



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.00 p.m. – 5.27 p.m.

Gibraltar, Thursday, 19th January 2012

The Gibraltar Parliament

5

The Parliament met at 3.00 p.m.

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

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

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Questions for Oral Answer

20

CHIEF MINISTER

Civil Service Employment of disabled persons

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Clerk: Answers to Questions continue.
Question 80, the Hon. J J Netto.

Hon. J J Netto: Mr Speaker, given the Chief Minister's pronouncement on the review of the Civil Service, will he undertake to review the historical practices in the employment of disabled persons,

30 particularly in ensuring that the application process of Government vacancies are disabled user friendly?

Clerk: Answer, the Hon. the Chief Minister.

Hon. Chief Minister (Hon. F R Picardo): Mr Speaker, yes.

35 Any review of anything should include ensuring that established practices are brought up to date with modern practice to ensure that people with disabilities are not in any way disadvantaged.

40 **Potential investors in Gibraltar**
Outcome of discussions

Clerk: Question 81, the Hon. D A Feetham.

45 **Hon. D A Feetham:** Mr Speaker, in an interview with GBC on 12th May 2011, the then Leader of the Opposition confirmed that he was in discussion with potential investors to Gibraltar that he had up his sleeve, should he win the General Election. Can the Hon. the Chief Minister confirm whether those discussions have borne any fruit?

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

Hon. Chief Minister (Hon. F R Picardo): Mr Speaker, yes, sir.

Hon. D A Feetham: What is the fruit?

55 **Hon. Chief Minister:** Mr Speaker, I am not in a position to provide the House with that information at this time, but a public statement will be made when it is possible to make such a public statement.

60 **Hon. D A Feetham:** Can he, at the very least, inform the House of what country these potential investors come from?

Hon. Chief Minister: Mr Speaker, from a number of different European countries.

65 **Hon. P R Caruana:** Mr Speaker, were all these people, who are waiting somewhere, waiting for the hon. Member to win the election in order to come to Gibraltar to invest, when they were not otherwise willing to do so?

Can the hon. Member provide any explanation as to why these people should suddenly appear?

70 **Hon. Chief Minister:** Mr Speaker, it is not that they suddenly appeared. They include people who were interested, as a result of a relationship with me, in exploring further contact with Gibraltar and people who had tried to have a relationship with him, but found that sometimes he did not answer their letters.

75 **Hon. P R Caruana:** Mr Speaker, first of all, I am not the Minister with responsibility for inward investment and never have been. Secondly, I am not aware of any inward investor – or at least any serious inward investor – that has sought access to me and failed.

I am aware of a lot of inward investors that were at an advanced stage of negotiation with the outgoing Government, and I look forward to hearing the details of the hon. Member's instant magnetic inward investment attracting qualities, just to make sure that they are not a re-hash of things that were in the pipeline already.

80 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman can rest assured that where there are projects which were commenced under his direction, or the direction of his Government, and they are announced during the course of my Government's tenure, as the administration of Gibraltar, it will be made clear that they were commenced under his. We will not be ungenerous to those projects, in giving credit, if they were

85 commenced and even some of them brought very near to completion, but not at the stage where they could be announced, before the date of the General Election.

90 **Hon. P R Caruana:** Mr Speaker, does the hon. Member acknowledge that the international reputation of Gibraltar is key, that it is, as international reputations of small countries always are, fragile, in the sense that relatively little can destabilise them, to considerable economic consequence, and that it is therefore important to be careful when accepting inward investment, that the source of the inward investment and the people concerned should be of the utmost repute, so that by the nature of the investors, this jurisdiction does not obtain the reputation that other jurisdictions have obtained in that direction?

95 Does he accept, firstly, that that is a factor to be borne in mind and, secondly, that a reputation for Gibraltar as a place where people of less than entirely reputable credentials invest could have serious knock-on adverse implications for the finance service and other important sectors of our economy?

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

100 **Hon. D A Feetham:** Can the Hon. Chief Minister enlighten the House as to what kind of inward investment we are actually talking about?

105 **Hon. Chief Minister:** Mr Speaker, we are talking about many different types of potential inward investment, across a whole range of different industries. It is not that I do not want to give the hon. Gentleman the information; it is that he will have it as soon as it is possible to provide it.

Hon. P R Caruana: It is possible to provide it today. He is not doing it. No-one is asking him for the numbers or the addresses of the people concerned, or even the names of the people concerned – simply to identify the nature of the investments, and I do not see that that is anything commercially sensitive that he cannot provide today.

110 I should remind the hon. Members, since they have been so quick to throw General Orders in the face of the Opposition, having done their best to circumnavigate them for the last eight years from this side of the House, that the *correct* place to announce Government policy is in this House and not outside, in his favoured public relations media mode, and that there are not only rulings from the Gibraltar Speaker but, indeed, from the Westminster Speaker that we rightly rely on, when we need to, that make that clear.

115 So for the hon. Member to say, ‘I am not telling you in the House today – wait and hear my public statement’, is a complete finessing of Parliament in a most unparliamentary way, which is completely inimical to the importance in which he said he wanted to elevate Parliament.

120 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman’s intervention makes a number of assumptions. I will not address them, because they are just that – assumptions; they are not questions.

Where it is necessary or appropriate that statements be made in this House, they will be made in this House, but the hon. Gentleman was in administration for 16 years and very often one got to hear about the things his Government was doing in the press – and sometimes not just in the Gibraltar press.

125 **Hon. P R Caruana:** Mr Speaker, I never declined to answer a Question in Parliament, on the basis that I preferred to make a statement in public in another place later.

130 If the Opposition were asking the Government to provide things which he cannot presently provide, because the deal is not done or because it is not yet enough in the bag or because there are still confidential dimensions to it, that is a reasonable, understandable answer for not being able to give it now, but for giving it later. We are not asking for any of that; we are asking him to identify the *nature* of the investments, which cannot possibly give away any information that is confidential in nature and which cannot possibly be outside of his power and ability to give the House today.

135 **Hon. Chief Minister:** Mr Speaker, I assume that is a question. The answer to it is that, in my estimation, to give any further indication at this stage would be to give away things which are potentially commercially sensitive, would be to give indications which it is not appropriate to give at this stage. We will make a statement when it is necessary to make it and, if it is appropriate to make it in this House, rather than outside, we will make it here. If it is appropriate to make it outside rather than here, we will make it outside.

140 The hon. Gentleman has to understand that the people who make these decisions now are the ones sitting on this side of the House, not him.

Hon. P R Caruana: Yes, well, the phrase ‘rabbits’ and ‘hats’ comes to mind.

145 **Hon. Chief Minister:** Mr Speaker, the phrase ‘Do as I say and not as I do’ also springs to mind, given what he is saying these days.

Mr Speaker: It has to be a question.
The Hon. Daniel Feetham.

150 **Hon. D A Feetham:** Yes, can the Hon. the Chief Minister at least confirm this: that this inward investment is a crucial part of the Government’s predicted – predicted in their manifesto during the election campaign – 12% annual growth in the economy?

155 **Hon. P R Caruana:** 65% employment.

Hon. D A Feetham: Or 65% employment.

Hon. Chief Minister: No, Mr Speaker, it is a part.

160

**Guaranteed Superannuation Fund
Government introduction**

165 **Clerk:** Question 82, the Hon. D A Feetham.

Hon. D A Feetham: Can the Hon. the Chief Minister confirm that the Gibraltar Government has introduced a new guaranteed superannuation fund?

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

Hon. Chief Minister (Hon. F R Picardo): I will answer this Question together with Question 83.

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**Guaranteed Superannuation Fund
Exact terms**

180 **Clerk:** Question 83.

Hon. D A Feetham: Can the Hon. the Chief Minister confirm the exact terms of the Guaranteed Superannuation Fund, including but not limited to, the contributions to be made by the employee and the contributions made by the Government or employer and any guarantee on the value of the employee’s fund?

185 **Mr Speaker:** Answer, the Hon. the Chief Minister.

Hon. Chief Minister (Hon. F R Picardo): Mr Speaker, the Guaranteed Superannuation Fund is in the process of being formed under the auspices of the Financial Secretary and will be available with effect from 1st January 2012 to new public service employees and to those presently covered by the No 1, No 2 and No 3 Provident Fund.

190 The intention is that public service employees will be able to contribute up to 7% of their salary as contribution to the Fund and the employer will double that by way of employer contribution. If the employee contributes 8% then the employer will contribute 17%, bringing the total contribution up to 25% of the salary.

195 Mr Speaker, I am reading from the answer I have got. I am quite happy to make a copy available to the hon. Gentleman. It is not a schedule, but I am happy to let him have a copy.

Amounts above a £50,000 salary will not be eligible for the Guaranteed Superannuation Fund. The Fund is also open to private sector employees and the self-employed. Much as there will be no contribution from the Government, the guarantee will still apply.

200 On maturity, contributing persons will have the choice of a 100% tax-free lump sum or the purchase of an annuity provided by the Gibraltar Savings Bank.

Mr Speaker, I should also add that these are matters which are being dealt with by the Minister with responsibility for labour, given that he takes responsibility for the DSS these days.

I am happy to give the hon. Gentleman my copy of this answer. I think I have got an extra one.

205 **Hon. D A Feetham:** Mr Speaker, just dealing with the guarantee first, in their manifesto the hon. Gentleman opposite said that the Government would guarantee the value of the Fund. Is that the case?

210 **Hon. Chief Minister:** Mr Speaker, I really do not mean to be obtuse about this, but the hon. Gentleman asked the question to me directly, to the Chief Minister. It is not a matter in my ministerial responsibility. I would urge that he put the question again at the next meeting of this House, which will be next month; or I am quite happy for us to set this question aside until Mr Bossano is back in the House, given that he is the person dealing with it and he can be asked the supplementaries.

215 **Hon. D A Feetham:** Is he suggesting that he does not know the answer? He is the Chief Minister of Gibraltar.

Hon. Chief Minister: Mr Speaker, I know it is easy to try and score that sort of point. I have been the Chief Minister of Gibraltar for less than four full weeks. I am trying to deal with a lot of other matters, and I am not the person dealing with this matter but the question was addressed to me specifically.

220 If he wants to score that sort of point... Look, it's an open goal, go ahead and score it.

Hon. P R Caruana: Mr Speaker, he is dead right it is an open goal, but it is a thoroughly undesirable open goal!

225 The hon. Member, the Chief Minister, is the Minister responsible for the public finances of Gibraltar. He is the Minister for Finance. How can he possibly have approved the entry by the Government into financial commitments of a long-term nature without knowing what the cost of it will be, for which *he* – not the Minister for Employment, but for which *he*, as Minister for Finance – is responsible?

230 The hon. Members are saying that they guarantee the value of the Fund. What is the cost of that? And he is not just guaranteeing the value of a pension fund for taxpayer employees, for Government employees; if I have correctly understood him, this is available for the private sector and self-employed, too. In other words, all the private pension funds in Gibraltar, or any individual who is self-employed or employed in the private sector can place their pension arrangements in the hands of the Superannuation Fund, and have the value of their pension pot guaranteed by the taxpayer.

235 The Chief Minister, who is head of the Government and the Minister for Finance, has allowed that policy to be committed to and deployed and has no clue of what the scheme is, still less how much it will cost.

Mr Speaker, on this basis, he is going to have to make many more statements like the one he made on television last night, except they will all be true, unlike much of what he said last night.

240 **Hon. Chief Minister:** What was the question?

245 **Hon. P R Caruana:** The question is does the Hon. Minister for Finance believe that it is a proper discharge of his ministerial obligations, as Minister for Finance, to allow his Government to enter into this commitment not just for Government and Government-related employees, but also to the private-sector employed and the self-employed, without knowing the nature of the scheme and therefore the contingent financial liability that this represents on his Government and future governments and the taxpayer?

Does the Hon. Chief Minister consider that it is okay in those circumstances simply to come and say, 'I am not dealing with it; ask my Minister.'?

250 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman has given a speech about how incompetent I am to deal with these issues. I am used to him getting up in this House (*Interjection*) and simply, from a different position, saying exactly the same thing. I believe this is a good thing. The Superannuation Fund is a good thing. (*Interjection*) It is not something that I am dealing with specifically; therefore I cannot answer specific questions on it.

255 I tried to be generous by telling the hon. Members opposite who they can direct their questions to. I am quite happy, if they like, for them to write to me and I will provide the specific information that they require. That will be the sum total of my answers. He can now get up and tell us again what a fool I am.

260 **Hon. P R Caruana:** Mr Speaker, how can he know that it is a good thing if he does not know what it is and he does not know what it costs?

265 **Hon. Chief Minister:** Mr Speaker, it is not that I do not know what it is; it is that I do not have to hand the specific information that he is asking me for. That is the position. If the hon. Members were to get into the habit of asking questions of the Government rather than of specific Ministers, then they would have the person responsible for this specific amount that they want to ask about here in the House to deal with it. It is that simple, Mr Speaker.

270 This is about getting through parliamentary business. It is about making sure that the Opposition have the information that they need to have and about holding the Government to account; not about telling me whether I am competent or not competent to do a particular job. That is what the last Parliament was about. It is not what this Parliament should be about. But I can see that the hon. Gentleman wants to continue playing it his way.

275 **Hon. P R Caruana:** Mr Speaker, I have not said that he is incompetent. I happen to believe that he is, but I have not said it. I have not said it on this occasion. I have asked him whether, in his capacity as Minister for Finance... The Minister for Employment may be dealing with the nitty-gritty of the scheme but, as Minister for Finance, *he*, and not the Minister for Employment, is responsible for the financial cost to the Government of every policy in the Government. I have asked him whether he considers that it is appropriate that, in those circumstances, he does not know basic questions about this scheme.

280 Mr Speaker, he may not be dealing with it but he has had five days, at least five days, to ask the Minister for Employment – assuming that they are still on speaking terms – what the details of the scheme are to provide to this House.

Mr Speaker: The Hon. Daniel Feetham.

285 **Hon. D A Feetham:** Is the Hon. the Chief Minister aware that subscribers to the pension fund No 2, for example, actually have a choice of a number of ways in which their pension fund can deal with investments? One of them is income. Another way in which that investment can proceed is investments in, for example, shares in bonds and growth, effectively. Is he aware of that?

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

295 **Hon. D A Feetham:** Is it Government policy, then...? I assume that the hon. Gentleman, when he was in private practice, advised... during the course of his private practice, advised pension trustees, or at least their pension funds. Is he not aware that, in fact, investments made by pension funds can either go up or down, and is it Government policy that the Government underwrite, at the taxpayer's expense, bad investments made by pension trustees?

300 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman can put that question to the Minister for Labour as soon as the next House convenes, or he can write to us and we can give him all the details that he wants about these issues. I am happy for this Government to provide as much information as the Opposition want. They just simply need to ask the right person.

Hon. D A Feetham: Mr Speaker, for a party that is supposedly concerned... for a Chief Minister who is supposedly concerned about the state of public finances, he is remarkably unconcerned about the taxpayer

305 picking up huge bills because of bad investments by pension trustees which it appears the Government policy is to guarantee. Is that not the case?

Hon. Chief Minister: Mr Speaker, it appears that the hon. Gentlemen do not want to hear my answers.

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**Government-funded construction projects
Details of cessation**

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Clerk: Question 84, the Hon. D A Feetham.

Hon. D A Feetham: Can the Hon. the Chief Minister provide a list of Government funded construction projects, as at 8th December 2011, indicating which ones the Government or its agents have given instructions for work to cease and whether, in relation to each project, that cessation will be temporary or permanent?

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Clerk: Answer, the Hon. Chief Minister.

Hon. Chief Minister (Hon. F R Picardo): Mr Speaker, I am handing the hon. Gentleman a schedule which I am advised contains a full list of all Government-funded construction projects as at 8th December 2011. *[see next page]*

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In respect of this list, it will be an irony that may not be lost on the hon. Gentleman that, for the date in respect of which he has asked, I should be asking *him* for the information, as that was the last day in office of the previous administration.

It is not possible at this stage to give any further indication than that set out in my ministerial statement of last night as to which projects will progress. A statement about any final decision to cease work on any project will be made when appropriate.

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Hon. D A Feetham: Can the Hon. the Chief Minister indicate, in relation to the schedule, which ones of these projects are actually paused or work has ceased,

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Hon. Chief Minister: Mr Speaker, none of the projects are 'ceased'. Some of them are paused, some of them are not paused. There are some where the pause is the result of having reached the end of a particular phase before a decision is made whether they should progress to another phase. There are some of them that are paused because they had reached that stage, literally by the time that we got into office, and we are looking at which of them were going to proceed, and, as I said last night, we will have to make careful decisions about which projects now proceed and which do not.

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Hon. D A Feetham: Mr Speaker, I quite understand what the Hon. the Chief Minister has said, that he cannot indicate to this House which ones of these projects' work will be abandoned on a permanent basis. That is what he is saying: he is reviewing it.

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What I am asking, and what the question asked, is which ones of these projects there has been a temporary, at this stage, cessation of work, where there has been a cessation of work at this stage.

Hon. Chief Minister: Mr Speaker, on all of those, where work had reached the end of a particular phase, there is now a pause.

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I have a different list, Mr Speaker, to this one. I have a different list to the one that has been provided here, where I might have been able to indicate to the hon. Gentleman which are paused and which are not paused. Unfortunately, I cannot give him that information right now. I can give him an indication of those that I am aware are paused.

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Hon. D A Feetham: Mr Speaker, is it not unsatisfactory for the Chief Minister today, this afternoon, not to be able to tell us, in this House, which ones of these projects there has been... he has ordered a cessation of work, and this morning the Hon. the Minister for Employment could not tell us how many redundancies had

360 been caused by that cessation of work. Isn't that unsatisfactory, Mr Speaker?

ANSWER TO QUESTION 84 OF 2012

SCHEDULE OF GOVERNMENT FUNDED CAPITAL PROJECTS AS AT 8 DECEMBER 2011

GLRC Projects

| | | | |
|---------|-----|---|---|
| Project | 1a | Air Terminal and Frontier Access Roads | (IDF Head 102 - 2(a)(i) Tunnels and Roads to North Front) |
| | 1b | Devil's Tower Road Dualling | (IDF Head 102 - 2(a)(i) Tunnels and Roads to North Front) |
| | 2 | Air Terminal | (IDF Head 102 - 5(c) New Airport Terminal Building) |
| | 3 | MoD Relocations | (IDF Head 102 - 3(a) MoD Relocations) |
| | 4b | Mid Harbour Reclamation | |
| | 5 | GoG Relocations | (IDF Head 102 - 3(b) GoG Relocations) |
| | 6 | Infrastructure (includes Pumping Station) | |
| | 7 | GoG Rental Housing and Link Road | |
| | 8 | New Power Station - Initial setup costs | |
| | 12a | Park and Ride Carpark | |
| | 12b | Short Stay Airport Terminal Carpark | |
| | 14 | Revetment Repairs (Harbour Views) | (IDF Head 102 - 5(f) Revetment and Promenades) |
| | 21 | Beaches | (IDF Head 101 - 1(c)(iv) Beaches) |

Improvement & Development Fund

| | | | |
|----------|---|---------------------------------------|--|
| Head 102 | 1 | BEAUTIFICATION PROJECTS | |
| | | (a) | Orange Bastion/Chatham Counterguard/Fish Market Road/Public Market |
| | | (b) | Orange Bastion - Irish Town Depot |
| | | (c) | Beautification of Europa Point |
| | 2 | NEW ROADS AND PARKING PROJECTS | |
| | | (a) | Roads and Tunnel Projects: |
| | | (i) | Other Roads |
| | | (ii) | Parking Projects |
| | | (b) | GIS Development |
| | 5 | OTHER PROJECTS | |
| | | (a) | New Prison |
| | | (b) | Rubble Tip Removal |
| | | (d) | Women's Hostel |
| | | (e) | Law Courts |
| | | (f) | Revetment and Promenades |
| | | (g) | Upgrade of Playgrounds |
| | | (h) | Old St Bernard's Hospital Demolition and Conversion Works |
| | | (i) | Old Naval Hospital Conversion and Refurbishment Works |
| | | (j) | Cancer Relief Centre |
| | | (k) | Heritage Building Refurbishments |
| | | (l) | Bus Shelters |
| | | (m) | Public Toilets |
| | | (n) | Smart Bikes |
| | | (o) | Implementation of Parking and Traffic Plan |
| | | (p) | Grand Battery |
| | | (q) | Governor's Parade |
| | | (r) | Upper Town |
| | | (s) | New School Buildings |
| | | (t) | Town Range Building (Clubs) |
| | | (u) | Men's Hostel at Old Guard House |
| | | (v) | The Main Guard (Heritage Trust HQ) |
| | | (w) | Loans for Repairs to Housing Estates |
| | | (x) | Installation of CCTV Cameras |
| | | (y) | Boat Moorings |
| | | (z) | Partial Repayment of Premium on Land Sales - St Peter's Close |

Government Companies

Montagu Gardens and Montagu Crescent Repairs
 Ex-OEM Housing Projects
 Waterport Terraces
 Purchase of New Buses
 Retrenchment Block at Lathbury Barracks
 Upper Town Refurbishments
 Repairs to Harbour Views podium
 Brympton Estate Repairs
 Willis's, Sandpits and New Harbour Carparks
 Purchase of Motorcycles - Car Parks
 Proposed New Carparks
 Western Beach
 Eastside Project

OTHER PROJECTS (No Head of Charge identified as yet)

South Jumpers Bastion (Performing Arts Centre)
 Plata Villa
 Improvement Works and Play Zones - Varyl Begg Estate
 Refuse Shelters

365 **Hon. Chief Minister:** Mr Speaker, it may be unsatisfactory to him, but the process through which we are working, the number of projects which were ongoing and the work that we need to do to assess whether, in the public interest, they should be continuing and to what extent they are continuing today, even if there is a pause – because there may be two or three men still on site, securing the site and finishing something – is much more complex than me being able to give a list that says, ‘Paused, stopped, ongoing.’

370 We have been in Government for less than two months. I know that they want to do everything possible to return as soon as they can. I know that their attempts to ridicule us in this first meeting of the House are simply attempts to try and take our seats away from us already but, Mr Speaker, they have to bear with us. We have said that we will be making statements when we make decisions about which projects will progress and which will not.

375 **Hon. P R Caruana:** Mr Speaker, the hon. Member cannot defend himself from what is a clear lack of preparation for coming to this House to account for his chief ministerial responsibilities by inventing all these reasons about our motives. Again, I remind him that Standing Orders does not allow him to impute improper motives. I think he is going to live to regret elevating Standing Orders now to us, but if he is going to do it, we are going to do it, too.

380 Mr Speaker, we understand and respect the fact that a new incoming Government is *entitled*... We may agree or disagree with their decision, but a new incoming Government is entitled to review capital projects in hand and decide whether they want to not start them, or abandon them even though they have started them. That is your right. You will answer for your decisions politically and we will criticise you for those we do not agree with. That is a different issue, Mr Speaker. That is not what he is being questioned on.

385 He has come out on television on more than one occasion now saying that his Government has stopped Government projects whilst they are each reviewed one at a time to see which are value for money, which they will prioritise, which this and which that. Can the hon. Member say who has made the decision to stop projects for evaluation, which he has said have been stopped? Can the hon. Member say whether he has made those decisions and, if not, who has made the decisions that he has announced?

390 We are not attributing to him the stopping and starting of projects. He has said publicly, as recently as last night on television, although he had said it before, that the Government had stopped these projects whilst they were re-evaluated. Now I am asking him who has made those decisions, and the Hon. D A Feetham is asking him which have been stopped and which have not been stopped, unless they have all been stopped.

395 Can I ask him just to bear in mind, when he answers, my third supplementary is that GJBS, a company owned by the Government, has caused its subcontractors to make workers of it redundant, on the basis they have been told that the Government has stopped their work and will not allow them to get on with work. So someone somewhere – either him, or somebody obviously without his knowledge – has issued instructions in specific projects.

400 The hon. Member must at least be in a position, surely, to make good his public statements that projects have been stopped in order for their re-evaluation. No-one at this stage is commenting on the correctness of the decision to stop or whether the projects should finish or not finish. That is for a later day. The question now is has work stopped on all projects, has work stopped on no projects, or if it is a hybrid, on which projects has work stopped and on which has it not stopped? This is what he has been asked for, and, again, he seems unable to answer. Can he, indeed, answer?

405 **Hon. Chief Minister:** That is not the position. The position is that we have made, collectively, the decision to stop all the capital projects. We have also – (*Interjections*)

Hon. P R Caruana: They are all stopped?

410 **Hon. Chief Minister:** Mr Speaker, ‘stopped’ does not mean stopped for good (*Interjections*); it means that they were stopped and they are being restarted.

415 The only issue with not giving the answer that the hon. Gentleman seems to want is that some of them may already have been restarted and I do not have clear indication that they have restarted, and I do not want to be told: ‘You didn’t say that at Montagu Gardens there was going to be somebody on the scaffolding, and there they are and why didn’t you say that?’ That is what I am saying, Mr Speaker. We have started the process of reassessment of the projects. Some of them have been allowed to recommence; some of them have not. There are some, Mr Speaker, where I am very happy to tell him that works have stopped, and he knows.

420 Mr Speaker, the tunnel, for example, across the airport, or under the airport, is a major project. That project is presently stopped and there will have to be a detailed assessment of whether that is going to go ahead. There is another question on the Order Paper that deals with that and my answer on that will also offer the hon. Gentleman a conversation, so there are not things said across the floor of the House that could prejudice Gibraltar PLC – and I am sure that he will accept that that is the position.

425 I can go through this with him, if he likes. A lot of these are projects that actually came to completion by the time that they were leaving No. 6 and Government. Those are not going to be controversial, but I think that there are projects, which are not necessarily on this list that I have been given, which I have seen on another list, and I do not want to mislead the hon. Gentleman. But I am quite happy, Mr Speaker, to show that I know exactly what is happening with all of these projects on this list and go through them one by one.

Therefore, Mr Speaker, GLRC projects –

430 Project 1a: air terminal and frontier access roads. The air terminal continues, obviously. That is number 2, but the access road works have been paused whilst the Government makes a decision. That includes the tunnel.

Project 1b: the Devil's Tower Road dualling. That has been substantially completed, as I understand it.

Project 2: the air terminal. The air terminal is in the process of being completed. That continues.

435 Project 3: MoD relocations. That is in part paused, but in part proceeding because there are demolitions that relate to those MoD relocations which may be going ahead.

Project 4b: Mid Harbour reclamation. That, as I understand it, is substantially completed.

Project 5: GoG relocations. Some of them are ongoing; some of them have been paused.

440 Project 6: infrastructure projects, including the pumping station. I believe that most of those are going ahead.

Project 7: GoG rental housing and link road. I believe that that was substantially completed by the time that the hon. Gentleman left office.

Project 8: the new power station initial set-up costs. The initial set-up has continued, but no decision has yet been made, as the hon. Gentleman knows, on whether we are going to proceed with the power station contract.

445 Project 12a: park-and-ride car parks were substantially completed by the time that the hon. Gentleman left office.

Project 12b: short-stay airport terminal car park. I believe that that is one of the ones that is completed, insofar as it is an open car park outside the terminal, but other works there may have been paused.

450 Project 14: revetment repairs. I understand that that is now substantially completed.

Project 21: beaches. I understand that a lot of that was done in their time in office. I understand there is a second phase which could start very soon, which is paused.

Those are the projects, Mr Speaker, that relate to the work on which Gibraltar Land Reclamation Company is providing advice to the company.

455 On the Improvement and Development Fund head, Mr Speaker, the beautification projects at Orange Bastion and Irish Town Depot and the beautification of Europa Point are paused.

Mr Speaker, the new roads and tunnel projects are substantially paused as well.

The GIS development we are having a meeting on. It is not an infrastructure project in the physical sense. That is more a software project. We are having a meeting on that very soon.

460 Mr Speaker, under head 5 of the Improvement and Development Fund, on the other projects, the new prison is substantially finished.

The rubble tip removal, I believe, was in the process of continuing.

The women's hostel is completed.

The law courts continue; they are not yet completed.

465 The revetment and promenades: I understand that that was substantially completed.

The upgrade of the playgrounds was substantially completed at the time that the hon. Gentleman left office.

The Old St Bernard's Hospital demolition and conversion works continue.

The Old Naval Hospital conversion and refurbishment will continue, subject to some changes which may need to be made to the works being done.

470 The Cancer Relief Centre, as far as I understand, has been substantially completed and that is something that will be welcomed across both sides of the House, and it was substantially completed by the time that the hon. Members opposite left office.

The Heritage Building refurbishment is paused, Mr Speaker. That is something that had not started yet. We are in the process of making a decision about whether it will proceed.

The bus shelters have been substantially completed.

The public toilets, Mr Speaker, thank goodness, have been substantially completed, because those definitely would have been stopped by us.

Mr Speaker, the smart bikes. The first phase was completed. The second phase has not yet commenced. We are assessing how best to proceed with that.

The implementation of the Parking and Traffic Plan is a thing in constant motion. It involves parking, and I will get to issues which relate to parking in a few moments because the next items are car parks. That is something that continues in respect of the car parks at... I have difficulty seeing here where the Arengo's car park and the Engineer Lane car park... That is Grand Battery next, is it?

Hon. P R Caruana: That is not a car park.

Hon. Chief Minister: No, you are right, sorry. So Engineer car park and Arengo's car park are continuing. The others are paused, Mr Speaker.

Grand Battery (*Interjection*) is the top of Casements, that is right. The one at the top of Casements is continuing and soon will be completed, and maybe we will move to a second phase there.

Governor's Parade: there is a phase that is being finished as we speak. Before we move on to the second phase, we need to make an assessment which will relate to some allegations of right of light, which the hon. Gentleman may be aware of, which we need to investigate for ourselves.

The Upper Town and New School Buildings, Mr Speaker, is paused.

The Town Range Building (Clubs) I believe is continuing.

The Men's Hostel at the Old Guard House is paused, Mr Speaker.

The Main Guard is paused.

The loans for repairs to housing estates, as I understand it, have continued.

The installation of CCTV cameras was... All the procurement had been done before the Election. The works had not started. I believe that the works are about to start.

The boat moorings work, I believe, has not been paused. The partial payment of premium on land sales in St Peter's...

Hon. P R Caruana: Not paused but continued.

Hon. Chief Minister: I believe we said at the beginning that that should not be paused. I believe it continued through.

The partial repayment of premium on land sales in St Peter's Close is not a works issue, but it is under that head as an expense.

Mr Speaker, in respect of Government companies, Montagu Gardens and Montagu Crescent repairs, as I understand it, continue.

The ex-OEM housing projects continue. Some of them have been completed and may have to be done again.

The works at Waterport Terraces will continue.

The purchase of the new buses is something that we are looking into.

The retrenchment block at Lathbury Barracks, I believe, was substantially completed in their time in office.

The Upper Town refurbishments will continue, but those are paused at the moment.

The repairs to the Harbour Views podium: as far as I know, we have not been asked to stop those. I do not know whether those were actually completed and did not come to us as an ongoing project.

The Brympton Estate repairs, including Victoria Residency, is an issue that we are discussing, Mr Speaker.

The Willis's, Sandpits and New Harbours car parks, as I understand it, were substantially completed.

The Western Beach project which, as I interpret it, as a capital project, is a reclamation... is something that we expect and hope to be able to start planning quite soon.

The Eastside project, what the hon. Gentleman had given instructions for, which was the reduction of the height of the mound, were substantially completed, less for an area which resembled a cove, which may be

maintained, at least for now, in the area to the north of Catalan Bay. It may be that we progress further works in respect of the Eastside project, but I have not yet had an opportunity of having further discussions with the principals that the hon. Gentleman had entered into an agreement with.

Mr Speaker, in respect of other projects, South Jumpers Bastion is paused.

Plata Villa, I believe, is paused.

The improvement works in the play zones at Varyl Begg Estate – the first phase had finished. We were about to start the second phase, and what we have said in respect of that is that we would like to see the work done in respect of the first phase, which was covered in scaffolding during the course of the General Election campaign, the hon. Gentleman will remember. We want to see it for ourselves before pressing the button on the second phase.

The refuse shelters, Mr Speaker: as I understand it, all of those were completed, or substantially completed, by the time that the General Election was called.

Mr Speaker, I must tell the hon. Gentleman that I think that there are other Government projects which are actually not on this list, because the way that this list has been compiled is from the estimates and I think that there are others that may be out of this list, but I hope that that is helpful.

Hon. P R Caruana: Mr Speaker, it is helpful, but it would have been more helpful if the question had been answered.

The Government asks, as at 7th December, which projects were ongoing... The Opposition asks, rather, which projects were ongoing, and in respect of those which have been paused and which are continuing, and what we get by way of answer is a printout of all the capital... Some of them are not even projects. Some of them are expenditure on motorcycles for Gibraltar Car Parks Ltd. It is just a printout from a computer. No attempt made to actually answer the question asked.

The hon. Member, assuming that the information he has given us on his feet is accurate, could easily have put that into a proper answer to the question asked, instead of giving us a schedule which makes no attempt whatsoever to answer the question asked. That is all. It is not a question of being helpful or unhelpful. Of course, it is helpful to have things rather than not to have them, but he has demonstrated that the Question could have been answered easily.

Mr Speaker: There is no question over there, you know.

Next question.

Increasing the age of consent Government consultation

Clerk: Question 85, the Hon. D A Feetham.

Hon. D A Feetham: Can the Chief Minister confirm that his Government will now be consulting the people of Gibraltar on increasing the age of consent?

Clerk: Answer: the Hon. the Chief Minister.

Hon. Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer with Question No. 32/2012.

Crimes Act and Criminal Procedure and Evidence Act Intention to commence

Clerk: Question 32.

Hon. D A Feetham: Mr Speaker, can the Hon. the Minister for Justice state whether the Government intends to commence the Crimes Act and the Criminal Procedure and Evidence Act?

Mr Speaker: I think we had assumed we had reached that Question by now.

585 **Clerk:** Answer, the Hon. the Minister for Education and Financial Services, Gaming, Telecommunications and Justice.

590 **Hon. P R Caruana:** Mr Speaker, with respect, the Chief Minister has said that *he* will be answering it with Question 32, but he can change his mind about this if he wants.

The Minister for Justice (Hon. G H Licudi): What the Chief Minister meant was that *the Government* will answer these two Questions together, because they are, in some way connected. So I will answer this one and the Chief Minister will answer his one, and the Opposition will understand why these are being taken together.

595 **Hon. P R Caruana:** Oh, I see. You are going to answer one and he is going to answer the other.

Hon. G H Licudi: Mr Speaker, Question 32 is asked of me, and the other one is asked of him.

600 Mr Speaker, the Government intends to commence the Crimes Act 2011 and the Criminal Procedure and Evidence Act 2011, although some amendments will be required and not all parts will necessarily be commenced at the same time.

605 I have already held discussions on these matters with the Commissioner of Police and the Commissioner designate. Those discussions are ongoing. The Government is also consulting the Attorney General, the Bar, the Gibraltar Courts Service and the Judiciary on the commencement of the two Acts. A decision on the final form of the Crimes Act and the Criminal Procedure and Evidence Act and which provisions will be commenced on what date will be taken once those discussions and consultation are concluded.

I can, however, inform hon. Members that there are several policy decisions which have already been taken by the Government and which are unaffected by the ongoing discussions.

610 The provisions in part 12 of the Crimes Act which impact on the age of consent will only be brought into effect after a public consultation process has taken place in accordance with the policy announced by the Government when in Opposition. That policy was, and continues to be, that there should be equalisation in the age of consent for heterosexuals and homosexuals but that the age at which equalisation should occur should be fixed by statute only after consultation with the general public has taken place.

615 Equalisation has already occurred as a result of the ruling of the Supreme Court of Gibraltar dated 8th April 2011, following a reference to the Court by the then Chief Minister. Commencement of the relevant provisions in the Crimes Act is not, therefore, necessary to achieve equalisation.

The Government intends to issue a consultation paper on the age at which equalisation should be fixed by statute. The precise form of the relevant sections within part 12 will be determined after the public consultation exercise has concluded.

620 As regards the Criminal Procedure and Evidence Act 2011, the Government intends to repeal those provisions which abolish the right to silence. As stated by me during the debate on the Second Reading of the Bill, the right to silence is a fundamental right and it was, in our view, wrong for the then Government to introduce legislation to abolish this.

625 **Hon. D A Feetham:** Does the hon. Member accept that, given that, as he has rightly pointed out, the Supreme Court of Gibraltar has already equalised the age of consent at the age of 16, what they would effectively be consulting on would be an increase in the age of consent from 16 to 17 or 18 – for everybody, obviously?

630 **Hon. G H Licudi:** Mr Speaker, we will not pre-empt what that consultation will be about. We are currently preparing a consultation paper. The consultation paper will be about what age should be fixed by statute. That is what the consultation paper will be about. We will consider any matters that are brought to our attention during the course of that consultation process, and a final decision would be taken at that stage, and not now.

635 **Hon. D A Feetham:** I am not asking the hon. Member to make a decision now; that is not the question. The question is, in the light of the fact that the Supreme Court of Gibraltar has already reduced the age of

consent for homosexuals from 18 to 16 – they are equalising it at 16 – what the Government is, in fact, consulting on is whether there should be an increase in the age of consent for everybody, either to 17 or to 18.

Hon. G H Licudi: No, Mr Speaker, the Government is not going to be consulting on simply whether there should be an increase. There is a possibility that the age will stay the same, so the consultation will be about what age should be fixed by statute for consultation. I can say the same thing 20 times, if the hon. Member wants.

Hon. D A Feetham: It is just, Mr Speaker, that the Members opposite are in unusually slippery form today. That is why I have had to repeat my question.

Can he say to this House what parts of the Crimes Bill he intends to commence and what parts – in other words, that are non-controversial – he intends to commence on the Crimes Bill and the Criminal Procedure and Evidence Bill? Can he also give an indication to this House of when he intends to commence those parts?

Hon. G H Licudi: Mr Speaker, the position, as I understand it, was very clear in my original Answer and there was nothing slippery at all about that.

I have said that I am holding discussions. In fact, I have had two meetings with the Commissioner of Police where I have discussed this particular issue. I am also in the process of consulting various other interested bodies like the Bar, the Attorney General, the Courts Service and the judiciary, and those discussions and consultations are ongoing. It is not for us to pre-empt what the outcome of those discussions and consultation will be. The final form, the precise form, of what is going to be introduced and when they will be introduced will be determined once that process has concluded.

I can, however, say to the hon. Member this: I have given an indication of specific policy decisions that have been taken in relation to matters which have been brought to our attention which we have considered under the Crimes Act and the Criminal Procedure Act. We will consult and take a final decision at that stage, but what I have also said is that there are some amendments that could be required. In particular, there will be a number of drafting amendments. I am not sure whether the hon. Member was aware, during his time as Minister for Justice, but there are some issues where there is a cross referencing between one Act and the other. Some sections are referred to in one Act as being sections in the other Act. My understanding is that that cross reference does not always match and there is a need to make some amendments to that cross referencing that applies.

There are also a couple of substantive issues – (*Interjection*) Well, we certainly missed it. The Government missed it. The drafters have brought these matters to our attention and it is our responsibility to correct it. So amendments will have to be brought to this House before those matters can be actually commenced.

There are also a number of substantive issues which are being considered and which may, in all likelihood, require amendment. There is a substantive issue, I can say, for example, in relation to the offence of arson, where there is a specific defence provided which, as we understand it, should not be there. So that will require an amendment.

There is another substantive issue in relation to disclosure by the defence, specifically in Magistrates' Court proceedings, where there should be powers given to the Court to disapply the disclosure exercise in very minor, run-of-the-mill cases where it would be cumbersome for disclosure obligations to arise. So those matters are currently being considered.

There is also another substantive issue which is being considered, which is of a sensitive nature, and on which I am happy to brief the hon. Member privately. That is a matter that is being considered.

There are training issues which arise. There are issues related to Customs officers because the Criminal Procedure and Evidence Act extends the provisions of that Act to Customs officers. As I understand it, no provision had been made by the previous administration to provide training. There is a provision for declarations to be made by the Minister with responsibility for Customs for modifications to apply in terms of the procedure when it applies to Customs officers. That had not been done as at 8th December, as we understand it.

There are provisions which relate to other public officers, like factory inspectors, like labour inspectors. Again, there is a provision for modifications to be declared in respect of how the Act is going to apply to those officers. Again, that had not happened as at 8th December.

There are all those issues that are currently in the mix and, on top of that, we are carrying out consultation,

as I have indicated, in respect of the specific commencement of the Act, whether it is possible for the whole of the two Acts to be commenced at the same time, or whether it should be done in various parts. That is part of the consultation exercise. I can tell the hon. Member that my preference is not to do a piecemeal approach, but it really depends on how long it is going to take for all these other matters to come in place, and once all that comes into place we can take a final decision.

What the hon. Member will see is that there has been some progress done. Some discussions and consideration of all these matters have been done. We have been in office for four or five weeks. The hon. Member had these Acts in place and in force for a considerable length of time and these matters were not in place. I would ask that the hon. Member should be at least a bit understanding that this is going to take some time. I am not able to say precisely whether we will be ready in two weeks, in three weeks or a month, but the process is ongoing.

Hon. D A Feetham: I can assure the hon. Gentleman that the Opposition is going to be entirely supportive of the process, provided... and I am sure, from what the hon. Gentleman has told this House today, he intends to make progress with what are seminal pieces of legislation.

I can tell the hon. Gentleman that all this cross reference between sections is all news to me. I did know about the arson point – that was the only point that was brought to my attention – but none of the other points.

I do notice that, in their manifesto, they had a commitment in their crime section to introducing a Rehabilitation of Offenders Act, hate crimes legislation and also a sexual offenders' register, all of which is contained within the Crimes Act. Can the hon. Gentleman given an indication to this House whether it is the intention of the Government to effectively hive off those parts into separate pieces of legislation, or is it the case that the Members opposite had not read the Crimes Bill when they compiled their manifesto?

Hon. G H Licudi: Mr Speaker, the hon. Member knows precisely what the answer to that is because it is an issue that was raised in a debate that we had during the Election campaign, when he made exactly the same point and I gave him the same answer.

Of course, we knew what the provisions of the Crimes Act were. I specifically answered the hon. Member when he presented the Bill and I participated in the debate on the Second Reading of the Bill. The reason those matters were there, as I told the hon. Member just before the Elections, and I will repeat now, is to show the commitment of the Government in respect of specific matters.

The hon. Member will have been satisfied that we are entirely committed to the process that was started by him, and which I commend him for, because these are formidable pieces of legislation and we are committed to this process, subject to some amendments and some policy decisions that we have already taken. It really depends on how long the whole process is going to take. We are committed to the rehabilitation of offenders as quickly as possible, to that sex offenders' register as quickly as possible, and the other matters.

Hon. D A Feetham: As separate pieces of legislation?

Hon. G H Licudi: Not necessarily. It depends on how long the process is going to take. If we see that the process is going to take too long, that it is a protracted process because of the issues that I have raised during the course of my answer today, then the Government will give serious consideration to actually hiving off those specific provisions and enacting them in the form of separate legislation. We hope that that will not be necessary and that the process will continue seamlessly, as has been started, but time will tell.

Hon. D A Feetham: Will the hon. Gentleman at least consider – bearing in mind that the hon. gentlemen opposite are as keen to see rehabilitation of offenders legislation introduced in Gibraltar as the hon. gentlemen and lady this side of the House – that he gives serious consideration not to hiving it off and enacting it in a separate piece of legislation, but commencing those parts relating to the rehabilitation of offenders legislation before other parts? Will he give serious consideration to that suggestion?

Hon. G H Licudi: Yes, I will certainly do that, and we are in the process of doing that.

I can confirm that we have had meetings and I have discussed this matter – not this particular section specifically, but the extent to which a lot of the sections in the parts hang together. For example, I mentioned part 12: a lot of part 12 hangs together as a whole part and it is very difficult to say, 'This particular section is not going to be commenced and this one is,' but to the extent that we can identify specific sections, or parts,

of it that are standalone and can be commenced, we will endeavour to do so as quickly as possible.

750 **Hon. P R Caruana:** Mr Speaker, can I commend for the Hon. Minister the view that he first expressed, or
the preference that he first expressed, which was to keep the Bill intact and also (*Interjections*) the view
expressed now by my colleague, Hon. D A Feetham, to start it piecemeal, if necessary, because one of the
755 virtues of this piece of legislation is that it amounts to a codification of a large area of the law in a single Bill.
It is the closest we have ever come in this jurisdiction to a real codification of our criminal law. It will be a
pity if that codification, that single-document approach, were lost as a matter of chronology of
commencement when it can be achieved in another way.

Mr Speaker, can I ask my supplementary, which is this: while I applaud the hon. Member for his policy, or
for his Government's policy, of consulting on the age of consent, can the hon. Member say when that
consultation might take place?

760 **Hon. G H Licudi:** Mr Speaker, I have already given instructions for the process to draft the consultation
paper to take place. I would have liked to see that as quickly as possible.

I am told that a draft is going to be with me very soon. I will have to consider and make appropriate
765 changes and consult with the necessary parties in order to finalise, but that process has already started, of
actually drafting the consultation paper.

770 **Hon. P R Caruana:** Can the hon. Member say whether the Government, laudable as it is that it should
seek other people's view, too, through a process of consultation, can the hon. Member say whether the
Government has its *own* policy on this question? Does the Government have a policy on whether the age of
consent should remain equalised at the age of 16 or be raised, both for homosexual and heterosexual, and for
all other purposes of the Act or be raised? Does the Government have its own policy view on this or is it
devoid of ideas and just waiting to see what public opinion says on the question?

775 **Hon. G H Licudi:** Mr Speaker, it is not a question of the Government being 'devoid of ideas'. There are
different views from people who sit on the Government benches. There is no collective view that will be put
out there as being the Government's preference. We will consult the people, we will take their views into
account, and then take a collective decision which we will all stand by.

780 **Hon. P R Caruana:** So if there are... if it is presently equalised at 16 and there are different views, then at
least some people on the Government's bench must believe that it should be increased?

785 **Hon. G H Licudi:** Mr Speaker, I am not sure that much is gained with a debate on individual views, all I
can say is that we will stand by collectively what that view is at the end of the day, but that process must take
place.

The Hon. P R Caruana: Well, I accept that Mr Speaker...

790 **Hon. G H Licudi:** Well, we certainly are all of the same view that there should be an equal age for all.
That is the view...

The Hon. P R Caruana: That is a legal requirement...

795 **Hon. G H Licudi:** Well, it is a legal requirement, which the Hon. Leader of the Opposition has resisted in
accepting because he caused the then Minister for Justice to bring in a Private Member's Bill because he *did*
not accept that it was a legal requirement and it was only after he went to court that he was told that this was
the position, even though he had received advice to that effect, that he accepted this was the position.

Our position is that we will act collectively, we will seek the views of the public, then take the final
decision and introduce those provisions in part 12 of the Crimes Act after that process has been considered
and concluded.

800 **Hon. P R Caruana:** With respect, I can ask the questions in which I am interested, not the answers that he
is interested in giving. If he does not want to answer my question, he is free to say I do not want to answer

your question.

805 My question was, given that it is presently set by law at an equalised level and given that I have asked him whether the Government has a policy as to whether it should stay equalised at the current level, or equalised at 17 or 18 or 19 or 20 or 50, it has got to stay equalised by virtue of the court's ruling, but we can equalise it at any level. So it has got to stay equalised. I have asked him whether the Government has a view on whether it should stay at 16 or be raised and he has told me that there are different views about that question in the Government.

810 I have simply asked whether it is equalised at 16 and doing nothing leaves it equalised at 16, if he has said to me that there are differences of view on the Government side, and there is no reason why there should not be – there is nothing wrong with having different views within the Government and, of course, there will be presumably collective responsibility around the majority position adopted in due course. All I have asked is for him to confirm that necessarily that must mean that there are people in the Government who believe it should be equalised at a raised level, because otherwise there would be no difference of view. Everybody would think it has to be at 16; it is inevitable.

815 A further supplementary question would be, regardless of what the Government's policy might be, given that it appears not yet to have been reached in terms of collectivity, can the Minister for Justice, given that *he* is responsible for this area of Government policy, can he at least tell this House what his position on the matter is, even though it may not be subsequently reflected in Government policy?

820 **Hon. Chief Minister:** Mr Speaker dealing with the first supplementary, which was addressed more generally. It is possible, actually, Mr Speaker, for there to be a different mechanism which we want to explore as part of the consultation process, which is that the ages at which people can indulge in that sort of activity could be subject to a sliding scale. In other words, people of a particular age are able to have intercourse with people not above a particular age, but people above another age cannot have intercourse with people of a lower age. This is a more sophisticated system, which I think applies in Canada, which is called the banding system.

830 To give an example, you could not have somebody over the age of 21 having sex with somebody under the age of 19, but you could have somebody under the age of 19 having sex with somebody... somebody of the age of 19 having sex with somebody who is at least over the age of 16. Those are more complicated systems, it maybe they are unworkable, but there are things beyond simply having to have it at 16, 17 or 18 that need, in our view, at least to be explored and that is one of the things that the consultation process will look at, where it is not simply a question of Members on this side of the House insisting on 16 or insisting on 18 or 17.

835 We want to look at that and it may be that those things are completely unworkable, because I do not know whether you can ask people to show you an ID card, when these sorts of moments come up, (*Laughter*) but it is certainly that is something that is worth exploring.

840 Mr Speaker, if he wants an answer –

Hon. P R Caruana: Yes.

845 **Hon. G H Licudi:** Mr Speaker, I am here to answer for Government policy, not to express personal views. What I have said is that it is Government's policy to carry out that consultation process and then we will take a view and the Hon. Chief Minister has explained that there are different models, and I can say that that sort of model will be part of the consultation process and a view as to the specific model for Gibraltar will be taken once that is concluded.

850 **Hon. P R Caruana:** But in that consultation process, will the Government, as is usual in consultation processes, be indicating any sort of steer or preference? Is this a sort of consultation process that says, do you think the Government should leave it or change it and, if change it, to what level? Is it a questionnaire or is it consultation process? In a consultation process Governments normally provide a degree of indication of what the Government's thinking is, which may be changed as a result of the outcome of the consultation, but it is not usual for Governments, unless they are just doing a questionnaire, a vox pop, not usual for Governments to just do a consultation process that does not indicate what the Government is contemplating doing. That is normally what governmental consultation processes are like. So this would be more in the form of a questionnaire seeking people's expression of opinion about what they think should happen.

860 **Hon. G H Licudi:** No, Mr Speaker, that is not what we have said. This is a full consultation. (*Interjection*) This is going to be a full consultation process.

The precise form of the consultation paper itself will be considered by the Government in Cabinet once we have a draft and once we take a particular view as to how to proceed. The issue that the hon. Member has just raised will be part of that consideration when we have a consultation paper to look at.

865 **Hon. D A Feetham:** Mr Speaker, would the hon. Gentleman commit to making public the results of that consultation exercise? Also, will the hon. Gentleman give an indication as to whether they are merely taking into account the views expressed during that consultation exercise, or whether the Government intends to effectively be bound by any overwhelming view that is expressed by people consulted?

870 **Hon. G H Licudi:** Mr Speaker, there is a difference between a referendum and a consultation process. Whether the consultation process leads to a referendum is a different issue and we are not there yet. It is the hon. Members opposite, who have spoken in the past of a consultation and then, possibly, a referendum.

875 At the moment we are talking of a consultation process. As to the publication of the views, clearly subject to any views which may have been given anonymously and protecting any anonymity that may be part of that consultation process, in terms of giving numbers and general views of people, we see no reason why that should not be made public.

Clerk: Question 86.

880 **Mr Speaker:** Does the hon. Member have a supplementary?

Hon. P R Caruana: Yes I do.

885 May I say this as well, that it appears that I will be commencing the Crimes Bill in four years' time when we are returned back into Government at this rate, but (*Interjection*) Mr Speaker, what he is saying is that, effectively, he is going to be consulting the people of Gibraltar, but then the Government is going to be doing whatever it wants to do. Is that what he is saying?

890 **Hon. G H Licudi:** Mr Speaker, that may have been what the hon. Members had in mind when they talked about consultation and it is a very strange consultation process that they have in mind, when they intended to enact, as they have enacted, commenced the provisions and then consulted the people as to what the provisions should be in the first place. That is what they announced that they would be doing.

895 We are not putting the cart before the horse, we are doing things in the way that we think it should be driven. We are not coming at this with, as I have said, a predetermined view. There may be a view that is actually put out there as part of the consultation process, a Government view but, ultimately, consideration will be given. This is not a predetermined process and we are simply going through the motions. This is a proper consultation process to find out what the people of Gibraltar want on this very sensitive and much debated issue.

900 **Hon. P R Caruana:** Mr Speaker does the hon. Member not agree that that is a very ungenerous answer to the question that was asked, given his answer to the previous supplementary. (*Interjections*) It is not what we want to do, it is when asked whether he would commit to any overwhelming outcome of the consultation process, he said 'no'. He said that the Government would then consider what it did, in other words he declined to commit the Government to adhere to an overwhelming outcome of a public consultation. In other words, the consultation does not bind the Government.

905 So what the Government is effectively doing is asking people's opinion without committing even to honour an overwhelming expression of opinion by the people and then deciding whether to adhere to the overwhelming expression of opinion by people on this question or not. So, really, the consultation is to see whether the overwhelming expression of opinion coincides with whatever they decide to do, but they will decide what they do and not be bound by the referendum. I am not criticising (*Interjections*) that, by the way.
910 I think it is perfectly legitimate for Government to carry out a consultation and not be bound by the outcome, but the hon. Member, then, should not put so much store by the consultation, because it is a consultation to inform Government policy. It is not a consultation to see what people want. It is a consultation so the

Government knows what people think when the Government decides its policy, which it has not yet done.
(Interjections)

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Hon. G H Licudi: The Hon. Leader of the Opposition seems to have turned his argument from the very first part of the question to the end of the question.

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The position is the Government cannot commit itself to anything if it is embarking on a consultation process. What we are also not doing is starting this process on the basis of hypotheticals or assumptions: if we get 50%, if we get 60%, if we get 70%, or if we get 90%. We are not proceeding on the basis of hypotheticals. What is an overwhelming amount? Is it 50% or 60% or 75%, or does it have to be 99%? We are not pre-judging this process; we are keeping an open mind, and we are going to take into account the views that are expressed to us. Once those views are known to the Government, a collective decision will be taken.

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Hon. D A Feetham: Just one more. I hope it is not contentious. Can the hon. Gentleman confirm that, when he undertakes the consultation exercise, he will also pay particular attention to the point that certainly caused me a lot of concern, when I was looking into this issue of the age of consent and increases to 17 or 18, which is that anybody, any 17 or 18-year-old that may be convicted as a consequence of increasing the age of consent to 17 or 18, would then automatically be placed on a sexual offenders register, which then has enormous consequences for that person for the rest of his life? Can he at least confirm that that is a point he will take into account in the consultation exercise and the deliberations of Government?

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Hon. G H Licudi: Yes, sir.

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**Aggregate public debt and cash reserves
Position at 7th December 2011**

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Clerk: Question 86, the Hon. P R Caruana.

Hon. P R Caruana: Mr Speaker, will the Chief Minister please say what were the aggregate public debt and the cash reserves as at 7th December 2011?

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Clerk: Answer, the Hon. the Chief Minister.

Hon. Chief Minister (Hon. F R Picardo): Mr Speaker, as the hon. Gentleman was clearly aware, given his statement that very night of 7th December on the leaders debate, the aggregate public debt as at 7th December 2011, when he was in office, was £520 million and the cash reserves stood at around £234 million.

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**Pensioners' Monthly Income December 2011 4.25% Debentures
Value as at 7th December 2011 and subsequent position**

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Clerk: Question 87, the Hon. P R Caruana.

Hon. P R Caruana: Mr Speaker, will the Chief Minister say the total value of Pensioners' Monthly Income December 2011 4.25% Debentures outstanding as at 7th December 2011 and how much of that amount was withdrawn after 7th December or was redeemed on the expiration date and not reinvested in other Government debentures?

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Clerk: Answer, the Hon. the Chief Minister.

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Hon. Chief Minister (Hon. F R Picardo): Mr Speaker, I think we have taken it that it was Monthly Income Debentures of 2011, not December.

The total value of special pensioners three-year fixed 4.25% Monthly Income Debentures as at 7th

December 2011 was £77,874,200. There were no amounts withdrawn after 7th December, other than on the expiration date, which was 31st December 2011, when the amount of £11,955,900 was redeemed and not reinvested in other Government debentures.

Hon. P R Caruana: And of the roughly £65,000,000 of expiring debenture that he has described that *was* reinvested, is he confirming that it was reinvested in Government debentures or had the Chief Minister by then given the necessary instructions for debentures to be issued in the name of – as he subsequently announced – the Gibraltar Savings Bank?

Hon. Chief Minister: Mr Speaker, I have got a schedule that shows that breakdown, which I am happy to let him have. It also shows how the £11,955,000 was paid out and I am happy to let him have that.

Hon. P R Caruana: Does the hon. Member agree that, if that £77 million – I do not know if the 11.95, I will see in a minute when he shows me that paper – whether that was not reinvested in Government, but was reinvested in other things... Whatever the breakdown might be, when I see it, but whatever was available to be reinvested by the depositor, if you could call him that, the expiring debenture holder, had the debenture holder been invited to reinvest that money in Gibraltar Savings Bank's investment, does he agree that the immediate effect of that would have been to reduce the gross public debt by that amount?

Hon. Chief Minister: Mr Speaker, he and I are going to continue to have this debate, I can see, for a long time.

Hon. P R Caruana: It is not the same debate.

Hon. Chief Minister: Yes, I believe that would have been the result.

Hon. P R Caruana: And I agree that you would be right to say that that would have been the result. Can the hon. Member say whether any of that happened, in fact?

Hon. Chief Minister: Mr Speaker, as the hon. Gentleman can see, the £65 million that was reinvested went to the limited issue for the period.

Hon. P R Caruana: Is that the Government, or a savings bank?

Hon. Chief Minister: I believe, that is the Government until 28th February 2017.

Hon. P R Caruana: So the hon. Member passed an opportunity to, despite the concern he has expressed about the level of gross public debt, here he had an opportunity to immediately reduce it by £56.9 million. Instead, he has chosen to preserve the gross public debt in that amount, unnecessarily high, until December 2017.

Why did he not do with that what he has subsequently announced that he was going to be doing, and that is, reissue that through the Gibraltar Savings Bank, instead of announcing yesterday, or the day before, that he had made a start for future debentures, he could have stood up in this House, or made a public statement, saying that he was well on the way to cutting the gross public debt by half in four years, indeed he had reduced it by nearly 12% in four weeks. Why did he not take that opportunity, if he is as concerned as he professes about the level of gross public debt?

Hon. Chief Minister: Mr Speaker, it is because we believe that we will be doing this in another way and he has been offering us this way of doing it since the last Budget. We believe we are going to reduce debt in a different way. We are going to... This will be *part* of what we do, but not all that we do.

Hon. P R Caruana: Mr Speaker, there is no way of reducing gross public debt without repaying the money out of the Government.

Once the Government has repaid the money to the debenture holders, those debenture holders can run off and take it away and put it in a bank, or a piggy bank, or under their mattress, or they can say to the

1025 Government, please issue me with a debenture through the Gibraltar Savings Bank. If they do that, the debenture holders, the investors, the pensioners, whoever they might be, get the benefit of a Government guaranteed investment, but the Government is not saddled with that amount of savings counting as gross public debt. Given that the hon. Member made such a store about gross public debt, is it not normal for people to assume that what he would want to do is reduce it immediately, as soon as possible? Here was an opportunity to reduce it by nearly £60 million *overnight* within three weeks of arriving in office and he nevertheless chose to issue the money, to renew the debentures through the Gibraltar Government savings...

1030 I am not criticising him for doing it, because I think he is wrong on his analysis of gross public debt and it makes no difference to the Government, or to anybody else, whether the debenture is issued by the Government directly, or whether it is issued by the Gibraltar Savings Bank and guaranteed by the Government, as it is. So, this is the debate that we were having about the macro economic irrelevance of gross public debt, because gross public debt is a figure that is just inflated by debenture holders, whose cash is almost all there.

1035 I am not criticising him for not doing it, because we would not have done it. All I am saying to him is, given that *he* was so focused on the irrelevance of gross public debt on the seriousness of gross public debt, on the *significance* of the level of gross public debt to the state of our economy in general and public finances in particular, does it not strike him as illogical that he should have passed this early opportunity at no cost to the Government to have reduced it? That is what I am asking. I would have reduced it.

1040 **Hon. Chief Minister:** Obviously not, Mr Speaker, otherwise I would have done it. But I invite the hon. Gentleman to ask the next question, which deals with an issue which is very similar.

1045 **Hon. P R Caruana:** It is the same question in respect of the monthly one.

Hon. Chief Minister: Exactly.

1050 **Hon. P R Caruana:** Exactly the same question.

Gross Public Debt Reduction through redemption of Debentures

1055 **Clerk:** Question 88, the Hon. P R Caruana.

1060 **Hon. P R Caruana:** Mr Speaker, given the Chief Minister's stated concern with the level of gross or aggregate public debt, can he say whether he will now reduce it by redeeming one-month notice debentures issued by the Government and reissuing them via the Gibraltar Savings Bank, thus instantly reducing the gross public debt by an amount equal to the total value of such debentures?

Clerk: Answer, the Hon. the Chief Minister.

1065 **Hon. Chief Minister (Hon. F R Picardo):** Mr Speaker, the Government will not reduce gross public debt by redeeming its existing one-month-notice debentures and reissuing them via the Gibraltar Savings Bank.

1070 Even if the Government were minded to do so, Mr Speaker, under the terms and conditions of these debenture issues, the Government would have to give debenture holders six months' notice of its intention to do so. Instantly reducing the gross public debt in the manner suggested by the hon. Member here and during the course of the General Election campaign is therefore, I am advised by the Treasury, not a feasible option.

1075 The Government will, however, be discontinuing the sale of Government debentures in order to stop any further growth in gross public debt and will arrange for the Gibraltar Savings Bank to issue a range of savings products which will enable pensioners and other members of our community, who have come to depend on the availability of such debentures, to continue to have a Government guaranteed savings product.

Hon. P R Caruana: Mr Speaker, the issue is not whether the Government has to give six months' notice or not – which I was unaware of and I am grateful to him for pointing it out. The issue is that there were about

1080 £116 million of monthly debentures, which he can give six months' notice of to, in effect, repay – no difficulty for the pensioner or the debenture holder because, as soon as the Government repays them, they can go round to the Gibraltar Savings Bank, does not even have to take his money out, it is all administered within the Treasury – and reissue the same debentures in the name of the Gibraltar Savings Bank.

1085 Hey presto, £116 million is reduced from the gross public debt from that terribly high, terribly dangerous, level of gross public debt. So, why will he not give the six months' notice, if six months' notice is needed? Regardless of whether six months' notice is needed, so that he could not achieve that until June, but given that he has led everybody to believe that he would be a superhero if he reduces it in half over four years, he has had an opportunity, in three weeks, to reduce it by £60 million and he has got an opportunity by June to have reduced it by a total of £194 million, which is 40% of the entire gross public debt.

1090 Why does he set himself the task of reducing it by 50% in four years, when he can reduce it by 40% in six months? I put it to him, that it simply demonstrates the political fraud that was his conduct of an economic debate based on the level of gross public debt, as opposed to the level of net public debt I was recommending to the people of Gibraltar?

1095 **Hon. Chief Minister:** Mr Speaker, there is only one political fraud in this House and it is the gentleman sitting opposite, who pretends to be the Leader of the Opposition.

Hon. P R Caruana: We will see about that on Tuesday

1100 **Unsustainable level of public debt**
Criteria for determination

Clerk: Question 89, the Hon. P R Caruana.

1105 **Hon. P R Caruana:** No, on Tuesday, I am replying to your ridiculous broadcast of last night. *(Laughter)*

Mr Speaker: Order! Order!
Question 89 please.

1110 **Hon. P R Caruana:** Mr Speaker, can the Chief Minister say what level of public debt he considers to be unsustainable? He knows that I am asking because he made this point in his New Year broadcast. Can the Chief Minister say what level of public debt he considers to be unsustainable and by what criteria he fixes the amount at such a figure? Can he also say whether he distinguishes for such purposes between gross and net public debt?

1115 **Clerk:** Answer, the Hon. the Chief Minister.

1120 **Hon. Chief Minister (Hon. F R Picardo):** Mr Speaker, I have a lengthy answer and, to assist the hon. Member, I am quite happy to let him have my copy. It has got numbers in it, so I am quite happy to make it easier for him.

Mr Speaker, as I told the nation last night, the Government considers that the current level of public debt is too high and unsustainable and I know that the hon. Members laugh when I refer to Gibraltar as a nation. As the hon. Members know, the maximum level of public debt is prescribed under the Public Finance (Borrowing Powers) Act 2008.

1125 In terms of net public debt, the maximum level permitted under the Act is the lower of (1) 40% of Gibraltar's gross domestic product or (2) 80% of consolidated fund recurrent annual revenue.

In terms of gross public debt, the maximum level permitted is that which will not cause the annual debt servicing ratio – that is the ratio of annual debt interest payments of the consolidated fund recurrent annual reserve – to exceed 8%.

1130 Mr Speaker, the approved estimates of revenue and expenditure for 2011-12 on page 3 of the published estimates book reflects projected gross public debt, as at 31st March 2012 at £480 million and projected net public debt is projected to be £221.7 million. On 9th December 2011, our first day in office, this Government

was confronted with a situation where gross public debt was £40 million higher, at £520 million, and net public debt was £64 million higher, at £285.8 million.

1135 Mr Speaker, with the maximum net public debt currently permitted under the Public Finance (Borrowing Powers) Act 2008 at £306.2 million, which represents 80% of consolidated fund of current annual revenue for the financial year ending 31st March 2011, the Government found itself with useable cash reserves of just £20 million. Taking into account the expenditure commitments on capital projects entered into by the previous administration, this would have seen cash reserves reduce further to levels that would cause the net public debt to exceed the limits permitted under the Act.

1140 Mr Speaker, this Government considers this state of affairs to be unacceptable. Putting Government in a position where it only has available £20 million of useable cash reserve is, in our view, unsustainable. The Government is not prepared to increase net public debt beyond the limits permitted under the Public Finance (Borrowing Powers) Act 2008 and, indeed, this Government is also committed to halve the current level of gross public debt by the end of its first term in office.

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Hon. P R Caruana: Mr Speaker, if I had wanted to listen to a replay of his ridiculous broadcast of last night, I would have done it on YouTube.

1150 **Hon. Chief Minister:** Mr Speaker, if I had wanted. –

Hon. P R Caruana: I have not asked him this morning. Mr Speaker.
I am sorry... (*Interjections*)

1155 **Hon. Chief Minister:** [*Inaudible*] ...stop calling each other names.

Hon. P R Caruana: No, Mr Speaker, I haven't called him any names. I have called his broadcast ridiculous and I have referred to YouTube as rubbish. (*Interjections*) But, Mr Speaker, it is ridiculous.

1160 **Hon. Chief Minister:** This is how we find our temperatures rise, Mr Speaker.

Hon. P R Caruana: Mr Speaker, look, I have asked him a question. He has chosen not to answer probably, because he understands neither the question nor the answer and, instead, he just reads me out three paragraphs of his broadcast of last night, which have nothing...

1165 First of all, let me correct the hon. Member on the facts. It is not correct that, on 8th December, he was confronted with a gross public debt of £520 million, or has he forgotten two things? First of all, that he has told me, in answer to Question 86, that I myself told him in the leaders debate on the 7th, that it was £520 million and has he also forgotten that, as far back as July last year, immediately on the very afternoon of his speech on the Budget debate, he hotfooted it off to the GSLP office, recorded a little broadcast on public debt, in which he announced that it was £520 million. So if he had known it was £520 million since July 2011, what does he think entitles him to come to this House today to say that he was confronted with that statistic on 8th December?

1170 The hon. Member neither knows the facts nor understands them, nor has the intelligence not to forget what he has already known.

1175 **Mr Speaker:** Order! Order! Order!

The Hon. Leader of the Opposition must know, after his years in this Parliament, Question Time involves asking questions.

1180 **Hon. P R Caruana:** I am asking questions.

Mr Speaker: With respect, the preamble to that question is rather lengthy.

1185 If the Hon Leader of the Opposition wishes to debate this matter of the public debt issue, he can put a motion down and it will be heard, I am sure, pretty promptly, but questions must be questions with a fairly brief preamble.

Hon. P R Caruana: Yes, thank goodness for that, otherwise I do not know where the Hon. the Chief

Minister would be.

1190 Mr Speaker, be all that as it may, the question was... the question is not what the statutory limit of public
debt. Does the hon. Member not acknowledge that it was I who explained to him, in July last year, what the
statutory definition of the level of public debt? I have not asked him that. What I have asked the hon.
1195 Member, given that he appeared on GBC and told 'the nation', as he likes to call it, with a very grave face that
public debt levels were unsustainable, well, then he must – even though he knows what I think of his grasp of
economic matters – have some economically based view of what level of public debt is sustainable for this
economy and what level of public debt is unsustainable for this economy.

He has described the current level of public debt as unsustainable, even though, by his own admission, it is
below the statutory legal ceiling. So I have asked him to please tell me, given that he has expressed economic
opinions about public finance matters to the people of Gibraltar, I am asking him, in his judgement or, in
1200 accordance with the policy of his Government, what level of public debts does he consider to be sustainable
for our economy of a gross domestic product of just over £1 billion, and by what economic criteria he fixes
the level at whatever level he chooses? Instead of saying to me, I think the level of sustainable public debt for
an economy like ours is *x* and therefore the present one is too high, he ignores the question, ignores the
answer and gives me some *spiel* about thinking that the present level is too high. So now we know that he
1205 thinks that a gross public debt of £520 million and a net public debt of around £280 or £290 million is
unsustainable.

At what level does that equilibrium switch to sustainability? There must be *some* level of public debt
which he thinks is economically not unsustainable and I am just asking him what that is and to explain the
economic criteria by which he fixes that. Is he able to do it, or isn't he?

1210 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman has said a lot of things about me in the past year in
this House. He has started already today.

Hon. P R Caruana: Answer the question.

1215 **Hon. Chief Minister:** And I will answer the question.

Look, Mr Speaker, if the hon. Gentleman, when I have just got on my feet and started answering the
question, if he is going to start mumbling under his breath, 'Answer the question!', then the minute he gets up
to ask a supplementary, I am going to start saying 'Ask a question! Ask a question!' because he gives us
lectures... He forgets that questions should not be a pretext for debate and he goes on with his usual less than
1220 enamouring style of wanting to call everyone much less able than him, at anything that we might turn our
hands to.

Let me start by answering, Mr Speaker, the 'ridiculous' – I think that is the word he has chosen and the
only one I am going to allow myself to use – the 'ridiculous' statement that he made about my podcast. I did
not say in my podcast, Mr Speaker, that has been so much a subject of debate across the floor of this House
that gross public debt was £520 million. Mr Speaker, I said that the amount we were debating in this House
1225 did not include the £20 million of borrowing, which had been included in the Government company. First
point, Mr Speaker.

Second point. The hon. Gentleman said, only in the leaders debate, not before, that the gross public debt of
Gibraltar was £520 million and I think he realised that he had said something that he had not said publicly
1230 before, because the jaws of the interviewer, the jaws of the member, or the individual, who was there for the
PDP and mine dropped – and he was surprised that we were surprised to find out that that was the level of
gross public debt.

Mr Speaker, it is not possible in this House for us to have a Westminster-style system of government and
opposition, whilst the hon. Gentleman tries to make supplementaries a possibility for him to cast ridicule – to
1235 take the word that he has chosen to use first – on members of the Government, as if we were still members of
the Opposition.

What I can tell him, Mr Speaker, is that our attitude to answering his questions to debates in this House,
will be completely different to his attitude. Therefore, to answer, what should have been his question in his
supplementary – if he felt I had not answered it – 'what do I think is an unsustainable level of debt for a
1240 Government like that of Gibraltar?': it is the level of debt which he left us, which gave us only £20 million of
useable cash on 9th December. That, Mr Speaker, is unsustainable and frankly, in my view, it is that which is
ridiculous and frankly, in my view it is that which speaks volumes of his economic competence, that he put

Gibraltar in a position that, without changing the law and without borrowing more, its Government had not a penny more than £20 million to spend.

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Hon. P R Caruana: Mr Speaker, the first thing I have to say, as a point of order, is that I am astonished that the hon. Member is saying in this House today that he did not in his podcast say that the gross public debt was £520 million. He did. He must know that he did and if he does not withdraw his denial of it, I shall have to bring a motion.

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Does he not recall that he went further than saying it was £520 million, that he said it was £520 million and, therefore, in excess of the legal statutory limit. Does he not remember saying all of that?

Hon. Chief Minister: This is a point of order, Mr Speaker. I have said what I said about the podcast and *Hansard* will reflect it and I invite him to bring the motion.

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This time...

Hon. P R Caruana: I will!

Hon. Chief Minister: I think I can confidently predict that the result will not go his way.

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Hon. P R Caruana: Mr Speaker, the result will not go my way, not because you did not say in your podcast £520 million – which you did – the result will not go my way because you will choose your majority to make your untruths look like the truth. That is why the result will not go my way.

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Mr Speaker: Order! Order again!

I think, we are again deviating from what Question Time is all about. If I recollect my parliamentary practice well, it is the purpose of eliciting information on Government policy, eliciting information. It is not intended for debates of this nature.

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Hon. P R Caruana: Mr Speaker, again, if we are going to limit Question Time in this House to eliciting information, I will, of course, abide by Mr Speaker's ruling, but it will be a very novel experience in this Parliament. I have been in it for 16 – no, for 20 years – and I have never known Question Time to be *only* for eliciting information, including the years that Mr Speaker has been presiding over it in the chair.

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Mr Speaker: I hope the hon. Member will concede I have given a lot of latitude today for debates of a completely different nature.

Hon. P R Caruana: As you have always done. When we were in Government and they were in Opposition, Mr Speaker.

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I think it is laudable and all Speakers before you have done the same.

Hon. Chief Minister: Mr Speaker, if I may say so, there is one difference, just speaking on the point of order that, of course, Parliament now intends to meet every month and there will be another opportunity for questions next month –

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Mr Speaker: And motions.

Hon. Chief Minister: – and motions and not just... Parliament will no longer be meeting only three or four times a year.

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Mr Speaker: May I invite the Hon. Leader of the Opposition to pose a question?

Hon. P R Caruana: I will.

Just as a preamble to my question, I do not ask questions to ridicule the hon. Member, but I cannot help it if the effect of his inability to answer my questions is to bring ridicule on himself. I asked the hon. Member questions to test him and to elicit information on public statements that he has made vitriolically attacking me and my Government when we were in office. When I challenged him on it, demonstrating that he has

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1300 practically no understanding of the issue that he pontificates about, all he can think of saying – and he has *still* not answered the question – is that I want to ridicule him. I do not want to ridicule him, Mr Speaker, I assure him, but I do want to demonstrate what I have believed to be the case since he first started debating economic matters in this House, that he is almost totally ignorant on matters to do with the economy and public finance.

1305 I repeat my question. At what level, would he be content – and if I could mention just one more thing to him – the amount of money that the Government has available to it to spend, which he has put at £20 million, has got absolutely nothing to do with the level of gross public debt, nothing whatsoever. That is a factor of the level of net public debt. Your gross public debt could be £6 billion if you wanted: it would not affect the amount of usable cash available to the Government.

1310 Eventually, I suppose, he will learn and understand these things, but Mr Speaker, will he, given that he has told the people that, at the current levels of gross and net public debt, he considers public debt to be economically unsustainable, will he tell this House and, through it, the people to which he gives economic lectures in Gibraltar, what he considers is a level of sustainable public debt?

Hon. Chief Minister: Mr Speaker, I am not in this House to be tested by anyone. I passed all my tests at Bayside and at Oxford, and I did very well in all of them, thank you very much...

1315 **Hon. P R Caruana:** Not in economics.

Hon. Chief Minister: Frankly, the issue today is just that the hon. Member opposite does not like to hear the answer that he is given, Mr Speaker.

1320 **Hon. P R Caruana:** I want the answer to the question that I have asked, for goodness sake!

Mr Speaker: Order! Order!

1325 **Hon. Chief Minister:** I must say I sometimes get concerned about the hon. Gentleman's health. He needs to relax.

1330 Mr Speaker, the answer – which he does not like – is that the sustainable level of public debt is the level that allows a government more than £20 million of usable cash reserves. He can take it from there that, whether it is in the net calculation or the gross calculation, we believe that debt has to be reduced and the levels to which it has to be reduced, he will know from our manifesto, which is not a document for which we are answerable in this House, but we believe that should be halved and therefore we must think that it is unsustainable for it to be higher than, closer to, half of where it was when we inherited the £520 million debt that he kindly left us on 9th December.

1335 **Hon. P R Caruana:** Mr Speaker, will he say whether the halving relates to gross or to net public debt?

Hon. Chief Minister: Mr Speaker, I am not here to test him, but I thought he could read. Our manifesto says gross.

1340 **Clerk:** Question 90, the Hon. P R Caruana.

1345 **Hon. P R Caruana:** With the Clerk's and the Speaker's indulgence: so the answer that I should rely on is the last one that he has given me, and not the second last. The first answer that he gave me was that an unsustainable level of public debt was a level that only allowed the Government £20 million of spendable cash, from which most people would deduce he means that, provided there is more than £20 million of spendable cash, the level is then sustainable.

1350 He then went on to say that I should impute, from his manifesto – the one that he is not accountable for in this House – that the sustainable level of public debt, in their view, is half the gross public debt as it is today. So I am just seeking confirmation. I should rely on the second answer and disregard the one about the £20 million.

Hon. Chief Minister: Mr Speaker, I know that he wants to make this division between net and gross and that never the twain should meet. He needs to understand, Mr Speaker, that he is the Chief Minister that

achieved some things in 16 years and, in our view, (*Interjection*) failed in some others.

1355 I am the Chief Minister who arrived in office to be told that the previous administration, the previous Chief Minister, had committed Gibraltar to capital commitments, to capital payments, far in excess of the cash that we had available in the kitty and that the first act that I was going to be required to do in this Parliament would be to change the definition of debt in order to enable us to borrow more, in order to be able to pay for the commitments that he had entered into.

1360 He can take my second last answer, he can take my last answer or he can take this answer. It is not sustainable for the hon. Gentleman to have left this community in a position where the useable cash reserve of the Government the day after he left office was £20 million. One issue of unsustainability.

1365 It is not, in our view, sustainable for Gibraltar to have the gross debt that it has today. It will be halved by the time of the next General Election. He can assume, from the fact that I am talking about £20 million of useable cash reserve being too low, that we will therefore also be reducing net debt so that there is more cash available.

Mr Speaker, I know he does not like the answer, but he has to accept that that is the answer.

1370 **Hon. P R Caruana:** Mr Speaker, as we will discover on Tuesday, that answer is wrong. He does not have to change the law relating to the level of public debt in order to have more than £20 million available, but he will have to sit on the edge of his seat during the weekend and listen to the reason why that is so on Tuesday.

1375 Mr Speaker, if he chooses to continue with the debate about public debt being unsustainably high, and by public debt he means gross public debt, as he has now said again, can I then re-put to him my question, which is: why, if gross public debt is unsustainably high, if the effect of gross public debt being so unsustainably high is, in his view, incorrect that the Government only has £20 million to spend, why doesn't he solve all of his problems and apparently the problems which he imagines Gibraltar has, he could have reduced it by 40% – four zero per cent – between now and June? Indeed, he could have done 60% on 1st January this year, 2012, and he could do the other 117 by June because he has got to give the monthly debenture holders a month to switch to the Savings Bank.

1380 If, as he says, the level of gross public debt has the effect that he, incorrectly, refuses to be shaken from, why hasn't he done the obvious thing, which is to slash it by 40% by June and then everybody in Gibraltar can sleep easily at night and breath safely? We can all sleep in the knowledge that we are not all about to go belly-up and bankrupt. He has it in his gift to humour his own false economic principles, but why doesn't he do it, Mr Speaker? Why doesn't he slash the gross public debt of the Government of Gibraltar by £194 million, which is 40% by June? He can do it before the next Budget. Why doesn't he do it if it has the adverse effect that he is describing in this House, or which he has described to the people of Gibraltar?

1385 **Hon. Chief Minister:** For the reasons set out in my answer to the previous Question 88 of 2012. (*Interjections and laughter*)

1390 **Clerk:** Question 90. The Hon. P R Caruana.

Hon. P R Caruana: Mr Speaker, what the hon. Member is going to be learning quite quickly is that constant waffle is just not acceptable in a Chief Minister. Substance needs to appear at some point.

1395 **Mr Speaker:** A question, please.

Hon. P R Caruana: What is the Question number?

1400 **Hon. Chief Minister:** I am quite happy to say those things about him, too, Mr Speaker. I am quite happy to get into discussions about these issues.

Mr Speaker, let us give the people of Gibraltar the parliament that they deserve and that they want – (*Applause*) a place where the Government comes to answer questions, not to be subject to the sort of speeches we are getting from the gentleman on the other side.

1405 **Hon. P R Caruana:** Mr Speaker, but I do not believe the people of Gibraltar want a parliament or a Government in which the Chief Minister frightens them and then does not understand, cannot answer the simple question of why he does not lift the fright immediately when he is able to.

I do not think the people of Gibraltar –

1410 **Mr Speaker:** Order! Order!

Hon. P R Caruana: – want a parliament like that at all.

1415 **Mr Speaker:** Order. Order.

Hon. Chief Minister: Mr Speaker, I think the people of Gibraltar do not want a Chief Minister who leaves them with only £20 million of useable cash.

1420 **Mr Speaker:** Order! Order!

The Hon. Leader of the Opposition was called to ask a question, but before he does so, I must remind members of the public gallery that you are invited here to observe the proceedings, not to participate in the proceedings.

1425

**Government revenue and expenditure
Forecast at 31st December 2011**

1430 **Mr Speaker:** The Hon. the Leader of the Opposition, Question 90.

Hon. P R Caruana: Obligated, sir, Mr Speaker.

It is still a good deal more civilised than in the United Kingdom, by the way, you understand that. As we learn everything from the United Kingdom, I think we are still considerably under their ceiling of incivility.

1435 Mr Speaker, can the Chief Minister say what is the overall Revenue and Expenditure in the current financial year, as at 31st December 2011?

Clerk: Answer, the Hon. the Chief Minister.

1440 **Hon. Chief Minister (Hon. F R Picardo):** Mr Speaker, I am advised that these figures have not been provided before, but we are happy to make this information public.

The overall Government revenue, as at 31st December 2011, stood at £314.8 million, whilst overall expenditure stood at £279.3 million.

1445 These figures may not reflect adjustments which are effected by Treasury at the end of the year and therefore represent no more and no less than a snapshot of the position. The figures, therefore, should be viewed in that context, I am advised.

Hon. P R Caruana: Mr Speaker, if the hon. Member has been told that these figures have never been provided before, he has been misinformed.

1450 They have never been provided as simply as these have been asked, but the Hon. the present Minister for Employment, when he was Chief Minister and, I think, subsequently him, or certainly Mr Bossano, continued right up until the end to ask me not just for the totals – which is all I have asked for – but by Department, the total broken down by Department in terms of expenditure.

It is true you did not used to ask about revenue, but you used to ask about expenditure.

1455 **Hon. Chief Minister:** It is true.

Hon. P R Caruana: Yes, thank you very much. I am obliged to the hon. Member for his answer.

1460

Former Chief Minister's 'impenetrable curtain'

Current Chief Minister to explain

1465 **Clerk:** Question 91, the Hon. P R Caruana.

Hon. P R Caruana: Yes, Mr Speaker, although I think this was the Answer that he read out to the last Question.

1470 Can the Hon. the Chief Minister please say what ‘impenetrable curtain’ he has discovered that he believes I set up?

Clerk: Answer, the Hon. the Chief Minister.

1475 **Hon. Chief Minister (Hon. F R Picardo):** Mr Speaker, the hon. Gentleman clearly ensured that the recent General Election was fought on figures for gross debt, net debt and amounts due from Government wholly owned companies which were based on published estimates presented in April 2011.

As it is now clear from the discussion this morning that Ministers were receiving up-to-date information on every movement in income and expenditure, he would have known that the figures upon which everyone else was debating were no longer accurate.

1480 By not sharing that information, by not calling more frequent meetings of the House for Questions and by continuing to refer to the ‘estimates’ when he knew the actual figures, the hon. Gentleman kept the right data behind an impenetrable curtain.

1485 **Hon. P R Caruana:** I see. Well, he will have to wait for the answer to that on Tuesday as well. *(Interjections)*

Well, I suppose you can see it on YouTube... You are a sort of ‘gadget wallah’ aren’t you? You can see it *(Interjections)* on YouTube.

1490 So the ‘impenetrable curtain’, as I understand it, is the fact that he thinks and he *alleges* that, during the election campaign, I was not using up-to-date gross and net public debt figures. Is that correct? Am I correct, then, in interpreting his answer?

1495 **Hon. Chief Minister:** Mr Speaker, until the night of the leader’s debate, when the hon. Gentleman told those of us who opened the debate, and Gibraltar, the figure of £520 million of gross debt was not a figure that, as far as I am aware, was ever made public.

Hon. P R Caruana: Therefore, will the hon. Member... If I can demonstrate to the hon. Member that he knew this at the Budget time last year, will he withdraw all the nasty allegations he has made about me on television?

1500 **Hon. Chief Minister:** Mr Speaker, I am very sorry that the hon. Gentleman thinks that I have said anything nasty about him.

I have simply put the position, as I see it, in relation to the issues that arise. I am quite happy, Mr Speaker, to tell the hon. Gentleman that I believe that that was the correct position and that we shall have a debate about whether he can demonstrate something or not.

1505 **Hon. P R Caruana:** I am sure that he will.

1510 **Airport tunnel runway
Position of project**

Clerk: Question 92, the Hon. P R Caruana.

1515 **Hon. P R Caruana:** Right, we have had the one about ‘impenetrable curtains’, no? Yes, so this must be ninety-two.

Can the Chief Minister say whether it is the intention of the Government to proceed with the tunnel project

under the runway?

1520 **Clerk:** Answer, the Hon. the Chief Minister.

Hon. Chief Minister (Hon. F R Picardo): Mr Speaker, as the hon. Gentleman knows, the Government has received a pre-action letter from the original contractors selected by his administration for this project. It would not be in the public interest for me to say more at this stage. I am happy to speak to the hon. Gentleman about how things have developed since he left office on a confidential basis.

A public statement about the status of the tunnel project will be made in the coming weeks and I am happy to say to the House that we will be taking legal advice on what it is right for us to say and not say.

1530 **Hon. P R Caruana:** Mr Speaker, I have not asked him a question about what the legal status is of contractual claim and counter claim between the Government and the sacked contractor. They left the scene months ago. I have not asked him and nothing that he says about whether the Government intends to continue with the tunnel project or not has anything whatsoever to do with the fact that he has received a claim from the contractor that was terminated by the Government on expert legal advice from the United Kingdom and I believe that the Government has absolutely nothing to fear from the letter of claim that they have received.

1535 I offer my services free of charge to the Government, in whatever capacity he thinks I can help the Government – either as an ex Chief Minister or as an ex person involved in the decision to terminate the contract. I offer him my services in whatever consultancy or legal capacity, unpaid, to help him see off this entirely unmeritorious claim.

1540 Mr Speaker, that is not what my question was about. I would like to tackle this question in a sort of politically friendly way because I honestly do not think that the decision about whether we make a tunnel or not should be made on the basis of, ‘It was a Caruana GSD project and I will be damned if I am going to do it.’ There are serious long-term socioeconomic implications from...

1545 If the Government makes the decision that it is not willing to borrow more money, then it cannot build a tunnel, whether it thinks it is a good idea or not. That is why we do not agree with the Government’s decision not to borrow any more money, but I accept that if the Government, as it is entitled to do, makes the policy decision that it does not want to borrow more money, then it does not presently have £55... well, whether it is £55... I suspect £55 million is a back-of-the-envelope estimate by GJBS. It certainly cannot be done for the £15 million left to be paid to the OCL or whatever that figure is... £15, £16, £17 million. It will be some significant sum of money greater than the original £30 million, I think the figure was. But the Government certainly cannot do that immediately without borrowing more money, I can see that, which is why we never put ourselves in that position.

1550 What I would like to – through some supplementaries – try and convey to the hon. Member is the importance of this project to Gibraltar. This project is about two things. Does the hon. Member acknowledge, and will he agree to give due consideration when making his decision, both as to whether to proceed and the timing of when to proceed, to the fact that this project achieves for Gibraltar two important things. Firstly, it makes the new air terminal much more viable because it allows the hon.... who was it who said this morning who was already busy getting?... the Hon. Mr Costa, who was saying this morning that he was busy talking to new airlines already.

1560 Well, Mr Speaker, given that every time an aircraft lands or takes off, there is some degree of traffic paralysis in Gibraltar, therefore decoupling the vehicular traffic from the aviation traffic frees the Government to allow many more flights into Gibraltar than would otherwise be possible or viable without the barrier being up and down all day. So it is linked to the amount of volume of aviation traffic that can reasonably push...

1565 Will he also take into account that it decouples traffic congestion in the rest of Gibraltar from the tailback of frontier traffic because frontier traffic presently fills the loop, comes in front of the old air terminal, then there is a gap across the airfield and then it immediately gets to the Cross of Sacrifice roundabout, and once it gets there, all hell breaks loose. That would be finished because frontier traffic, in future, will have to fill the loop. It can then tail back along one of two lanes westbound, all the length of the frontier fence, all the length of the tunnel, all the length of the new motorway under the runway and parallel to Eastern Beach, and before it has any adverse impact on non frontier traffic: whilst, at the same time, because it is a two-lane road, allow people going to North Front, to the air terminal or to wherever else they are going – not to the frontier – free use of the other lane in both directions. Mr Speaker, these are very long-term socioeconomic things.

1570 The hon. Members will make whatever policy decisions they make. I would just urge them and ask them

to give due consideration that whatever GSD project they decide to cancel for political prioritisation, manifesto prioritisation... no, they have said they are going to do that and they are entitled to do that. 'We want to spend the spending power that we have on our manifesto and not on yours.' Well, I am not going to criticise that. It is perfectly reasonable.

There is one project that Gibraltar will not forgive the present generation of politicians if it does not obtain, and that is a tunnel under the runway. Will the hon. Member at least agree to deal with the pros and cons of that project on an objective basis, stripped of any partisan rivalry consideration?

Hon. Chief Minister: Mr Speaker, first of all, I have not received a pre-action letter. He received it when he was Chief Minister, the Government received it, and it will be dealt with, as he knows, in order to defend the Government position to the best possible abilities of those advising us. Here the identity of the politicians is less relevant.

I must tell him, Mr Speaker, that in all the times that I was sitting where he is, or slightly to his right, and I was given this sort of answer, I simply said, 'Thank you. I will have the conversation' and I know that he has not tried to push me further and I hope that we can have that conversation about why I do not want to be pushed on whether works are going to start on that tunnel or not. But he should know, Mr Speaker, that when it comes to making a decision about whether this project, and other projects that were commenced or about to be commenced in relation to the tunnel, there is a lot done which is not visible, so it is a commenced project. We will not be making decisions based on whether they started it or we started it – whether it was a GSD project or whether it was a GSLP project. We will be making the decisions that we think are in the public interests of Gibraltar and all of the things that he has said are relevant to the decision that we are going to make.

I must tell him that, in the time that we have debated in this House the issues of the air terminal, and we have exchanged views about that, not just in this House but in press releases, he will have seen that we did not criticise the decision to create a tunnel. We might have criticised the way that the works were ongoing, but that was one part of the project of air terminal and associated works that we were not critical of. We were critical of the decision to create the new air terminal and he knows fully what our arguments were on that and we know what his arguments were on that, but the tunnel and the roads were not the subject of criticism by us.

I understand that things have gone pear-shaped. It is now, as he says, unlikely to be something that can be completed on project price of £30 million. I do not want to get drawn into saying more than I agree with him that those are the relevant issues in determining whether we should be pursuing that tunnel project or not, or some other project. He and I should talk, not about his offer to advise – I would expect nothing less from somebody who has been Chief Minister of Gibraltar other than to want to help Gibraltar on an issue like the one that is developing in relation to the tunnel... (*Interjection*) Well... but we should have a conversation (*Interjection*) about why I do not want to be pushed further today on this issue in particular.

Hon. P R Caruana: Well, Mr Speaker, I will not press him, except to ask him – because it would be news to me and no one had ever put this to me when I was in his chair – it has never been suggested to me before that there is any connection between the litigation and whether or not the tunnel proceeds. Now he tells me that there is, or he has now had new advice, which I have never had. I am certainly willing to discuss it with him in private.

Hon. Chief Minister: Mr Speaker, I am not even going to go there and when we speak he will realise why.

New Power Station Commitment to proceed

Clerk: Question 93, the Hon. P R Caruana.

Hon. P R Caruana: Mr Speaker, can the Chief Minister confirm that the Government will proceed with the new power station, as they committed to do in their Election manifesto and other election statements?

Clerk: Answer, the Hon. the Chief Minister.

1630 **Hon. Chief Minister (Hon. F R Picardo):** Mr Speaker, as we committed to do during the campaign, we will respect the agreements that have been signed in respect of the proposed new power station.

A further statement will be made in due course of how that will result in our ensuring that Gibraltar's power needs are provided for.

1635 **Hon. P R Caruana:** Mr Speaker, the hon. Member's answer is, as he must well know, incomplete as to the extent of his election commitments.

1640 It is true that the manifesto costs it in terms of respecting agreements, but the Hon. Dr Cortes, no doubt reflecting the sense of urgency of the environmental lobby groups to get on with the building of the new power station, published articles in both the *Panorama* and the *Chronicle* newspapers... remember, you know, the article it has got a nice picture of him here – these articles that all the candidates had to publish – in which he says... well, not content to just commit him to do it, he actually chastised us for not having done it yet quote:

1645 'The GSD Government has delivered neither the much needed Power Station nor the sewage plant. We are committed to both.'

Hon. Chief Minister: Exactly why, Mr Speaker, in due course we will be making a statement of how we will be ensuring that Gibraltar's power needs are provided for.

1650 **Hon. P R Caruana:** With respect, that is disingenuous.

Dr Cortes, on behalf of the GSLP, was not committing to satisfy Gibraltar's power needs, he was committing the party at the polls to proceed with the 'much needed power station' which he chastised us for not having built yet and the only thing that we had not built yet, which we were planning to build, was the new power station up at Lathbury Barracks. That is what he was committing the GSLP Liberal Alliance to do.

1655 Is the Hon. the Chief Minister now resiling from that? Is he saying that the Government is not committed to proceed with a new power station but just to some alternative means of ensuring that Gibraltar's power supplies are met?

1660 **Hon. Chief Minister:** Mr Speaker, there are many potential permutations which flow from what I have said, some of which include the power station as he planned it and some them which he could include, the power station, but not as he planned it.

1665 Mr Speaker, the Hon. Mr Cortes was absolutely right, of course, to bring this issue to the attention of people in the terms that he did because what the hon. Gentleman might want the public to forget or, in fact, might not want the public to know, is that perhaps the reason he is pushing us so much – and we have been in administration for much less than eight weeks – is that in 1999, I believe, he had a Report, called the Manx Report, that told him that engine sets numbers one and two at Waterport are expected to reach the end of their operational life by 2004, after which either Waterport or OESCO will need to invest in additional generating capacity to maintain security of supplies to Gibraltar.

1670 Mr Speaker, the Report went on to say that, even assuming a more optimistic figure of 120,000 hours of running life, engine sets numbers one and two have only a further four years to run, which does not take them to the termination date of the Power Purchasing Contract of 2010, which is the OESCO contract. He was being told, Mr Speaker, in this Report, the following words:

'Therefore, serious consideration needs to be given to commissioning new generation plant capacity soon.'

1675 Mr Speaker, he got this Report in 1999. It was not until last year that the generating capacity got the importance it appeared to deserve from the hon. Gentleman. He knows that if this project were to go ahead, it will be the largest capital project in the history of Gibraltar. It is an important decision to take, whether we proceed with that project or not, not just because it is the biggest capital project in Gibraltar, not just because of the issues of debt that arise on which we can continue the debate about whether it would be debt or not be debt, whether we would breaking our commitments or not breaking our commitments of debt.

1680 I know what he said about the backing he would give us if we were to do these projects, but he needs to understand that we have not seen the agreements since they were initially drafted. We have not been seeing

the proposal for the funding since the drafting started.

1685 He, of course, was in the driving seat when it was all started. He, I expect, will know it inside out. We have been there for less than six full weeks. We need to make a decision about how we deal with Gibraltar's future generating capacity needs, which we will make as soon as we are able and we will make an announcement as soon as we are able.

1690 **Hon. P R Caruana:** So the answer is that he is not committed to the power station that we have contracted to build and in respect of which he is aware that the export guarantee agencies of three leading EU countries have guaranteed the Government's new borrowing on.

I just say that to identify the project. He is not committed, at this point in time, to building that power station.

1695 **Hon. Chief Minister:** Mr Speaker, at this point in time, having been elected six weeks ago, having started to see the detail of the agreement six weeks ago and not just what the hon. Gentleman was telling us publicly before then, having already met with some of the people who have been assisting us to put in place the financing and having, as he knows, had an opportunity to extend the period for making the final decision to proceed or to 'omit', which is the technical jargon that he will know that contracts carry for a decision to proceed or stop, it is not possible for us, Mr Speaker, to give him a clear statement that we are committed to that power station in that place, in that form. There are many permutations of this which could see that power station, for example, with less generating capacity initially and slowing building up to more. All of those permutations are on the table.

1700 Mr Speaker, what I am saying to him is he needs to stop trying to push me into a corner to say 'yea' or 'nay', because I believe that what we are considering, potentially, is within the letter of what we committed ourselves to do, within the letter of what Mr Cortes said in his articles. Of course, I understand that he is embarrassed because he knew in 1999 that these problems were going to start arising in the middle of the following decade. We are well over that decade. He did nothing whilst he was in power and now he wants to make sure that there are not power cuts in Gibraltar – which would be his fault.

1710 **Hon. P R Caruana:** Mr Speaker, the hon. Member has got to get out of Opposition mode and just accept that he is now the Chief Minister. (**Hon. Chief Minister:** Ditto.) It is not true that we did not do anything. (*Interjections*) No, I am now the Opposition. I am allowed to snipe. I no longer have the responsibility. I can now be as irresponsible as you were when you were on this side of the House! You are the one with the responsibility, (*Interjection*) not me. Whatever you need to...

1715 Mr Speaker, it is not true that the Government did nothing. Does he think that a decision to build a new power station is something that materialises in three months? He must be aware that there were reports and studies that needed to do to seek a site, that there had to be geological things about... that a site had to be selected. Then there had to be a consultation about technical analysis of the sort of power station, or renewable energy alternatives had to be investigated. Then we had to choose the procurement route.

1720 Then it all had to be specified and, when we were ready to start, we were enjoined by the Court because somebody thought that we were obstructing his view or something, or making too much noise in the new power station. If not, that project would now be beyond the stage where the hon. Members could stop it. The suggestion that the power station, quote: 'achieved prominence a few months before the Elections...' or words to that effect, as the hon. Member... is just to... He must know it is nonsensical. He must know that the technical lead-in time, that the technical lead-in time... (*Interjection*) This project has gone through EU tender. It has been allocated. It has been assessed.

1725 The question is, Mr Speaker – I am not trying to push him into a corner – does the hon. Member not accept that I am just using the experience that I think I gathered over 16 years on that side of the House to urge upon him to continue with the project which, in my view... look, he can come to a different view, but I just want to make sure that he understands that, in my view... and these are the only projects I push him on. I do not push him on, you know...

1730 The tunnel and the power station are, in my view, key to the future social economic viability of Gibraltar and the ability of Gibraltar to comply with EU environmental directives. I just want this not to be a decision that is made... so I push him to urge him to try and do this project, not to push him into a corner. I do not expect him to give me an answer today, except on the power station. I was being a bit political because there was a commitment there by Dr Cortes, but the point of the question is not to embarrass Dr Cortes or him,

1735

1740 although I am entitled to try and do that, that is what politics is, the point of the question is to urge him to come as quickly as possible to the decision that Gibraltar needs a power station. Whether it has got one or two generators more or less is a grade of decision which is a wholly different matter.

Hon. Chief Minister: Mr Speaker, you see, I do not think politics is about embarrassing people, but he can consider me 'urged', I think, on this issue.

1745 The –

Hon. P R Caruana: You used the Report to try and embarrass –

Hon. Chief Minister: I think the issue is clear (*Interjection*) and I think –

1750 **Mr Speaker:** Order! Order!

Hon. Chief Minister: – it is important, Mr Speaker, that the community should know that this has been an issue which the Government of which he was the leader had a report in 1999, because he is urging me –

1755 **Hon. P R Caruana:** You say that to try and embarrass me.

Hon. Chief Minister: No, Mr Speaker. Did not the hon. Gentleman just admit that he brought up the articles in order to try and embarrass us? He is not here to answer questions. It is a rhetorical one. Right? (*Interjections*)

1760 I do not believe that politics is about embarrassing people, but I can see –

Mr Speaker: Order! Order!

1765 **Hon. Chief Minister:** Well, I can see where the hon. Gentleman is going.

I do not think politics is about calling people names, but when I get called a name by him, I call him one back because, unfortunately, I do not want him to think that he can get away with it. That is the only way to deal with bullies, Mr Speaker, to slap them back. (*Interjections*)

1770 **Mr Speaker:** Order!

Hon. Chief Minister: But, anyway, Mr Speaker, the issue is clear.

On this, despite the bluster, we all agree that there is a non-partisan issue to be resolved, which is that future generating capacity that Gibraltar needs to have to have a continuity of supply. He can rest assured that whatever decision we make about the power station, which is, I think, in the lexicon that we have shared across the House – the proposed new power station at Lathbury Barracks, – it will be made *only* with that in mind: the need to have for Gibraltar a secure supply of generating capacity for the future.

If only, Mr Speaker, the work had started earlier.

1780 **Clerk:** Question 94, the Hon. P R Caruana.

Hon. P R Caruana: Mr Speaker, I am just trying to recall when I called him a name... well, I don't recall calling him a name in respect of a question when we were discussing the power station. The only name I called him was 'Chief Minister'. Maybe he thinks that that...

1785 **Mr Speaker:** There were no names today, but there were... (*Interjection*) descriptions like 'nonsense'.

Hon. P R Caruana: So, we will leave it there, if that is potentially embarrassing.
Mr Speaker, Question 94. Yes. Is it 94?

1790 **Mr Speaker:** Yes.

Public holiday

Cost to Government and private sector

1795 **Hon. P R Caruana:** Can the Chief Minister say what is the cost to (1) the Government and (2) the private sector of a public holiday?

Clerk: Answer, the Hon. the Chief Minister.

1800 **Hon. Chief Minister (Hon. F R Picardo):** Mr Speaker, exactly the same as it was when the hon. Gentleman, the Leader of the Opposition, declared a public holiday on 12th January 2009 to celebrate the fantastic victory in the ECJ tax case – which fantastic victory was overturned on appeal!

1805 **Hon. P R Caruana:** Yes, Mr Speaker, but the difference is that he has now declared a public holiday, not on a one-off basis to celebrate one victory which was overturned on appeal, but the benefit of which survived the loss of appeal, by the way. I always have to complete his statements in order to make them completely true!

1810 Not only was mine (*Interjection*) a one-off... His is annual. His is annual and they come within days of each other and I am just wondering, because I have never worked out... He is quite right. He appears to think that I asked this question as a leading question. It is a genuine question. It had never occurred to me in 16 years of being in Government to try and get somebody to calculate what was the cost of a public holiday, and people must know that there are costs. For example, the public sector has to carry on offering public services, Police... not the Police... ambulance, nurses, electricity generators and all of these people on public holidays earn overtime rates. So every time there is a public holiday, there is a cost for Government. The private sector has similar costs and an additional loss of sales and things of that sort.

1815 It is not a question designed to trap him; it was a question designed to see whether the Government could deploy machinery, which he now controls and I no longer have access to, to work out what this holiday is and the hon. Member has chosen to declare a Workers' Memorial Day, the day or two before... Workers' Memorial Day by another name, otherwise known as 'May Day'. One is to celebrate workers as a whole and the other one is to celebrate workers who have died at their place of work. I am just interested to know whether anybody in Gibraltar... whether the Government has any internal information about what the cost is of a public holiday.

1820 Not all my questions are designed to pin him to the ropes. I will indicate to him when they are.

1825 **Hon. Chief Minister:** Mr Speaker, he does not need to. I am quite happy to take him on in the ring whenever he likes and I daresay that it may not always be me that ends up pinned to the ropes.

1830 Mr Speaker, the hon. Gentleman declared a holiday for the Royal Wedding of Prince William, which we supported. He declared a public holiday for the constitution, I think in 2006 or 2007. Mr Speaker, what we have done is what we set out in policy to do during the course of –

Hon. P R Caruana: We are not criticising that!

Mr Speaker: Order! Order!

1835 **Hon. Chief Minister:** – not just the Election campaign, but since I became the leader of the GSLP, and that is that 1st May was already a public holiday given the closest weekend, and that 28th April should be a public holiday to commemorate workers who have died during the course of their work.

1840 Mr Speaker, 1st May celebrates something completely different, which is the struggle of workers to achieve workers' rights. So, in that context, we are perfectly satisfied that declaring a public holiday for every year, instead of declaring one *ad hoc*, depending on what it is that I might decide is worth celebrating in any particular year is quite worthy.

The cost of that, Mr Speaker, the hon. Gentleman knows – and his answer reflected that he knows – is not something that has been calculated previously by any Government.

1845 **Hon. P R Caruana:** I don't know.

Hon. Chief Minister: I agree with him, actually.

1850 **Hon. P R Caruana:** I don't know.

Hon. Chief Minister: I agree with him, Mr Speaker. (*Interjection*)

Well, Mr Speaker, the hon. Gentleman has just said to me that he had never done the exercise of calculating, therefore he must know that it is not an exercise which has been done.

1855 Therefore, Mr Speaker, (*Interjection*) I am quite prepared to see whether it is possible to carry out such an exercise because it may be something that is worth us knowing because it is important that we understand these things. The hon. Gentleman is absolutely right. In other places there are calculations done on this basis.

1860 He will know, Mr Speaker, for example, that shutting down Government for the period between Christmas and New Year, which may or may not be so desirable, depending from which point of view you look at it – fantastic from those of us who work in Government and I am delighted to include myself in that number now, but not so desirable from the point of view of private sector individuals and businesses that need to interact with Government Departments – also costs money and, despite the mechanism that there is that people need to take those days as leave, they are forced to take those days as leave, of course it affects Government cashflow, which is not something that costs us money but does mean that cash is not flowing so readily into Government coffers.

1865 This is an exercise which I am as interested as him in seeing whether it is possible to carry out and perhaps we can do that as an exercise in the coming months.

Hon. P R Caruana: [*Inaudible*] ...to take the pill. I do not see why the hon. Member is so defensive. There is no trap in this question.

1870 I have already told him I do not know and I have been in office for 16 years. I was just wondering whether there was something the Government had to look...

1875 It is easy, peasy for the Government to know what it costs it. I am sure the Treasury will tell him in a flash what one day's overtime cost is for all the essential services in the Government. I mean, you have got a brain, sir. You do not have to ask anybody whether it is possible. I suppose any junior clerk in the payroll section of the Treasury can tell him what the cost is.

1880 It never dawned on me to ask and I was just asking whether the Treasury knew and, if they had asked him he could have told them. I do not see why he has got to go on all this about what the deal is for and what I knew. Certainly, in terms of the private sector cost, this is not something that the Government can calculate by itself.

I do not know. I said I did not know. Why couldn't he just have said, 'Well, I do not know, but I think it is a good idea. Let's commission a study to find out.'?

1885 I think we should find out what the cost is of public holidays in Gibraltar and I think, and I am not criticising this holiday... the fact that you do not think something is a bad idea, does not mean that you do not want to know the cost of it. So I am asking the hon. Member whether he will agree to commission a study to work out what the elements are and then what the aggregate cost is of public holidays in Gibraltar. I think it is worthwhile information. Would he agree to do it?

Mr Speaker: I think he said so.

1890 **Hon. Chief Minister:** Mr Speaker, it is not me that is on the defensive and perhaps if he was not (*Interjection*) on the defensive, he would have heard that that is what I have agreed to do.

1895 Mr Speaker he should know, and I am quite happy to tell the House, that I did ask whether the information was available, and it was not, and therefore that is why I took... I do not think he heard my previous answer, Mr Speaker. I said I asked –

Hon. P R Caruana: Mr Speaker, his answer was a statement when –

Hon. Chief Minister: Mr Speaker, I said –

1900 **Hon. P R Caruana:** That was his answer.

Hon. Chief Minister: Mr Speaker, that was my *first* answer, not my previous answer.

- 1905 **Mr Speaker:** But the Hon. the Chief Minister did say he would commission the estimated costs.
- Hon. Chief Minister:** Mr Speaker, the –
- Hon. P R Caruana:** Eventually.
- 1910 **Mr Speaker:** With respect, we cannot expect any Member of the Government to answer questions in the order and the speed and the way the hon. Member wants him to answer. The answer was there.
- Hon. Chief Minister:** Mr Speaker, in my previous –
- 1915 **Hon. P R Caruana:** The answer would not have been forthcoming if I had not eventually got to it through a supplementary.
- Mr Speaker:** Yes, we do have the answer.
- 1920 **Hon. P R Caruana:** The hon. Member could have said it in the first place.
- Hon. Chief Minister:** Mr Speaker, the hon. Gentleman asked one supplementary. I gave him one supplementary answer. In that supplementary answer, I said that we would do it because I had asked and that information was not available.
- 1925 I commend to him that he should listen to what I say, even though he appears not to like the sound of my voice. Sometimes we are in agreement and sometimes I am giving him the answers that he wants to hear.
- 1930 **British Overseas Territories
NGOs addressing UN Committee of 24**
- Clerk:** Question 95, the Hon. P R Caruana.
- 1935 **Hon. P R Caruana:** Can the Chief Minister say what NGOs from the other British Overseas Territories address the UN Committee of 24?
- Clerk:** Answer, the Hon. the Chief Minister.
- 1940 **Hon. Chief Minister (Hon. F R Picardo):** Mr Speaker, the information sought by the hon. Gentleman is publicly available from information sources at the United Nations. Nonetheless, to assist him, I would refer him to speeches made in my presence and his by, for example, the Chamber of Commerce of the Cayman Islands.
- 1945 **Hon. P R Caruana:** Well, Mr Speaker, I know that there are examples. It is just that, in his broadcast, he says that they are from all the listed territories and I was just trying to elicit what were the NGOs from all the territories which, to my knowledge, most territories do not appear before the committee, either through their Government or through NGOs.
- 1950 Just giving me an example does not get to the point that I was seeking.
- Hon. Chief Minister:** Mr Speaker, I cannot give him a list of all the NGOs from all the territories but, needless to say, they go from some, if not all... I believe that they go from all of those that are populated.
- 1955 Perhaps I should (*Interjection*) have prefaced my statement in the New Year's address by saying, 'All those Overseas Territories that are populated and that attend the UN.' It is only Gibraltar that had a Government, until 9th December, that insisted that they should be the only ones to address the UN.
- Was this a trick one to put me on the ropes, or not?
- Hon. P R Caruana:** No, I mean...yes. (*Interjections*)

1960 Mr Speaker, the point that I was trying to get at is not that he says in his statement, as he is perfectly entitled to do... 'I think that Gibraltar, like some other territories, should go, not just by their Government, but by school children and the Leader of the Opposition, whose fare we will pay, and NGOs and anyone... we all arrive there and sock it to them together.'

1965 Alright, that is fine. I was simply challenging the accuracy of the hon. Member's public statement, where he says that *all* the territories go, suggesting that we were the only one who did not do it in the way that he was now going to do it, when I think he would agree with me that, for example, of the United Kingdom Overseas Territories, *most* do not go near the Committee of 24, let alone with NGOs and school children and the Leader of the Opposition. I was just trying to get to the bottom of when he said '*all the territories*', did he mean all the territories or whether he was just using loose language?

1970 To my knowledge, and to his, it is not the case that *all* the territories make it their business to transact with the Committee of 24. He knows that that is not the case. I know that is not the case.

Hon. Chief Minister: Absolutely correct, Mr Speaker, but those that do, in my experience, but those that do, in my experience, deploy a larger entourage.

1975 **Hon. P R Caruana:** But that is not what he said. What he said to the people of Gibraltar was that *all* the territories go, through their NGOs. That is the only point that I was trying to make. There is an element of rope tightening, but not life threatening...

1980 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman needs to rest assured that I feel not at all threatened by him.

Adjournment

1985

Hon. Chief Minister: Mr Speaker, it was lost on me – and these are the teething troubles that one has – that it is now up to us to decide when we have tea. So could I move the adjournment until a quarter to six?

1990 **Mr Speaker:** The House will recess until a quarter to six

The House adjourned at 5.27 p.m. and resumed its sitting at 5.45 p.m.