect, the causer of much of the aggression that results in this Parliament – *except* that he has not got the courage to admit to it and always tries to be the nice guy, even when he is not the nice guy.

2590 **Hon. Chief Minister:** Mr Speaker, I do not think there was a question there; I think it was an accusation. *(Interjection by Hon. P R Caruana)*

2595 At least it is true that the hon. Gentleman can never hide aggression. The hon. Gentleman has never been accused of being a nice guy, and we all know exactly what sort of parliamentary performer he is.

**Lands Agreement with MOD
Government implementation**

2600 **Clerk:** Question 230, the Hon. P R Caruana.

2605 **Hon. P R Caruana:** Mr Speaker, can the Chief Minister say whether the Government is implementing the latest Lands Agreement with the MOD?

And I promise him that I am not on commission from the MOD on this question! *(Interjection)*

Clerk: Answer, the Hon. the Chief Minister.

2610 **Hon. Chief Minister:** Mr Speaker, yes, sir.

2615 **Hon. P R Caruana:** And has the Government yet had the opportunity to decide whether, in respect of the various properties that are coming across at different intervals of time, which he may now be familiar with, whether it is the Government's intention to put those out for sale – which is how, when the Government did the deal, it was envisaged that, *quid pro quo*, the re-provisions would be funded?

2620 **Hon. Chief Minister:** Mr Speaker, in fact two residential properties transferred to Her Majesty's Government of Gibraltar (HM GoG) from MOD have already been advertised for tender, as the hon. Gentleman may have seen. Other properties will follow in the next few months, and the GoG will shortly proceed to invite applications for the appointment of a project manager and design of some of the works that have to be done, which will be financed through those sales.

2625 But I think the hon. Gentleman will know that it is necessary to ensure that the properties which come over and which are put out to tender achieve certain prices in order to enable the funding of the works to occur, and he will also know there is, in respect of very few of them, a call by some worthy organisations locally to use one or two for a particular purpose, so they may not all go out – all the residential properties – to tender in the analysis that we have seen.

If the hon. Gentleman seems quizzical about that, there is, for example, one particular property which is being used for a purpose by the Royal Gibraltar Police (RGP) – or was used for a particular purpose by the GDP, that the RGP may want to use that property for –

2630 **Hon. P R Caruana:** Oh, but not properties that have been... Residential properties are all being sold. I do not recall any conflict of demand for residential properties.

Certainly there are non-residential properties that people have asked to have use of, but he may be right, I just do not recall that any residential property is being competed for, for a non-residential use.

2635 **Hon. Chief Minister:** Mr Speaker, there is one, maybe two, for a residential use – in other words, to put people for a period of time who need to be put there for a period of time – by an organisation. But it is really a very minor one or two. I think there was a letter for him, during the period of the campaign – although it seems to just have been a discussion earlier about one or two of these properties.

2640

**Unveiling ceremony of plaque to Gibraltar Security Police
Issue of invitations**

Clerk: Question 231, the Hon. P R Caruana.

2645

Hon. P R Caruana: Mr Speaker, can the Chief Minister say who issued the invitations to the recent ceremony for the unveiling of a plaque in the lobby of Parliament to the memory of Gibraltar's Security Police officers who died in the wartime explosion in Tangiers?

2650

And if I could just be permitted to add, by way of comment, before the hon. Member answers, that since giving notice of this question, I have received an entirely satisfactory apology from the Superintendent of the Gibraltar Defence Police, which I intend to accept. So the purpose of the question... I think the question still has a purpose – which is not that.

Clerk: Answer, the Hon. the Chief Minister.

2655

Hon. Chief Minister: Mr Speaker, I believe it was done by the Superintendent of the Gibraltar Defence Police. Her Majesty's Government of Gibraltar had no involvement whatsoever.

If it is of any assistance, I think the hon. Gentleman was right to point out publicly that his failure to attend was not intended by him or his party as any slight to the people who were being honoured and arose in the circumstances that he has already explained.

2660

Hon. P R Caruana: Yes, Mr Speaker, of course, people are normally, and would normally – and should, indeed, normally – be free to invite or not invite members of the Government or members of the Opposition, as the case might be, to their events, and certainly, the Opposition claims no right to be invited to things in and around Gibraltar. That is entirely a matter in the gift and sentiment of the host of the event.

2665

It arises only on this occasion, would he agree with me, because the erection of that plaque is the erection of a plaque in the precincts of Parliament and therefore it being something that Parliament, through the Speaker, gave its agreement to do? Would the hon. Member agree with me that, to avoid the possibility of a repetition of any such inappropriateness in the future, that the House ought to consider the rule that if anybody is going to host an event within the precincts of Parliament, the invitation list should be submitted in advance to the Speaker, for him to consider whether, given that it is an event taking place in the precincts of Parliament, the Speaker considers that any issue arises as to inclusions or exclusions from the list?

2670

Hon. Chief Minister: Mr Speaker, I have absolutely no difficulty with that suggestion.

2675

In fact, the hon. Gentleman will know, and I think it is right to disclose, that you consulted both with him and with me about whether it was appropriate to have such a plaque in this place and, if I may say so, I think, with respect, that was absolutely the right position for you to take and that, therefore, it was a surprise to me that he was not there when the time came for me to say a few words.

2680

I think that this occasion is the only occasion I can recall of an event being organised there by anybody other than the Mayor's Office, who are as good at ensuring that the people who need to be in the lobby are invited...

But I would have no difficulty whatsoever with what the hon. Gentleman has suggested being the case in the future in respect of any event to be organised in this place. This place is the Parliament and, despite our separate responsibilities in it and what our roles are, we are all Members of it.

2685

**Chief Minister's visit to UK
List of persons met**

2690

Clerk: Question 232, the Hon. P R Caruana.

Hon. P R Caruana: Mr Speaker, can the Chief Minister provide a list of the persons, other than ministers and officials of the United Kingdom government, with whom he met during his visit to the United Kingdom between 22nd January and 27th January 2012 – Sunday to Friday – and state the purpose and subject matter

2695 of those meetings?

Clerk: Answer, the Hon. the Chief Minister.

2700 **Hon. Chief Minister:** Mr Speaker, I now hand the hon. Member a schedule with the information requested. He should note that, in respect of the third entry, there has been a spelling mistake: where it says 'cultural' it should say 'Gibraltar', and I think he will recognise...

ANSWER TO QUESTION 232 OF 2012

Maltese High Commissioner, Mr Joseph Zammit Tabona, courtesy call in advance of signing of TIEA,
Franco Cassar, Country Manager (Malta)
Norman Stone: BBC Scotland – potential for a Cultural TV Series
Iñigo Gurruchaga, La Vanguardia - Interview
Harvey Golding, Architect – proposed project
All Party Parliamentary Gibraltar Group - reception
John Tate, Chairman BBC Studios - courtesy call
Barry George/Andrew Smith (Music Industry) – potential investors
Adrian Bell – ex CBF re charity and potential investment
Chris Mitman (Investec) – financing options
Ana Garcia (Gibraltar Movie) – how to make film more readily available
Joe Gaggero - courtesy call
John Bowell, Chairman & CEO, JCBA – offer of assistance re GHA procurement
Corbelt & Co with Guy Stagnetto Jnr – re OHL litigation
Michael Beloff, QC - courtesy call
Jamie Trinidad - discussion re EUID
David Vaughn QC - courtesy call

2705 **Hon. P R Caruana:** Yes, Mr Speaker, seeing the list of people that the hon. Member saw has reminded me to do something that I had meant to do at the beginning of today's sitting but forgot, which is to acknowledge the sad passing of Mr Joe Gaggero, in which I am sure everyone in the House will wish to join. He has been a leading citizen and businessman in this community and I am sure the whole House will wish to extend its condolences to his family.

Would he wish to associate with that before I proceed?

2710 **Hon. Chief Minister:** Mr Speaker, yes. When I used to do that, he used to tell me that I should allow him to do it, but I am very happy for him to do so, because I think Joe Gaggero merits that sort of mention. It is absolutely right that we should remember today the contribution that he has made to Gibraltar life at every level, in particular in his entrepreneurial flair to Gibraltar's business life and how Gibraltar has been developed, from the days when Mr Gaggero might have started in business, during or just before the Second World War, to the Gibraltar that he leaves today.

2715 So I fully associate myself and my Government with those words.

2720 **Hon. P R Caruana:** Mr Speaker, can he confirm whether the visit to Mr Michael Beloff... It is down here as a courtesy but I cannot imagine that a busy QC does any courtesy calls. Is Mr Beloff advising the Government on any particular legal issue?

Hon. Chief Minister: Mr Beloff asked to see me, because I was in London, to pay me the courtesy of a call as a result of my being elected.

2725 I understand he advised his Government at some stage but, as I understand it, he is not presently advising the Government in any respect that I have been informed of.

2730 **Hon. P R Caruana:** I hope and expect that his visit with Mr Mitman touched upon possible sources of finance for another project that we discussed earlier – that they were interested in possible financing of power stations and things of that sort.

Hon. Chief Minister: Mr Speaker, in fact, he would find that Mr Mitman wrote to me after the Election to

say that financing in respect of that particular project was an issue that had been discussed and, when I was next in London, would I like to see him in respect of that or any future potential financing opportunities. I took the opportunity of meeting the man, to say hello, and so therefore, yes.

2735

Hon. P R Caruana: Mr Speaker, is the hon. Member able to identify, in generic terms, because I think I know what it is – the name sounds familiar – the Harvey Golding Architects proposed project. Is that one that requires a very significant amount of landscaping of an area around the centre of Gibraltar?

2740

Hon. Chief Minister: No, Mr Speaker, but I am quite happy to tell him what it is, which is an area that would require a lot of landscaping to the *south* of Gibraltar.

Hon. P R Caruana: Well, it depends where we have got centre or south.

2745

Hon. Chief Minister: Well, yes, I mean in the area of the Alameda Gardens.

Hon. P R Caruana: That is the centre, in my view. That is something that we had considered and... Okay.

2750

Mr Speaker, I will privately have a word with him about the third item on the list, in case it has anything to do with a proposal that was once put to us, but I will not do it across the floor of the House.

Clerk: With that, we come to the end of Answers to Oral Questions.
Answers to –

2755

Hon. P R Caruana: By the way, can I just say, Mr Speaker... Can I just say to the hon. Member... Can I just give the following indication to the hon. Member *à propos* a subject that we were discussing recently between us? If he is unable... If he wants to adjourn the House on this occasion to take legislation... I have not checked on the agenda what is the first date he can take the first Bill, but if that date is more than five days from today, we would be happy to confirm that he can safely do that without any danger that we might put down further questions.

2760

Hon. Chief Minister: Mr Speaker, that is very helpful but, in any event, it is not necessary on this occasion.

2765

I am grateful for the indication for the future.

Questions for Written Answer

2770

Clerk: Answers to Written Questions.

Hon. Chief Minister: Mr Speaker, I have the honour to table the Answers to Written Questions numbered W59 to W70 of 2012.

2775

Mr Speaker, I have the honour to move that this House do now adjourn *sine die*.

Mr Speaker: I now propose a question, which is that this House do now adjourn *sine die*.

I now put the question, which is that this House do now adjourn *sine die*.

Those in favour (**Members:** Aye); those against. Passed.

2780

This House will now adjourn *sine die*.

The House adjourned at 6.30 p.m.