



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 9.15 a.m. – 11.20 a.m.

Gibraltar, Thursday, 20th June 2013

The Gibraltar Parliament

5

The Parliament met at 9.15 a.m.

[MR SPEAKER: Hon. A J Canepa GMH, OBE *in the Chair*]

10

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

15

PRAYER

Mr Speaker

Order of the Day

20

CONFIRMATION OF MINUTES

Clerk: Meeting of Parliament, Thursday, 20th June 2012.

25

(i) Oath of Allegiance; (ii) Confirmation of Minutes – the Minutes of the last Meeting of Parliament, which was held on 15th, 16th, 20th, 23rd May and 4th June 2013

Mr Speaker: May I sign the Minutes as correct? (**Members:** Aye.)

30

Mr Speaker signed the Minutes.

DOCUMENTS LAID

35

Clerk: (iii) Communications from the Chair; (iv) Petitions; (v) Announcements; (vi) Papers to be laid. The Hon. the Chief Minister.

40 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to lay on the Table: the Consolidated Fund Pay Settlements – Statement No. 1 of 2011/2012; the Consolidated Fund Supplementary Funding – Statement No. 2 of 2011/2012; the Consolidated Fund Reallocations – Statement No. 3 of 2011/2012; the Improvement and Development Fund Reallocations – Statement No.1 of 2011/2012; and the Statement of Supplementary Estimates No. 1 of 2011/2012.

45 **Mr Speaker:** Ordered to lie.

Clerk: The Hon. the Minister for Education, Financial Services, Gaming, Telecommunications and Justice.

50 **Minister for Education, Financial Services, Gaming, Telecommunications and Justice (Hon. G H Licudi):** I have the honour to lay on the Table the Financial Conglomerates (Amendment) Regulations 2013.

Mr Speaker: Ordered to lie.

55 **Clerk:** The Hon. the Minister for Sports, Culture, Heritage and Youth.

Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares): Mr Speaker, I have the honour to lay on the Table the Report and Audited Accounts of the Gibraltar Heritage Trust for the year ended 31st March 2012.

60 **Mr Speaker:** Ordered to lie.

65 Questions for Oral Answer

TOURISM, COMMERCIAL AFFAIRS, PUBLIC TRANSPORT AND THE PORT

70 **Ayuntamientos of the Campo Government payments made**

Clerk: (vii) Reports of Committees; (viii) Answers to Oral Questions.
75 Question 442/2013, the Hon. D J Bossino.

Hon. D J Bossino: Can the Minister for Tourism advise if any payments and/or donations have been made by the Government or under its instruction to any Ayuntamiento or Ayuntamientos of the Campo?

80 Just to point out, Mr Speaker, that I actually amended this in the office to read ‘can the Government’ but obviously it did not come through that way when I sent it by e-mail to the House; but I understand that the Hon. the Minister for Tourism will be answering the question in any event.

Clerk: Answer, the Hon. the Minister for Tourism, Commercial Affairs, Public Transport and the Port.

85 **Minister for Tourism, Commercial Affairs, Public Transport and the Port (Hon. N F Costa):** Mr Speaker, no.

Hon. D J Bossino: Mr Speaker, I am grateful for the answer.

90 Just to pursue this in one further supplementary, can he confirm that no payment has been made, whether in money terms or in materials supplied to any of these Ayuntamientos, whether by a Government-owned company or a company which provides services to the Government, under obviously the instruction of the Government? That is the question I have to the Minister. Can he confirm, just to put this issue beyond any possible doubt?

95 **Hon. N F Costa:** Mr Speaker, as the hon. Gentleman knows, I had occasion to discuss the question with him in another place, because I was quite frankly surprised as to the nature of the question. I did not

know on what premise the question was being asked and therefore informally explored with him how I could be of assistance, to see what information I could provide for him.

100 He told me at the time that the question was the question and that he just wanted to know whether any donations or payments had been given under our instruction. As I advised him, in this other place, I passed this question to my hon. colleagues to ask whether they had given any instruction on any donation to any Ayuntamiento and the answer was also no.

105 Now he is asking me whether any Government-owned company has provided any donation in kind. To be honest, I have not asked GJBS or Car Parks Ltd or Gibraltar Bus Company Ltd whether that has been the case, but that is a very specific question, given that we did have an exploratory discussion somewhere else. I wish he had asked me and I would have also made enquiries then.

But the answer to the question as drafted is no.

110 **Chief Minister (Hon. F R Picardo):** Mr Speaker, if I may be of assistance, is the hon. Gentleman perhaps, because the way that his question is phrased, thinking of the acquisition of sand for Sandy Bay, for example, which involves a payment for sand? That would be caught by his question, but I do not think we quite interpreted it in that purchasing sense, but of course he will know that sand is being purchased, I do not know from which Ayuntamiento, but for the purposes of being laid at Sandy Bay.

115 **Hon. D J Bossino:** Mr Speaker, perhaps it is a matter I can raise outside of this House with the Minister later.

But just to point out, my supplementary was not just limited to Government-owned companies; it also extended to companies which provide services to the Government, almost exclusively. But I can raise that later with the Minister and maybe he can explore it further, if it assists him. I am grateful.

120

SPORTS, CULTURE, HERITAGE AND YOUTH

125

Gibraltar Sports and Leisure Authority Vacancies

Clerk: Question 443, the Hon. E J Reyes.

130

Hon. E J Reyes: Mr Speaker, can the Minister for Sports and Leisure say how many vacancies currently exist within the Gibraltar Sports and Leisure Authority and by when does the Authority expect to fill these vacancies?

135

Clerk: Answer, the Hon. the Minister for Sports, Culture, Heritage and Youth.

Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares): Mr Speaker, there is currently one vacancy for the post of Sports and Leisure Officer. This is expected to be advertised in due course.

140

Victoria Stadium football pitch Meeting UEFA standards

145

Clerk: Question 444, the Hon. E J Reyes.

Hon. E J Reyes: Further to the answer to Question No. 225/2013, can the Minister for Sports and Leisure now confirm that the football pitch at Victoria Stadium has achieved full approval and certification, thereby meeting UEFA standards for the playing of international competitions?

150

Clerk: Answer, the Hon. the Minister for Sports, Culture, Heritage and Youth.

155 **Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Mr Speaker, I am happy to state that the football pitch at the Victoria Stadium has achieved full approval and certification by FIFA, thereby meeting UEFA standards for the playing of international competitions. Furthermore, the IRB has also certified and approved the pitch for the playing of International Rugby competitions.

**Parson's Lodge
Works undertaken 2012-13**

160

Clerk: Question 445, the Hon. E J Reyes.

165

Hon. E J Reyes: Further to the answer to Question No. 236/2013, can the Minister for Heritage provide full details of all works undertaken at Parson's Lodge during the financial year 2012-13, inclusive of information pertaining to costs and contractors who carried out any works?

Clerk: Answer, the Hon. the Minister for Sports, Culture, Heritage and Youth.

170

Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares): Mr Speaker, works at Parson's Lodge have been undertaken by Construction and Maintenance Ltd. Those works included general repairs, masonry work, welding, painting, tiling and waterproofing to exterior and interior areas. The cost was £19,350.

175

**Moorish Castle
Works undertaken 2012-13**

180

Clerk: Question 446, the Hon. E J Reyes.

185

Hon. E J Reyes: Further to the answer to Question No. 236/2013, can the Minister for Heritage provide full details of all works undertaken at Moorish Castle during the financial year 2012-13, inclusive of information pertaining to costs and contractors who carried out any works?

Clerk: Answer, the Hon. the Minister for Sports, Culture, Heritage and Youth.

190

Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares): Mr Speaker, works at Moorish Castle has been undertaken by Construction and Maintenance Ltd and Profield.

Construction and Maintenance Ltd was £8,820, of which they did: removal of the wooden trellis; repair existing railings and installation of extra railings to comply with Health and Safety; painting of the floor terrace; repairing and painting the wooden terrace doors.

195

Profield: the sum was £10,075.59. This is still an ongoing project of which three original quotes were requested: ticket office extension to provide a staff room and kitchen for the site officers; relocation of existing toilets.

200

Hon. Mrs I M Ellul-Hammond: Mr Speaker, does the Hon. Minister know if the timbers from the former gallows that were used in the prisoner's clubhouse, have they been preserved? Does the Hon. Minister know anything about this?

205

Hon. S E Linares: I am afraid I do not have any indication of that but, Mr Speaker, since she has asked, I will find out myself to see, just out of interest for myself and her.

HEALTH AND THE ENVIRONMENT

**Government website statistics on Health
Updates**

210

Clerk: Question 447, the Hon. Mrs I M Ellul-Hammond.

215

Hon. Mrs I M Ellul-Hammond: Mr Speaker, can the Minister for Health advise when the Government website statistics page on Health will be updated for figures, in some cases for the latter half of 2012 and for 2013?

Clerk: Answer, the Hon. the Minister for Health and the Environment.

220 **Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, the Government's website statistics specifically on Health are now all updated.

225 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, when was it updated? Just this last week, yesterday, or is it in the process of being completed today? Because they were not all completed by yesterday, I believe.

Hon. Dr J E Cortes: Mr Speaker, they have been in the process of being updated over the last couple of weeks. I was informed yesterday evening at about... well, I cannot exactly remember the time, that they were all updated.

230 So that is the information I was given as of yesterday evening when I specifically checked so that I was confident that the answer was correct. If there are any missing, then it must be an administrative delay, but I was told yesterday that they were all updated.

235 **Mrs I M Ellul-Hammond:** Mr Speaker, can the Hon. Minister say why they had not been updated on a regular basis?

240 **Hon. Dr J E Cortes:** Mr Speaker, no specific reason. I believe it was just the administrative process of getting the statistics together and online. I think that these things will happen and hopefully in the future there will not be delays of this nature, but I do not see anything other than administration processes, having to compile the statistics and putting them in the proper format. It is additional work to other work that is being done by the same officers.

GHA's new Chief Executive Officer Terms and conditions

245

Clerk: Question 448, the Hon. Mrs I M Ellul-Hammond.

250 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, can the Minister for Health advise what the contract for the new Chief Executive Officer of the GHA is: i.e. the terms and conditions and length of tenure?

Clerk: Answer, the Hon. the Minister for Health and the Environment.

255 **Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, the new Chief Executive will retain his Permanent and Pensionable status.

Hon. Mrs I M Ellul-Hammond: Mr Speaker, will the Chief Executive have specific targets to meet?

260 **Hon. Dr J E Cortes:** Mr Speaker, the Chief Executive will take on his duties on 1st September. At the moment, he is both undertaking his current duties as Director of Nursing Services and undertaking training and induction. The job profile and job description at the time of advertising had a number of targets and therefore those targets would be his targets.

265 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, could the Hon. Minister send me a copy of the advert for the Chief Executive to check those targets, because it was not advertised in the media?

Hon. Dr J E Cortes: Mr Speaker, these are documents which are in the public domain, but I have no problem in facilitating.

270

Cancer Relief Centre Services offered

275

Clerk: Question 449, the Hon. Mrs I M Ellul-Hammond.

280 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, can the Minister for Health state what services the GHA will be offering at the new Cancer Relief Centre in partnership with the charity, Cancer Relief Gibraltar?

Clerk: Answer, the Hon. the Minister for Health and the Environment.

285 **Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, the services to be provided by the GHA to the new Cancer Relief Centre is currently the subject of discussion between the two entities.

It already includes the secondment of a co-ordinator, provision of meals and technical support for equipment.

290 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, are there any plans for an in-house Hospice service, with the support or employment of a part-time GP with an interest in palliative care?

295 **Hon. Dr J E Cortes:** Mr Speaker, this is one of the matters that is being discussed. The society in building or refurbishing the building made provision for Hospice, which was a long-term plan for them. The question of a GP service is a separate one, that is something that they wanted to bring in nearer to the opening date and these are the matters that we are currently discussing as to how we can assist in achieving these aims. We are in the middle of discussing the various requirements that they have and the costings and so on.

300 **Hon. D J Bossino:** Mr Speaker, can the Minister give an indication as to when he thinks that the... He says that he is currently in the middle of the negotiations and discussions: can he give an indication as to when he thinks he will be at the conclusion of them?

305 **Hon. Dr J E Cortes:** Mr Speaker, by 'the middle', I was not saying that it is exactly half way through. I know that is not the implication of the hon. Member. No, we have been in discussion for maybe a couple of months and I would like to see progress. I have learned in the 18 months here that it is very dangerous to specify any time, but I would say a couple of months.

310 We are quite close to knowing what they want and to getting the costs and now it is a question of seeing how we can achieve it. Obviously, we will provide as much support as we possibly can, because it is a service that we want to support.

Hon. D J Bossino: Mr Speaker, the Hon. Minister has referred to costs on two occasions. In terms of that consideration, is he able now to give the House a figure as to beyond which he would not go, in terms of providing the services, Mr Speaker?

315 **Hon. Dr J E Cortes:** Mr Speaker, I do not think that would be fair. We are already, as I said, providing a co-ordinator, we are providing meals, we are providing technical support for any equipment and that is not something that we are particularly costing; that is something that we undertook in order to... and these were things that had to be put up in front of the premises opening. They needed the co-ordinator, they needed to know they were getting meals, they needed to have the knowledge that their technical equipment would be looked after, so that was all put up, up front, without any hesitation.

320 But going into the cost of a Hospice, how many beds, what kind of cover do you need, what kind of medical cover do you need: those are complicated calculations. Decisions will be taken as to whether they want to go for the full potential, whether it is something that they want to introduce, there are discussions with an independent organisation and I do not think it would be fair for me to give details now when we are still talking. There is nothing particularly that anybody need worry about; it is just that we need to determine what is the level of support we are going to give.

330 **General Medical Council
Registration plans for doctors**

Clerk: Question 450, the Hon. Mrs I M Ellul-Hammond.

335 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, can the Minister for Health advise as to the new General Medical Council (GMC) registration plans for doctors in Gibraltar?

Clerk: Answer, the Hon. the Minister for Health and the Environment.

340 **Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, they are currently under development.

345 The strands of work include (a) preparation of local doctors to register with the GMC; (b) amendment of the law to include revised procedures for medical regulation; and (c) preparation of GHA structures to comply with regulatory requirements.

Hon. Mrs I M Ellul-Hammond: Mr Speaker, can the Hon. Minister say if this will apply to all doctors practising in Gibraltar or just to GHA employed doctors?

350 **Hon. Dr J E Cortes:** Mr Speaker, a lot of work is going on in this respect. The Director of Public Health gave a presentation to all doctors in Gibraltar several weeks ago, so we want to facilitate the possibility of GMC registration to all doctors in Gibraltar. GMC registration is not a requirement to practise in Gibraltar at the moment and it is probably... it is likely that we would not require GMC registration for all doctors in Gibraltar, including private doctors; but it is equally likely and it is a
355 manifesto commitment that we will require GMC registration for all doctors employed in the public sector.

We are in the process of discussions with the GMC, I am expecting to go to their headquarters in London in July to take these discussions forward and it is in the process of development. But what I want to end up with, Mr Speaker, is a regulatory legislation which is not like the current one which is confusing. There are two Acts: one which says one thing and another Act which says something completely different. In fact, there are occasions where one doctor would be registerable under one Act and not registerable under another Act and these are things that we cannot have on our statute book.

360 So we are taking the opportunity of the GMC's requirement for revalidation to take all this on board and, in discussion with the GMC, come up with a regulatory legislation that will satisfy us all and particularly will improve and guarantee an improved standard of medical care in Gibraltar.
365

Hon. Mrs I M Ellul-Hammond: Mr Speaker, will the revalidation process then be conducted locally, overseen by a local regulatory body, or directly from the UK, with visiting GMC individuals conducting that revalidation process?
370

Hon. Dr J E Cortes: Mr Speaker, there are two challenges here. One is the long-term challenge of having the Gibraltar Health Authority accepted as the body which can do its own revalidation and that is one strand that we are following in our discussions with the GMC. We have to look at the way our medical registration is carried out, at the way that our own doctors are appraised, so we have a lot of work to do there because the system is not at all satisfactory. So that is one challenge for the Health Authority to take on this.
375

But the more immediate challenge is for those doctors who have to revalidate within the next couple of years, before we have been able to improve our systems to allow the GMC to recognise us as an organisation. We are talking to the GMC and to responsible officers, as the GMC requires, for the possibility of them coming over to Gibraltar and be recognised as suitable persons by the GMC, so that in the short term our doctors can be revalidated, until we get the organisation in a position that we can have an arrangement with the GMC that we can do our revalidation ourselves.
380

385 So there are two parallel strands, so that we get short-term revalidation of doctors in employment now, and the organisation can then take us on board in the years ahead.

Diabetes Strategy Details

390 **Clerk:** Question 451, the Hon. Mrs I M Ellul-Hammond.

Hon. Mrs I M Ellul-Hammond: Mr Speaker, can the Minister for Health say what the new Diabetes Strategy is, as he said it was nearing completion, as part of his Budget speech last year?
395

Clerk: Answer, the Hon. the Minister for Health and the Environment.

Minister for Health and the Environment (Hon. Dr J E Cortes): Mr Speaker, in line with the Government manifesto commitment and in order to provide services for the very large numbers of people in our community who suffer from diabetes, the GHA has increased the Diabetic Team complement to two full-time posts.
400

Further improvements to the Diabetes Service are being prepared.

405 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, can the Hon. Minister say if the adult diabetes nurse specialist has been replaced or a replacement found for her?

Hon. Dr J E Cortes: Mr Speaker, I believe – and this is not specific to the question, otherwise I would have had that information – we are in the process. Certainly, we have doubled the number of adult diabetes nurses and we will also be providing training in the future – well, in the future, because it has not happened yet, but in the short-term – for a full paediatric post working at Rainbow Ward.

410 Whether the actual person has been recruited, I am afraid... I can find out and I will certainly provide the information.

415

**A&E Department
New doctor**

420 **Clerk:** Question 452, the Hon. Mrs I M Ellul-Hammond.

Hon. Mrs I M Ellul-Hammond: Mr Speaker, can the Minister for Health say when the new doctor for the A&E Department will be employed and whether it will be a consultant or a non-consultant hospital doctor (NCHD)?

425

Clerk: Answer, the Hon. the Minister for Health and the Environment.

Minister for Health and the Environment (Hon. Dr J E Cortes): Mr Speaker, the process of preparing a job description, working out rosters and the level of recruitment, is being finalised. It is envisaged that this time the post will be at a very senior level.

430

Hon. Mrs I M Ellul-Hammond: Mr Speaker, can the Minister be more specific as to ‘senior level’? Is it a consultant or an associate or a non-consultant?

435 **Hon. Dr J E Cortes:** Mr Speaker, it is likely that it will be a consultant. It is possible that it could be an associate specialist, which is also a very senior level. It will not be a junior NCHD.

440 **Public Health and Healthy Living
Initiatives taken by new Government**

Clerk: Question 453, the Hon. Mrs I M Ellul-Hammond.

445 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, can the Minister for Health say what has been done that is new for Public Health and Healthy Living, not done by this Department before 9th December 2011?

Clerk: Answer, the Hon. the Minister for Health and the Environment.

450 **Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, the following is some of the work that is new since December 2011.

Publication of the Health and Lifestyle Survey: Gibraltar’s first ever Health and Lifestyle Survey was conducted in 2008, but funds for analysis were only made available in 2012. This work occupied the bulk of the following 18 months.

455

The substantial Report which is shortly to be published is the largest ever commissioned and produced by the GHA on the population’s health. It runs to 250 pages, has over 45,000 words, with content presented in 29 chapters and supplemented with over 230 charts and tables to illustrate the text. This work has all been done since then – the preparation of the actual Report.

460

This very detailed and comprehensive Report will primarily serve as a source of reference and be made available from libraries and on-line. To disseminate the key messages, the Public Health Department has produced a slim 16-page booklet capturing the essence of the Report in a user-friendly format for wide distribution to all households.

The striking findings thrown up by the Survey will form the substantial basis of Gibraltar’s future Health Improvement Strategy.

465 The Smoke Free Environment Act, which came into force on 1st October 2012 – such a short time ago, Mr Speaker, only about six... well, a bit more than that, eight or nine months ago – formed a significant milestone in the history of public health in Gibraltar.

470 It was the first time that passive smoking was officially acknowledged as a major health risk. The general welcome and acceptance by the public was a striking demonstration of how society has moved with the times in taking health matters seriously.

The Public Health Department geared itself to support me with public education and information initiatives and, at very short notice, achieved the following: production and distribution of a Public Information Leaflet; distribution of a list of Frequently Asked Questions through the press and media; printing and distribution of several posters for public places.

475 The GHA's first ever Stop Smoking Service, launched in November 2011, proved to be extremely popular and became oversubscribed with a waiting list, but was partly disabled by a prohibition on nicotine replacement therapy prescribing. This has now been relaxed, since December 2011, and quitters can get the full range of treatment. It is intended to add further resources for this service in line with the manifesto pledge to introduce 'a GHA programme to help those who want to stop smoking to do so.'

480 On health education, the Health Promotion Department has been working with the dieticians to develop local initiatives on reducing overweight and obesity. This is a significant problem in Gibraltar, as revealed by the Health and Lifestyle Survey and as identified in the Government's manifesto for health as an area for further engagement with the community.

485 Several resources for public health education have been produced in-house by the Department. These include: a leaflet on the MMR vaccination – a public education leaflet for parents to promote vaccination to prevent mumps, measles and rubella, which are important childhood illnesses – in 2008 a huge measles outbreak in Gibraltar affected 280 young persons; a leaflet on norovirus, intended for distribution by Infection Control teams and others to the general public and for use as a teaching aid; a booklet on breastfeeding intended for distribution by Maternity and Child Welfare Services to mothers of newborns; a leaflet on formula feeds, intended for distribution by Maternity and Child Welfare Services to mothers of newborns; a booklet on weaning, starting solid food, intended for distribution by the Child Welfare Service to mothers of infants.

The last three, when taken together, form a portfolio of linked resources for new mothers.

495 After many years, the Public Health Department broadcast its first infomercial on GBC Television, encouraging adults to quit the smoking habit and presented through the voices of children. Further infomercials are under preparation.

Another initiative has been the delivery of interactive workshops at the children's summer sport programme last year; and other initiatives are in the planning stages.

500 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, could the Hon. Minister explain again what the plans on targeting obesity are or have been implemented by the Department?

505 **Hon. Dr. J E Cortes:** Mr Speaker, the Health Promotion Department has been working, as I said in my answer, with the dieticians to develop initiatives. These initiatives are being developed and, in the context of the Health and Lifestyle Survey soon to be published, I am talking about within a couple of weeks. These will then take on, as a result of that. I do not have the specific details of what the campaigns involve.

510 **Hon. D J Bossino:** Mr Speaker, in relation to leading a healthy lifestyle, I seem to recall that the Hon. Minister said that he was going to be leading by example in relation to that. (*Laughter*) I just wanted to know, just to lighten the mood a bit, whether he is making any progress in that regard?

515 **Hon. Dr. J E Cortes:** Mr Speaker, the hon. Member has obviously been reading *The New People*, (*Laughter*) when it made a mention of that.

Mr Speaker, I will be addressing that in my Budget speech next week, so I would rather keep him in suspense until then.

520 **Hon. D J Bossino:** Mr Speaker, no doubt the Opposition benches will be waiting with baited breath for that speech – it is not good... probably not good... that probably does not do much for my healthy living either.

525 Mr Speaker, just by way of clarification and if the hon. Member could indulge me and confirm that the Health and Lifestyle Report, the new one which is due to come out and is currently being prepared, presumably it does not rely at all on any of the information which was gleaned and researched as a result of the 2008 Report?

Hon. Dr. J E Cortes: Well, Mr Speaker, the Survey that is going to be published is the Survey that was done in 2008. What happened is that, after 2008, the Survey was carried out and no progress was made: it was just left there as data sheets, basically, or a database or whatever.

530

What happened in 2012, faced with that, I took the decision to provide the funding to compile it all into a report and to publish it, because having it in a file somewhere was no good whatsoever. So the Report... the Survey was carried out in 2008; the actual initiative to publish it was last year. So it is that same Survey.

535

**Environmental Assessment Report
Provision to Mr Netto**

540

Clerk: Question 454, the Hon. J J Netto.

Hon. J J Netto: Mr Speaker, further to the answer to Question No. 209/2013, can the Minister for the Environment provide me with the Environmental Assessment Report which he did say he was going to provide me with but has not done so yet?

545

Clerk: Answer, the Hon. the Minister for Health and the Environment.

Minister for Health and the Environment (Hon. Dr J E Cortes): Mr Speaker, yes, sir.

550

Hon. J J Netto: Well Mr Speaker, given the fact that I raised this at the last month's session, I still have not got it. Has he got it with him? Is he going to pass it over?

And one other thing which I did mention last month was that if he was willing to provide me with it in electronic form and he also said he was going to do so. Is that forthcoming?

555

Hon. Dr J E Cortes: Mr Speaker, this Report is now in the public domain. It is available for inspection from the Town Planner. But in any case, as I undertook, it should be on its way to him during the course of the day. But it is available, it is a public document and it is available at the Town Planning Office, in any case.

560

**Environmental projects
Tenders to Official Journal of the EU**

565

Clerk: Question 455, the Hon. J J Netto.

Hon. J J Netto: Mr Speaker, can the Minister for the Environment say if there are currently any tenders that have been forwarded to the Official Journal of the European Union on environmental projects or likely to be sent in the following 60 days and, if so, say what the projects or services they are for?

570

Clerk: Answer, the Hon. the Minister for Health and the Environment.

Minister for Health and the Environment (Hon. Dr J E Cortes): Mr Speaker, tenders that are currently open with the OJEU are the tender for the new power station and the tender for the new waste treatment facility.

575

**Solar panels for Tercentenary Hall, Dr Giraldi Home and Tangiers Views
Installation details**

580

Clerk: Question 456, the Hon. J J Netto.

585

Hon. J J Netto: Mr Speaker, further to the answer to Question No. 250/2013, can the Minister for the Environment say if the Tender Board has now convened and made an award for the solar panels to be installed at the Tercentenary Hall, Dr Giraldi Home and Tangier Views and, if so, provide the following information: (a) the name of the company that has been awarded the tender and for what price; and (b) the name of all the other companies that made a bid and the price submitted?

Clerk: Answer, the Hon. the Minister for Health and the Environment.

590 **Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, the Tender Board met on 18th June, the day before yesterday. I am not aware yet of its decision.

595 **Hon. J J Netto:** Mr Speaker, could I perhaps ask the Hon. Minister, given that if the Tender Board only met recently on 18th June, that as soon as he is able to know the decision of the Tender Board and as soon as presumably the Government approves the decision of the Tender Board, if he will be willing to pass the information contained in my question to me?

600 **Hon. Dr J E Cortes:** Mr Speaker, my advice from the Procurement Department is that the *number* of unsuccessful applicants will be made public. It is not possible to disclose information about who these applicants are, nor the prices submitted in the tender bids, as this information is commercially sensitive.

605 **Hon. J J Netto:** Well, Mr Speaker, yes, I do take on board that it will be made public in due course within the machinery of the Government, when they presumably publish these in the *Gazette*. But given that that will probably take a long time, what I am asking basically the Minister is that, rather than having to wait from the Opposition benches until such a time as it is published in the *Gazette* or the *Chronicle* or whatever, whether the information can be passed on to me as soon as it is reasonably possible, when he has the information given to him.

610 **Hon. Dr J E Cortes:** Mr Speaker, I do not know what the hon. Member's hurry is. The people who submitted the tender do not yet know. This has to go now to the Treasury Board for approval in the normal process that the hon. Members opposite will know. There is a process to be followed and it should not take that long.

615 I just do not see the necessity to provide that information in advance of when it is available. As I say, not even the people who submitted the tender know yet.

New Power Station Environmental Impact Assessment

620 **Clerk:** Question 457, the Hon. J J Netto.

625 **Hon. J J Netto:** Mr Speaker, although normally I do not tend to project my voice out loud, obviously that is a skill that normally teachers seem to have and, on this particular occasion, I have got a cold. Probably that makes matters even worse to that effect, although I will try my best.

Mr Speaker, in relation to the question, has the Government already carried out an Environmental Impact Assessment for the proposed new Power Station?

630 **Clerk:** Answer, the Hon. the Minister for Health and the Environment.

Minister for Health and the Environment (Hon. Dr J E Cortes): Mr Speaker, the EIA for the proposed new power station has not yet been carried out. Government is in the process of identifying a suitable entity to do so.

635 **Mr Speaker:** May I, for the benefit of the hon. Member, say there is no particular problem when he is asking the actual question; it is during the course of supplementaries when obviously the House needs to hear the exact question. Right.

New marina berth for boat owners Provision of information

645 **Clerk:** Question 458, the Hon. J J Netto.

Hon. J J Netto: Mr Speaker, can the Minister for the Environment provide me with the information asked for in my letter to him on 23rd May 2013 with regard to the new marina berth for boat owners?

Clerk: Answer, the Hon. the Minister for Health and the Environment.

650 **Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, my prepared answer said that the information would be available shortly, as environmental statements are published.

But I now believe that the information is in the public domain, again with the Town Planning Department, and therefore there should be no problem in the hon. Member accessing that information.

655 **Hon. J J Netto:** Mr Speaker, can I just once again say whether the hon. Gentleman would be willing to provide me with the information not just in paperwork, but also in electronic form?

Hon. Dr J E Cortes: Mr Speaker, I am getting asked repeatedly to act almost as the hon. Member's secretary in sending him all publications of everything that is available.

660 This information is available at minimum effort. If that minimum effort is too much for the hon. Member, then I will take whatever steps I have to take, in order to make sure that he has them; but it is a situation that it is information that is clearly available and on every occasion, I either get asked here or get a letter, asking me to provide information to the hon. Member that he is very capable of picking up himself.

665 There are other things that a Minister has to be involved in, other than forwarding e-mails with copies of publicly available documents. It is not that I do not want the hon. Member to have that information, but I get repeatedly asked to physically get the information myself and hand it over, and I think that is a little bit too much to request.

670 **Hon. S M Figueras:** Mr Speaker, just as a point of clarification, could the Hon. Minister say when the information was made public?

Hon. Dr J E Cortes: The information specifically on the marina has been around for a while. Perhaps the Hon. Mr Licudi could assist – it is a project that he has been leading on.

675 **Minister for Education, Financial Services, Gaming, Telecommunications and Justice (Hon. G H Licudi):** Mr Speaker, my recollection – and it is only a recollection – is that the information has been publicly available since approximately three weeks before 14th June. The 14th June was the deadline for the return of remarks or comments in relation to the project for the purposes of the DPC, and my recollection is that it was available three weeks before that, because that is the time limit that is required.

Two protected and endangered species Possible effects arising

685 **Clerk:** Question 459, the Hon. J J Netto.

690 **Hon. J J Netto:** Mr Speaker, can the Minister for the Environment provide me with information solicited in my letter to him on 20th May 2013 with regard to the possible effects of two protected and endangered species, arising from a public and private project?

Clerk: Answer, the Hon. the Minister for Health and the Environment.

695 **Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, I would just like to add that I did acknowledge the letter the following day. The letter is now ready and although my prepared answer says 'will be with him shortly' – I would add, very shortly – I have it here and I will hand it over to him.

700 The hon. Member copied the original letter to yourself, Mr Speaker, and to the Hon. the Leader of the Opposition and copies will be sent to you both, to yourself and to the Leader of the Opposition during the course of the day.

705 The original letter was not made public, so I have no intention of reading it out here. I had it ready some time ago but as the question had already been asked, I thought it would probably be best in order not to then be accused of having usurped the fact that the question had been asked, to quickly hand over the letter, so I thought I would bring it here and hand it here myself.

710 **Hon. J J Netto:** Mr Speaker, can I perhaps just say, given the amount of detail that I am requesting is so much, that perhaps it would be more useful and practical for Parliament if I just get the letter, we move on to the next question and when I get a proper chance to look at the information provided against the question I set, I may or may not then try to come back to this particular question and ask supplementary questions. Would that be more useful to Parliament?

715 **Chief Minister (Hon. F R Picardo):** If I may, the question that the hon. Gentleman has put is ‘when are you going to answer my letter?’ The answer is, ‘here is the answer’, and I would ask that you consider very carefully whether the hon. Gentleman is now allowed to go through the letter and ask supplementaries on it.

With the very greatest of respect to the hon. Gentleman, I do not think he will be able to persuade you that these are matters that arise from the question, although of course he can ask further questions of the Minister in the ante Chamber if he has got any queries in the way that the letter has been put to him, and at the next Question Time, he can put such questions as he wishes arising from the letter.

720 But having chosen the medium of correspondence to raise his concerns or ask those questions, I do not think it would be appropriate to consider any questions arising from the substance of the letter as supplementaries.

725 **Mr Speaker:** Let me explain to the hon. questioner what the position is.

Supposing he asks, ‘Will the Government make available a copy of a certain report here in the House?’ – that is his main question, say – and the answer is ‘Yes, sir, I will now hand over a copy of the report’, that does not mean that the hon. Member can then pursue, in the course of supplementaries, the contents of that report, because the original question is asking, ‘May I have a copy of the report?’ The answer is ‘Yes, here is a copy of the report.’

730 So it is not the time then to pursue the question of supplementaries. The procedure that I think the hon. Member should then follow is: he has been given a copy of the letter, he can study the letter and he will have an opportunity to put on the order paper whatever questions he feels are necessary on another occasion. In fact, another occasion could even be next week, because he may well consider that it is a subject that he can also raise during the debate on the estimates.

735 Does he understand what the position is?

740 **Hon. J J Netto:** Yes I do, and I am grateful, Mr Speaker, but can I just... without having had the opportunity to look at the content of the Hon. Minister’s letter, could I ask him whether, given that my letter to him did ask for copies of the minutes of the Nature Conservancy Council in relation to this subject matter, is this something which is forthcoming or something that your letter addresses?

745 **Hon. Dr J E Cortes:** Mr Speaker, the next question refers to minutes of the Nature Conservancy Council in the context of the Fishing Report. My answer to his supplementary now is identical to the answer that I am about to give. I can give it now and later, or now and not later, or later and not now, but essentially, Mr Speaker, the answer is that I will not make those minutes available.

Mr Speaker: But, that is the subject of the next question, so why does he not ask the next question, Question 460.

750 **Clerk:** Question 460 –

755 **Hon. D J Bossino:** Just by way of clarification to what the Hon. Chief Minister said: the original question is not simply ‘Has the Hon. Minister replied to my letter of 20th May?’ In fact, what it seeks is whether the Minister for the Environment can provide him with information solicited in the letter.

I can understand there has been a crossover, because there has been a letter and then there has been this question, and the Minister for the Environment has quite rightly chosen to respond to the letter and he has provided us with a copy of the letter.

760 I think he mentioned, and I stand to be corrected, something about ‘because it has been the subject of correspondence between the two Members, it could contain some confidential information or something which should not be read out publicly in the House’ and he has chosen to do on that basis, but to simply clarify –(Interjection) Just to finish, Mr Speaker, simply to clarify the position, Mr Speaker, the question was not ‘Has the Minister responded to my letter?’ or ‘When will the Minister respond to my letter of 20th May?’; the question is ‘Can he provide the information which I solicited in my letter of the 20th May’, so that it could have been in the Minister’s gift to have responded in the terms that he chose to respond in a letter in this House and then that would have given my hon. colleague the opportunity to ask supplementary questions on it.

770 **Hon. Dr J E Cortes:** Mr Speaker, if I may just comment, I did not mean that there were confidential matters. What I said was that the letter originally had been sent to me and had not been in the public domain and therefore my response I also hand over to him and I do not read out. I am not worried about it being in the public domain, but in the same way as the previous and earlier letter that the hon. Member sent me was published before I received it and I published the reply, in this case the hon. Member did not publish it and therefore I felt that I should not publish the reply either. That is what I meant.

775 **Hon. D J Bossino:** Mr Speaker, as a point of clarification for the future, if one writes a letter to an hon. Member opposite and a response is not forthcoming by the time that we are asked to file questions in this House, presumably the Opposition is enabled in those circumstances to pose a question even before we have had a response, which is exactly what has happened in this case.

780 It is just that the Hon. Minister has chosen to respond to the letter instead of responding to the hon. Gentleman's question, which he could have more than reasonably done, on the basis of the main question as drafted.

785 **Mr Speaker:** But supposing that the letter was in the mail. If the Minister's Department mailed a letter to the hon. Questioner and he has not received it by the time we are here in the House, he is not able to pursue the matter, is he? His question would then say, 'Can the Minister provide...?' and the Minister would say, 'The letter is already in the mail.' Now, how is then the questioner able to deal with the subject matter of the letter if he has not received it?

Here the Minister is making it available to him, in response to the question.

790 **Hon. Chief Minister:** If I may also, Mr Speaker, just add, the letter – I believe I have seen it – is a page and a half, or two, and questions here need to be literally one-line questions. So it would have to become 10 questions in this House, but of course the hon. Members are entitled to ask those same questions which they have asked in correspondence in the House, if they want them to be aired publicly and if the correspondence is going to be considered to be *inter partes* confidential correspondence.

795 **Mr Speaker:** I have a copy of the letter, it is nearly two pages and as I said the hon. Member can pursue the matter at a subsequent meeting. I do not think there are too many crabs, or endangered species that are going to pass away in the meantime for lack of clarification.

800 As I say, the debate on the Estimates is always a very wide debate, the speakers are always very liberal and I will be pretty liberal as well, and there is no problem. I am sure the Hon. Mr Netto can raise these matters in the course of the debate on the Estimates of Expenditure.

805 **Fishing Report
Nature Conservancy Council minutes**

Clerk: Question 460, the Hon. J J Netto.

810 **Hon. J J Netto:** Mr Speaker, can the Minister for the Environment provide Parliament with the minutes of the meetings of the Nature Conservancy Council where the issue of the Fishing Report and its management has been discussed?

Clerk: Answer, the Hon. the Minister for Health and the Environment.

815 **Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, no, sir.

Hon. J J Netto: Mr Speaker, can the Hon. Minister provide an explanation why this is not possible?

820 **Hon. Dr J E Cortes:** Mr Speaker, maybe the hon. Member could provide me a reason why it is necessary. Mr Speaker, this is confidential information by a statutory body, my statutory advisers giving the Government technical information and giving the Government recommendations, a process of discussion and it is information which I do not believe should be in the public domain.

825 In any case, Mr Speaker, as I have said, I think in answer to a question in the last sitting, or perhaps the previous one, I now meet with the Nature Conservancy Council regularly, monthly or every two months. During the time that the Party opposite was in Government, they never met with the Nature Conservancy Council once, so their interest in their advice now, when they are in Opposition, is astonishing, (*Interjection*) given that when they were Ministers and their advice would have been valuable and beneficial, they barely recognised the existence of the Nature Conservancy Council.

830 **Hon. J J Netto:** Well, Mr Speaker, we are not talking about the past; we are talking about the present and the present is that I am the person in the Opposition who asks the questions and the Minister is the one who answers them.

835 Now, can the Minister say, given that he is not willing, given the categorical statement that he is not willing to provide the information because I think he said this is technical information available to himself, whether he has taken any legal advice to determine whether that infringes... I cannot remember

exactly now the wording of the EU Directive in relation to access to environmental information by members of the public.

840 **Chief Minister (Hon. F R Picardo):** Sorry, the hon. Gentleman seems to confuse apples and pears too often. One thing is to have access to information and another is to have access to advice and to minutes of confidential meetings.

845 I know the hon. Members are used – or some of them are used – to being in Government for 16 years and I understand what a wrench it has been for them not to be in Government, but they are not going to be given minutes of meetings that Government have behind closed doors; otherwise, Mr Speaker, how long is a piece of string? Is the hon. Member going to then ask me for the minutes of my meeting with the Hon. the Minister for Tourism to discuss how we are going to further beautify the Upper Rock given the state in which we found it on 9th December 2011?

This is not something that is conducive to a collegiate approach to Government and Opposition.

850 I think that we are demonstrating, and in particular this Minister, when he gives over information which is in the public domain to facilitate to hon. Members with the information that we give in this House and that we provide on our websites, that we are providing them with a lot more information than they were entitled to.

855 But I would remind him of this, because he was Minister for the Environment, that when I used to ask questions about the culling of the apes, and about whether the Nature Conservancy Council had been consulted on the granting of licences and what had been talked about when the licences were granted to cull apes, I was told that I was not going to be given that information by the previous administration.

860 So in these circumstances, Mr Speaker, the question of giving these minutes, and whether we have taken legal advice on whether these minutes have to be provided, I put it to the hon. Gentleman is one which he is confusing with the obligation to provide access to information on and the advice that a Minister is being given by a particular council set up for that purpose.

A Member: Hear, hear.

865 **Hon. J J Netto:** Mr Speaker, the Hon. Chief Minister can stay quite relaxed that I will not be asking him for minutes of any meetings that he has with any of his Ministers in relation to any of the subjects for which he is responsible. That is a different matter altogether to the issue that I am raising now.

870 What I am raising now is that my view, which could be wrong – this is why I ask whether the Hon. Minister for the Environment has taken legal advice – is that there is a legal requirement to provide members of the public or the press or the Opposition environmental information. I believe that those minutes, if requested by members of the public, by the press or the Opposition, should be made public. I may be wrong, but I am asking the Government and they have not given me an answer, whether they have taken legal advice on this aspect.

Could I have an answer to that question?

875 **Mr Speaker:** With due respect, if you are going to ask the Government for that kind of information, whether legal advice has been taken or not, you should make that the subject of a specific question. You should not bring that... it is not a matter that arises from the original question.

880 It is an important issue, it is a detailed issue, it has to do with legal advice and if the hon. Member wants to know about that, he should put a specific question on the order paper, because it does not arise from the original.

885 **Hon. D J Bossino:** Mr Speaker, in fact, I think with respect, it does arise from the answer given by the Hon. the Minister. The original question was: is the Minister able to provide us with the minutes of the meeting of the Nature Conservancy Council, which dealt with the issue of the Fishing Report and the management having been discussed and the answer was – I am paraphrasing – no, and in fact, in the supplementary, he said that, I believe that I do not have to provide this information. I think it was following on from that answer, the hon. the Member for the Opposition for Environment has simply asked ‘Have you taken legal advice in relation to the legal correctness of that answer?’

890 So I think, with all due respect to the Chair, I think it is a question which *absolutely* arises from the answer given to the supplementary.

895 **Mr Speaker:** But then the hon. questioner is widening the whole input of the question by bringing the public into it. We have a question as to whether certain information can be provided to Parliament and then whether it can be made public, which is a separate matter.

For information... there is information provided to Parliament in confidence. This happens. Members of Parliament receive information in confidence and there is other information which they do not receive information in...

Any other supplementary on this issue?

900 **Hon. S M Figueras:** Mr Speaker, with respect and I do not want to labour the point too far – it is, with respect to the Chair, not...

Mr Speaker, my hon. Friend, the Opposition Member for the Environment is not seeking to widen the scope in any event. With respect, all he appears, certainly from this side of the House, to be eliciting is whether the reply that the minutes will not be shared with the Member or this House is as a matter of policy or as a matter of legal advice. It will go no further than that, Mr Speaker, and that is the limit of the scope of the question.

Mr Speaker: Are the Government in a position to answer that supplementary?

910 **Hon. Chief Minister:** Mr Speaker, I think that this threatens to become a very wide debate on what advice Government takes whenever a question is answered.

The position is very clear, the hon. Member has said that the Minutes will not be shared because this is a statutory body that gives him advice.

915 The hon. Gentleman has raised an issue which he raised if you will recall at the last Parliament as well, when he referred in a very lengthy supplementary to what obligations were under European Directive. If I may, and I know that there have been what I can only call two appeals against your very clear ruling, I think you were very clear in saying to the hon. Gentleman ‘Look, if you want that sort of question answered, put a supplementary.’

920 The hon. Gentleman may be able to tell him, for example, ‘Well, I have not taken any legal advice, but it may be that on the file there is already legal advice as to whether this information should be shared.’

What is advanced by the hon. Gentleman being told if one particular Minister has taken legal advice on questions?

925 But Mr Speaker, I put it this way, if that is the sort of tenor of supplementaries that is going to be allowed, we are going to need at least the 20 days’ notice of questions, because if we are going to have to take legal advice on whether we should or should not answer each question, and what information we should give, hon. Members are really going to put the Parliament in a very difficult position.

930 **Hon. D J Bossino:** Mr Speaker, just as a point of clarification, I think your advice or your ruling was that if that is the type of information which the Opposition seeks from the Government, one ought to set it out in an original question, not in a supplementary, as the Hon. the Chief Minister has just pointed out, because I think the Chair was saying that we would then be disallowed to ask supplementary questions which do not arise from the original question, which of course we as an Opposition do not agree with.

935 **Mr Speaker:** There are occasions undoubtedly when the Government will not provide, will not make certain information public as a matter of policy. The Government is able to do that.

On the other hand, the Government sometimes has certain obligations in law and it would be only in that instance where they might have to take legal advice as to whether that information can be put in the public domain or not.

940 I am not saying that it is not wrong for the hon. Questioner to be seeking that information as to whether the Government has taken legal advice or not; what I am saying is that at this specific moment, if the Minister has not taken legal advice on the matter, he may not be able to deal with that.

945 **Hon. Chief Minister:** Mr Speaker, can I propose a way out of this impasse for all parties, which is that the hon. Gentleman be invited to put a supplementary in a different way, which is simply to invite the Minister to take legal advice on whether the information should be shared under the Directive?

Then I am quite happy for the issue to be looked at in that way and this afternoon, if possible – if the hon. Member can speak to the Attorney before this afternoon – we may be able to give the House an answer and then resolve the issue for the future.

950 **Hon. D J Bossino:** Mr Speaker, I think that is precisely where my mind was going, because all we have had from the Minister is that he believes he does not need to provide this information. I think it is perfectly legitimate, maybe not in the way that has been posed by my hon. Friend, Mr Netto, in connection with the statutory obligations under the relevant environmental legislation provide information, but maybe slightly wider as to whether the Minister has taken legal advice, as to whether he is bound or not bound to provide this information publicly and certainly to the Opposition in this House. I think it is a way out.

Mr Speaker: We will proceed along those lines.

960 **Hon. J J Netto:** Mr Speaker, could I therefore...

Mr Speaker: Yes, by all means.

965 **Hon. J J Netto:** Can I therefore take the kind offer of the Chief Minister and pose the supplementary question to the Hon. Minister for the Environment.

Hon. Chief Minister: Take it as read.

970 **Hon. J J Netto:** I will take it as read; and can I also add to his question, once he gets the legal advice, whether we can get a copy of such advice.

975 **Hon. Chief Minister:** Mr Speaker, I think unfortunately, my attempt to be collegiate I feel is being stretched a little bit here. I am afraid I have to tell the hon. Gentleman that we will give an answer to this House, but we will not share the advice. Again, I think that is a slippery slope which the Government cannot embark on.

980 **Mr Speaker:** I think the principle that the Government wants to safeguard is that legal advice given to a Minister cannot be shared. That does not mean that reference cannot be made to the legal advice that has been given. That yes. Alright. They will provide the basis of what that legal advice is, but the actual legal advice cannot be made available, it is a confidential document.

Hon. Chief Minister: Mr Speaker, can I just ask whether this does away with their argument that there are not already too many lawyers in Parliament?

985 **Hon. D J Bossino:** Mr Speaker, I will simply ignore that remark. There is nothing wrong with being a lawyer, of course, and I think it assists in many respects, but that is a different matter.

990 Mr Speaker, I think what the Chair has just said, what you have just said is absolutely right. What we would want is not simply an answer saying, 'Yes, we received legal advice', but also we would be very grateful for the basis of that legal advice. I am grateful, but of course we appreciate that any advice which the Government receives as a client is confidential between advisor and advisee.

995 **Mr Speaker:** I am informed that the cameras are going haywire because we are all interrupting each other and not waiting for a Member who holds the floor to switch off, or for the Speaker when he holds the floor to switch off, before another Member intervenes, so I think we have to take things a little bit more sedately.

Litter

1000 **Tickets issued since 11th December 2011**

Clerk: Question 461, the Hon. J J Netto.

1005 **Hon. J J Netto:** Mr Speaker, can the Minister for the Environment say, since 11th December 2011, on how many occasions have litter tickets been issued, either by the RGP, the Environmental Agency, or any other entity on a monthly basis, stating by individual organisation the number of tickets issued and the number of fines arising from the issuing of such tickets?

1010 **Clerk:** Answer, the Hon. the Minister for Health and the Environment.

Minister for Health and the Environment (Hon. Dr J E Cortes): Mr Speaker, the information requested by the hon. Member is contained in the schedule I now hand over.

Answer to Question 461/2013

Litter Tickets are issued by the Royal Gibraltar Police (RGP), Highway Enforcement Officers (HEO's) and the Environmental Agency (EA).

Litter Tickets issued by the RGP from the 11th December 2011 to date.

Month	Number of Tickets	Fine
December 2011	1	£150 - c
February 2012	1	£150 - c
October 2012	1	£30 - a
March 2013	1	£30 - a
April 2013	2	£30 - a
May 2013	2	1 x £150 - c 1 x £30 - a
Total Number of Litter Tickets	8	

Litter Tickets issued by the Highways Enforcement Officers

Month	Number of Tickets	Fine
September 2012	1	£30 - a
January 2013	3	£30 - a
May 2013	1	£30 - a
Total Number of Litter Tickets	5	

Litter Tickets issued by the Environmental Agency

Month	Number of Tickets	Fine
March 2012	1	£150 - c
April 2012	2	£150 - c
July 2012	1	£150 - c
August 2012	1	£150 - c
October 2012	1	£30 - a
March 2013	1	£30 - a
Total Number of Litter Tickets	7	

Litter Tickets are issued under the following three pieces of legislation:-

Section 5 of the Litter Control Act £30 – (a) fine.

Section 5 of the Litter Control Act (Dangerous Litter) £150 – (b) fine.

Regulation 2 of the Litter Control (Animal Droppings) Regulations, 1990 £150 – (c) fine.

1015

Hon. Dr J E Cortes: I will add, Mr Speaker, in addition to the schedule the hon. Member asked the number of fines that have arisen and I believe that information is actually not in the schedule, but I will read it out now so that he has that information.

1020

Of the tickets issued by the Royal Gibraltar Police, they were not paid within the 14 days and are being processed for prosecution. Of the tickets issued by the HEOs, the Highways Enforcement Officers, three fines have been paid, the remaining two tickets are being processed for prosecution. Of the Environmental Agency tickets issued, three of those issued for dog fouling have been paid, together with one for litter. The remaining two tickets were not paid within the 14 days and are being processed for prosecution.

1025

Hon. J J Netto: Mr Speaker, I am grateful to the hon. Gentleman for the information, but just a quick glance, looking at the schedule that has been passed and in addition to the information that the Hon. the Minister has just provided for, one can reasonably say that not a lot of enforcement has been made. Whether this is just something that has happened in the last 18 months or has happened in the last 10 years, honestly I do not know, but given the question, which is 'What has happened since 11th December 2011?', it does seem that there has not been a lot of enforcement.

1030

So therefore my supplementary question is whether much more rigorous enforcement, as a result of the discussions that the hon. Gentleman has had recently with the litter campaign... we will see much more presence, if I can call it that, particularly in several hot spots when it comes to dog fouling.

1035

I have to say that I do have a dog and I do take him around Harbour Views quite a lot, and the pavement in that area is atrocious, because unfortunately there are many unscrupulous dog owners who do not pick up the mess of the dog afterwards. It is something that we need to get more awareness perhaps to people generally who do engage in such activity.

1040

Hon. Dr J E Cortes: Yes, Mr Speaker – where do I start?

There has been an increase in activity in the Government getting the machinery going. There are regular meetings of the Litter Committee and there have also been regular meetings of an Anti-Dog-Fouling Committee discussing different initiatives. Some have been put into effect.

1045 I am pleased to say, Mr Speaker, that in the recent amendment to the Litter Act in which the fines were increased, there was also the inclusion of the Department of the Environment as a litter authority, and therefore members of the Department of the Environment will now also be able to issue on-the-spot fines.

1050 I can also say, Mr Speaker, that both the Environment Agency and the Royal Gibraltar Police have been carrying out, in fact, quite a number of patrols in hot spots, as the hon. Member has said. Clearly it is difficult to issue a litter ticket because... and my experience as a magistrate and not one of the lawyers, but I am sure that the lawyers will recognise the fact, is that you really literally have to catch somebody red handed. It is very difficult to do that, because they can always claim, 'It wasn't me.' (*Interjection*) It was my dog, yes! (*Laughter*)

1055 Having said that, I think that the figures that I have given need to be put in context. There were only four litter tickets issued in the whole of 2011, before 9th December. In fact, I think that one of those might have been after 9th December, so three plus one, let us say, in 2011. There were 10 issued in 2012 and there have been 10 issued in the first half of 2013, so we are already increasing the number of tickets issued.

1060 If you add to this the increase in fine and the fact that we are constantly working together to try and increase awareness and to increase enforcement, I think we are making progress. Time, obviously, will tell.

1065 **New power station
Environmental performance criteria**

Clerk: Question 462, the Hon. J J Netto.

1070 **Hon. J J Netto:** Mr Speaker, can the Government say what the standard environmental performance criteria for the new power station will be, particularly with regard to piston engine, combustion gas turbines and/or steam turbines?

1075 **Clerk:** Answer, the Hon. the Minister for Health and the Environment.

Minister for Health and the Environment (Hon. Dr J E Cortes): Mr Speaker, the new power station will use a mixture of gas fired engines and/or turbines together with dual fired engines and/or turbines. The environmental performance of these engines will be dictated by Best Available Technology and the relevant EU Legislation.

1080 **Hon. J J Netto:** Perhaps Mr Speaker, this may not be a very clear supplementary question on my part, but in relation to the Best Available Technology, when the tender bids are coming in and are being considered against what is the Best Available Technology, how will the mechanism be in place to determine against the specification of the tender bids against the Best Available Technology in relation to the environmental criteria that obviously the Hon. Minister would wish to put in place?

1085 **Hon. Dr J E Cortes:** Clearly, Mr Speaker, the people involved in making the decision will have the expertise required to make that assessment.

1090

EQUALITY, SOCIAL SERVICES AND THE ELDERLY

1095 **Day Centre for the Elderly, Waterport Terraces
Opening**

Clerk: Question 463, the Hon. Mrs I M Ellul-Hammond.

1100 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, can the Minister for Social Services advise when the Day Centre for the Elderly will open at Waterport Terraces?

Clerk: Answer, the Hon. the Minister for Equality, Social Services and the Elderly.

1105 **Minister for Equality, Social Services and the Elderly (Hon. Miss S J Sacramento):** Mr Speaker, this facility will be opening very shortly.

Hon. Mrs I M Ellul-Hammond: Mr Speaker, 'very shortly': is that then a few days, a few weeks or a few months?

1110 **Hon. Miss S J Sacramento:** I think that, realistically, Mr Speaker, the answer to that is within a couple of months.

1115 **Hon. J J Netto:** Mr Speaker, if I may, I think I do recall that the hon. Lady, I think it was in the December session of Parliament actually answered in the same way. In December, she said, 'It will be open very shortly.'

Now, things can get difficult in a number of different ways and particular projects can take more time than envisaged, but could the hon. Lady perhaps provide an explanation, why the delay?

1120 Because if it was to be opened 'shortly' in December, and here we are now in June and the hon. Lady is saying it is going to be in about two months' time, what has happened for the delay?

Hon. Miss S J Sacramento: Mr Speaker, I would like to start by reminding the hon. Gentleman that the units which we have now converted into the Day Centre lay idle and empty, by him, when he was in charge of the Care Agency, when the Waterport Terraces estate was completed, for a number of years.

1125 When we came in, Mr Speaker, we designed the facility from scratch. The facility itself is now ready and what we are doing is we are dealing with the staffing issues and hopefully, Mr Speaker, it is a project that I am very excited about. It is a project that will contribute very significantly to our elderly community and it is envisaged that the whole thing will be ready to get off the ground in a couple of months.

1130 **Hon. J J Netto:** Well, Mr Speaker, it is a typical blame game that the hon. Lady plays all the time in Parliament.

1135 The question is that she stood up in December of last year, saying it will open up shortly, giving the impression it was going to happen within weeks. We are not talking about... If she gave that information in December of last year, it meant that she was almost ready. It was not a question whether the actual premises were not kitted out with furniture or people not employed, because at that point in December she was already saying that she was almost there to open it up.

1140 So it is not a question of what happened in the period of the GSD; it is a question that she is now standing in Parliament, saying in December that it was almost ready to get out and then here we are in June, and she is still not in a position to open it up. Now, instead of having the blame game of the past, can she stand up and provide answers for her decision and her responsibilities during her period of time?

Chief Minister (Hon. F R Picardo): Mr Speaker, I wish to make a Point of Order.

1145 I have searched the *Hansard* for the three Question Time sessions of December. The word 'shortly' appears six times: three times on my lips in relation to other matters, once on the lips of the Minister, Mr Costa, and on another Minister's lips but not on Minister Sacramento's lips, so the whole premise of these questions is incorrect. I ask the hon. Gentleman whether he can point to where he says this happened in December or otherwise not mislead the House, and determine for himself when it was that this word, he believes, was on the Minister's lips.

1150 **Hon. D J Bossino:** Mr Speaker, just to point out the initial bits of the Hon. Chief Minister's introduction: I think the premise of his Point of Order may be misconceived as well, in that I think what he has done is a search for the word 'shortly'. The immediacy of the introduction of a Day Centre as replied by the Hon. Minister in December may have been expressed using a different word, other than 'shortly'. This is the hon. Member's recollection, the Minister has neither accepted or denied the Hon. Minister's recollection, it is in her gift to say, 'No, no, I did not say that.' She is the one who is in charge of her Ministry and she will no doubt be able to recall whether she told this House in December that it was going to be made available very shortly thereafter.

So I think the Hon. the Chief Minister's Point of Order is misconceived.

1160 **Hon. Chief Minister:** Mr Speaker, I am sorry to tell the hon. Gentleman that we are responsible for what we say in this House and although he has stood up as usual very eloquently to discharge his functions as a defence barrister for the hon. the Shadow Member for Social Services, Mr Netto said that the hon. Lady said '*shortly*' in December. He was very specific about what he said.

1165 I know that the hon. Gentleman in trying to defend him has tried to nebulise what the question was but the question was specific.

Now, if Mr Netto wants to change the way that he put the question, perhaps he might wish to do so, but he specifically said that the Minister had used the word 'shortly' in December. That was the exact premise of his question, as *Hansard* will show.

1170 **Mr Speaker:** May I say that the *Hansard* for the December meeting is available: it is not a very difficult matter to consult it, to look up the questions addressed to the Hon. Minister for Social Services and to establish what the true facts are.

1175 Normally, what happens is naturally that a Member makes himself responsible for the contents of his question

Hon. D J Bossino: Mr Speaker, may I ask a supplementary? (**Mr Speaker:** Yes.)

1180 Can the Minister confirm the position? Is it that she is telling this House that the opening of this Day Centre has not been the subject of any delay? Is that what she is saying and can she...? Well, I will just leave it there.

Can she tell this House that she is satisfied that the opening of this Day Centre has not been the subject of any delay – delay to the order of, we are talking about seven or eight months?

1185 **Hon. Miss S J Sacramento:** Mr Speaker, I think that the way I want to deal with things, as far as I am concerned, everything is delayed, because when I see problems, I want them resolved within 24 hours.

Now what happens is that, when these things come to light, I think that initially we are quite optimistic in how we want them dealt with, because we want them dealt with as expediently as possible. But in reality, what happens, Mr Speaker, with large projects such as this is that things invariably may get delayed for one reason or another, for a number of months.

1190 We are now at a stage where I can say, categorically, that this centre will be opened in the next couple of months, Mr Speaker. For me, as far as I am concerned, I would wish for it to be opened tomorrow; I would in fact wish for it to have been opened yesterday. But these things happen, Mr Speaker, they are not as easy and to do them properly, we need to do them well.

1195

Future care planning for juveniles Expert child psychiatrist from the UK

1200 **Clerk:** Question 464, the Hon. Mrs I M Ellul-Hammond.

Hon. Mrs I M Ellul-Hammond: Mr Speaker, can the Minister for Social Services update this House on her announcement in February 2012's Parliament session, where she said:

1205 'We have also identified an expert child psychiatrist from the UK and are in the process of commissioning an assessment which we hope will offer opinion and guidance regarding future care planning.'

Can the Minister say who this psychiatrist is, what the opinion of him/ her was and what guidance was given for future care planning for juveniles in need of specialised care?

1210 **Clerk:** Answer, the Hon. the Minister for Equality, Social Services and the Elderly.

1215 **Minister for Equality, Social Services and the Elderly (Hon. Miss S J Sacramento):** Mr Speaker, the hon. Lady is referring to a response to a question that was posed over a year ago. The psychiatrist at that time was a GHA visiting psychiatrist for children, Phil Collins. The current visiting paediatric psychiatrist is Bruce Clark.

The psychiatrists and the GHA Mental Health Team have liaised with the Care Agency residential team, social workers, counsellors and psychologist regarding the therapeutic needs of some of the looked-after children.

1220 Upon specific findings gathered during clinical interviews guidance has been provided in the form of expert recommendations and these have been put into practice.

1225

**Alzheimer and Dementia patients
Former 'John Mackintosh Wing' facility**

Clerk: Question 465, the Hon. Mrs I M Ellul-Hammond.

1230

Hon. Mrs I M Ellul-Hammond: Mr Speaker, can the Minister for Social Services say how many Alzheimer and Dementia patients the former 'John Mackintosh Wing' facility will be for and how many people will the semi-independent unit placed therein be for?

1235

Clerk: Answer, the Hon. the Minister for Equality, Social Services and the Elderly.

Minister for Equality, Social Services and the Elderly (Hon. Miss S J Sacramento): Mr Speaker, it is envisaged that approximately 36 beds will be made available for people with Alzheimer's and Dementia and there will be five or six flats for semi-independent living. Designs are being finalised.

1240

Hon. Mrs I M Ellul-Hammond: Mr Speaker, does the Hon. Minister have an idea of by when this facility will be ready?

A Member: 'Very shortly'!

1245

Hon. Miss S J Sacramento: Mr Speaker, I am told that the facility, or at least part of it, should be ready in approximately four months. Mr Speaker, of course I have to rely on the advice of the officials that is provided to me. I will not be physically building the facility myself.

1250

**John Mackintosh Wing, former St Bernard's Hospital
Old kitchens and bathrooms**

1255

Clerk: Question 466, the Hon. Mrs I M Ellul-Hammond.

Hon. Mrs I M Ellul-Hammond: Mr Speaker, can the Minister for Social Services say what has been done with the kitchens and bathrooms that have been ripped out of the completed elderly facility at the former John Mackintosh Wing of the former St Bernard's Hospital?

1260

Clerk: Answer, the Hon. the Minister for Equality, Social Services and the Elderly.

Minister for Equality, Social Services and the Elderly (Hon. Miss S J Sacramento): Mr Speaker, these units have not been ripped out. They have been removed in a way that allows for their re-use. These are to be re-used in on-going Government projects.

1265

Hon. Mrs I M Ellul-Hammond: Mr Speaker, can the Minister say in what on-going Government projects will they be used?

1270

Hon. Miss S J Sacramento: Mr Speaker, there are various projects, such as Care Agency refurbishment projects and buildings where these kitchens will be installed, because the current kitchens that we have are in disrepair.

1275

For example, some kitchens in Mount Alvernia will be replaced, as will the kitchen in Bruce's Farm; the kitchen in several homes that we have both at Tangier View and in the community. Those are the examples of where these kitchens will be re-used because it will result in a cost saving in other refurbishments.

1280

Hon. D J Bossino: I take it that it must be implied in the answer, but I will ask the supplementary question in any event, Mr Speaker.

Presumably, the state of the kitchens which have been removed, I suppose ripped out, from the former John Mackintosh Wing are in a better state than the ones that they are going to be replacing, and...

1285

Hon. Miss S J Sacramento: Mr Speaker, the kitchens that were installed in the Mackintosh Wing were brand new, top-of-the range kitchens. They are being removed very sensitively, so that they can be recycled in a very cost-efficient manner so that there is no waste. Yes, I can confirm that the hon. Gentleman's assumption is correct.

**Absconding of looked-after child
La Línea, May 2013**

1290 **Clerk:** Question 467, the Hon. Mrs I M Ellul-Hammond.

Hon. Mrs I M Ellul-Hammond: Mr Speaker, can the Minister for Social Services say how a looked-after child managed to abscond in La Línea in May?

1295 **Clerk:** Answer, the Hon. the Minister for Equality, Social Services and the Elderly.

Minister for Equality, Social Services and the Elderly (Hon. Miss S J Sacramento): Mr Speaker, given the sensitivity of the information requested concerning a child, I will reply on a confidential basis.

1300 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, can the Hon. Minister say when...? Mr Speaker, as per the reassurance given to me by Parliament, will the Minister now also be providing the answers to the questions that were submitted but then disallowed?

1305 **Hon. Miss S J Sacramento:** Mr Speaker, as I understand it, these questions have been disallowed and they will not be responded to insofar as the manner that the questions are posed.

What I can say in Parliament, Mr Speaker, is that I am happy to have a conversation on this topic with the hon. Lady behind the Speaker's Chair.

1310

TRAFFIC, HOUSING AND TECHNICAL SERVICES

**Mid Harbour Estate
Non-compliance with house rules**

1315

Clerk: Question 472, the Hon. E J Reyes.

1320 **Hon. E J Reyes:** Mr Speaker, further to the answer to Question No. 330/2013, can the Minister for Housing now provide details in respect of how many homes, that is the actual number of residential properties, to the amounts paid to each of the companies listed for the months of January, February and March 2013 refer?

Clerk: The Question number was 472.

1325 **Hon. E J Reyes:** Sorry, Mr Speaker, there is still poor lighting on this side – maybe one day we can hit that. I can see a bit better now.

Question 472, Mr Speaker, should have read: can the Minister for Housing provide details of actions taken in order to curtail non-compliance with house rules at Mid Harbour Estate?

1330

Clerk: Answer, the Hon. the Minister for Traffic, Housing and Technical Services.

Minister for Traffic, Housing and Technical Services (Hon. P J Balban): Mr Speaker, in order to curtail non-compliance with house rules at Mid Harbour Estate the following measures will be undertaken.

1335

We will shortly be installing CCTV cameras which we expect will help limit the antisocial behaviour experienced within the estate. This will highlight those persons, many of whom, I have to add, are not even tenants of the estate, who persistently walk their dogs along Bishop Caruana Road and the promenade and do not clean up after them.

We are working closely with the RGP whom by patrolling the area are creating a visible presence.

1340

We will also be installing barriers at the entrance and exit points of the garage. This will stop all those who are not tenants of the estate from entering and causing a nuisance. Tenants of Mid Harbour Estate have also been suffering from non-tenants of the estate using the privacy of the garage to conceal tobacco in vehicles.

1345

Mr Speaker, as you may be aware, Government is committed to removing this kind of activity from our estates.

Hon. E J Reyes: Mr Speaker, I am grateful for that answer and I can obviously reinforce to the Minister for Housing that he can count on my support to make life for all the tenants at Mid Harbour Estate, as law-abiding citizens, to make their lives as comfortable as possible.

1350

Mr Speaker, there may be a certain amount of truth or not and I just wish to pose it to the Minister for his consideration, not necessarily to give me an immediate answer now, but I hear from some of the tenants there that they claim that, having at times called up the RGP, they have come across difficulties with certain Police Officers saying that some areas – either Bishop Caruana Road or other adjacent alleyways or whatever – do not seem to have been properly gazetted and so on. Therefore the Police have claimed at times, so I hear, that they are a bit powerless in imposing traffic order and so on.

1355

Can the Minister just confirm to me that he will take this on board and, if need be, we can talk behind Mr Speaker's Chair later, so that we can help improve the lives of all worthy citizens within the Mid Harbour Estate?

1360

Hon. P J Balban: Mr Speaker, I am aware that there is a slight issue with a road which lays at the back of Mid Harbour Estate. We are looking at this issue at the moment.

1365

**Repairs to empty homes
Amounts paid, January to March 2013**

Clerk: Question 473, the Hon. E J Reyes.

1370

Hon. E J Reyes: Further to the answer to Question No. 330/2013, can the Minister for Housing now provide details in respect of how many homes, i.e. the actual number of residential properties, do the amounts paid to each of the companies listed for the months of January, February and March 2013 refer?

1375

Clerk: Answer, the Hon. the Minister for Traffic, Housing and Technical Services.

Minister for Traffic, Housing and Technical Services (Hon. P J Balban): Mr Speaker further to the answer to Question No. 330/2013 the following is the information being requested: January – 10; February – 13; and March – 19.

1380

Hon. E J Reyes: Mr Speaker, I hope I have explained myself properly. My question is, the amounts paid to each of the companies listed and I have got here the schedule that the Minister gave me last time round: it has got a big list of companies and so on. So from his answer today, if there were 10 companies involved in January 2013 which are the companies and what numbers and what breakdown of those 10 pertain to which of the companies?

1385

Hon. P J Balban: Mr Speaker, I asked, when speaking to the staff: it became clearly evident that the question that the hon. Gentleman is asking is something which would be extremely difficult to produce because companies will go in and do certain parts of the works in a house or a building and then other companies will come and continue and do something else. So to actually get the figures of every single stage and who it belongs to would be a very, very complicated task.

1390

So hence what has been prepared, what has been done is, it has given the hon. Gentleman some indication as to how many companies have been involved, given the figures provided last time.

1395

Hon. E J Reyes: So what in effect is happening, Mr Speaker? Can the Minister not provide me some information, for example, if we take in January 2013, one of the companies here receives a payment of £33,835. Is there no indication whether that relates to just one property or all 10 properties refer to that one?

1400

This is further feedback from a question that I posed last month and which I took the hint from Mr Speaker, when he said that the Minister did not have the information available and I could either write to him or pose the question again.

So from a month ago, the Minister was, in many ways, on notice that I would be seeking further details of this. I think the Opposition and the general public are entitled to know if the £33,835 refers to just one property or to how many?

1405

Chief Minister (Hon. F R Picardo): Well, Mr Speaker, in the discussion I am having with the hon. Gentleman on this side of the House, it seems that it is a very difficult exercise to do because of the way that the handing out of the work is structured, which maybe for example, to install showers. One company

may be installing showers and therefore may be involved in a number of different properties. Another company will be doing something else.

1410 But can I invite him to have a word with the Hon. Minister outside, so that maybe they can together agree a mechanism going forward, so that he could have the information and then perhaps with a bit more time, we may be able to provide the sort of data that he is requesting.

1415 What I am saying is that he may find there is doubling up: in other words, there may be different companies working on the same house, each of them doing different things. So there may be one company doing showers, there may be another company doing windows, etc – not one company doing the whole of one house.

1420 But perhaps with a discussion it may be possible for him to have more of the information he wishes and for us to have a mechanism for the future where we keep this data in a way that enables us to provide him with it more easily.

Hon. E J Reyes: Mr Speaker, yes, I am grateful to the Chief Minister. I think it sounds a very reasonable proposition that he has put forward. I will certainly meet with the Minister for Housing and yes, we can find a way forward.

1425 Believe me, I am not trying to reinvent the wheel or anything, I just wanted a bit of a better picture, obviously within certain accuracy, but not even down to the last penny. So perhaps sharing a coffee later on, we can find a way forward that provides information, not only relevant now but for anything that may come up in the future, and it helps us all to keep a better picture of the refurbishment works and related costs.

1430 So if there are any problems, I will come back to Mr Speaker, but I am perfectly content with that invitation from the Chief Minister.

**Details of expenditure incurred in respect of contracts
for making empty homes suitable for reallocation**

1435

Clerk: Question 474, the Hon. E J Reyes.

1440 **Hon. E J Reyes:** Can the Minister for Housing provide updated details in respect of expenditure incurred since the answer to Question No. 330/2013 in respect of contracts awarded for making empty homes suitable for reallocation, stating to whom payments were made, how much has been paid, the number of residential homes pertaining to each payment, as well as indicating if the services contracted were for repairs or cleaning.

1445 **Clerk:** Answer, the Hon. the Minister for Traffic, Housing and Technical Services.

Minister for Traffic, Housing and Technical Services (Hon. P J Balban): Mr Speaker, I will now hand the hon. Member a schedule containing the information requested.

1450 If the hon. Member would like to note that there is, at the bottom of that schedule, it says ‘specify all services contracted were for repairs’.

ANSWER TO QUESTION 474

CONTRACTOR	Apr-13	May-13	No. of Properties
G & G GENERAL CONTRUCTION LTD	£2100	Nil	1
CIAP CONSTRUCTION CO LTD	Nil	£13721	2
ANDY HOLDING LTD	Nil	£5500	1
S A CONSTRUCTION CO LTD	Nil	£4460	1
ABEGON FITTERS	Nil	£9484	1
BUILDING CONSULTANCY SERVICES LTD	Nil	£18188.34	1

All services contracted were for repairs.

1455 **Hon. E J Reyes:** Yes, Mr Speaker, since we are going to talk later on, I am not going to pose any supplementaries now. I would rather conduct any further exchanges in a gentleman-like manner later on.

**Tenant moved for urgent repairs
Permanent decanting**

1460

Clerk: Question 475, the Hon. E J Reyes.

1465 **Hon. E J Reyes:** Further to the answer to Question No. 338/2013, can the Minister for Housing now provide relevant details pertaining to the necessity to decant the tenant, identified as number 3 on the schedule, on 1st March 2013 on a permanent basis?

Clerk: Answer, the Hon. the Minister for Traffic, Housing and Technical Services.

1470 **Minister for Traffic, Housing and Technical Services (Hon. P J Balban):** Mr Speaker, further to the answer given to Question No. 338/2013, I can inform the hon. Member that the tenant identified as number 3 on the schedule was decanted due to the fact that the property in question had suffered from severe water penetration as a result of a collapsed roof during a bout of heavy rain.

1475 The nature of the works required were such that the professional technical advice was to permanently decant the family to another property, as major works were required and these could not be undertaken with the tenants *in situ*.

1480 **Hon. E J Reyes:** Yes, Mr Speaker, but having decanted the tenants so that rightfully the works may be carried out, it has been listed, or it was listed last month as being a permanent decanting. Is that because the tenant is not going to be offered the possibility of going back to that residential property once it has been fixed, no matter how long it takes to carry out the repairs?

Hon. P J Balban: Mr Speaker, would the hon. Gentleman repeat the question, because there was a bit of background noise and I was not able to hear.

1485 **Hon. E J Reyes:** Why could they not go back?

1490 **Hon. P J Balban:** Ah, Mr Speaker, why could they not go back? I would have to ask that question specifically, but there are occasions when people are decanted for long periods of time. For example, if works are required and they take more than eight weeks to complete, then the policy is to decant permanently.

Probably once they have been decanted, families are probably happy where they are and they choose to remain I would presume, but for a specific reply to that question, I would need to find out for him.

1495 **Hon. E J Reyes:** Yes, Mr Speaker, indeed that is what I was trying to get at last month, which is why I had to re-pose the question now because I had not given due notice to the Minister.

1500 If I recall, and Mr Speaker probably recalls it quite well, during his tenure in office, there was once a major refurbishment that needed to be carried out, for example, at Penney House, where for a very long period of time, the tenants were decanted; but once those repair works were done, then the tenants who wished to, were given the option of returning back to the property. I believe a fair number did and others like is being said now, may find their new homes quite adequate.

What I am getting at is, the answer last month said that it was a permanent decanting and I am saying, is it that the tenant will not be given the option or it is permanent because the tenant has chosen that once he has moved, he does not want to move back again? Which of the two is it, Mr Speaker?

1505 **Hon. P J Balban:** Mr Speaker, I will find out and come back to the hon. Member, but what I can see is if a person or a family is decanted for an extra long period of time and they make their home in this new flat, the chances are that those people will want to remain.

But again in this specific case, I will need to find out and will revert to him.

1510 **Hon. E J Reyes:** Understandable, Mr Speaker: I will wait for the Minister to obtain the information and then he can provide it to us.

Thank you.

1515 **Rental homes assigned since Question No. 339/2013**
Repairs

Clerk: Question 476, the Hon. E J Reyes.

1520 **Hon. E J Reyes:** Mr Speaker, can the Minister for Housing provide details in respect of rental homes assigned since the answer to Question No. 339/2013, indicating how many will be repaired by (a) the Housing Works Agency; (b) sub-contractors and (c) the assigned tenants themselves?

1525 **Clerk:** Answer, the Hon. the Minister for Traffic, Housing and Technical Services.

Minister for Traffic, Housing and Technical Services (Hon. P J Balban): Mr Speaker, since the answer given to Question No. 339/2013, 11 flats have been assigned. The repairs are to be undertaken by the following: the Housing Works Agency – two; sub-contractors – four; the assigned tenants themselves – 2; temporary allocated, which are flats refurbished then assigned – three.

1530 **Hon. E J Reyes:** Sorry, Mr Speaker, on the last one he said there were three. Can he repeat that part? I did not quite get it clearly.

1535 **Hon. P J Balban:** The fourth one the hon. Gentleman is referring to is ‘temporary allocated’: that is flats refurbished and then assigned – three.

Hon. E J Reyes: So I hope I got it right: these flats are repaired first and then assigned, yes?

1540 **Hon. P J Balban:** Mr Speaker, the term ‘temporary allocated’ refers to the following: when an existing tenant is allocated another Government tenancy, we cannot give them a tenancy agreement in the first instance, as they can only hold one tenancy at any one given time.

In order to allow them access to the property to effect the move, we give them a license agreement. Once they return the keys to the old property, we give them the tenancy agreement for the new flat.

1545 If for whatever reason they fail to return the keys to the old property, the license agreement gives us the authority to repossess the new property allocated.

Hon. E J Reyes: Yes, I understand that a bit better.

1550 So therefore, Mr Speaker, those three are the repairs being carried out by the tenants themselves or the Housing Works Agency?

Hon. P J Balban: Mr Speaker, in this case, if you look at the actual breakdown, the third section said ‘the assigned tenants themselves – two’. So two of these cases were self-repair, so hence the (d) must be done by companies.

1555 **Hon. E J Reyes:** So therefore it should form part of (b), sub-contractors, four, plus the other three under the temporary allocation conditions, yes?

Hon. P J Balban: Mr Speaker, yes, I can see what the hon. Gentleman is asking.

1560 Because of the fact that they are holding a license agreement, as opposed to a tenancy whether they actually are fixing it themselves or not, I would once again have to check on that one.

The breakdown, as I said earlier, that in fact the Housing Works Agency have a total of 11, I believe I said, two were fixed by the Housing Works Agency, four by subcontractors, two were fixed by the tenants themselves and three were flats that were refurbished and then assigned.

1565 I take this as it was done by one or the other, as I would have to seek the exact information that the hon. Gentleman is asking and revert to him.

Hon. E J Reyes: Yes, acceptable: Mr Speaker, again, in this case I will await.

1570 The only thing is, Mr Speaker, when the Minister does have the answer it is obviously a delayed continuation to the question that I posed. Perhaps we need to seek advice later on from you, Mr Speaker, or the Clerk indeed, how we get this answer so that it forms part of the record? It is just a question that he does not have the information now or he wants to seek further clarification, for which I am grateful, but there is a commitment that he is going to provide the information, we need some guidance how can that end up being part of the record?

1575 **Clerk:** I think if the Minister provides the information during the course of Question Time, this meeting, and the Minister speaks about this and gives his information, then that will be recorded in *Hansard*. But if it happens after Questions and Answers, then it is not going to be possible.

1580 **Hon. P J Balban:** Mr Speaker, if I may, I will try to get this information as soon as we break up for lunch and hopefully have it for the hon. Member for this afternoon's sitting.

Hon. E J Reyes: Yes fine, I accept that from the Minister and with a bit of luck, we will keep all fingers crossed and therefore we will meet the requirements for inclusion in *Hansard*.
Thank you.

1585

EDUCATION, FINANCIAL SERVICES, GAMING, TELECOMMUNICATIONS AND JUSTICE

1590

Washington DC, USA Gibraltar graduates taking up placements

Clerk: Question 492, the Hon. E J Reyes.

1595

Hon. E J Reyes: Mr Speaker, can Government say how many Gibraltar graduates have taken up the offer of placement in public and private sector organisations in Washington DC, USA?

Clerk: Answer, the Hon. the Minister of Education, Financial Services, Gaming, Telecommunications and Justice.

1600

Minister for Education, Financial Services, Gaming, Telecommunications and Justice (Hon. G H Licudi): Mr Speaker, 11 students have so far taken up placements in the US-Gibraltar Internationalisation and Professional Training Internship Program.

1605

Hon. E J Reyes: Out of sheer curiosity, Mr Speaker, does the Minister have available information as to the breakdown of whether they are males or females – just out of sheer curiosity?

Hon. G H Licudi: Mr Speaker, I did see a list which I have not got included here and I did see that there were one or two female students, but I could not give the exact number. My recollection is that it is predominantly male, but there are some female students as well.

1610

Gibraltar graduates' placements, Washington DC, USA Estimated costs of sponsorship

1615

Clerk: Question 493, the Hon. E J Reyes.

Hon. E J Reyes: Can Government provide a detailed breakdown of estimated costs in respect of their sponsorships towards Gibraltar graduates' placements in public and private sector organisations in Washington DC, USA over the next three years?

1620

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

1625

Minister for Education, Financial Services, Gaming, Telecommunications and Justice (Hon. G H Licudi): Mr Speaker, the cost per student is €14,000. This covers the 15-week period of internship as well as the application fee, tuition and programme fees, visa fees, medical insurance and the housing fees.

Additional costs per student are in the region of £2,500 to cover Consulate visit, air travel, meals and subsistence costs.

1630

Hon. E J Reyes: Again Mr Speaker, out of sheer curiosity why is the 14,000 quoted to us in euros? I mean I would have thought dollars as it is the United States or sterling, but I am intrigued as to why euros.

1635

Hon. G H Licudi: Because that is the way it has been invoiced to the Government.

1640 **St Bernard's First School transfer to new site**
Provision of nursery or pre-school educational facilities

Clerk: Question 494, the Hon. E J Reyes.

1645 **Hon. E J Reyes:** Mr Speaker, can the Minister for Education provide details of what future nursery or pre-school educational facilities Government intends to provide once St Bernard's First School is transferred to its new site?

1650 **Clerk:** Answer, the Hon. the Minister for Education, Financial Services, Gaming, Telecommunications and Justice.

1655 **Minister for Education, Financial Services, Gaming, Telecommunications and Justice (Hon. G H Licudi):** Mr Speaker, St Bernard's Nursery is in a building separate from the First School. The building which houses the nursery, and facilities contained therein, are appropriate for the nursery which will remain at its present location.

1660 In other words, the First School, which is in the building where we have identified some issues and we want to relocate, is being transferred; but the building which contains the nursery is actually a good facility. It has got a large area, it has got an outdoor area, it is a very good facility for a nursery and there is no intention of moving that.

Hon. E J Reyes: Thank you.

1665 Mr Speaker, does the Minister know at this stage, is it the intention that the nursery will come under the jurisdiction, shall we call it, of the head teacher of the First School or will it be a total independent and separate unit?

1670 **Hon. G H Licudi:** Mr Speaker, the nursery is part of the First School, even though there are two buildings now which are relatively near to each other. The nursery is part of the First School and will continue to be part of the First School. The First School is moving, but there are some steps which will make it accessible from the First School in the new location at the old St Bernard's Hospital site, up some steps and across the road to the location of the current nursery.

Therefore the head teacher of St Bernard's First School will continue to be the head teacher of the nursery.

1675

Procedural

Clerk: The Hon. the Chief Minister.

1680 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that the House now recess until 3.00 p.m.

1685 **Mr Speaker:** We will now recess to 3.00 p.m., when I understand we will be dealing with, in the first place, Questions to the Chief Minister?

Hon. Chief Minister: Yes, sir.

The House recessed at 11.20 p.m. and resumed its sitting at 3.00 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON/EVENING SESSION: 3.05 p.m. – 7.32 p.m.

Gibraltar, Thursday, 20th June 2013

The Gibraltar Parliament

The Parliament resumed at 3.05 p.m.

[MR SPEAKER: Hon. A J Canepa GMH, OBE *in the Chair*]

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

Order of the Day

SUSPENSION OF STANDING ORDERS

**Standing Order 7(1) suspended
to allow the Minister for Health and the Environment to make a Statement
and for the purpose of laying Reports on the Table**

Clerk: Suspension of Standing Orders. The Hon. the Chief Minister.

5 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to move, under Standing Order 7(3), to suspend Standing Order 7(1) in order for the Minister for Health and the Environment to make a Statement and also to proceed with the laying of Reports on the Table.

Mr Speaker: Those in favour? (**Members:** Aye.) Those against. Carried.

10

MINISTERIAL STATEMENT

**Child with tuberculosis
Statement by the Minister for Health and the Environment**

15

Clerk: The Hon. the Minister for Health and the Environment.

20 **Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, a child attending two nurseries in Gibraltar has been found to have tuberculosis. Although the child is only weakly positive for infectivity, the GHA is offering TB testing as a precautionary measure to all the children with whom the child might have been in close contact. GHA Infection Control nurses are currently making arrangements to contact the parents and offer skin tests to the children.

25 There is no risk to the public at present and no restrictions on children attending these nurseries or any other educational institutions.

25 Tuberculosis is an infectious disease that is uncommon in Gibraltar. BCG vaccination and good standards of nutrition are effective in preventing the disease. The TB bacteria are spread from an infected person through the air, but only to close and intimate contacts. It is also extremely rare for children with the disease to be infectious to others and hence the action taken by the GHA is purely precautionary.

30 Mr Speaker, that is the end of my Statement. I would just like to say that the press has been informed and the Director of Public Health has also been interviewed by the media to offer reassurance in this respect.

35 **DOCUMENTS LAID**

Clerk: Papers to be laid. The Hon. the Chief Minister.

40 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to lay on the Table the Air Traffic Survey Report 2012, in the absence of the Deputy Chief Minister.

Mr Speaker: Ordered to lie.

45 **Clerk:** The Hon. the Minister for Enterprise, Training, Employment and Health & Safety.

Minister for Enterprise, Training, Employment and Health & Safety (Hon. J J Bossano): I have the honour to lay on the Table the Employment Survey Report October 2012.

50 **Mr Speaker:** Ordered to lie.

Clerk: The Hon. the Minister for Tourism, Commercial Affairs, Public Transport and the Port.

55 **Minister for Tourism, Commercial Affairs, Public Transport and the Port (Hon. N F Costa):** Mr Speaker, I have the honour to lay on the Table the Tourist Survey Report 2012 and the Hotel Occupancy Survey Report 2012.

Mr Speaker: Ordered to lie.

60 **Procedural**

Clerk: The Hon. the Chief Minister.

65 **Hon. Chief Minister:** Mr Speaker, as a result of what appears to be a technical glitch, can I invite the Chair to recess for five minutes?

Mr Speaker: The House will recess for five minutes.

70 *The House recessed at 3.10 p.m. and resumed its sitting at 3.15 p.m.*

75

Questions for Oral Answer

CHIEF MINISTER

80

Business start-ups and nurture schemes New companies benefiting

Clerk: Answers to Questions continue.
Question 495/2013, the Hon. D J Bossino.

85

Hon. D J Bossino: Further to his answer to Question 440/2013, can the Chief Minister provide the same detail requested in the said question as respects any new companies which are benefiting from the Government's policy on business start-ups and nurture schemes?

90

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, no new companies have been established in the month since my last answer in this House, although I know a number of inquiries are being progressed.

95

Hon. D J Bossino: Mr Speaker, the Chief Minister knows that I have written to him in relation to the criteria which the... or the detail of the policy. I posed a question in the House on the last occasion: he said that the detail, he did not have with him and it was available at the Department of Employment, or the ETB. I have written to him, I have not yet had a reply to that letter, but given that there has not been any public announcement, other than I think one article which appeared on 24th April 2013 in response to questions from, I think it was from the *Chronicle*, is the Chief Minister in a position now to provide me with further detail in relation to the scheme, so that people are aware as to what it is that they would be applying for and whether there is any possibility of any applicants out there being successful in their application?

100

Because at the moment, what is in the public domain, Mr Speaker, is, if I can put it mildly, confusing.

105

Hon. Chief Minister: I understand that is much milder than he puts it when he is not in this House, Mr Speaker.

If I may just start by saying, I am very sorry I have not replied to his letter. I try and deal with correspondence from Members as soon as I can. He knows I have been travelling for the past few weeks and I do have a backlog of correspondence, generally, not just the letter from him – although I will ensure that I reply to him as soon as I can, as I always try and do with Members' correspondence.

110

Mr Speaker, that will clarify these criteria that he says that he is interested in.

I am talking to a number of entities about this particular scheme, including representative entities like the Federation of Small Businesses, as well as certain individuals who want to consider whether they might fit within this particular category of establishment or incubator mechanism, and not just my office but other offices as well. So when he gets my letter he will see the detail of that.

115

Is he saying that he thinks that we should be making another public statement on the criteria?

120

Hon. D J Bossino: Mr Speaker, of course the Opposition is not here to answer questions from the hon. Members opposite.

No, it is simply just to get the precise detail of the policy. There is one point that the Hon. the Chief Minister made, both to myself and to the Hon. Leader of the Opposition, that he encouraged us to make an application ourselves, if we wanted to diversify from being lawyers into a different business.

125

But of course, unless he thinks that we are of limited means, the criteria as currently set out in the *Gibraltar Chronicle* article which I referred to earlier suggests in terms that it is only those people who are of limited means who will be accepted in the scheme. It is that type of information which I think ought to be available publicly, Mr Speaker, so that at least people understand, before making an application to the Employment Training Board, that their application will meet with any prospects of success.

130

There are other issues, like for example who is going to be the determining body as to whether an application is successful or unsuccessful? Is this going to be means-tested; is it going to be limited to those who are within the construction industry; is it going to be beyond... impact different industry groups, things like that?

135 We just find it surprising that this basic information, the meat to the bones of the policy as set out in the Government's 2011 manifesto, has not been explained already to the public, or indeed in this House.

Hon. Chief Minister: Well, Mr Speaker, I am grateful for the hon. Gentleman clarifying what it was that he meant. I did not mean to ask him a question, just whether that is what his question was about, and I am grateful for that clarification.

140 I do not often take advice on how to handle the Government or the party's media relations from Members opposite, but I will on this occasion consider very carefully what he says and consider putting out the whole meat and potatoes of this policy, so that people can gorge themselves on it, and see exactly how helpful it is to those who need the assistance of the Government in this way to establish themselves in business.

145 **Hon. D J Bossino:** Mr Speaker, in relation to the point that the Hon. the Chief Minister made in connection with the GFSB, as I understand it, we issued a press release on the matter which is I think what brought this issue into the public domain – without going into the controversy of this.

150 Yes. The simple fact that incubator schemes were now available at the ETB to members of the public: that I think is fair to say was prised from the Government, as a result of the press release that we issued in relation to one particular company, ETB1, which I think has had a change of name since we issued the press release.

155 There was, following our press statement, Mr Speaker, a statement from the GFSB stating that they would be making enquiries of the Government as to the detail of it, and what I would like to ask the Hon. the Chief Minister is whether he has replied to those enquiries and whether he has engaged with the GFSB further and what progress has been made in relation to these talks with the Gibraltar Federation of Small Businesses.

160 **Hon. Chief Minister:** Well, Mr Speaker, I do not recognise this idea of the information being 'prised' from the Government at all, but if he wishes to characterise it in that way, I suppose given that he is in by-election mode, he should be entitled to describe it as he wishes.

165 The Government is in correspondence with the GFSB about this and a number of other subjects. I am not going to give the hon. Gentleman a blow by blow of what the present state of the discussions between the Government and the GFSB is on this matter; but I am happy to tell him that they are going very positively.

170 **Floating hostel; Buena Vista hostel
Refund of deposit; current situation**

Clerk: Question 496, the Hon. Mrs I M Ellul-Hammond.

175 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, can the Government advise why the floating hostel left Gibraltar, whether the £300,000 deposit has been refunded to Government and whether the Buena Vista hostel has been vacated?

Clerk: Answer, the Hon. the Chief Minister.

180 **Chief Minister (Hon. F R Picardo):** Mr Speaker, following further discussions with the owners of the floating hostel, the Bibby Kalmar, the parties decided not to proceed with either the proposed acquisition of the vessel, or the alternative possibility of leasing the floating hostel from the owners, because it was not repaired as Government required. The reason why the floating hostel left Gibraltar is therefore one made by the owners of it, and not by the Government. I understand it may have been left elsewhere.

185 In view of this, and in line with the agreement entered into, the £300,000 refundable deposit that was paid to the owners by GCP Investments Ltd is in the process of being refunded.

The Buena Vista hostel has not yet been vacated.

190 **Hon. Mrs I M Ellul-Hammond:** I am grateful for that, Mr Speaker.

Mr Speaker, can the Hon. the Chief Minister say, as per the agreement with B V Homes, the Buena Vista hostel should have been vacated by the 30th June last year: have any penalties been incurred on the Government, if any, for not vacating the premises?

195 **Hon. Chief Minister:** Mr Speaker, I would need notice of that question.

**Former Speaker's confidential tax information
Leak to the media**

200 **Clerk:** Question 497, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, can the Chief Minister state whether the investigation has now concluded to determine how confidential tax information relating to the former Speaker of this Parliament was leaked to the media?

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

Chief Minister (Hon. F R Picardo): Mr Speaker, after an extensive internal investigation by the Commissioner of Income Tax and other relevant follow-up actions, no conclusive evidence has yet emerged in respect of the leak to the media.

210 **Hon. D A Feetham:** Mr Speaker, –

Mr Speaker: I have a problem, I do not have a copy of that answer. Could I, if there are going to be further supplementaries, please...?

215 **Hon. D A Feetham:** Mr Speaker, thank you very much.

Mr Speaker, the Hon. the Chief Minister used the words 'no evidence has yet emerged'. Is he suggesting from that answer that the investigation continues or is it that the investigation has concluded and that no evidence has emerged? It is use of the word 'yet'.

220

Hon. Chief Minister: Mr Speaker, the word 'yet' has its natural and ordinary meaning and he is right that I believe that this is something that might still lead us to a destination which we have not yet reached, and that is why the word yet is there.

225

Hon. D A Feetham: Mr Speaker, as the Hon. the former Leader of the Opposition, now Sir Peter Caruana, suggested when we last exchanged questions in relation to this – I think in fact it was not questions; it was a statement that the Hon. the Chief Minister made to this House and then a response by the Hon. Sir Peter Caruana, then Leader of the Opposition – he said that there could only have been a limited amount of sources for this leak. He said two sources: it has either come from the Tax Office or alternatively, given that this information had been provided to the Chief Minister, and we are not suggesting that obviously the Chief Minister himself has leaked it, but that the leak could have come from his own offices.

230

Now, can he perhaps provide some information as to whether it has been narrowed down as to where this information was leaked, or is there no evidence at all in relation to where the leak emerged, without necessarily having pinpointed who leaked it?

235

Hon. Chief Minister: Mr Speaker, this concerns a very serious issue. Forgetting the fact that the taxpayer in question was the Speaker of the House, we are talking about a taxpayer and taxpayers are entitled to have their tax affairs kept confidential, whatever the state of those tax affairs may be.

240

Therefore, I do not think it is necessarily in everybody's interest that I go into the detail of what I know about this investigation, but let me assure him of one thing: I am not conducting the investigation myself. This is a matter which is being looked at by the Chief Secretary, and the information I am giving him is the information that I have had from the Chief Secretary, as a result of his question.

245

There is, nonetheless, in my view, not a clear distinction between the Office of the Chief Minister and the Office of the Commissioner of Income Tax that can be drawn as the only two places from where this information might have come. This information might have come from somewhere else and I do not think it is right to quote the Hon. the previous Leader of the Opposition, now the backbencher, as an authority for any proposition. The fact that he said it could only come from two places does not mean that it can only come from two places. This is an opinion, which must be regarded with a lot of respect, because it comes from somebody who has held the office of Chief Minister for 16 years and understands the workings of Government inside out; but it is just that, an opinion.

250

Mr Speaker, it is clear that there could be another place from which it might have come and that is from people who have access to everybody's e-mails and everybody's data, although I do not think it has come as a leak from the ITLD, the Information Technology Department. But immediately you could see that there might be a third source of information, which is neither the Office of the Chief Minister nor the Office of the Commissioner of Income Tax.

255

260 So these matters are complex. In order to get to the destination where I think all of us would want to get, because of the importance of taxpayers' information being sacrosanct, I think it is better that we do not explore in detail where the investigation is at the moment, other than for me to assure him that it is still an investigation that is on-going – therefore, the use of the word 'yet'.

265 **Hon. D A Feetham:** Mr Speaker, given that this is as he rightly says a matter of some importance, not only because it involves the leaking of confidential information of a taxpayer, but also because it involves the leaking of confidential information of a Member of this House, does the Chief Minister intend to make public, or lay perhaps before this House, a copy of any report that is produced, suitably redacted, in order to perhaps preserve confidentiality, but still so that Members of this place – and indeed members of the public – can rest assured that everything that could have been done in relation to this investigation, to get to the bottom of how this actually occurred, has been done and it has been done well?

270 **Hon. Chief Minister:** Mr Speaker, I cannot commit myself to that, for a reason that I hope he understands. It could be that this leads to criminal proceedings and therefore that the matter might be overtaken by the issues becoming the subject of a complaint or a charge. Therefore, Mr Speaker, I do not think it is appropriate for me to give the House an undertaking that this will result in a statement by me in this House, or the tabling of an investigation report, because it could become much more serious than that, and I hope that he understands that reasoning.

280 **Queen's Cinema**
Inclusion of basement in Government acquisition

Clerk: Question 498, the Hon. D A Feetham.

285 **Hon. D A Feetham:** Mr Speaker, can the Chief Minister confirm that the basement of the old Queen's Cinema was included as part of the demised premises in the recent agreement by Government to acquire the Queen's Cinema for £3.5 million from its present owners?

Clerk: Answer, the Hon. the Chief Minister.

290 **Chief Minister (Hon. F R Picardo):** Mr Speaker, yes sir, but the conveyance has not yet been finalised.

295 **Hon. D A Feetham:** Mr Speaker, the information that has come to the Opposition – and if it is wrong, the Chief Minister, please correct the information, I am only asking whether it is right – is that in the original agreement with the owners of the Queen's Cinema, there had been an oversight in relation to the basement, and the oversight related to the fact that the basement was partly owned by the Queen's Hotel; and that that has led to some complication in the purchase of the entirety, effectively, of the Queen's Cinema including the basement.

300 Can he confirm that that is not the case and that it has not – second question – led to the Government incurring any additional expenditure in relation to the purchase?

305 **Hon. Chief Minister:** Well, Mr Speaker, I can certainly tell him it has not led to any additional expenditure in relation to the purchase, although I note that he or his firm represent the owners of the Queen's Cinema. I do not know whether this has anything to do with that.

310 Mr Speaker, the position as far as the Government is concerned is very clear: we are paying £3.5 million for the Queen's Cinema. If it has a basement, then it includes the basement; if it does not have a basement, it does not include the basement. But what we are paying for is what is visible of the Queen's Cinema, which is where the new theatre will be located and the value, of course, is the value of the land in question.

315 This is not an issue that in our view is going to be a major issue in relation to the new theatre that the Government is considering to build there or the other plans that we may have for the area. I know that this is an issue that has arisen during the course of the conveyance and it is an issue that will be resolved by the professionals involved. It is not an issue which engages the Government at a policy level.

Hon. D A Feetham: Mr Speaker, just in relation to the preamble to his answer, of course if I had been professionally engaged in any way, shape or form in relation to this particular matter, I would have been duty bound to have disclosed it to this House. The fact that I have not disclosed it is because I am not

professionally engaged in relation to this matter. But of course, he knows more about my firm's business perhaps than I do.

320 But Mr Speaker, in the answer, am I right therefore in saying that there has been a problem in relation to the conveyancing of the basement because, unbeknown to the Government, the basement of the Queen's Cinema was partly owned by the Queen's Hotel and, now the professionals are effectively dealing with that problem, that perhaps had not been spotted before the actual agreements were entered into with the owners of the Queen's Cinema?

325
330 **Hon. Chief Minister** Mr Speaker, he was here when he knows that I had to endure much less generous references to the fact that I was the partner of the firm that he is now a partner of, when I asked questions or dealt with issues which related to that firm. So all I have said is that he is a partner of a firm that is dealing with the conveyance for the vendors. I am surprised that he has taken such umbrage at that or that he thinks that I know more about what goes on in his firm than he does. But look, it is a matter entirely for him.

335 Mr Speaker, the issue as I understand it is not about ownership; it is about possession, and those are two completely different issues in land, of course. This is not an issue that the Government considers is in any way an issue that can affect the plans that the Government had for the site or the valuation that we had for the project that we were going to put there and the value that we ascribed to the old Queen's Cinema site.

340 So if there are professionals wrangling over it, because land issues sometimes involve obscure matters that sometimes purchasers and vendors are not necessarily involved in, but title has to be clarified in the process of conveyance, then look, it is a professional matter which is involving, alas, a member of his firm and no doubt a member of another firm, or of LPS; but it is not engaging us in any policy considerations.

345 **Hon. D A Feetham:** Mr Speaker, but is the issue, in relation to the basement, that it is partly owned by the owners of the Queen's Cinema and partly owned by the owners of the Queen's Hotel? Is that the issue that the professionals are seeking to sort out?

350 **Hon. Chief Minister:** Mr Speaker, I have never been a professional in land or in conveyancing. I tell him again, nonetheless, that the issue is not ownership; the issue appears to be possession and that is an issue which may have arisen which needs to be sorted out. It is not an issue, as I understand it, of ownership, but an issue of possession. He knows the difference of both of those in respect of that.

AO posts Government Departments Downgrading to AA posts

355

Clerk: Question 499, the Hon. D A Feetham.

360 **Hon. D A Feetham:** Mr Speaker, can the Chief Minister state whether Government Departments have been asked to identify AO posts for downgrading to AA posts?

Clerk: Answer, the Hon. the Chief Minister.

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

Hon. D A Feetham: Mr Speaker, can he explain, can the Hon. the Chief Minister explain the policy behind this request to downgrade AO posts to AA posts?

370 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman will know that the post of AA has long been one that has been recognised in the Civil Service and yet, for some years, there have been no AAs in the Civil Service, as a result of a decision to upgrade all AA posts to AO posts.

What is being done now, Mr Speaker, is to reintroduce the grade of AA and in many instances, it may be that one AO post becomes two AA posts, and that, we think, is a very positive thing.

375 **Hon. D A Feetham:** Mr Speaker, we had this exchange last year and, indeed, I asked him last year whether the Government was reintroducing AA grades and he said to me no, the Government is not reintroducing AA grades, because AA grades have always effectively been there.

Now, it is certainly true that the GSD Government took the decision to do away with the AA grades and upgrade everybody from AA to AO. So is what the Chief Minister saying that, effectively, it is a

380 reversal of that policy and effectively you are reintroducing the AA and attempting to downgrade as many
AO posts as possible from AO to AA?

385 **Hon. Chief Minister:** Mr Speaker, nobody who is an AO is going to be told that they are an AA
tomorrow. The idea, of course, is that some AO posts will become new AA posts. In some instances, one
AO post will become two AA posts, so that the entry into the Civil Service is at AA grade, as it was
traditionally, historically and as it is in the United Kingdom, and has stopped being the case here under
the GSD Administration, where the *entry* into the Civil Service occurred at a higher level and therefore
became much more attractive to people who were working in the private sector, sometimes quite high up
390 in the private sector, on private sector salaries, who found entry into the Civil Service at AO grade very
attractive indeed.

That is the decision that we have taken. It is one that we think is the appropriate one. I recognise it is
different to the decision that they took, but simply from the point of view of the number of applicants that
there were for the posts of AA, I think it is one which has demonstrated to be working very successfully.

395 **Hon. D A Feetham:** Yes, Mr Speaker, I recognise that it is a difference in policy. I did in fact
recognise it was a difference in policy last year, when we had the exchange across the floor of the House.

But Mr Speaker, can the Chief Minister tell us whether there has been any consultation with the
unions in relation to this?

400 **Hon. Chief Minister:** Can I just, before I do that, Mr Speaker, also remind him that there were, of
course, word processor clerks in the Civil Service when we took over, and there are still some of them
now who were 'AA equivalent'. (**Hon. D A Feetham:** Equivalent.) AA equivalent – in other words, AA
in everything but name; in other words, called 'word processor clerk', but actually receiving AA salaries
405 with AA style duties.

But yes, Mr Speaker, there were, of course, consultations with the unions on this matter.

410 **Hon. D A Feetham:** Mr Speaker, can the Chief Minister inform this House as to what the view of the
union was in relation to this? Were they supportive of this? Did they oppose it? Were they ambivalent to
it?

Hon. Chief Minister: Mr Speaker, they supported it and that is why we did it very easily and without
having to be in dispute with any union, and he did not see any press releases from any union complaining.

415

Recent AA recruits Placement in Departments

420 **Clerk:** Question 500, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, can the Chief Minister identify what Departments have the recent
AA recruits been placed in?

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

Chief Minister (Hon. F R Picardo): Mr Speaker, I pass the hon. Gentleman a list with the
information requested.

430

Answer to Question 500

Department of Employment and Training
Department of Social Security
Department of the Environment
435 Driver and Vehicle Licensing Department
Education Department
Financial Services
Gibraltar Courts Service
Gibraltar Health Authority
Human Resources Department
440 Income Tax Department
Ministry for Equality, Social Services and the Elderly
Ministry for Sport, Culture, Heritage and Youth
Ministry for Tourism, Public Transport and the Port
Ministry of Housing

445

No. 6 Convent Place
Royal Gibraltar Police
Treasury Department

450

Hon. D A Feetham: Mr Speaker, does the Chief Minister... and I recognise that perhaps it is going further than the original question, but does the Chief Minister have to hand the statistics in relation to the breakdown as to how many AAs have gone into each of these Departments?

455

Hon. Chief Minister: I do not have it here, Mr Speaker, but I am happy to let him have it, if he wishes to either ask next time or write to me.

Hon. D A Feetham: I will ask next time.

460

**Chief Minister's private staff
Additions since 9th December 2011**

Clerk: Question 501, the Hon. D A Feetham.

465

Hon. D A Feetham: Mr Speaker, can the Chief Minister state what additions have been made to his private staff since 9th December 2011, identifying the person and the role that person plays as part of that staff?

470

Clerk: Answer, the Hon. the Chief Minister.

475

Chief Minister (Hon. F R Picardo): Mr Speaker, the following additions have been made to my private staff since 9th December 2011: one Principal Private Secretary, who is a contract officer; one Higher Executive Officer; one Administrative Officer; one GDC grade 3; and one officer who is on the Graduate Scheme.

Can I just clarify that the word 'addition' has been used but, of course, these are people who have come to my office since 9th December 2011; others have left since 9th December. So it is not that there are *more* people at No. 6 Convent Place in my staff, at least in my corridor. These are the people who have transferred there, since that date, to my corridor, working to me.

480

**Civil servants acting up in higher posts
Number serving longer than three months**

485

Clerk: Question 502, the Hon. D A Feetham.

490

Hon. D A Feetham: Mr Speaker, can the Chief Minister state how many civil servants have been substituting for or acting in higher posts within the Civil Service for longer than three months, identifying the post and the Department concerned?

Clerk: Answer, the Hon. the Chief Minister.

495

Chief Minister (Hon. F R Picardo): Mr Speaker, 66 civil servants have been substituting for higher posts within the Civil Service for more than three months.

I now hand the hon. Member a schedule with the information requested by him.

ANSWER TO QUESTION 502

Department	Total No of Officers on Current Continuous Substitution	Grade Substituting Into
Archives	Nil	Nil
Attorney Generals Chambers	Nil	Nil
Care Agency	Nil	Nil
Consumer Affairs	Nil	Nil
Culture	2	x1 SEO & x1 EO
Customs	Nil	Nil
Deputy Chief Minister's Office	2	x1 SEO & x1 EO
Driver and Vehicle Licensing Department	Nil	Nil
Education	23	x1 TLR 1A, x2 TLR 1B, x9 TLR 2B, x3 TLR 2A, x2 TLR 2C, x6 TLR 2D
Employment	2	x1 SEO & x1 Health & Safety Officer Grade 4
Environment	3	x1 SO, x1 HPTO & x1 PTO
EUID	1	x1 AO
European Union Programmes Secretariat	Nil	Nil
Finance Centre	Nil	Nil
Financial Secretary's Office	Nil	Nil
Fire Service	1	x1 Leading Firefighter
Gambling Division	Nil	Nil
GHA	7	x1 Hospital Attendant x1 EO, x1 AO, x1 HEO, x2 SEO, x1 SO
Gibraltar Audit Office	Nil	Nil
Gibraltar Courts Service	1	x1 Personal Secretary
Gibraltar Youth Service	Nil	Nil
Housing	3	x1 SO, x1 HPTO & x1 PTO
Human Resources	4	x2 EO & x2 HEO
Immigration & Civil Status	2	x1 EO & x1 AO
Income Tax Office	2	x1 SO (Senior Officer Grade) & x1 AO
IT & Logistics Unit	Nil	Nil
Legislation Support Unit	Nil	Nil
Maritime Administration	Nil	Nil
Ministry for Traffic, Housing & Technical Services	Nil	Nil
No 6 Convent Place	4	x2 SEO, x2 EO
Parliament	Nil	Nil
Police	Nil	Nil
Postal Services	2	x1 AO & x1 HEO
Prison	Nil	Nil
Procurement	1	x1 EO
Public Transport & Commercial Affairs	Nil	Nil
Ministry of Equality, Social Services & The Elderly	1	x1 SEO (Ministry's Office)
Social Security	Nil	Nil
Statistics	Nil	Nil
Technical Services	2	x1 HPTO & x1 Sewers Operative
Telecommunications and Justice (Ministry)	1	x1 AO
Town Planning & Building Control	Nil	Nil
Treasury	2	x1 Support Grade Band 1 & x1 Head Messenger
Total:	66	

**Chief Secretary, Financial Secretary, Chief Technical Officer posts
Succession planning**

500

Clerk: Question 503, the Hon. D A Feetham.

505

Hon. D A Feetham: Mr Speaker, since 11th December 2011, have any civil servants substituted for the Chief Secretary, the Financial Secretary or the Chief Technical Officer in order to allow senior civil servants to gain experience in any of those posts for future succession planning purposes?

Clerk: Answer, the Hon. the Chief Minister.

510

Chief Minister (Hon. F R Picardo): Mr Speaker, no civil servant has yet substituted for the Chief Secretary as part of a succession plan since 11th December 2011.

No civil servant has substituted for the Financial Secretary or the Chief Technical Officer since 11th December 2011; but the Government is nonetheless currently working on the implementation of a succession plan for each of the abovementioned posts.

515

Hon. D A Feetham: Mr Speaker, it is common knowledge that the Commissioner of Income Tax splits his time from the Income Tax Office and No. 6 Convent Place, working very closely with the Chief Secretary. Now, has the Commissioner of Income Tax substituted for the Chief Secretary at any time, and is that part of the Government's succession plan? Although he has already said to me nobody has substituted for that purpose, but the fact that he is working there in that office, is that related to future succession planning or is that related to something else, and can he explain what it is?

520

Hon. Chief Minister: Mr Speaker, as far as I understand it, that is not related to succession planning because of the similarity in ages between both the current Chief Secretary and the current Commissioner of Income Tax. A succession plan necessarily implies that you are dealing with people who are younger, who are likely to be taking the post once an individual passes on from that post – although that is not to say that the Commissioner of Income Tax may decide that he wishes to be an applicant in the future for the post of Chief Secretary, should that vacancy arise whilst he remains in the Service.

525

Therefore, Mr Speaker, what has been asked about, which is whether the Chief Secretary has somebody standing in for him as part of a succession plan, did not in my view engage the possibility that the current Commissioner of Income Tax, who is supporting the Chief Secretary in the work that he is doing, when he has had to step in for him, is doing so as part of a succession plan, because that is not the way that certainly I have envisaged that working, or indeed that either of them have expressed to me the way that the work they are doing is aimed at delivering any succession plan.

530

535

Hon. D A Feetham: Mr Speaker, I asked this question, because of course it is his own policy and I think that he has made statements to civil servants – that was at the beginning of his tenure in office – that the Government intends to allow senior civil servants to substitute in relation to certainly the Chief Secretary; I think he extended it to the other posts as well.

540

Now, is this going to be open just simply to senior officers or does the Government intend to go slightly below, to senior executive officers?

When does the Government intend to implement this particular policy that he announced at the beginning of last year?

545

Hon. Chief Minister: Mr Speaker, I do not know whether there has been any particularly bright AAs that might be up to it, but I think there has to be a limit as to where one goes.

Mr Speaker, there is, as he knows, a Civil Service Review going on – a Civil Service Review that I wish would have seen move much more quickly than it is, but the Civil Service is a complex beast and reviewing it, with the best will in the world, sometimes takes longer than one might have imagined was possible.

550

It is part of that Review that the succession plan should form part of, and also part of the, in my view essential, restructuring of the Office of the Chief Secretary – not so much the Office of the Chief Technical Officer and the Financial Secretary, but certainly the restructuring of the Office of the Chief Secretary to take into consideration just how sophisticated the role of the Chief Secretary is in modern Gibraltar, under the new Constitution. It is much more sophisticated than it used to be and therefore the support required by somebody who is in the role of Chief Secretary is much greater, in order to be able to turn attention to all of those issues that would be relevant to him.

555

Part of that restructuring will include provision for succession planning.

560 **Hon. D A Feetham:** So, Mr Speaker, what he is effectively is telling me is that until the Review is completed, the Government does not intend for the process of substitution to commence, so effectively we are waiting for the Civil Service Review to conclude?

565 **Hon. Chief Minister:** No, Mr Speaker, because this is a matter which is in the hands of the Chief Secretary himself, not so much in the hands of the Government.

The Civil Service Review will deal with issues like this, but my view is that the head of the Civil Service is the Chief Secretary, in terms of the administration and it is he that is responsible for these issues, with the support of the Government. The Chief Secretary knows that he has my support already to start looking at the restructuring of his Office and, in that context, issues relating to succession planning which he and I have discussed.

570 But the Civil Service Review will encapsulate a lot of those issues as well. Now, whether it happens before the Civil Service Review comes to a final conclusion, or not, is another matter, because there may be things that come up in the context of the Civil Service Review that are agreed by all parties, that are implemented immediately that they are identified as being useful and modern practice, and there may be things which are left to the end of that process because they may be more controversial between the parties and they require further elaboration.

575 Succession planning is an essential, although we do have a pretty new Chief Secretary in post at the moment. He is in post for less time than the 'new Government', as we have got used to being referred to, so therefore I do not think it is as pressing an issue; but in my own view, succession planning should start from the moment that you take on a role and that is why I have encouraged the Chief Secretary and I have encouraged senior officers, and I think also, to deal with a point he was raising before, senior executive officers, to be encouraged to act upwards in different roles as part of succession planning generally across the Civil Service.

585 **Hon. D A Feetham:** Mr Speaker, I understand that in relation to the Chief Secretary and of course the Hon. the Chief Minister is right, the Chief Secretary has only been in post for a few months.

590 But there are two other posts that I referred to in my original question, which are absolutely pivotal for the Civil Service. One is the Chief Technical Officer and the other one is the Financial Secretary. Now, my understanding is that in relation to the Financial Secretary his plans were that he was going to be stepping down during the course of last year and he has agreed to, effectively, delay that in order to help the new Administration.

595 With the Chief Technical Officer, the Chief Technical Officer has been there for many, many years. I do not know what his plans are in relation to retirement, how close he is, but certainly it is a different kettle of fish altogether than the Chief Secretary. Does the Chief Minister know anything about succession planning, in relation to those particular posts which are absolutely vital to the Service and, of course, to the running of the Government?

600 **Hon. Chief Minister:** Yes, Mr Speaker, I do, but his question has not asked about that. His question has asked whether people have *acted* as part of succession planning and that is why I have given him the answer that I have given him.

The Chief Technical Officer is absolutely pivotal to the way that the Government works in Gibraltar today, as is the Financial Secretary. I am very happy to say that the Financial Secretary is now indicating that he wants to stay for longer, because it appears that he is enjoying his work much more than he did before obviously, and he is a pivotal part of course of what we do.

605 But look, North Front Cemetery is full of people who were pivotal to this community and that is why succession planning is important because, one way or the other, the day comes when we have to move away from the jobs that we are doing, however essential we were to the discharge of those functions at the time.

610 I am very pleased to tell him that both in relation to the Chief Technical Officer and the Financial Secretary, already moves are afoot to ensure that there is a very well catered for succession process but that does not necessarily involve people having to act in post, because both of these men rarely go ill and rarely go on holiday, so there is very little chance to act for them!

615 **Hon. D A Feetham:** Mr Speaker, every time I ask the question that perhaps, I get the feeling, slightly needles the Chief Minister, he comes back with politicisation of his answer, which really, this line of questioning does not merit, because I am genuinely trying to find out, trying to elicit information.

Now, he has given me an answer and I am going to ask a supplementary in relation to the information arising out of that answer.

620 What he is basically saying to me is that, although there is not going to be, there has not been any substitution as part of the succession planning for those two, as he rightly recognises, pivotal roles within the Civil Service, that there had been plans. Could he perhaps give us a little bit more detail about the

succession plans, what the Government, in consultation obviously with the Chief Secretary, is doing in relation to succession planning for those two very important roles?

625 **Hon. Chief Minister:** Well, Mr Speaker, first of all, I do not want him to think that he has needled me. I do not think I have reacted in any particularly partisan manner, but I suppose that, given there is a by-election on, we have all got our party political antennae out!

630 I am not able to give him chapter and verse of what is happening in terms of succession planning and I am very conscious that I should not say anything in this House which might mislead the House, or something which might create bait for future sessions.

635 So what I will limit myself to saying is that there is a succession plan in place, to this extent: each of those office holders are identifying the best people to potentially take over from them and involving them in the work that they are doing, perhaps at a higher level than they have until now, and not just necessarily identifying one or two potential officers, but perhaps sometimes more than one or two officers so that there is a succession plan not just for one generation, but for two generations, because in some instances, the people who might potentially take over from them, although they are not the same age, are near in age and therefore it may be that the succession does not last for very long. There has to be a two- or three-stage process identified until you get to somebody who is going to hold the post as long as they wish to, for a considerable period of time.

640 Mr Speaker, I think this is an essential part of having a modern Civil Service that is fit for purpose, so that people are not essential to the extent that their going can cripple the Service. What I will say in respect of both of these two very senior and very pivotal members of the Civil Service is that they recognise that themselves and they have such responsible approaches to what they do that they have started the process of working with the Government to ensure that there is a potential succession plan in place for each of them.

645

Clerk: Question 504, the Hon. D A Feetham.

650 **Hon. E J Reyes:** Mr Speaker, may I...?

Mr Speaker: Yes.

655 **Hon. E J Reyes:** Mr Speaker, if I may take up the Chief Minister, he mentioned before, in giving an example, he said that someone may in the future intend to be an applicant for the post of Chief Secretary. Does that mean that the Government intends to have a change of policy, because in the past, including up to the appointment of the last Chief Secretary, there has never been an advert put out, but rather a person was invited to take over the position?

660 Does that mean that perhaps as part of the Civil Service Review, the Government intends to change that procedure?

665 **Hon. Chief Minister:** No, Mr Speaker, and the hon. Gentleman knows that the procedure followed in Gibraltar is exactly the same as the procedure followed in the United Kingdom, which I had cause to look into at the time that I made the appointment of the current Chief Secretary for the appointment of the Cabinet Secretary, who is appointed by the Prime Minister without there being a process of open application. So there is absolutely no intention of moving away from that practice in the United Kingdom and in Gibraltar.

But I must tell him, Mr Speaker, that as soon as people get whiff of the fact that the post is going to be vacant, one gets applications, even though applications are not invited.

670 **Hon. E J Reyes:** Yes, thank you for that, Mr Speaker, and traditionally, there has always been held as well, always been understood by all civil servants that the qualification, if one can put it that way of requirements to be a Chief Secretary is that the person himself be a graduate. Is that still Government's intention to keep with that tradition going?

675 **Hon. Chief Minister:** Mr Speaker, I had not turned my attention to that aspect of this matter but, from memory, I think all of the people I can think of who have held the post are graduates.

680 I am not a snob and if there is a right person to fill the post who might not be a graduate, I do not see why they should necessarily be a graduate, if they have all the qualities and are able to persuade the incumbent that they are the right person for the job. I do not think that a piece of paper should stand in the way between them and the right post, if they are the right person for the job.

But look I have not turned my attention to it and I am simply answering on the basis of the fact that he asked me that question and I accept the premise of it, but I do not give him a definite answer one way or the other.

685 **Hon. E J Reyes:** Yes, Mr Speaker, I thought that the Chief Minister might be interested to know that there has been that condition. In fact, perhaps one of the reasons why so many civil servants in the past, as well, took the opportunity being offered to do the diplomas, eventually leading even to Masters qualifications in management and so on, that were being offered in partnership with the Durham University. Just food for thought for the Chief Minister to bear in mind, so that we do have fruitful succession planning, when the time comes and one is able to plan well ahead, if one bears in mind what has been traditionally the case, what most civil servants expect, unless there is an announcement to the different made, and of course, I think the trade unions might well want to have a little bit of say in that matter for the future.

So just for his information, Mr Speaker.

695 **Hon. Chief Minister:** I am grateful, Mr Speaker.
I will just say that I know many brilliant people who do not have degrees.

Hon. D A Feetham: And Mr Speaker, I agree with that entirely.

700

**GGCA committee
Facility time during working hours**

705 **Clerk:** Question 504, the Hon. D A Feetham.

Hon. D A Feetham: Yes, Mr Speaker, have there been any requests by the GGCA committee for facility time during normal working hours in order to facilitate the conduct of the committee's affairs?

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

Chief Minister (Hon. F R Picardo): Business, I think is what the hon. Gentleman meant, not necessarily affairs, but anyway...

715 Mr Speaker, yes, sir.

Hon. D A Feetham: And, Mr Speaker, has the Government been well disposed to such requests made?

720 **Hon. Chief Minister:** Mr Speaker, it is not an issue that has come to the vertical Government; it is an issue that is being considered by the Chief Secretary.

Hon. D A Feetham: Yes, Mr Speaker, but of course the Government is responsible, also, to and is accountable in this House, even when it is a matter that is being dealt with by the Chief Secretary.

725 Can the Hon. the Chief Minister tell me whether the Chief Secretary has agreed to provide for facility time or whether he has declined it?

Hon. Chief Minister: I cannot, Mr Speaker, because I have answered his question on the basis of the information provided to me and it is not something that has been raised with me. I have regular meetings with a number of the unions, with the GGCA, the GTA and Unite. The GGCA have not raised this issue with me.

730 I am reticent to get involved in industrial relations matters that do not come to me, because I think very often what has happened in the past is that the Office of the Chief Minister has become the place where all industrial relations issues have been settled. I am trying to re-establish the practice that the Human Resources Department should have an involvement at a particular level, that the Chief Secretary should have an involvement at another level, and that my political office should become engaged only when the Unions feel that they need to engage me or the Human Resources Department or the Chief Secretary feel that they need to engage me on those issues.

735 They have not felt it necessary to engage me on this issue and, therefore, I am quite happy to find out the information and answer him if he wishes, but it is not something that has come to me and therefore I cannot give him the answer.

740 **Hon. D A Feetham:** Mr Speaker, that is all very well but, of course, I have engaged the Hon. the Chief Minister in relation to this issue. I have asked the question whether the GGCA committee has asked for facility time and the answer is yes. I would have thought that in asking whoever it is that drafts that answer, 'has the committee asked for facility time?', it is very odd that the Hon. the Chief Minister has

745

750 not asked, 'Well, what was the response to the request for facility time?' It is an obvious supplementary to ask, but can the Chief Minister perhaps undertake to ask the question and give me an answer next week when we are at the Budget Session, perhaps outside the House... sorry in the lobby of the House? I will settle for that and if there is any other question that arises as a consequence of that, I will ask him next time round.

Hon. Chief Minister: Most certainly, Mr Speaker.

755

**Sunborn Floating Hotel
Financial assistance from Government**

760 **Clerk:** Question 505, the Hon. D A Feetham.

Hon. D A Feetham: Can the Chief Minister state whether the owners of the Sunborn Floating Hotel have had the benefit, either directly or indirectly, of financial assistance from the Government?

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

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer this question together with Questions 506 to 508.

770 **Clerk:** Question 506.

775 **Hon. D A Feetham:** Mr Speaker, is the Chief Minister now in a position to state whether the owners of the Sunborn Floating Hotel have had the benefit of a soft loan from the Government and, if so, provide details of the amount and outline of the terms of repayment and whether the proceeds of the loan will be drawn on the Consolidated Fund or the Gibraltar Savings Bank?

Clerk: Question 507.

780 **Hon. D A Feetham:** Can the Chief Minister state how long the Sunborn has been contracted to remain in Gibraltar for?

Clerk: Question 508.

785 **Hon. D A Feetham:** Further to Question No. 421/2013, can the Chief Minister state whether he is now in a position to provide details of the estimated costs to the Government of the land reclamation and all works needed to allow the Sunborn Floating Hotel to berth at its intended berthing site at Ocean Village?

Clerk: Answer, the Hon. the Chief Minister.

790 **Chief Minister (Hon. F R Picardo):** Mr Speaker, no financial assistance has been provided by the Government to the owners of the Sunborn Floating Hotel.

There is no soft loan from either the Government nor the Gibraltar Savings Bank to the owners of the Sunborn Floating Hotel.

795 The Government is unable to provide an answer in this House in respect of agreements entered into between two private entities, namely Ocean Village and the owners of the five-star Sunborn Floating Hotel.

800 I can tell him what I know, but I cannot answer for it: what I know is that they have entered into an agreement for 15 years, but it is not something that the Government is answerable for. I want him to understand there is no agreement with the Government in that respect.

The full extent of the works to be undertaken both for the berthing of the Sunborn and in the immediate surrounds to the same are not yet fully finalised and I am therefore not presently able to provide the information being requested.

805 **Hon. D A Feetham:** Mr Speaker, when he talks about no financial assistance or soft loan being provided to the owners of the Sunborn, does that include as well, or can he confirm, that no financial assistance or soft loan has been provided to any other party who is contracting with the owners of the Sunborn or has any involvement in relation to this particular project?

Hon. Chief Minister: Yes, Mr Speaker.

810

**British Gibraltar Territorial Waters
Fishing with nets; incursions by Spanish vessels; arrests for illegal fishing**

815

Clerk: Question 509, the Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, can the Government state whether it intends to change the law in order to allow some fishing with nets in British Gibraltar Territorial Waters?

820

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer this question together with Questions 510 to 513.

825

Clerk: Question 510.

Hon. D A Feetham: Can the Chief Minister state how many incursions, excluding innocent passage, there have been into British Gibraltar Territorial Waters by Spanish state vessels on a monthly basis since the answer given to Question No. 195/2013?

830

Clerk: Question 511.

Hon. D A Feetham: Mr Speaker, can the Chief Minister state how many incursions, excluding innocent passage, there have been into British Gibraltar Territorial Waters by Spanish fishermen, where they have been unaccompanied by Spanish state vessels, on a monthly basis since the answer given to Question 196/2013?

835

Clerk: Question 512.

Hon. D A Feetham: Can the Chief Minister state how many incursions, excluding innocent passage, there have been into British Gibraltar Territorial Waters by Spanish fishermen, where they have been accompanied by Spanish state vessels, on a monthly basis, since the answer given to Question No. 197/2013?

840

Clerk: Question 513.

Hon. D A Feetham: Mr Speaker, can the Chief Minister state how many arrests have been made for illegal fishing in British Gibraltar Territorial Waters, on a monthly basis, since the answer given to Question No. 198/2013.

850

Clerk: Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, the Government's position has been made clear repeatedly in this House. If the Government were to intend to change the law, it will become evident to the hon. Member when a Bill is published.

855

I now hand the hon. Member a schedule with the information requested in answer to Questions 510 to 512.

Mr Speaker, there have been no arrests of Spanish fishermen since January 2012. One Spanish fisherman has been reported and the case is currently, as he knows, with the Magistrates' Court.

860

ANSWER TO QUESTION 513

Answer to Question 510

2013					
	January	February	March	April	May
Major Incident (Class A)		1		1	5
Minor Illegal Incursion (Class B) i	14	2	4	18	3
Minor Illegal Incursion (Class B) ii			1	2	17
Minor Illegal Incursion (Class B) iii	3			0	1
Minor Illegal Incursion (Class B) iv			3	1	0

Answer to Questions 511 and 512

2013					
	January	February	March	April	May
Fishing Incursions (Not accompanied)	50	32	20	66	53
Fishing Incursion (Accompanied)	31	-	4	8	1

Hon. D A Feetham: Mr Speaker, may I continue with some supplementaries whilst the schedule is passed on to me?

865

Mr Speaker, the Hon. the Chief Minister says that if the Government intends to change the law in order to allow some fishing with nets, it will become obvious when the Government publishes a Bill. Can the Chief Minister, therefore, assure this House that when the Government has published amendments to the Nature Protection Act, allowing for secondary legislation to be introduced, that the Government is not going to, via secondary legislation, allow any fishing with nets which would obviously deprive the Opposition of debating the issue in this House, because it would not be presented by way of primary legislation in this Parliament?

870

Hon. Chief Minister: Mr Speaker, as I understand the position, in order to allow fishing with nets, there would have to be an amendment to the principal Bill, and therefore there will have to be a debate in this House.

875

Hon. D A Feetham: I agree entirely and, in fact, that is a point that immediately came to my mind, when I read yesterday's article in the *Chronicle*, in relation to how effectively the Government was moving ahead with its proposed solution to what I have described as the 'fishing crisis' – I know that we disagree in relation to that use of terminology.

880

So am I right in saying, therefore, that the intended secondary legislation that the Government intends to introduce by way of regulation will have absolutely nothing to do with a proposed solution to the situation that we have now of Spanish fishermen coming into British Gibraltar Territorial Waters and fishing in our waters in breach of the Nature Protection Act, with nets that are obviously outlawed by the principal legislation itself, by the Nature Protection Act?

885

Hon. Chief Minister: Mr Speaker, I am very grateful for the way the hon. Gentleman has put that question, because it clarifies, of course, that that is exactly the sort of illegality that was allowed under what is now known as the *infamous* 1999 Fishing Agreement. (**Several Members:** Hear, hear.) (*Banging on desks*) I could not have asked him to put it more clearly and I am very grateful that he has.

890

Mr Speaker, there are many aspects to what he has called the 'fishing crisis', in an exercise in hyperbole, the sorts of which this world has not yet ...had seen until he decided to describe this as a 'crisis'. There are also many aspects of what happens in British Gibraltar Territorial Waters from onshore and from offshore that require regulation and if he looks at our manifesto, he will see that it was not just explicitly dealing with the 1999 Fishing Agreement; it was dealing with a number of other issues as well. Different regulations will deal with different aspects of the matters which need to be dealt with, and when legislation is published, he will see which aspect of which matter each piece of legislation is designed to deal with.

895

Hon. D A Feetham: Mr Speaker, I am very grateful for that answer.

900

I do not understand for the life of me how one cannot describe as a 'crisis' the fact that there have been 50 incursions, unaccompanied by Spanish state vessels of Spanish fishermen to fish in our waters: 50 in January; 31 accompanied in January; 32 unaccompanied in February; 20 unaccompanied in March; 66 in April; and 53 in May.

905

When, Mr Speaker, does the Government intend to get a handle on this problem, in order to ensure that our waters are not systematically effectively incurred in this way and to prevent Spanish fishermen

from... either prevent them from fishing in our waters illegally or alternatively finding a reasonable solution that allows them to do so, but in a way that is in accordance with our law?

910 Because at the moment, this is causing *huge huge* uncertainty, particularly to the many police officers out there who every single day have to deal with this problem and the consequences of the Hon. the Minister for the Environment's statement to Facebook last year.

Hon. Chief Minister: Mr Speaker, the agreement that was... The hon. Gentleman is a sucker for punishment!

915 The agreement that was in place when he was *Minister for Justice*, when he took a specific oath – not just like all the rest of us do as Ministers, but as the hon. the now backbencher, the hon. the current Minister for Justice and he took, a specific oath to uphold the rule of law – that agreement, which was in effect when he was Minister for Justice and took that oath, specifically said that it allowed four Spanish fishing vessels a day to fish in British Gibraltar Territorial Waters in direct contravention with Gibraltar law – which means, Mr Speaker, that these figures that the hon. Gentleman has referred to are nothing compared to the fishing that used to go on then.

920 In case he cannot do the math, four times 30 a month is 120 incursions which he, as Minister for Justice for the four years that he was there, presided over. So 53 offends me, but it cannot offend him because he was giving a licence for people to break our laws. He did not come here to change our law; he gave a licence for 120 breaches of our law, at least, by adopting and ever since then, speaking in favour of that act.

925 So it is incredible, Mr Speaker, that in all of these months, except in April, there are less than half the incursions that hon. Members opposite, when they were here, and him in particular as Minister for Justice, allowed under this unconscionable, illegal and unconstitutional agreement; and yet now, he considers 20 unaccompanied fishing incursions in March a crisis that should concern us because of the police officers that have to face it.

930 I know that he told, Mr Speaker, members of the Defenders of Gibraltar group that if he were Chief Minister and these issues were not dealt with, he would sack the Commissioner of Police. Now, he must have read a different Constitution to the one that I have read, because the Chief Minister of Gibraltar does not have power to sack the Commissioner of Police.

Hon. D A Feetham: Mr Speaker, it is totally inappropriate for the hon. Gentleman to bring to this House something that I have alleged to say to the Defenders of Gibraltar which is simply not true. I have not said that to the Defenders of Gibraltar and he is, under the guise of parliamentary privilege, effectively committing a libel or a slander on the Leader of the Opposition. If he had said that, or anybody had said that outside this House, I would take action, because it is *simply not true*. It is not true that I have said to anybody within the Defenders of Gibraltar that I would sack the Commissioner of Police and I am surprised that he should make that comment under the protection of parliamentary privilege.

940 **Hon. Chief Minister:** Well, Mr Speaker, I have had it reported to me by so many members of the Defenders of Gibraltar so repeatedly, especially on the day that he said it, that I must tell him that it had the ring of truth about it. But if he denies it in this House, I am happy to accept his denial of that and that he is saying that those who told the Chief Minister that were liars. It is a matter entirely for him.

945 Mr Speaker, I am grateful that he now says that because, of course, if he had said that, and he now denies that he said it, he would have read a completely different Constitution to the one that I operate under, which does not give the Chief Minister of Gibraltar the right to sack the Commissioner of Police.

950 But, Mr Speaker, this 1999 Agreement obviously encouraged people to break our laws. We are not going to allow an agreement or form part of an agreement that encourages people to break our laws. But if he wants to look at what really matters, if he wants to look at 'Major Incident (Class A)' in the table that I have given him for 2013, in answer to Question 510, he will see that there were six such incursions during the course of the year to the end of May – *six* Class A incursions.

955 I put him in mind the statement that the previous Chief Minister, now the hon. the backbencher, made in a ministerial statement as a result of the incursions that were occurring in 2010. He might recall that the hon. the previous the Chief Minister, now the backbencher told the general public in a ministerial Statement that if they were approached at sea by the *Guardia Civil*, they should go for their flare guns and discharge them so that the Gibraltar Police and the Navy Squadron could come out to defend them.

960 That is a moment of crisis, Mr Speaker. *That* is a moment of crisis – if not least because of the, in my view, hugely imprudent step of the then Chief Minister of Gibraltar advising people to go for a firearm when confronted by a law enforcement official of a neighbouring state that carries a firearm also, and would not know whether the citizen of Gibraltar who goes for his flare gun is going for a firearm to shoot at them or to shoot into the air because of the political dispute. That is a crisis, Mr Speaker.

965 It is also a crisis, Mr Speaker, when the frontier was closed, by fishermen in 1999 leading the Government of Gibraltar to have to enter, for the first time in its history, and I hope the last, into an

970 agreement to allow foreign nationals to break the laws of Gibraltar whilst the same laws of Gibraltar are enforced against Gibraltarians. That is a crisis, Mr Speaker: it is a crisis of the rule of law.

Mr Speaker, whilst I am Chief Minister, there will be no crises of the rule of law of that sort, because this Government will never enter into any agreement that anybody be allowed to break the laws of Gibraltar.

975 Neither, Mr Speaker, will any citizen of Gibraltar be encouraged to go for a firearm, when faced with a foreign law enforcement official who is packing a sidearm. (*Banging on desks*)

Hon. D A Feetham: Yes, Mr Speaker, well, thank you very much for that political speech, but of course, Mr Speaker, I disagree with everything that he says, in the way that he characterises it.

980 Mr Speaker, when the 1999 Agreement was in place, Spanish fishermen were genuflecting and recognising our laws – not like now, when they are coming into British Gibraltar Territorial Waters escorted by the *Guardia Civil* in complete contravention and disrespect of our laws.

985 Mr Speaker, I do not agree there were more incursions then than there are now. The only person who holds that view in Gibraltar must be the Chief Minister of Gibraltar, because quite frankly, everybody knows that there are more illegal incursions into our waters today than at any time in our political history, and that is a fact.

990 But, Mr Speaker, what I am interested in is in solving the problem. That is what we on this side of the House are interested in. What we want is for the uncertainty that has been created by a lack of judgement on the part of the Government and Government Ministers in the way that they dealt with the 1999 Agreement, which *I have accepted* could have been replaced by something else. But of course, you do not replace something without having anything in its place. That is the point that we have made consistently.

995 Now, Mr Speaker, one final opportunity: will the Chief Minister please provide this House with information as to what solution the Chief Minister is working to in order to solve this particular problem and get rid of the uncertainty? Because *that*, and not the political points that he has been making in answer to my previous question, is what the people of Gibraltar are interested in. They are interested in solutions.

1000 **Mr Speaker:** Before the Chief Minister answers, I have been liberal because we are dealing with four questions on the question of illegal fishing in our British Territorial Waters, which is an important issue; but I think hon. Members will agree... and I have been enjoying, as a political animal that I am, these exchanges! But I really must call upon the Leader of the Opposition and the Chief Minister to bring these exchanges to a close, because they are now really beginning to debate.

1005 **Hon. Chief Minister:** Mr Speaker, conscious of what you have said, and political animals though we all are, you are of course right. If I may simply deal with the four points that the hon. Gentleman has made in turn.

1010 Mr Speaker, the hon. Gentleman cannot persuade anyone with half a brain that there are more incursions now than there were before, because there were so many incursions before, as a result of an agreement, that there were no statistics kept – incursions became order of the day. There was an agreement to allow incursions and therefore nobody counted them!

The then Chief Minister then set out in an agreement how many incursions were *allowed*: four a day and I am told, Mr Speaker, that on some occasions that was even exceeded. So, there is no question, Mr Speaker, of there being more incursions today than before.

1015 Of course, today the Government does not allow the incursion and therefore it is *counted* as an incursion. Statistically the hon. Gentleman is talking nonsense, as he is, Mr Speaker, with the very greatest of respect, when he says that under the 1999 Agreement, Spanish fishermen were genuflecting to Gibraltar law. There are a number of phrases in Spanish that describe that sort of remark, Mr Speaker, (*Laughter*) but when you have a law that says you cannot fish with a net and a Spanish fisherman comes with a net and fishes, the hon. Gentleman and I have different definitions of what genuflecting means, because what was done under the 1999 Agreement was not to genuflect; it was simply to ignore by agreement what the law provided for.

1020 He may have decided, because I have heard him repeat it so often, that this is a phrase that sounds good and there may be people without the capability of doing a simple analysis who might believe things because they sound good, and he is appealing to them. Well look, we each do politics in a different way: let him continue to use what he considers to be a catch phrase. But of course it is not true, Mr Speaker.

1025 The third point he makes, Mr Speaker, is that people want solutions. Well, Mr Speaker, he is absolutely right. That is why they voted for this Government, because they wanted a solution to this coach and horses that was being driven through the rule of law in Gibraltar and therefore the Government re-established the rule of law by doing away with the Agreement.

1030 Finally, Mr Speaker, I want to tell him that I agree with him entirely. He said these words, and I have made a note of every single one of them, and if he does not agree, he can check the *Hansard*. He said

1035 there was a lack of judgement on the part of Ministers in the way that they dealt with the 1999 Agreement. He is *absolutely right*. In 1999, Ministers entered into that agreement and it was a huge lack of judgement to have done so. Even the Foreign Affairs Committee of the United Kingdom found that, although it might have been a practical measure, it should not have endured. He is absolutely right. He should tell the Hon. the previous Chief Minister, who is now a backbencher, that he and I share the view that the 1999 Agreement was a huge lack of judgement.

1040 **Mr Speaker:** I will allow the Hon. the Leader of the Opposition one final supplementary, if he wishes to make a...

Hon. D A Feetham: Mr Speaker, there is no need. I think that we have exhausted this subject and made the points that we need to make.

1045

**Libel claims by a retired Government Minister
Government policy**

1050 **Clerk:** Question 514, the Hon. D A Feetham.

Hon D A Feetham: Mr Speaker, can the Chief Minister state whether it is Government policy to fund all libel claims brought by a retired Government Minister against a media publication?

1055 **Clerk:** Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, no, sir.

1060 **Hon. D A Feetham:** Mr Speaker, can the Chief Minister explain what is the difference and how he justifies the funding of a claim by the Hon. the Minister for Employment, because, as he has told me in answer to a question that I asked last month, that libel was a libel in relation to the work that he is doing or in his capacity as a Government Minister and a situation, for example, where there is a libel relating to some work or something that has occurred by a person who has been a Government Minister in his capacity as a Minister, but he just simply happens at the time at which the libel is made, not to be a Government Minister? It appears to me to be a very curious and unmeritorious distinction indeed.

1065

Hon. Chief Minister: Mr Speaker, I do not see how that supplementary arises. I have given him exactly the same answer to his question this month in respect of retired Government Ministers as I gave him last month in respect of current Government Ministers. I have given him *exactly* the same answer, so I do not see how he can make that point.

1070

Hon. D A Feetham: Mr Speaker, the point is made by virtue of this: last time round he said that it is Government's policy to fund libel claims brought by Government Ministers.

1075 **Hon. Chief Minister:** Point of order, Mr Speaker.

I am going to read him the question he asked last time and the answer I gave. Mr Speaker, he said:

1080 'Can the Chief Minister state whether it is Government's policy to fund all libel claims brought by a serving Government Minister against a media publication?

... Answer, the Hon. the Chief Minister.'

... Mr Speaker, no, sir.'

That is the answer I gave him last time as a first answer, and it is exactly the same answer I have given him this time as a first answer, so how can he say there is a difference?

1085

Hon. D A Feetham: Because then in supplementary – I do not have *Hansard* in front of me – we then exchanged... I then asked further questions in supplementary and the Government... Obviously, I cannot remember the nature of the exchanges, but, of course, by virtue of the fact that the Government has funded the libel claim by the Hon. the Minister for Employment, Mr Bossano, the Government must have taken a decision in relation to the funding of that libel claim. It must have been taken on some basis.

1090

Now, what I am asking now is, how does the Government distinguish between the funding of his claim and a claim that may be brought in similar circumstances by somebody who is not serving as a

Government Minister today, but the circumstances of the libel, the falsehood, may be very similar in circumstances to the one that related to Mr Bossano?

1095 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman is obviously not prepared for today. He has asked a question today, the terms of which he needs to understand and make himself responsible for:

1100 'Can the Chief Minister state whether it is Government's policy to fund *all* libel claims brought by a retired Government Minister against a media publication?'

Of course not, Mr Speaker. This does not refer to the fact that it may be a libel arising from his functions as a Minister. It does not refer to what type of libel it may be, and that is why I gave him the answer, 'No, sir', which is identical to the answer I gave him last time in respect of his first question.

1105 Mr Speaker, I told him last time that issues like this will be referred to the Chief Secretary for the Chief Secretary to make determinations.

Mr Speaker, look, if what actually he is trying to ask me, I discern, is 'If somebody who is no longer a Minister suffers a libel relating to or arising from his functions as a Minister, would the Government have a policy to also enable that individual to have his costs of that libel action funded against the media outlet that carried the libel?' that is not his question, but it appears that is what he wanted to ask.

1110 Well, Mr Speaker, in those circumstances, I think that that individual should go to the Chief Secretary and say, 'Look, this arises from the service I gave to the Crown and I would ask you to fund this libel action which I am required to take.' But it is not an issue of Government policy, Mr Speaker.

1115 I think this is something that all of us who serve the Crown in different capacities continue to be entitled to go back in respect of that service and find from those who are currently serving in the capacity of the Head of Administration, to ask them for their assistance in whether it is finding a file in relation to something one may have done when one was a Minister or otherwise, or defending oneself against a grievous libel, if the Chief Secretary considers it appropriate.

I also talked to him about degrees of libel, and not simply the Government becoming a deep pocket that funds the libel actions of those with the thinnest possible skin.

1120 So, Mr Speaker, I do not see that any of the supplementaries that he has put are relevant and I hope that he is satisfied with my answering what I thought was the question he was trying to ask, although he did not quite ask it.

1125 **Hon. D A Feetham:** Mr Speaker, the Chief Minister, on the final question of the day, really is playing games. We had a number of exchanges and I asked a number of questions last time round and, quite rightly, he said to me, in answer to supplementary last time round, that the policy was that the matter would be referred to the Chief Secretary of Gibraltar and the Chief Secretary of Gibraltar would then effectively consider the matter. But of course, presumably it would then have to go back to the Government, because he has rightly recognised that what the Government cannot do is fund libel actions when somebody may have been mildly defamed, when in circumstances where we are all politicians and we are expected to deal with issues, even where technically it may well be a libel.

1130 I then asked him a supplementary, last time round, whether that extended to a retired Government Minister and it was ruled not admissible, because it did not arise from the original question. He knows what I am getting at.

1135 Now, can I ask him, is the policy therefore, (*Interjection*) Mr Speaker, exactly the same for a retired Government Minister as for a serving Government Minister? The policy is the same except that one is retired and the other one is still serving, but the policy is the same: in other words, refer to the Chief Secretary, Chief Secretary making a recommendation to the Chief Minister and then a decision being made.

1140 **Hon. Chief Minister:** Mr Speaker, he may try and get out of the question he has put however he likes. I have told him that I have discerned the question that I think he intended to ask, but his question – and I hope he recognises this, because I am actually not trying to be difficult or play games – does not say what he obviously intended it to say. That is fine, we are all under pressure in this job, whether it is that one or this one, and we have to –

Mr Speaker: May I...? Is the Chief Minister in a position to answer this last supplementary?

1150 **Hon. Chief Minister:** I am, Mr Speaker.
Therefore that question elicited not an answer that was a game; it elicited an answer that had to be given, because otherwise, Mr Speaker, how long is a piece of string? Anybody who has been an ex-Minister cannot come and say, 'Look, as a result of something I am doing now, somebody has referred to

me as...’ For example, because this is an argument that could be made, Mr X, an ex-Minister, is now involved in a fraud, right now. Well, that is the question. Right?

1155

Hon. D A Feetham: Answer the question.

Hon. Chief Minister: That is not something that in my view should be covered, because although it refers to the ministerial office, the libel in that context is not arising from or related to the ministerial office. It simply uses the ministerial office as descriptive of the individual.

1160

But if somebody were to say, ‘When Mr X was a Minister, he had his hand in the till’, a libel relating to what that individual did arising or related to his office, in my view that individual is entitled to go to the Chief Secretary and say, ‘Look, this arises from my service to the Crown, and I now need to take proceedings and I need the Crown to cover the costs of those proceedings.’

1165

It is almost a vicarious liability point, when an individual, relating to the discharge of his employment, is entitled to ask his employer to cover the costs that he may incur in having to take that action. So in those circumstances, my view is that the Chief Secretary should provide cover to that individual in those circumstances, but he has to have this question of degree also in mind.

1170

And I do not agree with him that this should be a matter for the Chief Minister of the day. I do not think that this is strictly an issue of policy – although anything which results in money flowing from the Government is going to have to result in an appropriation from this House in some way. Things have to be insulated in a mature democracy from the political complexion of the Government of the day, because I have no doubt that if I am libelled, if the *7 Days* were ever to come back to life – please God, it will never happen – after they come back to office, and the then Chief Secretary has to ask him whether to fund my libel action against the *7 Days* in an article that has very likely been written by one of his acolytes, he will say no. And he can say exactly the same thing about *The New People* if he wishes.

1175

I am simply trying to illustrate the point that this should be an issue insulated from the partisan identity of the Government at the time. It should be – and in my view, it *is* – an issue in the discretion of the Chief Secretary, because of the service given to the Crown by the individual who might be making the application for support or funding.

1180

Hon. D A Feetham: Well, Mr Speaker, I agree entirely with the Chief Minister in relation to this. That is why I am surprised that I find myself asking the question here today, when the answer, in my view – although he hesitated last time round, when I was asking questions about this one – is so obvious. You cannot really sustain a distinction in relation to a Government Minister and a former Government Minister for the reasons that he has outlined. There is just no distinction at all.

1185

But, Mr Speaker, just in relation to... and there has to be a policy. The policy is the referral to the Chief Secretary: that is the policy. In relation to that policy of referral to the Chief Secretary, and the Chief Secretary making a decision as to how those libel claims are... or which libel claims are going to be funded – because as he rightly points out, there are degrees in the seriousness of libel claims – how does the Chief Secretary make that decision? Is the Chief Secretary taking advice from lawyers in relation to this, because, after all, there can be considerable expenditure to the Government as a consequence of a libel action, not only in relation to the funding of the Government’s own lawyers for the Minister, but also in any adverse costs order that is made against them, should he lose the libel?

1190

1195

What kind of process does the Chief Secretary go through, in relation to a determination as to whether it funds a libel claim or not? Or is it left entirely to the discretion of the Chief Secretary, and the Chief Minister does not know, despite the fact that there could be a very substantial cost to the taxpayer?

1200

Hon. Chief Minister: Well, Mr Speaker, he was in Government for four years as Minister for Justice and he does not appear to know the answer to that, so I do not know why he expects me to know the answer to this.

1205

But, Mr Speaker, I have to tell the hon. Gentleman, I have to put it to him, that he needs to read the *Hansard* for last time, because he has now said that I refused to answer... Look, Mr Speaker, he has said that, or that I was hesitant in answering. Mr Speaker, he needs to read – (*Interjection by Hon. D A Feetham*) No, no, I have to ask him to look at the *Hansard*.

1210

I did *not* hesitate to answer the question when he put it about previous Ministers. Mr Speaker actually said that he felt that was beyond the ambit of the question and then the hon. Member had an exchange with Mr Speaker. I did not say boo to a goose in respect of that part of it. In fact, Mr Speaker, I continued to deal with the issue, when he put it to me, by saying that, in my view, this was an issue for the Chief Secretary.

There is no developed policy. Nobody has dealt with this issue before, because nobody has made an application before.

Now, I do not know whether a policy should be developed. I think that it is very likely that this would engage legal issues as to degree of libel and of liability as an employee of the Crown, as a servant of the

1215 Crown. A Minister is a servant of the Crown; he is not a civil servant, but he is a servant of the Crown,
and therefore, Mr Speaker, I am not going to make up policy on the hoof, or answer what is, in effect, a
hypothetical question, with your indulgence, other than to say to the hon. Member that if this is an issue,
we should give it some thought – perhaps the Select Committee should consider it, as one of the issues
1220 that we consider in terms of the reform of Parliament, because this exclusively affects parliamentarians,
or Ministers – but it is not something that is at the moment set in stone. There are no criteria that I can
refer him to.

But my instinct – and it appears to be the same instinct as his, and I do not know whether I detected
some nodding from Mr Speaker, but I would have thought from anybody who has been a Minister before
– is that if somebody says something about what you did as a servant of the Crown, as a Minister – and
1225 specifically that, and it *is* an actionable, serious libel – then it is very normal that you should be entitled to
go to the Chief Secretary and have those costs covered.

Does that mean that if you lose, the Chief Secretary will also engage coffers to cover the defendant's
costs? Does it mean that a test will have to be gone through before you are funded, as to whether what has
been said is likely to be true or not likely to be true – a little bit like the legal aid test to see whether an
1230 individual's case is worth pursuing or not? Look, I do not know – I imagine there must be something like
that.

But I do not think, Mr Speaker – and this is where I think there is a serious disagreement between him
and me – I do *not* think that that is a matter of policy for the political Government of the day. It cannot be
our policy that their service as Ministers, for four years or for 16 years in the context of other Members of
1235 the benches opposite, should not be recognised and they should be deprived of their pension. These things
are insulated from the political colour of the Government of the day, as they should be.

So it is not a *policy* issue in my view; it is a *legal* issue of entitlement, because you have been a
servant of the Crown.

1240 **Hon. D A Feetham:** Mr Speaker, it cannot be an issue of legal entitlement. No Minister of the Crown
is entitled to have his libel claim funded by the Government. Indeed, the policy was a novel one, and it
has been... I know he does not like me using the 'policy', but the *decision* as to fund Mr Bossano's libel
claim was a new decision. It never happened in the past, as far as I am aware. Nobody has ever had a libel
claim funded by the Government, or a serving Minister has had a libel claim funded by the Government.

1245 Look, I have only been a Member of this House for the last seven years, but certainly, I would have
thought that I would have heard about this, or indeed the former Leader of the Opposition.

But you see, there are very disturbing factors in the background here because, firstly, the Chief
Minister has already recognised that potentially there is a huge potential outlay for the taxpayer, not only
in costs of the Minister, but also in any adverse costs. Then you have the situation where you have got to
1250 take an assessment about the degree of the libel, and then you have a situation where we are looking at
the prospects of success.

Now, can the Chief Minister tell me how those factors were investigated, and whether they were
looked at in relation to Mr Bossano's libel claim, for example? Because we are none the wiser on this side
of the House as to how that particular decision was actually made, because he keeps on saying there is no
1255 policy, but I would have thought that it is in the Government's interest, and it is the Government's duty,
to have a policy in relation to this, that is clear, that is transparent and that everybody knows where they
stand in relation to it.

1260 **Hon. Chief Minister:** Mr Speaker, he just does not understand.

First of all – (*Interjection by Hon. D A Feetham*) No, no, Mr Speaker, *he* does not understand. (**Mr
Speaker:** Order!) He is asking hypothetical question over hypothetical question, and the Standing Orders
do not allow him to do that. (*Interjection by Hon. D A Feetham*)

Mr Speaker, he is asking us now, his final question is about something completely unrelated to the
question that he is asking. He is now going back to the question that he asked last time, and asking us
1265 about what criteria were followed in determining whether or not Mr Bossano's libel costs should be
covered. (*Interjection by Hon. D A Feetham*)

Mr Speaker, I am telling him, this is not an issue of policy. In my view, this is a simple issue of
employment law. He says he does not recognise this issue ever having arisen under him. Well, look, they
may have taken the view that they were not libelled; or that they were libelled but they were going to
1270 ignore it; or they may have considered taking libel proceedings, but not in the end decided for whatever
reason that they were going to take them.

In my view, this *could not be clearer or more transparent*. I have said it on a number of occasions. If
somebody serves the Crown as an employee, AA Grade or as a Minister, and they are libelled because of
what they are doing in their job, in my view, the law should entitle them to be covered by their employer,
1275 because if what they are doing is in the discharge of their employment, then it is that simple.

When he starts his questioning, he seems to be nudging us towards, 'Please cover retired Ministers, as you think that current Ministers should be covered.' When he finishes his questioning, he seems to be nudging us towards, 'Nobody should be covered, because there could be an open-ended liability.' He has got to make up his mind.

1280 My view is very simple. The microphones are going crazy today. My view is very simple. It should apply in the same way to Ministers or to retired Ministers, because if it is their service to the Crown that is being questioned, then whether they are retired or not should not make any difference. The determining officer should be the Chief Secretary and he can make decisions as to all of the other criteria that should apply.

1285 **Mr Speaker:** Whilst it is not for me to get myself involved in these exchanges, I do have to declare an interest, because I am a retired Government Minister. The problem as I see it is that, in the days when I was a Minister, one was less likely to be the subject of libel, because it would have been carried out, say, through the medium of a newspaper, or the broadcasters. They themselves exercised – those responsible exercised a degree of censorship.

1290 Now, with the onset of the social media, we are all fair game, including the Speaker, and therefore – (*Laughter*) Yes, yes, already yes! Therefore I think it would be a very good thing, and I propose certainly when I meet the Select Committee to ask them to deal with this matter, because I have a double interest, as a Speaker today and as a former Government Minister.

1295 **Hon. D A Feetham:** Mr Speaker, and that is... and Mr Speaker, with respect, makes a very, very valid point. It is the point that I am trying to elucidate from the Chief Minister, because of course, if you are going to have a policy about the funding of libel claims for current Ministers... and the Chief Minister has said it is exactly the same now for retired Ministers, and I accept that it is in the context of something quite new, but it is in the context of a libel claim by a Government Minister recently, so that has only arisen recently; it has not arisen in the past.

1300 But there has to be some defined criteria, not least because if I, for example, am libelled or one of my colleagues are libelled, in relation to something that occurred when we were Government Ministers, so that we could have the guidance of saying, 'Well, I think that this is something that is covered or is not covered.'

1305 Just simply saying it is a matter for the Chief Secretary, with respect, in my view, is not a satisfactory policy, because I do not think it is sufficiently transparent enough. I do not criticise the Government when I say it is not sufficiently transparent enough; what I am trying to get at is a definition of that policy, so that it is open and transparent, so that everybody knows where they stand in relation to it.

1310 But I am very grateful to Mr Speaker for the contribution that he has made.

Mr Speaker: Perhaps on that note, we can move on to the next question.

1315 **A Member:** Well, *this* is the next question.

Hon. Chief Minister: Mr Speaker, in the absence of a question, if I may also be allowed to comment on your remarks, I think that you are absolutely right in that the world has changed, and it is not just established media that one may be libelled in. In fact, one is unlikely to be libelled in established and responsible media, and it is in social media that people may say things that are really quite beyond the pale.

1320 But look, there is also another aspect to this, which I know that Mr Speaker recognises and has come out in the course of what I can only now describe as a debate that we have had, which is that politicians are fair game. I dare say that we are all libelled at the end of each day or at least slandered on a number of occasions, and we do have to have a fairly thick skin.

1325 The time comes, however, where things go beyond a remark that can simply be ignored and in those instances, whatever one's current status may be, my view is, as I have already set out, that one should be covered, almost like an insurance policy on those issues. I am very happy that my proposal that the Select Committee should look at this is going to be taken up by you, as Chairman of the Reform Group, and that the hon. Gentleman seems to be saying now, again, having changed the position again, in my view, that he too is happy to set out some criteria there.

1330 I think that this is a matter, however, for the Chief Secretary. If Parliament wants to give him a steer, then as a Select Committee, all we can do is give a parliamentary steer, not a steer at a Government level. But that could become policy and if we set things out clearly, then that would be helpful to everyone.

1335

MINISTER FOR ENTERPRISE, TRAINING, EMPLOYMENT AND HEALTH & SAFETY

Future Job Strategy trainees

Meeting with Minister; details of placements; managers;

1340

Clerk: Question 477, the Hon. D J Bossino.

1345

Hon. D J Bossino: Further to Question No. 353/2013, can the Minister for Employment advise when he met the Future Job Strategy trainees and where?

Clerk: Answer, the Hon. the Minister for Enterprise, Training, Employment and Health & Safety.

1350

Minister for Enterprise, Training Employment and Health & Safety (Hon. J J Bossano): Mr Speaker, I will answer this question together with Questions 478 and 480 to 483.

Clerk: Question 478.

1355

Hon. D J Bossino: Further to Question No. 358/2013, is the Minister for Employment now able to provide details of how many individuals are participating in the Future Job Strategy, with details of where they are carrying out their placement/training, to include private entities or individuals, such as private companies or partnerships, and in each case, the names of such entities and names of the Government Departments, Agencies and Authorities; which Future Job Strategy company they are employed by; what the duration of their contracts are; and how many of these trainees have guaranteed jobs following conclusion of their FJS contracts?

1360

Clerk: Question 480.

1365

Hon. D J Bossino: Further to the answer given to Question 342/2013, can the Minister for Employment advise who the managers of each of the companies which participate in the FJS scheme are?

Clerk: Question 481.

1370

Hon. D J Bossino: Further to the answer given to Question 345/2013, can the Minister for Employment confirm that the Trainee Carers do not obtain any qualification?

Clerk: Question 482.

1375

Hon. D J Bossino: Further to the answer given to Question 347/2013, can the Minister for Employment advise what stage the new arrangements for apprenticeship schemes have reached?

Clerk: Question 483.

1380

Hon. D J Bossino: Can the Minister for Employment advise when he introduced the policy to provide trainees on placement periods of three months?

Clerk: Answer, the Hon. the Minister for Enterprise, Training, Employment and Health & Safety.

1385

Minister for Enterprise, Training, Employment and Health & Safety (Hon. J J Bossano): Mr Speaker, the meeting with the trainees took place at the Ince's Hall on 1st February 2012 at the launch of the Employment Training Company.

The position as regards the placement of trainees in the public and private sectors continues to be as explained in answer to Questions 503 of June 2012, 731 of September 2012, 257 of December 2012, 58 of January 2013, 178 of February 2013 and 358 of May 2013.

1390

The details of Government Departments and Agencies involved were given to the hon. Member as requested by letter, in April for March and, as agreed, then will be provided in July for June.

As stated in answer to Question 342, the managers of the companies are Civil Servants or GDC managers from the Employment Service assisted by graduates from the graduate company.

1395

None of the carers taken on by the Care Agency and its predecessor, the Elderly Care Agency between 1996 and 2011 were required to have any qualifications. The requirement was to have two O-levels or previous experience obtained in a care home. This continues to be the case. All trainee carers since, have obtained the required experience by working in the Care Agency and have been monitored by

management and certified by management as having satisfactorily completed their training before taking employment with the Agency.

1400 This training is accepted as contributing to NVQ qualifications if any individual carer decides to continue on this path.

The position is as stated in answer to Question 347/2013.

Finally, the three-month period was introduced towards the end of 2012.

1405 **Hon. D J Bossino:** Mr Speaker, in relation to the first question I posed, the Hon. Minister... I think I know which meeting he is referring to because it was actually recorded here by YGTV and it is actually on-line. I assume it is the meeting that the Hon. the Minister is referring to which was, judging by what he was advising the employees and the future trainees at the time of his scheme, that it was the first meeting he had with them.

1410 He advised them there, and promised them, that he would be meeting them... I think he mentioned two periods of time: at least every three months and then I think he may have said possibly even every month. But certainly his bottom line was to meet with these trainees individually every three months.

1415 Therefore, given that he has only met with them on one occasion, which was the first occasion, can the Minister for Employment explain why it is that he has failed to deliver on that particular promise which he made to the employees?

Hon. J J Bossano: Well, I am glad that he has put it in that way, that I failed to deliver, because clearly he thinks it is a very good thing that I should meet these young trainees and that they were looking forward to it.

1420 The fact is that, first of all, the numbers that have gone through the scheme have been much more than we expected, because at the time, the hon. Member will remember that we had five... Most of the people that were there were the people we had inherited. This was at the beginning of the scheme in February. So there were very few new people; they were people who had come in from the VTS and that first meeting was predominantly to explain to the people from the VTS what the difference was between the scheme they were already in – some of them were in the middle of that, that is to say that usually lasted for six months and there were people who had come in in January or December or November and were in the middle, so were sort of half way through.

1425 The monitoring was being discontinued, following the introduction of the new scheme, because in the new scheme we required the employer to select people, but in the first batch of people effectively the people were already somewhere and essentially, we were keeping them there until they could be moved. Therefore, the initial period was one of transition.

1430 I have continued to meet those people that have wanted to come to see me, using my clinics to do that and I did plan originally to keep contact with those trainees in the course of the rest of the year on a quarterly basis.

1435 Well, first of all, the numbers that have come in and gone out since have been much greater than we anticipated would be the case; secondly, the take-up by the employers has been much better than it looked at that time as if it was going to be. So we had a situation where we had something like 300 people coming in in February 2012, of which something like 290 were staying in the places that they had been placed previously and where they were not intending to stay initially and where they were going to be moved.

1440 As we moved them out, essentially the role of the Department having to be on top of them, as it were, diminished with each new cohort that came in in March and April and in the rest of the year, because successfully, we have been introducing a system which started then, which is now fully operational, where the selection of the trainee is not done by the Department; the selection of the trainee is done by the employer.

1445 So the employer in practice nowadays gets an opportunity to select from people unemployed, somebody that he thinks he will want to employ and we make it easier for this to happen by essentially providing for the original trial period of the first month to be paid for by us and for the agreed period that follows, to be paid for by us, the length of which depends on the complexity of the job and the experience that the person has before they take on that job.

1450 So although I would have liked simply for the satisfaction and the pleasure of meeting these young people, to have been able to do it, I have a problem of not having sufficient time to devote to this, given that the numbers grew exponentially after the initial roll. But the numbers have been a constant figure of about 450 to 500, but not the same people all the time, with people coming in and going out and currently the bulk of them being on a three-month turnover.

1455 **Hon. D J Bossino:** Yes, I am grateful to the Hon. Minister for that explanation.
It is not that I like or dislike him meeting with these trainees or whether I think it is a good or a bad idea; it is simply that when I make promises, I like to keep to them and given that his promise seemed so

1460 cast iron and even when I saw it, I thought this is one hell of a commitment here, I suspected that he would not be able to keep it and in that respect I think I have been proven right.

1465 Is the Minister's position that he will not now be meeting the trainees on any regular basis, other than as he has just stated, he is available for people to go and see him as and when in his clinics? But there is no fixed time that he will be meeting with these trainees, as he originally envisaged he would do and promised?

1470 **Hon. J J Bossano:** I want to assure the hon. Member that nothing would give me more pleasure than to be able to meet them regularly, because in fact I enjoy explaining to them the policies that we are doing and making them understand what a wonderful job we are doing for them and their future. I hate not having the chance to do that – as he well understands!

1475 But, the reality of it is that what has developed has been such a success that in fact the people in the system do not stay there very long. We have been able to move within the first year from a situation where we started out giving people... we moved from what was a six month thing to a maximum of 11 months and as I have said in the other question that he asked me, at the end of the 11 months, we had...

1480 The people who were first, the big batch of people first going into employment was in January 2013 and they were the people that had gone into the system in February and subsequently, but quite a lot of them were completing the 11 months, which is where we started in February, so they completed the 11 months. Those are the bulk of the people that I spoke to. By January, all those were out of the system and working.

1485 Subsequently, what happened was that during the course of the year, some of the people that started coming in were no longer on an 11-month cycle; some people were on eight months, some people were on seven months.

1490 By the end of the year, given the fact that we have had a huge increase in the numbers of employers signing an expression of interest to take on trainees, on the one hand, and people coming in to be available as trainees and showing an interest in the areas of employment that were available... Remember that I have explained before, this is essentially demand led, so it is not a question that somebody says, 'Well look, I would like to be a cook' and we then say to him, 'Well look, we will try and find you a job as a cook.' What happens is that if somebody says, 'I want a cook', we then look in the unemployment list, we interview people – when I say 'we', I mean the people that are employed in the service, clearly not me – but they then try to identify who finds the idea of training as a cook attractive. We then supply potential cooks to an employer. The employer then selects the one that makes the best impression in the interview.

1495 In that cycle of events, the reality of it is that my role with the trainees is now very limited, because in fact the system has now, I think, matured to the point where there are many employers who are making return trips, as it were, because they are very happy with the result that they have obtained. Therefore, from the perspective of the difficulty that was supposed to exist in persuading people to work in the private sector, we seem to have been able to make inroads in that area, and employers who previously seemed to have difficulty in being persuaded – I told the Member before that when we first encountered what was there under the VTS, some of the reaction of the employers were saying, 'Well look, I am being helpful, I am being public spirited in taking somebody on', as if it was a burden to take young people on – that is no longer the case. We have got something like 300 employers signed up and we have got the bulk of the trainees that are coming in are coming in for three months.

1500 So, in that context, the opportunity for meeting what is a churn of people, who in the majority of cases are not there for more than three months, is not as relevant as it was initially, but I can assure the hon. Member that nothing would give more pleasure than to have been able to have met them regularly every three months. It is just that it did not fit in with what was happening and I had difficulty in finding the time to do it.

1510 **Hon. D J Bossino:** Mr Speaker, just to point out that, actually, it is interesting how the reality of the hon. Member's scheme on this side of the House is completely different to the way he is actually describing it! Completely different: it is all very rosy, it seems, from that side of the House and quite a different matter on this side of the House.

1515 But, Mr Speaker, is the Hon. Minister actually saying that those who... I have gone through all the *Hansards* and his explanations he has given to the Hon. the Leader of the Opposition when he had this role, that... if I recall it was in February 2012 when the system, the scheme started and what he did then was to transpose, if you like, those in the old GSD VTS scheme into the new GSLP FJS scheme. Presumably it was those bulk of people that he met on that day at the Ince's Hall.

1520 Is the Hon. Minister saying that all those – I think it was about 80-odd number, if I seem to recall? (*Interjection*) Oh, 300 – I am getting confused with another lot I think – that those 300-odd have actually now been employed and were all employed at the end of their 11-month stint? So in other words, they would have been employed by January 2013. I think that is what he said, I just wanted his confirmation

that is indeed what he is saying. So therefore, beyond January 2013, you would have had new people coming onto the scheme.

1525 **Hon. J J Bossano:** What I have said, and I have explained in the answers to the previous questions, if he has looked at it, is in fact that the ones that we are having still in the scheme... I think we have got about 83 left now of the old VTS; they go down every month, they are still employing people from the old VTS. But they were the most difficult ones, for the reasons that I have explained to him, because they were not people who were pre-selected by the prospective employer.

1530 You see, if you give an employer the choice of 10 teenagers and that employer picks one, then there is a greater probability that the employer will retain that one. But if you pick one out of 10 and you send him somewhere and the employer thinks that he is accepting the person that you sent, not because he has made an analysis or a judgement of their aptitude for the work that he needs done, but because he is being public spirited and helping the Government out, then the likelihood of that person being retained is less. It is not the fault of either party; it is the fault of the criteria that were in existence then.

1535 The point that I am making to him is in fact that in the new system, that is not happening and certainly not happening to the same degree. One of the things that I told the hon. Member was that something like 95% of the employers kept the people, when we had the numbers that I gave in January, which was 101 taken on, have increased very substantially since, the position then was that the hon. Member, the now
1540 Leader of the Opposition said that 101 was the same number as there had been previously when he and Mr Montiel did an exercise. Well look, as I pointed out to him at the time, this is not 101 out of 300 that are finished now and therefore one third; this is 101 that are finished now. This is almost 100% of the guys that are finished now, in January. So if in January, there were employers which had 105 trainees finishing at the end of December, out of the 105, they retained 101 and they did not retain four.

1545 The experience that we have had has been where we have actually been placing people by moving them from one place to the other, which was what we had to do with the first group of people and of those, we still have 83. Some of the people that we have in the Government are precisely people that we have kept in the Government at one stage, during 2012, because when it looked...

1550 Obviously one of the things that we did initially after February was to try to persuade the employers that had them under the VTS to employ them, even though there was no commitment. We succeeded with some and we failed with others. Eventually, when it looked as if we were not going to have any success with somebody, the decision was taken, well look, if we are paying somebody £1,000 a month in order to be in somebody's business, where the businessman is saying, 'I do not need this person and I have no intention of keeping him', we might as well have him doing something useful for the public sector.

1555 Then a lot of those people were shifted into the public sector simply because we were paying their wages, we committed ourselves initially in February not to terminating their employment, at the end of the VTS, but to retain them and therefore that number is now down to about 83, and declining every month.

1560 So that is the scenario. It may not be their perception, but it is the reality because I am not talking about perception; I am talking about numbers, names and addresses.

Hon. D J Bossino: Yes, Mr Speaker, let me just try and get this. It is the 83 who were in the old VTS scheme who were not accepted by their employers at the time, for the reasons he has just explained. Those are the ones who are in the public sector, right, waiting – he has stated in this House and in the past
1565 that the ideal scenario is to find them a job in the private sector, although they can of course compete for jobs in the public sector as well, but I think, judging by his answers, he is more interested in having them in the private sector as opposed to the public sector.

But just to follow on from my previous supplementary, these are the 80-odd whom he has been unable to find permanent employment from the February 2012 contingent. Is that the correct analysis?

1570 **Hon. J J Bossano:** Yes that is the position and of course it is 83 as we speak today. It is declining but it is not declining at the same rate as the people that we have got in training, which have been selected by the employers where there is a commitment and were if they do not employ them, they get a bill, obviously.

1575 In these cases, if I place them with somebody tomorrow, or if I had left them where they were, we had no recourse because there was no obligation on the part of the employer, which was a signed agreement saying, 'I accept that at the end of the training...' – unless there have been some cases of misconduct leading to termination. I have given those figures before. The figures have not increased, it is a very, very small percentage. Well, four at one stage. I think the total for the whole of the year was something like
1580 20.

Hon. D J Bossino: Mr Speaker, I move on to the next question which he answered in the bunched-up answers he has given and that relates to Question No. 478.

1585 Does the Hon. Minister appreciate what I am trying to do in Question No. 478. I know it is a very lengthy question, but really the aim is simply to have, after having studied the matter in quite a lot of detail, I think what this question aims to do, perhaps unsuccessfully, but really what it aims to do is to have a snapshot of where things are at the moment. How many trainees are there, where they are, ideally – I know he has stated in the past that he refuses, unless he has got the consent of the private employer, to provide that information. We have a different view: I think that information ought to be provided and would make our life a lot easier to have that particular transparency from the Government, in relation to that point. But I put that point in the question.

1590 But does he appreciate what I am trying to do here? In that context, does he not agree with me that on both occasions when I have asked him the question in exactly the same terms, he has really failed, with all due respect, to provide me with a full answer?

1595 I can take him, if he wishes me to, to the answer that he gave me – I *think* it was in relation... because what he does not do, Mr Speaker, is split his answers so I can identify which particular question he is answering, so I can only assume that I am interpreting the answer correctly in that regard. But I think in relation to the same question which I put, all that the Hon. the Minister answered was that the overall number of trainees at the end of March 2013 was, and then he gave lists of private sector and public sector. I have not been to take full notes, but I think his answer in relation to the question as posed today is slightly different. But on both occasions, I think they are both justifiably subject to the criticism that they do not provide full answers to the question.

1600
1605 **Hon. J J Bossano:** Well, Mr Speaker, I am sure you will agree with me that there is a long history in this Parliament and in the previous House of Assembly and in the Legislative Council of Oppositions always thinking that the answer they get is not the answer they would like to get. I think that will continue into eternity.

1610 Be that as it may, he has put the same question and I am giving him the same answer. He did not like the answer the last time and he does not like the answer this time. I am not surprised he does not like it, but it is the answer he is going to get.

1615 **Hon. D A Feetham:** Mr Speaker, without the information of course we then, perhaps... the Hon. the Minister will say that we jump to conclusions. But the problem that we have, for example – let me just give you an example of the problem that we face with the lack of information that he is providing – in the construction sector, for example, there has been a decrease in employment in the construction sector by 1,400-odd people. So employment has gone down, but the number of companies incorporated in the construction sector in that same period has increased by over 100. So there are over 100 construction companies now, new companies, but the number of jobs in the construction sector has actually decreased by 1,400.

1620 So one of the things that we would obviously like to know is whether these construction companies that have been incorporated are companies that are being fed, if I can put it that way, with Future Job Strategy trainees. Without providing us with the detailed information, we cannot obviously make that assessment and make that analysis.

1625 **Hon. J J Bossano:** Well, Mr Speaker, it is true that the employment survey shows that the number of construction workers has gone down to the more realistic 2,000, which is the normal level of construction workers in Gibraltar, from the 3,400 that there were in 2011, when there was the election construction boom, as is pointed out in the analysis made by the statistician.

1630 But of course, although the total number is down, the number of Gibraltarians in the industry is up, and some of the people in that industry that have been in that industry for a very long time have now formed companies, and therefore those people are now employing trainees and retaining them – *training them and retaining them* and employing them permanently. That is clearly what we want to do: we want to give people who have been in the industry the opportunity of having a small business of their own and they employ local people and they train them.

1635 So the purpose of the exercise is indeed to give an opportunity for our people to acquire skills so that we are less reliant on having to import labour from outside. I would have thought that was something that they would want to see happening.

1640 **Hon. D A Feetham:** Mr Speaker, that is a helpful answer. I am very grateful to the Hon. the Minister for Employment. Effectively, what he is really saying is he is confirming that, although there is a decrease in the number of construction employees, what he is saying is, but at the same time, yes there is this increase in the number of companies in the construction sector which are start-up companies, and those start-up companies are being assisted with, effectively, subsidised labour through the Job Strategy, but it is a two-way assistance.

1645 In other words, you are subsidising their labour for a period of time but at the same time the Government is getting the training for these individuals. That is the correct analysis, is it not?

1650 **Hon. J J Bossano:** As the hon. Member knows, the training on the job is not the ending of the story; it is at the beginning of the story. The whole idea is first of all we have got people in the industry. For example, I think we have about 10 recently that we were able to get qualified at NVQ level, because in fact there are people who had never gone through any formal system, but there is in the United Kingdom a provision in the system of NVQ that you can give people a fast track, using the experience that they have got in the industry where they can produce work which can then be independently assessed, and it enables them to obtain... So we have got people, for example, who might have been working as skilled labourers and are now working as craftsmen and, effectively, because they did not have any papers to prove their knowledge, they were being underpaid, really. There are more people in that category that we hope to be able to assist, so that we produce the craftsmen in a shorter timescale.

1660 In addition to that, we have got, as I have said, the target date of September, to start putting people who then will be released from their workplaces in order to be able to attend the training for City and Guilds NVQ Level 1, and therefore, the opportunity that we have got at the moment with Gibraltar small employers is something that, frankly, we did not have before. In some of these cases, what we have found was that the Gibraltarian... It is something I used to say from the Opposition, frankly, which Members then on this side did not want to accept, and that there were people on building sites that, when they were sent by the ETB to work in some of these places, they felt that they were the outside workers, because there was one Gibraltarian and almost the United Nations in the rest of the workforce.

1665 In most of the start-up companies, it is almost 100% Gibraltarian and we have got Gibraltarian craftsmen who are helping young people and a transfer of skills from one generation to the other, which is something that I believe very strongly should have been happening all along.

1670 **Hon. D J Bossino:** Mr Speaker, is the Hon. the Minister saying that the increase in construction companies – and the statistics are there on the Government website – they are all accounted for by start-up companies? Is that what he is saying?

I saw him nodding but he did not formally reply to my hon. Friend, in relation to the point that he made.

1675 **Hon. D A Feetham:** And Mr Speaker...

Hon. J J Bossano: No. I am not saying that, no. The start-up companies are no more than a dozen.

1680 **Hon. D J Bossino:** That is right.

Hon. J J Bossano: That is all there is.

A Member: No more than a dozen.

1685 **Hon. D J Bossino:** Exactly. Just so we understand the figures, the increase in the number of construction companies set-ups, as at 10th January 2013 information, which is available online, I think it is the increase from... I cannot remember, I think it is March or May 2011 to December 2012 is in excess of 100 new companies, construction companies having set up. Therefore this is why I asked the question: is he saying that there are in excess of 100 companies participating in the nurture schemes? The Hon. Minister has confirmed that that is not the case.

1690 But does he have any comment to make in relation to the figure that I have just given him, which I am sure he is aware of, which is the in excess of 100 construction companies having been registered since March 2011 with, I think, the greatest increase having occurred during the hon. Member's most recent term in office?

1695 **Hon. J J Bossano:** Well, I can tell the hon. Member, there has not been an increase of 100 in the list of approved Government contractors. That I can tell him for certain. Unless they are included in that list, the training programmes are predominantly with people who are on the approved Government list.

1700 There may be many other companies setting up where their only involvement is that they register with the Employment as an employer and they get a trade licence, but the registration would not be reflected here in the employment survey, unless they had taken on labour, and all I can tell him is that the information that I have in the Department, apart from the survey results, is that the number of construction companies in terms of registration with us has not increased to anything like that degree.

1705 But this is the response. The survey response is not the fact that there are more or less people in existence; what it reflects is the number of people that have answered the survey results.

Hon. D J Bossino: Mr Speaker, just going back to, I think one of his initial replies to the supplementary that I put in relation to the failure, in my view, to provide a full answer to the question. If I can just home in on some of the particulars of the question that I asked.

1710 For example, I am not sure whether he has answered this question which is, which FJS company the trainees are employed by? In other words, what I am interested in is the trainees are employed by one of the companies that the hon. Member has set up. The first one was ETCL and then there was the sheltered training and then there was the graduate company and I think there is another one, which he confirmed on the last occasion. For example, that is information, just so that I can slot numbers in, that I would want to have, and I am surprised that the hon. Member is quite blatantly saying no, I will refuse to answer that question. I simply do not understand why.

1715 Then the final particular is what the duration of their contracts are, and how many of these trainees have guaranteed jobs. That was again information that one ought to be entitled to and I simply do not understand why it is that the Hon. Minister chooses to answer some bits of the question, but refuses to answer other bits of the question.

1720 **Hon. J J Bossano:** Well, Mr Speaker, unless the hon. Member is not familiar with the system that operates here and in other parliaments, saying no to something is answering it, even though it may not be the answer the hon. Member wants.

1725 The fact is that I have answered the question, like I have answered it on every previous occasion, and it is the way I intend to answer it on every future occasion. The fact that he does not like the way I answer it, does not mean that I am going to change the way I answer it.

1730 The reality of it is if I tell him every single... I have told him today, that a trainee is sent to a training placement on the basis that the training provider guarantees a job. Then he says to me 'how many?' Well look, all of them, because if there is no guarantee at the beginning, we do not send the guy. It is as simple as that!

We send people because there are jobs advertised in the Employment Service, the jobs exist. We send people to be trained to fill real jobs. That is why this is succeeding and the previous system failed. Because the previous system was on the premise that giving people training gave them a better opportunity to get employment, and that is how it was explained to me when I was on that side.

1735 Mr Montiel used to say, 'Well, it does not matter if they finish one course and they do another. If they do 20 courses, they have got a better chance of getting a job than if they do not do any.' Well, that is assuming that the employers in the private sector are willing to take on Gibraltarians, which they seem to have been very reluctant to take on, because they keep on taking on outsiders.

1740 The position now is that the employers that are co-operating with the Employment Service are employers that are committed to retain the trainee and if the commitment does not exist, the trainee is not recruited.

So the system starts not from the premise that I am training somebody in the hope that somebody will employ that person, but that I am training somebody to fill a job which somebody requires filled.

1745 Therefore, that is how the system works and that is how it has been working increasingly better throughout the period that it has been in existence. As I have told the hon. Member, there were 101 up to January 2013 and there has been an increase in people employed every month as they have terminated their training.

1750 The information that I have given in answer to previous questions shows this progression. All he needs to do is to go back and look at the figures.

Hon. D J Bossino: But yet Mr Speaker, he refuses to... For example, he has homed in on one of the particulars that I have highlighted, but he has not dealt with the other one, which is which Future Job Strategy company these trainees are employed by.

1755 But just to tax him further on the answer he has just given me: is it absolutely correct, and maybe I have misunderstood the way the system works, because he has already, in fact this same afternoon, informed the House— I think I quote him correctly — that potential employers of a placed trainee have a period of about one month to decide whether to take them on or not. Now, from day one of that month, can the Hon. Minister advise whether that trainee is employed and goes into the system as an FJS trainee? Because if that is the case, then he will not have guaranteed employment by the private employer, because he has got a month in which to decide whether to give him the employment or not.

1760 Just so I understand the position.

1765 **Hon. J J Bossano:** Well, Mr Speaker, if he looks at the answers that I have been giving in the past, he will see that I have identified the numbers who fail to meet the requirement of the probation period of the first month. Those people, if they fail the requirement, I think from memory, there is no more than half a dozen of them, in that category, then of course they become unemployed at the end of the first month, like they would in any other normal job.

1770 So the guarantee kicks in at the end of the first month, not on the first day or the first hour. There are people who do not last the first 24 hours.

Hon. D J Bossino: And presumably these individuals do not form part of the system, they are not employed by one of the FJS companies.

1775 **Hon. J J Bossano:** When the trainee is taken on in the first month, of course, he is told that he is being taken on on probation for one month. If there are in some cases individuals who then come back and say, 'This is not for me', and they go back on the unemployment list, and there are individuals who think it is for them but the employer says, 'Look, you are not really what I am looking for', and therefore, they have gone back... there are very, very few, and I have given those numbers before when I have been asked about it.

1780 But those few then go back to the unemployment list, but of course, they get the same opportunity to go into the system as everybody else on the unemployment list in respect of other jobs. Clearly, we then, with those individuals, we try and see if there is another area of employment that they may be better equipped for, or more likely to be successful in.

1785 For example, if somebody is sent to a construction company and says, 'I do not want to work in construction', we do not keep on sending him to more construction companies, logically. So the answer is, it is after their first month, and when there is confirmation by the employer that the person is satisfactory, that the agreement between the business partnership agreement then goes live. If at the end of the three-month training period or the six-month training period or whatever it may be, the bulk of them being three months, the employer then comes back and says, 'He is now not suitable', even though

1790 he said he was suitable in the first month, then he gives us back the money for the three months.

Hon. D J Bossino: Mr Speaker, in relation to Question 480, I have asked the hon. Member to advise who the managers in fact are. Is he in a position to give me names?

1795 I will explain why I am asking the question. He has explained, when the question was put to the Hon. Minister in relation to Joanna Hernandez whether she was employed in his Department, I think the answer was yes, and the explanation that he gave is that he was duty bound to do so, pursuant to an order of the Industrial Tribunal – yes, an order of the Chairman of the Industrial Tribunal, which ordered that there should be re-engagement by, in this case, an associated employer, because she clearly did not go to her previous employer.

1800 Now, the news that I am getting, Mr Speaker, is that this lady in fact is the one that has probably most of the managerial duties in relation to at least one, if not all of the FJS companies, and is the one who is calling the shots. What I wanted to understand is whether she has been given like for like, in terms of the employment which she enjoyed at the Dr Giraldi Home and the employment which she now seems to be enjoying at the ETB.

1805

Hon. J J Bossano: Well, first, in case the hon. Member is labouring under some misapprehension, it is not that the Government has offered her employment with any reluctance and forced by the Tribunal. It is that the Tribunal made a recommendation, which the previous Government rejected, and which we criticised the previous Government for rejecting, and the recommendation of the Tribunal, given that the Government of Gibraltar at the time allegedly terminated her employment for not having the capability of being a manager and then failed to produce any evidence to support that contention, therefore it follows that if she was a manager in the Social Services and the Tribunal said that clearly there had been no evidence produced to demonstrate that she was incapable of doing the job of a manager and that was the reason for her termination that was given, that she should be re-employed as a manager. She has been re-employed as a manager in the Employment Service, she manages the group of companies. But I do not think the hon. Member is entitled to be told the names of civil servants who are doing different jobs in the service.

1810

1815

The fact that the GSD seems to have a particular fixation with one particular civil servant does not mean that they are entitled to come here and ask me to produce the names of the managers of the companies, and I am not going to give it to them.

1820

Hon. D J Bossino: I explained to him what the main purpose of my question was, and he has confirmed that Miss Joanna Hernandez is in fact the manager of the group of companies is his answer, so that is fine.

1825

In relation to the managers themselves, whoever they may be, can he give me a precise... the role which these individuals play in relation to each of these companies. What is it that they do?

Hon. J J Bossano: Well, what they do is they sign the contracts of employment when the trainees are taken on; they sign the terminations of employment when they complete their training; they are involved

1830 in managing the responsibilities that the companies have as employers during the training period in terms of sick leave, annual leave or anything else or any problems that an individual may have.

1835 If one of those trainees has a problem somewhere and they need help or advice, they come, because you see during the training period their placement provider is not the employer, so the training company still has a responsibility for the welfare of the trainee, and therefore if a trainee has any kind of problem, they come back to the manager, and ask to see the manager, and explain to the manager. We have got different people in the different companies doing the job, assisted by the group of graduates that are in the system in the graduate company.

1840 So the graduate company, apart from those that are doing work in other Departments connected with the work in those Departments, are engaged in the research of the labour market analysis and the skills analysis that we are doing, and in the provision of jobs for people by getting involved in interviewing people, in making an assessment of how they can be fitted into the jobs that come up, and there is a team of graduates that are doing this from the graduate company, and one of them as a manager managing the rest, but they are really all getting the same pay. The managers are either civil service or GTC, and they all work as a team.

1845 **Hon. D J Bossino:** Mr Speaker, so is the Minister saying that the match between skills required and demanded and skills provided is done exclusively by the graduate employment company and the managers employed therein? Is that what the Minister is saying?

1850 **Hon. J J Bossano:** What I am saying is that there is a team of six graduates that provide advice and help to the people that are being sent to the employers. We have got a team that contacts the employers about the vacancies, calls the unemployed person in and monitors the process. Therefore we have got a system of monitoring the movement of people from unemployment into training, and from employment into permanent jobs, at the end of process.

1855 This is a constant process and therefore within what we are doing we keep on introducing changes to make the system more effective in the light of experience, so the system is improving as we go along. Because we started from scratch with no preconceived idea of how it would work and we have been adapting as we go along, so we have now effectively got different people specialising in different areas, so somebody will deal with administrative vacancies and people that want to be trained in administration, somebody with a background from the training centre is involved in assessing the people that want to work in the construction industry and therefore the different individuals make use of their own background and experience in providing the help to the unemployed, which is what is producing the success rate that we are having in increasing the number of people in jobs.

1865 **Hon. D J Bossino:** Mr Speaker, in relation to I think it is Question 481, which dealt with trainee carers. I asked whether they obtained any qualification and we had the reply from the Minister, I recall an exchange which the Hon. Minister had with the Leader of the Opposition, at the time Member responsible for employment, where he said that he was, in effect, going to replace the Spanish employees as carers, on the basis that – I think he has also repeated the point in the House this afternoon – that the Gibraltar resident applicants were at a disadvantage, because they did not have either the required, I think it was two GCSEs or the experience because they could not get the experience in Gibraltar and the Spanish ladies could in La Línea or beyond. He was very confident, as he normally is with his statements, that he would start replacing the Spanish contingent with the Gibraltar contingent.

1870 The point I make is, Mr Speaker, is there, at any point in time, a possibility that a Gibraltar applicant or a Gibraltar trainee fails, for whatever reason, his or her training? He was very confident that if you start and you finish, that will be it, you will get the job, and then statistically he will be able to show that there are more Gibaltarians than there are Spaniards, and more jobs, as he would put it, for our people.

1875 Is it not within the realms of possibility and therefore, in that context, what vetting procedure is there? Which body is assessing whether an individual is sufficiently qualified, and I use the term loosely, having completed the training period, to be taking care of our, in this case, elderly citizens? That is a question which I had in my mind, I remember at the time of the exchange, and now I have the opportunity of asking the hon. Member.

1880 **Hon. J J Bossano:** Well, he did not have to wait until now to ask me; he had the opportunity before. Unless they veto who can ask questions on that side of the House!

1885 I have to tell him, Mr Speaker, that in written answer to Question W42/2012 details were provided to Members opposite of the nature of the training that was being provided. The training is being provided by the people in the system who are themselves people with a lot of experience previously. But, of course, anybody that is sent to the Care Agency as a trainee is subject to the same first month probation as the people who are sent to the private sector, and the assessment is made.

1890

1895 As regards the vetting, the people in Gibraltar all get vetted; the people from outside do not all get vetted. The people from the outside can be serial killers somewhere else and we do not find out about it until after we find out that they were working in a place in Gibraltar, going into everybody's home, and it turns out that they have Al-Qaeda links, as we saw recently. So he should not be too concerned about the adequacy of the vetting because the vetting here is one that works against the Gibraltarian, as happens in other cases.

1900 And of course, as the hon. Member has said, it means more jobs for our people, which is my phrase, and I hope that does not mean that he does not think they are his people as well, because they are as much his as they are mine! (**Hon. D J Bossino:** Of course.)

1905 In answer to Question W185, there was a very detailed list of the in-house training provided to the Opposition. I am not sure there is a need for me to repeat it, but there were two pages of what was being provided in terms of training. As was stated by the Minister for the Care Agency at the time, she said they learn skills by shadowing more experienced care workers, union managers, social workers, psychologists, qualified nurses, activity co-ordinators, teachers and physiotherapists, which it is sure is more than was being provided by our neighbour to the ones that were recruited before, with the simple letter saying they had been previously engaged in an elderly person's home.

1910 So certainly the feedback that I have had from the people that have been taken on already, I think we have had about something of the order of 33 care workers, now in permanent employment in the home, where before it used to be the case that the Gibraltarians did not want to work there – that was the excuse before. Now we have discovered that they do want to work and already 33 of them have completed six months of training and have been taken on and are working permanently, and the management is very happy with their performance.

1915 At the end of the day, I am only the supplier of the labour. I have had no complaints from my customers, the employers, either in the Care Agency or anywhere else, but there is still a one-month probation. That is standard everywhere.

1920 **Hon. D J Bossino:** Mr Speaker, this is a point that I really do need to raise. He says that, and he has mentioned it twice, that there is a one month probation, but of course it could possibly be, and this again is within the realms of possibility, that within the duration of the training period and I do not exactly recall now how long it is. I think it is (**A Member:** Six months.) about six months. It is possible in the second, third, fourth, fifth month the person, for whatever reason – something that the training provider witnesses – is not suitable. Now, in those circumstances, would it not be wholly wrong, and in my view inconceivable, that a trainee in those circumstances should be guaranteed an employment? That is what the hon. Member has said, as recently as last month, which is that the trainee carers after the completion of their training period are guaranteed employment.

1925 What I am saying is that in the third or fourth month, it may be found that that particular individual, even though he or she is Gibraltarian – that is not sufficient qualification – may just not be qualified to take on that role. I think it is a potentially very dangerous situation to allow our vulnerable adults in a situation where they should not be in in the first place.

1930 **A Member:** [*Inaudible*].

1935 **Hon. J J Bossano:** Well, given the fact that until now the people who were coming in only came in with a letter saying they had previously worked in a home, were not given any training, and nothing was expected of them more than that, I do not see how the hon. Member is now so concerned compared to what was there before.

1940 The reality of it is that it is a big advantage to be in a small place like Gibraltar where you know everybody, and not have to deal with people that you have never met before in your life and you know nothing about them.

1945 If the people in the management of the homes tell me that they are very happy with the quality of the people that they are getting and with their performance, then I do not see why he should be having sleepless nights over it, but certainly I am satisfied that the professionals that are telling me they are happy with the quality of the people that they are getting – which they select... This is not the VTS where people were sent to the home, because they were told to go there.

1950 The hon. Member seems to forget that in the old VTS, we had people in the Care Agency, we had people in Government Departments, we had people who were school secretaries, and they were people that were there because they were sent there; they were not just sent to the private sector. There was no selection from the recipient. It was the Employment Service that sent people.

The position now is that when the Care Agency says, 'We need more people' – because there is a movement of people, people leave the service, people retire – when they need more people, they are planning for the retirements that take place in six months or a year's time, and what do they do? They say 'Can we have some of the people who are unemployed?'

1955 We then say to people on the unemployment list, the employment officers and the people in the companies that interview these people saying to them, ‘Well look, there is this opportunity; this is what the job consists of. Do you think that that is the kind of work that you are interested in doing?’

1960 Of the people that we select, some of whom may have GCSEs and some may not, they get sent and they are interviewed by the Care Agency, who then decide who they want out of the ones that we have sent. We may send 20 and they may pick six. Of the six that they pick, they then have a month to try them out and then, after all that, which is infinitely more selectivity than there was before when people just came in, they were glad, because it was a single route. There were no Gibraltarians being taken on, because most of the people with two GCEs, given the choice of working as a carer or working as a clerk, would choose to be a clerk, because of the huge difference in pay.

1965 So what happens? We have a situation where we finish up with practically all the care workers in the last 15 years being non-resident, coming in from outside. And the hon. Member now is worried about the quality of the Gibraltarians! Well, I can tell him that we have got no worries about the Gibraltarian quality in the people that have been recruited, and we have no concerns about the care and the love and affection that they show for the people that are in care. Every report that we are getting is that they are doing a fantastic job.

1970 **Hon. D A Feetham:** Mr Speaker.

Mr Speaker: I am going to allow the Hon. the Leader of the Opposition, but there is something I want to make clear.

1975 With respect to training carers, I have no doubt – because this is a matter that I am able to follow much more closely than other matters which have been the subject of questions – we are beginning now to cover ground that has been covered in recent months. We are now, hon. Members – I realise the Hon. the Minister gives a lot of details, he gives a lot of information and this obviously makes it much easier for the Opposition to ask supplementaries, and I am quite happy to allow that. But we are really covering the same ground, because the same questions practically are being asked, that we are asked by the Hon. the Leader of the Opposition and the Hon. Minister is giving practically the same answer with respect to the ones that have come from across the border as compared to Gibraltarians.

1985 So I am going to allow the Leader of the Opposition, but I think we have to bring this particular issue to a close, because it is not allowed under Standing Orders to cover the same ground that has been recently the subject of exchanges.

1990 **Hon. D A Feetham:** Of course, Mr Speaker, but can I ask the Hon. the Minister for Employment: on our side, of course we want more Gibraltarians working not only in the Care Agency, but everywhere else in Gibraltar. That is not the point that the hon. my colleague was making, nor was it the question that he was asking.

1995 What he was asking was, well surely, you cannot possibly say that you are guaranteeing even Gibraltarians a job after that one-month period, when that individual may, for whatever reason, not be suitable for the job. Of course, you have not got a situation up to now, but you may get a situation in the future, where management turns round to you and says, ‘This particular individual after four months, we do not think that he is particularly suitable.’ That is the point that he is making: how can you guarantee a job in that kind of situation?

2000 Now presumably, I think that the answer is, ‘No, actually you misinterpreted, you cannot guarantee a job in that kind of situation’, and presumably what would happen is that that person would be sent back to the unemployment list, if that is where they have come from, or if they have come from another part of the public service, because they are VTS originated from December 2011, they would be placed in another Government Department because the commitment of the Government is not to effectively ‘sack’ that individual.

2005 **Hon. J J Bossano:** Well, Mr Speaker, I do not think that was the nature of the way the question was put, because if the hon. Member is saying that they are very glad that this is happening and they are very glad there are so many Gibraltarians now working in the system, and they are very glad that I am able to report that the managers are delighted, then how can he be worried about the care of the people?

2010 He needs to be worried, if I tell him we have now reached a situation where the managers do not want to keep them, but I am forcing them to stay there because of the guarantee. I am saying the people with the experience in the system, when they select the people that they have selected...

2015 We have no record of any of the people that came across the border in the last 15 years ever not having been found suitable, so what is genetically wrong with our people that there is a higher risk of failure?

Hon. D J Bossino: No supplementaries, Mr Speaker.

Mr Speaker: No further? (*Interjections*) No, no, on the question of carers? Okay, the hon. Member has another Question 482, and I think he has not asked any supplementaries – (**A Member:** Mr Speaker.) Sorry.

2020 He has not asked any supplementaries arising from Question 482, I am quite happy to allow him even if we have to be another hour, provided they are pertinent.

Hon. D J Bossino: Mr Speaker, that is what I meant by ‘no supplementaries’ – no supplementaries to Question 481/2013. (**A Member:** Ah!) Ah!

2025 Mr Speaker, moving on, Question 482: this related to the new apprenticeship schemes, in order to assist the Hon. the Minister. I know that he is not committed to provide an answer in relation to this on what the new scheme is until – and I quote him, in *Hansard* he says ‘at least September’. (**Hon. J J Bossano:** Not later.) Well, I think he said ‘at least’ – that is the note I have taken.

2030 But can he at least give me an idea of... In fact yes, Mr Speaker, I am quoting from *Hansard*: he had said ‘at least in September’. I like to do my research thoroughly.

Mr Speaker, can he at least give us an idea where matters lie and can he give us an indication as to what the nature of the change in thinking is, so he can give us some pointers, other than what he has already given to this House, but something a bit more specific? Is he able to do so now, given that we have moved on since I last asked the question?

2035 **Hon. J J Bossano:** Well, Mr Speaker, no. The position is, as I have said before, that September is the target date. I have already explained that the initial group that we want to assist other people that can use acquired experience and have therefore got skills and are in the industry, and the people that are coming new into the industry, what we are using is the methodology that enables, in particular, the group that we are devoting most attention to, the area where, under the existing system, we were producing one year – taking up one year of the Training Centre to produce level 1 in tiling, one year to produce level 1 in masonry and one year to produce level 1 in plastering. There are basic construction skills courses that produce a level 1 in all three, because what the industry says that they want is people who are all-rounders, and not people who say, ‘I am a tiler and I am only here to put tiles’. Therefore there has been a problem between the output of the tilers and the bricklayers because in fact much of the work that is the permanent work of the industry is maintenance; it is not new construction.

2040 New construction comes in bursts, maintenance is there all the year round, and when you are doing maintenance, if you have somebody that is exclusively trained in one segment of the work trades, then the local construction companies are not interested in that, so they employ people who come in and say, ‘I am a mason and I can do all three things.’

2045 We are looking to produce level 1 multi-skills that will produce somebody that has got the skills of a mason, which covers tiling, plastering and brickwork. That is the area that is being given priority at the moment, because it is the area where, from the skills analysis that we have done on the industry, we are least well represented by Gibraltarian and other resident workers. Most of those that are skilled masons, that did the traditional apprenticeships, where somebody went with a mason and learnt side by side from an older and very skilled person, those people themselves now are in their 50s – and there are plenty of them around still left, fortunately, for us to be able to say, ‘We need to be using those skills, to have them transferred to new entrants into the industry and not get lost.’

2050 That is at the stage that we are. We are identifying the areas that are the priority and the areas that we are going to be focusing on in September.

2060 **Hon. D A Feetham:** Mr Speaker, how does he make the...? I quite understand that he may say we need more generalists in the system, and this is fine, and anything that improves the skill sets of people would find the support of certainly this side of the House.

2065 But of course, if you look at the people who were coming out of the Construction and Training Centre, not one of them went on to the unemployment list, because people were finding gainful employment after they came out with qualifications from the Construction and Training Centre, be it in masonry, or be it in carpentry, or be it in other skills, because they were employed by the construction industry, because the construction industry is always looking for people with skills. Now that is the way that...

2070 Look, I was Minister for Justice; I was not the Employment Minister, but for the last year, I did work closely with Mr Montiel and hence why I know that, for example, in relation to the VTS scheme, the success rate was about 25%, but in relation to the Construction and Training Centre, my understanding was that the success rate was very high – almost 100% in relation to employment.

2075 Now, if that is the case how does the Government just simply justify moving from that to generalist? I can understand that the Government may want to augment that with generalist, but not just simply replace it, because, quite frankly, from the answers that the hon. Gentleman has provided me in the past, in terms

of the surveys that he has conducted, I do not think that the evidence is there to suggest that really you should be replacing one with the other, rather than perhaps augmenting one with the other.

2080 **Hon. J J Bossano:** Well, Mr Speaker, the position is not as the hon. Member describes. The position is that the drop-out rate was enormous, that in fact that in some years we have been producing two or three people –

2085 **Hon D A Feetham:** Drop-out rate; *success* rate?

Hon. J J Bossano: There are two things. First of all, it is not the intention to take in 44 people and finish up with four. That is not the intention. But I can give him statistics from the past where he will see that that was happening, and then the four, I can tell him, were not being employed in the industry other than in GJBS, and I can give him lists of names.

2090 So in fact the idea that the Training Centre was successful in meeting the requirements of the industry is not true and is proven by the fact that every employment survey, if he cares to look at it retrospectively, shows declining presence of Gibraltarians in the industry, and increasing need to import workers.

2095 The numbers of people... If we had been having a Construction Training Centre for 15 years, how can he explain that in the 15 years, the numbers of the people in the industry have not even been maintained? We have not even been producing enough people to replace those who were retiring. There has been a decline in the number of Gibraltarians in construction, consistently.

2100 When I used to ask from that side, I was not given the answer that he is saying now, that people found jobs. What I was told was, by Mr Montiel – and I can probably pick the month and the year when he said it – he said to me, ‘The Gibraltarians do not want to work in the private sector. You send one to me tomorrow and I will find him a job straight away.’

2105 Well, look, if they did not want to work in the private sector, then where were they going when they came out of the Construction Training Centre? They were not going into the Building and Works – so where were they going? The answer is that the Construction Training Centre produced 20 a year in the early periods in 1996, 1997 and 1998 and then after that there has been a decline in output. I had Dr Coram doing an analysis, finding where in the workforce people had finished up, and they were not in the construction industry.

2110 So the figures that we had brought us to the conclusion that we had to find a way of getting a better return for the money that is being invested in construction training – not to get rid of the construction training but to make it more valuable in terms of producing the skills the industry wants.

2115 If the industry says, ‘I am not interested in somebody who is just a tiler and has got NVQ 2 Tiling and I can only use him for tiling’, then we stop producing a tiler; we produce somebody that can do tiling, brickwork and who will get a craft pay and who will do all three. That is what the industry wants and therefore that is the qualification that we are providing: City and Guilds, NVQ Level 2 which will be multi-skill in the work trades, and that is what people in the construction industry, employers tell me they will employ if we produce.

2120 **Hon. D A Feetham:** Mr Speaker, *patently* he is not correct in his analysis, because what he has accepted in the answer that he has given me is that of the people that came out, those were employed, and he said, well they went into GJBS – four of them went into GJBS. When we were producing 20, those were also employed.

2125 The problem that he has identified is not in the uptake by employers of trainees coming out of the Construction and Training Centre; it is the drop-out rate. Now, the drop-out rate cannot be... you cannot guarantee a decrease in the drop-out rate, simply by changing from doing specialised skills to doing generalist skills. It does not necessarily follow.

2130 If the problem is the drop-out rates, we have got to analyse why there has been a drop-out rate. It does not appear to me obvious as to why just changing the nature of the qualification is going to improve the drop-out rate.

2130 That is something that I would like to ask the Hon. the Minister for Employment: How does he say that changing the nature of the qualification improves the drop-out rate, as opposed to employer uptake? Because from the answer that he has also given me, the uptake from employers, for everybody that completed their training, is nearly 100%.

2135 **Hon. J J Bossano:** Well, Mr Speaker, given that in the last couple of years, we were producing two a year, I suppose if two people get a job, that is 100% and if one gets a job that is 50%.

But I am telling him that the evidence available to me is that... In fact, the Training Centre themselves say that part of the problem they had with the training was the lack of co-operation from the private sector in the placements, while they were in training. At the end of the day, the only way that people coming out could get a job in the construction industry was because it was in a Government-owned company, where

2140 there was a decision that they should be employed and that is where they went. Outside that, there was very little take-up.

In any event, I can tell him that many of the people that came out with the NVQ Level 2 finished up doing something else, because they could not get a job in the industry! I have got the names and we have done the analysis. If the thing had been producing the craft and skills that the industry requires, in the numbers that the industry requires, why should we want to change anything?

2145 Why should we want to change something that is doing the job for which it was intended?

Hon. D A Feetham: It was done in the past.

2150 **Hon. J J Bossano:** Well, it was not doing it in the past – this is the whole point! Because if it had been doing it in the past, Mr Speaker, then there would not have been the decline that there has been in the number of people in the construction industry.

2155 The Construction Training Centre was created in order to ensure that we could produce the workers that the industry required, in the numbers that the industry required. It has not done that, for two reasons: first, because it started off with a greater number of completions in relation to the entry than it has ultimately achieved, and there has been a decline over the period; and, secondly, because those who came out had great difficulty in finding jobs – *great* difficulty in finding jobs. Therefore they entered into another industry. Why should somebody spend time training for something, if he has got no certainty of getting a job in the thing for which he is being trained?

2160 The position that we will have is that people will be trained and we know that there will be jobs for them, at the end of it. (*Interjection*) Well, that is what I am predicting will happen and time will show whether my prediction is true or not, Mr Speaker.

Hon. D A Feetham: Mr Speaker, just one more supplementary, if I may.

2165 Mr Speaker, of course, the hon. Gentleman has to understand the scepticism from this side of the House, because in the past, when he was Chief Minister, he did close the Construction Training Centre that was then present here in Gibraltar. Therefore he has form about closing Construction and Training Centres.

2170 Mr Speaker, can he give a cast iron guarantee that that is not what is going to happen to the Construction and Training Centre here in Gibraltar, that we have in Gibraltar today?

Hon. J J Bossano: Well, Mr Speaker, first, of course, I have to correct what he has just said, as I have done on every previous occasion that he has said it. What was closed by the GSLP administration at the time, which he then supported –

2175 **Hon. D A Feetham:** I was in England.

Hon. J J Bossano: Ah, you were in England, I see! So what you told me that you had been supporting the Government, when you came back from England, that is not true? You were not supporting it when you were in England any more. Well, it is good to know that, Mr Speaker.

2180 But nevertheless, what was then happening was that we closed an outfit that existed in Landport Ditch, which we inherited, which produced training in basic labouring skills. They used to get £10 a week pocket money and they then were taken on as boy labourers. The apprenticeships in the Construction Training Centre were started by us in 1995 (*Interjections*) Whether he wants to believe it or not want to believe it... Well, he can say...

2185 **Mr Speaker:** If hon. Members want an accurate description of what actually happened of the facts, there is a former Minister for Labour who could also make a contribution. (*Laughter*)

2190 **Hon. J J Bossano:** Indeed, the Construction Training Centre was done with EU funding at the time before 1996, and the Construction Training Centre produced its best results immediately after 1996. According to some of the people there, it has been the lack of support that they had from the previous administration that accounts for the decline in the output of that Centre.

2195 But given that we are talking about the future and not the past, I am telling him that, in the future, what he will see will be an output in construction training and an increase in the employment in the construction industry of local people with local skills, meeting the requirements of our economy and our industry, and that is what will be produced.

Mr Speaker: Question 484, the Hon. Mr Netto.

2200 **A Member:** Mr Speaker, no, no...

Hon. Chief Minister: Ah, you are going to ask another supplementary? (*Laughter*)

I was going to move that the House recess for a few minutes, before we move on to the next group of questions.

2205 **Mr Speaker:** We will have a short recess.

The House recessed at 6.15 p.m. and resumed its sitting at 6.37 p.m.

2210

Procedural

2215 **Mr Speaker:** The Hon. Mr Reyes wishes to ask a supplementary arising from these previous questions and then I am going to invite the Hon. Mr Bossino. He has a supplementary arising from the last question of this batch, and then we go back to Question 479, which we had previously skipped.

2220

Future Job Strategy trainees Further supplementary questions

Mr Speaker: The Hon. Mr Reyes.

2225 **Hon. E J Reyes:** I am most grateful, Mr Speaker.

Yes, the Minister for Employment made a reference to what exists – that is, providing a fast-track route, whereby the labourer gets credited for acquired previous experience or acquired previous learning, whichever terminology one wants to use. The Minister for Employment said that he intended, or he was planning to offer that to an NVQ Level 1.

2230 Given that the full qualified craftsman status is Level 2, does it mean, Mr Speaker, that he intends to offer to Level 1 as a foundation, which in essence will lead to them being able to proceed to Level 2, so that the person actually ends up with a fully qualified craftsman status?

2235 **Hon. J J Bossano:** The reference to the Level 1 was in respect of Level 1 in a qualification which is City and Guilds, Level 1 NVQ Certificate in basic construction skills, which covers: tiling, brickwork and plastering. That is for the apprenticeships that will then go on to NVQ Level 2. The fast track will go straight to the Level 2.

2240 **Hon. E J Reyes:** Yes, thank you. I am glad to hear that, Mr Speaker, because it is necessary to attain a Level 2 to be able to be classified and therefore be paid as a qualified craftsman. Otherwise they become known by common nomenclature as ‘semi-skilled’, and we have all sorts of problems then in fitting them on to pay scales where they are neither fish nor fowl – that is neither labourers nor craftsmen.

So I wish the Minister for Employment all the best in pursuit of that route.

2245 **Hon. J J Bossano:** In fact, the potential candidates are the people who are already effectively being treated as semi-skilled labourers, as opposed to simple labourers.

Hon. D J Bossino: Mr Speaker, supplementary to Question 483, which is one of the bunched-up questions: is the Hon. Minister able to advise the House why the change of policy?

2250 As I understand it, when he started off on his explanations of how the strategy was going to work back in, I think it was, the first sitting of the House in January 2012, he said that we were going to have 11-month contracts, and I assumed that that was going to be continuing as the scheme went along.

Then there has been a reduction, a change of policy, at the end he said in his answer to the main question, at the end of 2012 and the question is why the change of policy?

2255 **Hon. J J Bossano:** For two reasons: as we expanded the scope, we were looking at jobs that did not really require a training period as long as 11 months. By having a period of three months, we are able to help more people with the same amount of money. Clearly, if we are spending £11,000 on one guy, then the amount we have got in the budget that the Parliament has approved will go so far. If we are able to have three or four months in different areas, then we can actually help more people go through the scheme and get a job, because we are able to spread the money across more people.

2260

So it is in our interest to be able to do it in the shortest period of time that we can get the employer to agree to. The employer makes a case for the period being as long as he can stretch it because he gets the trainee free.

2265 What we do now is that in fact there are a number of areas where we start always with the three months and we get a lot of employers that accept, for example... Remember that these are people who are not just school leavers; we have got people who are in their 40s and in their 50s and who are unemployed. They may have been people who have had a number of different jobs and they may, at some stage, have done the job that they are being sent to, but that has happened maybe ten years ago, or five years ago. So then, because we have got the employment history of the individual from the computer records, we can say to an employer, 'Well look, the guy was doing this kind of work five years ago, so he does not need to be spending six months learning it; he can pick up where he left off and we think, in three months, you will find that he is okay.'

2270
2275 So essentially, in moving to the three months from January, what we have done is that we have had many more people that we have been able to take on, without having to increase the amount of money that we have got approved in the estimates by the Parliament. It also means, of course, that they leave the scheme earlier, go into full-time employment and then we are able to have the opportunity of taking more people on.

2280 Those are the two reasons. One is that the experience of the first year showed that not every job required 11 months, and that therefore essentially, the person was sufficiently trained in two or three months to be able to do the job that they were being sent to do. If you have got, for example, somebody that is being sent for a vacancy of shop assistant, that has been laid off from being a shop assistant the week before, they do not need 11 months to learn to be a shop assistant, which they were doing a week ago.

2285 If you find that you are sending somebody who has never been a shop assistant, you may find that they need... In many cases, the retraining effectively requires the financial support that we give, because the level of efficiency and productivity of the individual is not the same if there is somebody who can do the job blindfold to somebody who has to be taught how to do it, which may involve inclusion in some cases, the employer arguing that, 'Look some of my existing employees have to take time off doing other work in order to teach the newcomer how to do it.'

2290 So that means, effectively, that during the three-month period – or the four-month period – we accept that having a trainee, even if they are not paying for the training, can actually mean that the employer is diverting some of his other workers to helping the trainee to learn the ropes; but until now we have had quite a lot of acceptance from many areas of employment for the three-month period and therefore the benefit of that is that we are able to stretch the amount we have got in the budget, to provide support to more people.

2300 **Hon. D J Bossino:** Mr Speaker, as I understand it, three months seems to be, in practical terms on the ground, the period of time that the Hon. Minister has identified as being the most – (*Interjection by Hon. J J Bossano*) Well, that is what I was going to ask. The three-month period then is therefore a minimum period and then there are variables beyond that. I think he just mentioned, at the tail end of that answer, that there were certain individuals who could be on four months. He gave as an example, and I would ask him to confirm that that understanding is correct. The *maximum* period of time, if I recall, his commitment to the manifesto would be three years, if I am not mistaken.

2305 So can he confirm that the period of time we are talking about is a minimum of three months to a maximum of three years, albeit with variables within that, so that I can understand the position?

Then secondly, what determines the duration of the placement? In fact, I think to be fair to the Hon. Minister, he may have answered that point in the past, and I think it is basically determined by the placement provider's needs, which are presumably discussed with the Employment Training Board.

2310 **Hon. J J Bossano:** It is not a question of a maximum of three years. If we said a maximum of three years, everybody would want three years.

2315 The minimum of three months is what we think is realistic. That is to say, if somebody says... I mean there are people who say after a month, 'Look, I will take him,' and we do not say to him, 'No, you have to have him for three months paid by us.' But there are people who after the first month are so happy with the guy that they say, 'Look, I do not really need to have him as a trainee for another two more months. His first month of probation has turned out to be so good that I want to take him on.'

2320 When we started, we made it 'up to 11 months'. Now, I would say that the bulk of the people that we are taking in are in the three-month area. Most of the people that we have got in the Care Agency are around six months. Where we go beyond that depends on the nature of the complexity of the skill that is required to be attained and the skill that the person starts with.

Clearly if you get a 15-year-old that has left school and is in his first job, there may be a requirement for a longer period than if you get a 50-year-old guy that has been working since the age of 20 and has got

2325 a lot of experience of work and has done a lot of jobs and therefore he may be able already to take on the job that he is being sent to and pick up the skills in a relatively short... So it is each individual job placement and each individual candidate is assessed by that combination, by what is required by the job, and what he already has in his CV and in his background before he takes on the training.

2330 **Inward investment into Gibraltar
Details since the Government was elected**

Clerk: Question 479, the Hon. D J Bossino.

2335 **Hon. D J Bossino:** Further to the answer given to Question 360/2013, can the Minister with responsibility for inward investment provide details of the nature and amount of the inward investment which has come to Gibraltar since the Government was elected into office?

2340 **Clerk:** Answer, the Hon. the Minister for Enterprise, Training, Employment and Health & Safety.

Minister for Enterprise, Training, Employment and Health & Safety (Hon. J J Bossano): Mr Speaker, the Department does not keep records of how much a private investor is investing at any one time, whether the new business is local or from outside, unless there has been a request from the investor for EU funding.

2345 The areas of investments since 2011 have been in telecoms, gaming, construction, manufacturing and catering.

Hon. D J Bossino: I have heard the Hon. Minister in his reply: he says that no record is kept of that, and I will bear that in mind for the future.

2350 The reason why I have asked this question... well, not the reason, but one of the investments which the Hon. the Chief Minister in fact was very proud to announce, I think in relation to questions we asked in connection with the Sunborn Hotel, where he said that that represented an investment into Gibraltar – I have my own views about that – of something to the tune of £120 million, because he said that was value of the purchase value of the vessel. I have my own views in relation to that, and I am sure the Hon. Minister for Employment has his own views in relation to that.

2355 So, I am just surprised that there is not any more information which the Hon. Minister can provide and is forthcoming.

2360 If I can go back to the answer he gave at the last sitting of the House, in relation to a similar question, where his answer was that he said some 10% of these new employers involved participants from outside Gibraltar, which in some cases amounts to 100% ownership. Now, what is the position in relation to the 90%? What does that element of the contingent, in terms of inward investment, represent?

2365 **Hon. J J Bossano:** The information that I gave the hon. Member was in relation to the number of new employers that have registered in 2012 with the Employment Service. There were 200 new entities, new start-ups in 2012 – sorry, 400 – and 40 of them were people that, from the evidence available to me...

2370 It is only when they approach the Government in terms of either somebody local bringing a partner or somebody from outside coming through a legal representative or people from accountancy firms who have meetings with me and say, 'We are interested in investing in Gibraltar, this is the area that we want to invest in and we are going to create so many jobs', in a number of those cases, as I have mentioned in my original answer today... For example, in one particular case that I can think of, which was one where the investment was substantial, we are talking about a situation where there was an investment of something of the order of a million pounds – and we know that there was an investment of a million pounds because they asked for EU funding. They were putting 70% of the money and the EU was providing 30%.

2375 So that was probably one where I can put a figure, but if there had not been 30% of EU funding that they requested in assistance, we would not have known how much money was being put.

2380 There is no information and, to my knowledge, there was not under the previous Gibinvest office, when it was under the DTI, that actually meant that people came in and actually provided detailed breakdowns of the capital that they were putting in or the investment that they were putting in.

In terms of local companies that have registered with us in the year 2012, they range over every area, from people opening shops, to people opening restaurants, to people opening construction companies. As I have mentioned, the only ones that I have got direct knowledge of are the dozen construction companies that essentially have been formed by people who were previously in the construction industry as employees, have been made redundant and were in an age of being in their late 50s – 49 to 50 – and at

2385 that age, they approached the Department on the basis of, 'We are having difficulty in getting rehired in construction, because they tend to take younger guys who clearly are seen as being potentially more productive in what is a tough job.' It is a physically demanding job in the construction industry.

2390 They are people who have got skills, so one of the things that in fact I suggested to those people who came to me was well look, have you thought of the possibility of setting up a small company yourself, that can then do subcontracting? You can then take on some trainees. You have been working in the construction industry for 30 years, the skills that you have got you could pass on to somebody else. You train them and then you keep them and you are in a position to meet the demands for subcontracting in the industry, and the demands that we have as a Government, by joining the approved list of contractors. There is about a dozen.

2395 But those people did not start with any capital, they had no capital; they were all unemployed. Most of the others were people who have been either local companies that have diversified or opened a second business, and people that have either done it in partnership with outsiders or in a few cases, people who have come in on their own.

2400 The reality of it is that there have been many, many more than the numbers that I have given of people that have come up with ideas and have had meetings with me, and have said they are very interested in doing a number of things, but then nothing has materialised. I think the hon. Member may be aware professionally that quite often there are people who come, who make all sorts of pictures of what they can achieve, what they can do and the capital they have, but when the crunch comes that they have to put the money up, it is not there. There has not been one single big or two single big investors that you could point out to.

2405 In terms of the Sunborn, the investment may not be £150 million spent in Gibraltar, but it is the availability of an asset worth £150 million, which in Gibraltar would not have been produced within a matter of months, but would have taken years, to go from getting planning permission to build a hotel for 197 beds to actually delivering the hotel.

2410 Okay, you can argue that during the construction period, there would have been a benefit to the economy; but of course, against that, you have to offset the fact that it does not open the doors until three years later, so here you have got an investment in an asset. It is the asset that is worth £150 million and that asset in itself generates employment and economic activity. That effect will not be seen until, in fact, the thing is operational. At this stage, as it is at the moment the contribution that it is making to the economy is that may be £20 million may have to be spent on the vessel, because all the internal finishing is being done in Gibdock at the moment, which is where the ship is now.

2420 **Work-related stress**
Surveys done within Government

Clerk: Question 484, the Hon. J J Netto.

2425 **Hon. J J Netto:** Mr Speaker, can the Government say if any work related surveys on stress have been conducted since 11th December 2011 and if so, could the Government provide the names of the Government Departments, Authorities, Agencies or Government owned companies where such surveys have been conducted, and provide Parliament with a copy of any such surveys carried out?

2430 **Clerk:** Answer, the Hon. the Minister for Enterprise, Training, Employment and Health & Safety.

Minister for Enterprise, Training, Employment and Health & Safety (Hon. J J Bossano): No, Mr Speaker. *(Laughter)*

2435 **Hon. J J Netto:** Mr Speaker, the reason why I asked *(Interjection)* this particular question is because last month I attended a talk by the local branch of IOSH where they had a particular specialist who came over from the UK from the Health and Safety Executive, where she provided a talk on the issues of stress at work. This is what triggered my question in the first order.

2440 Despite the fact that I take note of what the Minister has said, in relation that no such surveys have been undertaken, can I urge the Minister whether he would have a discussion not only just with his own staff in relation to the factory inspectors, but also in relation to the members of the local branch of IOSH because perhaps, at least judging from some of the comments of the people who went there, from Gibraltar, to Bleak House to listen to this talk and participate in thereafter, it may seem that there are... not necessarily I am saying throughout all the entirety of Government Departments, Authorities, Agencies and Government companies, but there are pockets in particular areas where this may be likely to be the

2445

case, and of course any such surveys that are carried out then can be put to good use in terms of addressing some management issues, to avoid having that particular scenario.

Can I urge the Minister perhaps that he take this forward with the relevant parties?

2450 **Hon. J J Bossano:** Well, I take the point that there may be pockets of Government where people may be under a lot of stress.

The only anecdotal evidence that I have of that is that I am told that there was a marked drop in the level of stress in No. 6 Convent Place on 9th December 2011. (*Laughter, interjections and banging on desks*)

2455

Clerk: Question 485.

2460

**Sunborn Hotel
Supplementary question**

Hon. D A Feetham: Mr Speaker, I have been away from Parliament, I went to the Mass for Graziella Zammit.

2465

I understand that the Hon. Minister for Employment has answered a question in relation to the Sunborn and £20 million was mentioned. Is it possible for me just simply to ask a supplementary in relation to that at all, with your indulgence. If not, I will leave it until the next time round.

2470

Mr Speaker: I will be liberal with the Leader of the Opposition and allow him to ask a question.

Hon. D A Feetham: Thank you.

Yes, Mr Speaker, in relation to the £20 million that I gather it will cost the owners of the Sunborn to have the ship effectively kitted out at Gibdock, can the Hon. the Minister for Employment confirm that there are no arrangements with Gibdock at all, so that Gibdock, in any way, shape or form, takes a view in relation to that £20 million, either in terms of the period of time that a longer period of time within which that £20 million is paid; or alternatively, in any arrangements that the Government may have entered into with Gibdock itself, that indirectly assists the owners of the Sunborn?

2475

Just to clarify that, please.

2480

Hon. J J Bossano: Let me say that the £20 million that I volunteered in information – (*Interjection*) It is a figure that I was told by the owner of the ship was likely to be the order of work that we would be getting, when we were discussing before the ship came here.

The ship was finished in Malaysia, but the actual finishing of the interior, of many of the cabins, is going to be done here, because the ship is here, and would have been done in Barcelona, if it had gone to Barcelona. What he told me at that stage was that that would generate about £20 million worth.

2485

I would not like to be held to the figure, because I do not even know whether in fact that is in fact what Gibdock has quoted for the work here or not, but I can tell him that there has been no involvement whatsoever by the Government in either negotiating with Gibdock, or negotiating with the ship owner.

2490

The source of my information was that, in looking at what the ship would bring to Gibraltar, one of the things that the owner at the time told me was that if the ship came here, the first gain to Gibraltar's economy would be that it would generate work for the shipyard in order to get it finished.

This is part of the capital costs of the vessel, but we have had nothing to do with either the shipyard or the owner in financing it, or the payment, or how it is going to be done.

2495

**Health & Safety
FJS training; reports; inspectors; convictions; accident books**

2500

Clerk: Question 485, the Hon. J J Netto.

Hon. J J Netto: Mr Speaker, further to the answer to Question No. 367/2013, can the Minister for Training and Health & Safety provide details of the Health and Safety training given to Future Job Strategy trainees by their training providers?

2505

Clerk: Answer, the Hon. the Minister for Enterprise, Training, Employment and Health & Safety.

2510 **Minister for Enterprise, Training, Employment and Health & Safety (Hon. J J Bossano):** Mr Speaker, I will answer this Question with Questions 486, 487 and 489 and 491.

Clerk: Question 486.

2515 **Hon. J J Netto:** Mr Speaker, further to the answer to Question No. 369/2013 can the Minister for Health and Safety say if the Government is planning to produce annual Health and Safety reports in the future?

Clerk: Question 487.

2520 **Hon. J J Netto:** Can the Minister for Health and Safety provide the breakdown of hours worked individually by the Factory Inspectors and the two seconded Health and Safety Advisors during the month of May 2013 in the various industry groups, plus the number of hours worked undertaking office duties?

Clerk: Question 489.

2525 **Hon. J J Netto:** Mr Speaker, will the Government consider applying the UK practice of publishing the names of the companies and individuals who have been convicted in the previous 12 months of breaking Health and Safety law, inclusive of those companies that have been served with prohibition notices and improvement notices?

2530 **Clerk:** Question 490.

2535 **Hon. J J Netto:** Mr Speaker, can the Minister for Health and Safety say how many Codes of Practice in Health and Safety have been done since 11th December 2011, and provide Parliament with copies of such?

Clerk: Question 491.

2540 **Hon. J J Netto:** Mr Speaker, can the Minister for Health and Safety say which Government Departments, Authorities, Agencies and Government-owned companies have accident books available within their premises?

Clerk: Answer, the Hon. the Minister for Enterprise, Training, Employment and Health & Safety.

2545 **Minister for Enterprise, Training, Employment and Health & Safety (Hon. J J Bossano):** Mr Speaker, training providers are not required to report to the Employment Service the nature of the Health and Safety training, if any, that they give their employees.

No decision has been taken on whether to resume the production of annual reports which, as stated in answer to Question 369, were discontinued in 2007.

2550 No, I am not prepared to provide the hon. Member with the breakdown of what work any given public officer was doing in each of his hours of work in the month of May, or in any other month for that matter.

Any entity or individual committing any offence is already publicly identified as a result and at the time of the conviction.

2555 I understand that in the UK, the Health and Safety Executive has been publishing enforcement reports since the year 2000. There are no plans to introduce this practice locally.

No new codes of practice have been introduced since 11th December 2011.

All Government Departments, Authorities, Agencies and Government-owned companies that had accident books available within their premises on 8th December 2011 continue to have them.

2560 The Government companies that have become operational since, also have them.

2565 **Hon. J J Netto:** Mr Speaker, if I may ask a supplementary question, that is to the answer given to Question 485 in relation to training by training providers: I think the Hon. Minister has said that there is no requirement for the training providers to provide or document the training being given whilst the trainees are on placement. Well, if that is the case, Mr Speaker, it may be so that there is no requirement, but I am sure that the Minister of Employment, who is also the Minister for Training and also the Minister for Health and Safety, would want to know, as a matter of policy, that the Department which he heads as a Minister would want to know what training is being provided.

So the question that I am trying to pose now in my supplementary is that while there may not be a requirement by the training providers to log and provide details, do the officials working under the

2570 Minister know what sort of training is being provided by training providers when trainees are being placed?

2575 **Hon. J J Bossano:** Well, Mr Speaker, what I am telling the hon. Member is that we do not have reports as to the Health and Safety training that an employer gives their employees. Therefore, if we send an employee to work in an office, then we have not gone to check that the employer provides health and safety to everybody in the office, but not to the trainee. It would be very odd if that was happening.

2580 So whatever training is provided to the employees, of which there is no record either since 9th December or before 9th December – that is, I have asked the inspectors who have been there for the last 15 years, whether they have records of the Health and Safety training of employees in the different employers in Gibraltar, and the answer is no – when we send somebody to a place, we take it for granted that if they are providing Health and Safety training, the trainee that is there who is going to become their employee in two months' time will also get it.

2585 But I cannot tell the hon. Member that it is taking place because there are no records, either since 9th December or before 9th December, of what is happening in any of those employers.

2590 **Hon. J J Netto:** But surely, Mr Speaker, if the Future Job Strategy Scheme has been a new one which has come into effect on the arrival of the new Government and it has been designed as a scheme by the very Minister of Employment, Training and now Health and Safety, surely in the design of that particular scheme, he will want to know, him and his officials, that when trainees are being placed by a training provider out there, perhaps either within Government or in the private sector, that there is someone logging away from the very minute that particular trainee has been placed, whether he is receiving any particular training on Health and Safety at all.

2595 Even if it is for the most basic of things for a new trainee, particularly youngsters leaving school, where they have no experience whatsoever of the world of work and may even need to have some sort of induction on basic Health and Safety in a working environment, I am sure that is a very reasonable aspect – in fact probably a duty of care that the official should have when placing those particular trainees. Has the Minister not considered, when designing the Future Job Strategy, that issues of that kind should be logged somehow, to determine what training has been given to the trainees?

2600 **Hon. J J Bossano:** Well, I think the hon. Member does not have a clue what he is talking about, Mr Speaker. *(Laughter)*

2605 I have explained – I have been a year and a half explaining in this House – that the way the system works is that it is demand led. That means that if tomorrow, somebody opens a vacancy for a trainee cook, then we send somebody that wants to be a trainee cook. I take it for granted, but I may be wrong, that the Health and Safety that is provided for the cooks in that establishment will be extended to the newly acquired addition to the staff and not that they will be treated as an outcast and denied that training.

2610 But I do not understand why he thinks that it is very important to include this now, when in fact all the people that I took in in the VTS, or in the private sector, were not doing Health and Safety. It is not something that was going on which we have stopped. It is something which he thinks, from the Opposition benches, is a good thing which he wants me to adopt. Well, as far as I am concerned, if I am responsible for the Health and Safety, it is not for the Health and Safety of trainees; it is for the Health and Safety of everybody. So I would have thought that if we thought it was necessary for every employer in Gibraltar to give Health and Safety courses to employees, it would have to be to all employees that they take on, whether they take them on from the training system or they take them on without the training system.

2615 I do not see why, because they come through the avenue of the training system, their exposure to danger is greater; it is the same.

2620 This is not just school leavers. I have answered already in the questions today that we have got people who are in their 40s or their 50s who are employees who have lost their jobs, are unemployed and we put them into training. They may have had experience of work for many, many years.

So the answer is that I assume there are employers who provide Health and Safety training in Gibraltar, but I have no evidence that that has ever been monitored, either since or before.

2625 **Hon. D A Feetham:** Mr Speaker, the distinction is this, isn't it...? And we accepted this: that in relation to the VTS scheme, and this affects... The Future Job Strategy is an extension of that with greater pay and a guarantee, according to him, of a job at the end of it. That is what it is. That is what the Future Job Strategy is. The distinction is that we are talking about the distinction between a job placement and proper training.

2630 When I talk about proper training, I talk about, for example, what we were talking about earlier on, which is the schemes that he has in mind about the maintenance training – the more general maintenance training – is going to be provided by the Construction and Training Centre. But what is happening at the

2635 moment is effectively that it is an on-the-job placement with those employers and there are no structured training schemes from the ETB. It is just up to the employer to effectively deal with that person as the employer thinks fit, because the employer at the end of the day is the entity that is guaranteeing the employment. That is the position, isn't it?

Hon. J J Bossano: Well, I do not quite see what the relationship is between that and the question which says to me, can Government say what Health and Safety is taking place in all these places where we have got trainees?

2640 Well, look, the answer is whatever Health and Safety applies... I cannot imagine, Mr Speaker, that if tomorrow I sent a trainee to Hassans, Hassans will say, 'We will provide Health and Safety training to everybody except to the trainee.' Whatever is the norm in that particular place is what will be applied to the new person that comes in. Whether the new person comes in on the basis that we are going to be paying for the first three months or whether the employer is paying from day one, if we think we ought to require every employer in Gibraltar to provide basic Health and Safety training, well look, that is a policy that in my view would be applicable whether the employees were paid for by the placement provider or whether the employees were paid for for a couple of months by the Employment Service.

2645 But the point that I want to make to the hon. Member is that certainly the policies of the Government are not going to be driven by what the hon. Member now thinks is a good idea to do because he is on that side, which he never thought was a good idea to do when he was on this side.

Hon. J J Netto: Mr Speaker, can I ask the Minister whether, in the situation where you have young people who have just left school, who have got no experience whatsoever of the world of work and they go to a particular industry group – let us say, for instance, the construction industry, where we all know there is a higher incident of accidents taking place – does the hon. Member not agree that at the very least – not perhaps in Hassans but in the construction industry, at the very least in that particular industry – a new particular trainee of the Future Job Strategy, being placed in the construction industry in a site, at the very least, ought to have basic induction on Health and Safety?

2655
2660 **Hon. J J Bossano:** All the trainees in the construction industry have had a basic induction in Health and Safety already, provided before they went into the site.

Hon. J J Netto: Mr Speaker, can I ask a different supplementary, because I was trying to write as much as I possibly could, and that is in relation to the answer provided to Question 491? This is the issue of accident books on the premises. I was not quite sure what the Hon. Minister did say at the time.

2665 I think he did say something along the lines of saying the accident books today are the same that existed prior to the General Election. Was that correct, what he said?

2670 The point I am trying to ascertain for me is whether every single Government Department, Authority, Agency and Government-owned company do have an accident book. This is what I am trying to determine – today, not before and whether he can provide me an answer whether that is the case.

Hon. J J Bossano: Well, Mr Speaker, given his interest in the subject matter, I have assumed that every Government Department, Authority, Agency and Government-owned company had accident books in their places of work, when he was there to make sure they had them.

2675 Assuming that must be true, because I do not see why he should become so concerned about people's exposure to Health and Safety risks from the 9th... unless they think they are at risk from me!

2680 So therefore on the assumption that this is standard procedure and that everybody has these accident books, I am telling them, nobody has had the accident book removed on 9th December. All those who had it before have it and the only people that I can guarantee have got accident books are the ones that have come into existence after the 9th. That is to say, the companies that were not there when he was in Government are the companies that I can tell him have had accident books, because we made sure that they had them.

2685 We have not gone back to check whether the people who were there on the 8th were in fact being as conscientious as we are about this. But given his interest, I have assumed naturally that he made sure that the accident books were there before he left office, and I can tell him that if they were there, they are still there because nothing has changed. I can also tell him that we make sure that any new office or any new building or any new company gets one, so we should be 100% covered.

2690 **A Member:** Hear, hear.

**Health Authority
Health and Safety audits and statistics**

2695

Clerk: Question 488, the Hon. J J Netto.

2700

Hon. J J Netto: Mr Speaker, can the Minister for Health state the number of Health and Safety audits and statistics collated during this year in the various departments of the Health Authority, and provide Parliament with copies of such?

Clerk: Answer, the Hon. the Minister for Health and the Environment.

2705

Minister for Health and the Environment (Hon. Dr J E Cortes): Mr Speaker, a total of 13 Health and Safety Risk Assessments have been conducted so far this year within the Health Authority. The documents are internal and not for publication.

2710

Clerk: And with that, we come to the end of Answers to Oral Questions.

**Question 476/2013 – Rental homes assigned
Additional information**

2715

Clerk: I will move on to Answers to Written Questions. The Hon. the Chief Minister.

2720

Chief Minister (Hon. F R Picardo): Mr Speaker, if I might just crave the Chair's indulgence, this morning Mr Reyes asked the question of Mr Balban and the Hon. Mr Balban has been able to clarify an answer that Mr Reyes asked clarification of, and I think he is able to provide that information as requested.

2725

Minister for Traffic, Housing and Technical Services (Hon. P J Balban): Thank you, Mr Speaker. To clarify on Question 476/2013 asked this morning, there was a query regarding the temporary allocated flats refurbished and assigned. I gave the hon. Gentleman the number three, and he wanted to see how that was broken down.

The reply I received was that of these three, one was done by the Housing Works Agency and two were carried out by sub-contractors.

2730

WRITTEN ANSWERS TO QUESTIONS

2735

Clerk: The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to lay on the Table the answers to Written Questions numbered W59/2013 to W69/2013 inclusive.

2740

Mr Speaker: Ordered to lie.

ANNOUNCEMENTS

2745

**Television of proceedings
To commence on Monday, 24th June**

Clerk: The Hon. the Chief Minister.

2750

Chief Minister (Hon. F R Picardo): Mr Speaker, before I invite you to make the adjournment, in discussion with the Leader of the Opposition and the Hon. Mr Bossino, we have been able to agree the terms for an initial broadcasting of the proceedings of this Parliament, not just in audio but also in video, to commence on the renewed date which will be Monday at 10.00 a.m.

2755 Any transmission of video or pictures from this place, as I have always understood it, is dependent on the Chair's permission, so on the basis that there is a broad understanding and some draft Rules that we believe can be adhered at least to in spirit in the initial stages, to be looked at in more detail in the Parliamentary Reform Select Committee, we would invite you to rule that, as from the opening of the proceedings on Monday, the proceedings of Parliament should be transmitted in video and made available on the Parliament website, and to any media agency that requests the feed.

2760

Mr Speaker: There is no problem, I am delighted that we should proceed on that basis.

These are draft Rules, as the Hon. the Chief Minister says. No doubt in the light of experience, they will be amended, if that were to be the case, if there were any need to do so, otherwise those draft Rules can then be adopted by a resolution of the House.

2765

Hon. Chief Minister: I am grateful, Mr Speaker.

What I would do is I would invite the House... we will share with the Clerk the Rules and would invite the House to share with the media and to put on the website those parts of the Rules that relate to use.

2770

The directing of proceedings will actually happen here in the House and will be handled by the Ushers, but there are Rules which this House will want third parties to follow about what can be done with the images, once they are transmitted.

2775

For example, if somebody were to record them, the Rules at Westminster which we will be adopting here, require, for example, that the images not be used in satire, etc. Perhaps we can agree what those are – it is very clear in the draft what those are – and invite the Clerk to put those on the website of the Parliament and to share those with any media outlet that may be taking the feed – in particular, the public broadcast of GBC and any of the other local media outlets that might seek to have the feed.

2780

Hon. D J Bossino: Mr Speaker, simply, from the Opposition benches, to welcome this as something that we voted in favour on, when the Hon. Chief Minister presented the motion, and to say that it is something that we will be welcoming when it starts on Monday.

2785

In relation to the draft copy of the Rules, which were e-mailed to me by the Hon. the Deputy Chief Minister and to the Leader of the Opposition, we have had a look at it. We have already identified certain drafting matters in respect of which we would like to put to the other side, and I have had a brief conversation about them with the Hon. the Chief Minister. But it is a draft set of Rules that we can at least, in order to start the process on Monday, we can use, and then as you pointed out earlier, we can develop further on.

2790

But simply to point out that there are already some issues that I have raised and I would like the opportunity to put across in a more formal way to the Members opposite.

2795

In relation to the broadcasting issues which the Hon. the Chief Minister has referred to, I can identify two of them: one he has already mentioned and the other one which is in the preamble, in effect, to the Rules which provide that 'the broadcaster should seek to give a full balanced, fair and accurate account of the proceedings' and it goes on. I think probably those two broad issues are matters which ought to be adhered to from word go.

2800

Hon. Chief Minister: Mr Speaker, if I may, I think the second one – and the reason I have not mentioned it in particular the second one – is one which the broadcaster in this case, because it is a public broadcaster, already is required to adhere to.

In any event, as the hon. Member knows, this is going to be a debate that airs, either live or in a reporting of it, on the news during the course of an election campaign and the rules as to balance will, in any event, I think apply, at least in relation to that period, this initial period when we are going to be broadcasting.

I think, Mr Speaker, we are waiting for you to rule.

2805

Mr Speaker: I am quite happy that we proceed along those lines.

Look, we already have the Select Committee, which I think has to report to Parliament six months... let us say, the end of the year. I think that we should regard this period as an exploratory period and endeavour to have these draft Rules, amended as may be necessary, also adopted by Parliament sometime at the end of the year.

2810

Hon. Chief Minister: Obligated, Mr Speaker.

To give business efficacy to the whole thing, can I invite the Clerk to circulate to everyone again, before we start next week, the Rules as to microphones because that will also involve the cameras? We were all very good at the first sitting when we had the microphones. I think this time we have all got a bit

2815 carried away as well, but if we have the note on microphones, that reminds us that when we engage the microphone, we also engage the camera.

2820 **ADJOURNMENT**

Chief Minister (Hon. F R Picardo): Mr Speaker, I now have the honour to move that the House do now adjourn to 10.00 a.m. on Monday, 24th June. I give notice that I shall be taking the Appropriation Bill at that stage.

2825 There is a Government motion on the Order Paper. I am going to move that Standing Orders be suspended, so that we take that motion at the end of Bills, this time round.

2830 **Hon. D A Feetham:** So what he is proposing, Mr Speaker, just so that I understand it, is to take the motion at the end of, effectively, the Budget and any Bills that we are going to be taking, yes?

Hon. Chief Minister: Yes, Mr Speaker, that is the usual practice, when we are dealing with motions which relate to medallions, etc. So we will do the Bills first and then we will come at the end to a much more pleasant stage of dealing with that motion.

2835 **Mr Speaker:** I now propose the question, which is that this House do now adjourn to Monday, 24th June at 10.00 a.m. All in favour? (**Members:** Aye.) Those against. Passed.
The House will now adjourn to Monday, 24th June, at 10.00 a.m.

The House adjourned at 7.32 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.00 a.m. – 12.57 p.m.

Gibraltar, Monday, 24th June 2013

The Gibraltar Parliament

5

The Parliament met at 10.00 a.m.

[MR SPEAKER: Hon. A J Canepa GMH, OBE *in the Chair*]

10

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

15

Televising of proceedings Congratulations and thanks to all involved

20

Mr Speaker: Hon. Members, as we sit in this House this morning, history is being made. For the first time ever, we are privileged to be able to enter into the homes of our people through the medium of television, thereby enhancing the relevance of our proceedings and deliberations. I know that we all wish to congratulate and thank all those who have worked so hard to bring about such an exciting enterprise.

25

Chief Minister (Hon. F R Picardo): Mr Speaker, thank you for the opportunity to reflect on the fact that these proceedings are now to be aired not just on radio, as they have been certainly since time immemorial in my memory, but also on television so that people will see the proceedings of this House.

I sincerely appreciate the work that has been done to achieve this. It is one of our key manifesto commitments in respect of the opening up of our democracy, and I will have a little bit more to say about the detail of it during the course of my intervention this morning.

30

Clerk: Sitting of Parliament, Monday, 24th June 2013.

Mr Speaker: The Hon. the Leader of the Opposition.

35

Hon. D A Feetham: Mr Speaker, yes, simply to associate myself with your words and also with *some* of the words of the Leader of the House, the Chief Minister.

The televising of parliamentary proceedings is something that I have personally supported since 2002. It is something that this Party has supported from its last term in office, and of course we are here on a cross-party basis because it is supported by both sides of the House.

40 Mr Speaker, I would also like, as you have done and also the Chief Minister, to congratulate everybody who has been involved in making this project a reality. It has not been easy in the timeframe that we have had available, but they have done a magnificent job.

45 **SUSPENSION OF STANDING ORDERS**

Mr Speaker: The Hon. the Chief Minister.

50 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to move, under Standing Order 7.(3), to suspend Standing Order 7.(1) in order to make a Ministerial Statement to Parliament and also to proceed with Government Bills.

Mr Speaker: Do all Members agree that the Standing Order should be suspended? Those in favour? (**Members:** Aye.) Those against. Carried.

55

Congratulations to Hon. Sir Peter Caruana

60 **Clerk:** The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, before I start on the Ministerial Statement that I am about to make, I recognise that the Hon. Sir Peter Caruana is in the Chamber today for the first time since Her Majesty saw fit to bestow that Honour upon him, and I think it is appropriate for me to recognise, on behalf of the people and Government of Gibraltar, that that recognition is rightly deserved. I have already issued a Government Statement recognising that. He was 16 years in the Chair that I occupy today, no doubt something very worthy of recognition.

Mr Speaker: The Hon. the Leader of the Opposition.

70 **Hon. D A Feetham:** Mr Speaker, again I associate myself entirely with the words of the Leader of the House. We too have issued a statement. It is something that I will also touch upon during the course of my own Budget speech. I think that if anybody deserves a knighthood, it is Sir Peter Caruana. It is extremely well deserved – again on behalf of the Opposition, which once more congratulates Sir Peter on a very meritorious award indeed.

75 **Mr Speaker:** I wish to associate myself with the remarks of both the Chief Minister and the Leader of the Opposition. My warmest congratulations to the Hon. Sir Peter Caruana and to Lady Cristina on the award of such a very significant Honour.

80

**ECOFIN endorsement of Income Tax Act
Statement by the Chief Minister**

85 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I am delighted to be able to announce that in its meeting last Friday in Brussels, which ended in the very early hours of Saturday morning, the European Council of Economic and Finance Ministers of the 27 EU Member States, also known as the ECOFIN Group, endorsed Gibraltar's Income Tax Act, as amended earlier this month, as now being compliant with the EU Code of Conduct for Business Taxation.

90 This is the first time that Gibraltar's tax system has been fully endorsed by both the Code Group and the ECOFIN. These approvals mark a major milestone in the transformation of Gibraltar as a mainstream and compliant tax jurisdiction.

95 Although the EU Code of Conduct is not a legally binding instrument, it has strong political force. It has become the yardstick by which harmful tax measures within the EU and in the Overseas Territories of the EU Member States are assessed.

The Code was adopted in 1997. It requires Member States to refrain from introducing any new harmful tax measures, which is known as the standstill principle; and amend any laws or practices that are deemed to be harmful in respect of the principles of the Code, which is known as the rollback principle.

100 The Code covers tax measures – legislative, regulatory and administrative – which have or may have a significant impact on the location of business in the Union. The Code Group criteria for identifying potentially harmful measures include identifying an effective level of taxation which is significantly lower than the general level of taxation in the country concerned; tax benefits which may be reserved for non-residents; tax incentives for activities which are isolated from the domestic economy and therefore have no impact on the national tax base; the granting of tax advantages even in the absence of any real economic activity; the basis of profit determination for companies in a multi-national group which departs from internationally accepted rules, and in particular those approved by the OECD; or a lack of transparency.

105 The Code is implemented by the Code of Conduct Group, which is a group that pulls together the tax authorities of the 27 EU Member States and is chaired by the European Commission.

110 Gibraltar's Income Tax Act had been under close examination by the Code Group for several years now. In November 2012, the Code Group made its evaluation and found that the Income Tax Act, as adopted in 2010, contained harmful tax measures. It made that finding on the basis that the non-taxation of intercompany loan interest income was harmful because in practice it benefitted transactions with non-residents.

115 Since November 2012, last year, the Government has therefore been working very intensely indeed with the European Commission in finding a way to address that concern. This was including attendance at various meetings in Brussels by me and by officials. As a result, the Government has been able to devise changes to the Income Tax Act which remove the perceived harm – or rollback, in the language of the Code.

120 The Gibraltar Government was invited to make representations to the Code Group on 29th May 2013 to explain the work it had done on rollback since November 2012. At that meeting, the Code Group took a vote and found in Gibraltar's favour by what I will describe today as a crushing majority vote. It is this vote that was endorsed by the ECOFIN last Friday.

125 Mr Speaker, this is a great and important day for Gibraltar as a serious EU-compliant financial services jurisdiction. Gibraltar's listing as a harmful tax jurisdiction under EU Code of Conduct criteria has been damaging to Gibraltar's reputation for the last 15 years. Code Group approval has eluded us since its creation in 1997. I am therefore delighted that the work we have done and the meetings we have held since November 2012 and the amendment we made earlier this month have been found satisfactory and have now given Gibraltar, for the first time, a clean bill of health under this important process.

130 Mr Speaker, in the spirit of the privy council-style status that I have sought to create to move away from unnecessary partisanship on matters of national importance and allow the Opposition to be briefed on such matters, I asked the Chief Legal Adviser of the Government and the Commissioner of Income Tax to brief both the Leader of the Opposition and the previous Chief Minister of the results of the Code Group's determination some weeks ago, ahead of the ECOFIN meeting that had originally been scheduled for 20th June.

135 Mr Speaker, I am delighted to now have the opportunity to share this excellent and hugely positive news with the whole House and the public.

140 Mr Speaker, those who persistently try to denigrate us, those who, with compulsive blindness, seek to undermine the reputation and credibility of our country are fast running out of credible options to do so. We will continue to expose them, Mr Speaker. We will do so by showing them all that Gibraltar can and will adhere to EU and international standards and will prosper in the process of doing so. That is the economic model my Government subscribes to. That is the economic model that will take us forward and deliver the progress we deserve. *(Applause)*

145

Order of the Day

BILLS

150

FIRST AND SECOND READING

Appropriation Bill 2013 First Reading approved

155

Clerk: Bills, First and Second Reading.

A Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2014: the Hon. the Chief Minister.

160

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that a Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2014 be read a first time.

165

Mr Speaker: I now put the Question, which is that a Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2014 be read a first time.

Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Appropriation Act 2013.

170

Appropriation Bill 2013 For Second Reading Debate commenced

175

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that the Bill be now read a second time.

This is my 10th Budget session as a Member of this Parliament and my second Budget address as Chief Minister, and I now have the honour to present the Government's revenue and expenditure estimates for the year ending 31st March 2014.

180

Mr Speaker, this debate on the Second Reading of the Appropriation Bill has traditionally also been not just about economics; it is also a State of the Nation address, touching areas beyond the numbers in the schedule to the Bill. I will, nonetheless, also of course report to this House on the state of the economy and public finances and on the revenue and expenditure outturn for the previous financial year, which was the first full financial year under the Socialist Liberal Government.

185

Mr Speaker, I will end my address to the House by outlining some of the more specific Budget measures that the Government will introduce this year in pursuance of manifesto commitments and new measures designed to address the social and business needs of the community.

190

Mr Speaker, this debate on the Second Reading will be historic in many ways. The substance of the economic points I will make will be, of course, the highlights of this debate, but one historic innovation today, which we have touched upon already, is the fact that the debate is being transmitted not just in audio but also in video. Today, I believe these proceedings are finally being broadcast on Parliament's own website, on television by the public broadcaster, and on the websites of such other national media outlets as may request it – although I do ask viewers to bear with us if there are some glitches as we start this process.

195

Mr Speaker, in my first Budget speech in 2004 I was advocating the video transmission of the proceedings. It is therefore an enormous pleasure for me to have led, with the Deputy Chief Minister, the physical reformation of this Parliament to include the installation of cameras. I am very happy that we were able to agree the basic rules with Members opposite and that you have ruled that, on that basis, the cameras should start to roll.

200

It is important that I also recognise here the huge efforts of the Government's IT and Logistics Department in getting the necessary systems talking to each other and able to transmit not just on television but also to stream on websites. It has been a huge task, involving many complicated pieces of hardware and software, and even the laying of cables, and all of it done and delivered quickly and effectively.

205 It is also right, Mr Speaker, that I should recognise the work done by the Clerk and Ushers of the House, who have, in an extremely short time, made themselves experts in the management of the newly installed cameras – veritable Spielbergs of parliamentary proceedings. I want to congratulate them for their work in this particular regard.

210 Mr Speaker, all of this with a backdrop of more parliamentary meetings than ever, with a monthly Question Time 10 times a year. Already, Mr Speaker, we have had double the number of meetings we would have expected to have in whole terms under previous administrations. So a more open democracy and a more democratic process of monthly accountability has been ushered in.

215 Moving on now, Mr Speaker, as was the case with the first Budget of my Government last year, this Budget is designed to support working families. It is a Budget to support both our youth, our senior citizens and the disabled. It is a Budget that will encourage business and improve our public services. In short, Mr Speaker, this is a Budget that will further improve the quality of life and standard of living of all citizens in Gibraltar and will deliver on even more of the obligations we acquired during the last General Election campaign. A Budget, Mr Speaker, for *all* the community.

220 All of this, Mr Speaker, in the context, for yet another year, of economic problems throughout the rest of Europe and most of the rest of the world. Mr Speaker, from the time that I was in Opposition, however, I repeatedly said that I did not believe that Gibraltar should be comparing itself to the underperforming European economies. That is why this year I want to look also at how we compare to some of the *best*-performing economies in the world, and I will do that later on in this address.

225 But we certainly should not lose sight of the world that immediately surrounds us. The economic problems faced by the developed countries of Europe have not been resolved in this last year by any measure. Recent reports from Eurostat suggest that unemployment in neighbouring Spain has reached 26.8%, and youth – which means under-25 – unemployment an unprecedented 56%. In the neighbouring region of the Campo de Gibraltar, unemployment generally is running at a rate of approximately 40%.

230 Mr Speaker, national debt had spiralled out of control in each of the countries where we have seen such economic tragedy play out, reaching 88% of GDP in Spain. That is why, during the General Election campaign of 2011, we identified that the levels of gross and net debt our nation was labouring under should be reduced. At no stage did we say we were broke or bankrupt as a nation. Anyone who suggests the opposite is simply, Mr Speaker, unable to build an argument based on the truth of what we said. Anyone can check any debate or any statement we made and see that what we said, repeatedly and clearly, was that we were concerned at the levels to which our debt had risen.

235 Well, Mr Speaker, those have been the concerns that have remained at the forefront of this Government's economic agenda throughout this first full financial year of our administration of our nation's affairs, and that is reflected in this address to Parliament today. Let me therefore start this review of economic performance, Mr Speaker, by looking at the state of our GDP and levels of debt.

240 Mr Speaker, gross domestic product in 2009-10 was just short of £1 billion. I believe the figure was £998 million. In 2010-11 it was £1.05 billion. Mr Speaker, estimates last year reflected Gibraltar's gross domestic product for the financial year 2011-12 was £1.137 billion, and we expect that figure to be met or slightly exceeded. For 2012-13, GDP was forecast to be above £1.2 billion. In fact, Mr Speaker, we expect that to come in at approximately £1.226 billion on early estimates. These figures reflect a continued growth in our economy of almost 8% per annum. At that rate of GDP growth – almost 8% per annum – we would be, based on data published by the CIA Factbook, approximately 17th, in global terms of GDP growth.

245 With the steady commencement of the implementation of our manifesto commitments – in particular, the affordable housing construction projects – and the effect that this will have on our economy in the coming years, GDP growth is now expected to accelerate – and in fact comfortably surpass our original estimate of £1.65 billion by 2015-16. Our economy is therefore on target to deliver or exceed the ambitious target we set in our manifesto. And so, Mr Speaker, the good news is that Gibraltar's economy is expected to continue to grow on track, despite the continued European and global economic downturn, exactly as we predicted and despite the many suggestions from some quarters that this was impossible.

255 Interestingly, Mr Speaker, the figures emerging from our Statistics Office demonstrate that GDP per capita has risen to an average of £41,138 – or US\$64,478, calculated on an exchange rate of US\$1.56 to the pound. By the per capita rankings of the International Monetary Fund, Gibraltar would now rank 5th in the world ranking of GDP per capita, immediately above Monaco, Singapore and Jersey, and just below Bermuda and Luxembourg. Although these measures are not scientific – neither this one nor the one of GDP growth which I gave earlier – because of differing methodologies and fluctuating exchange rates, it is worth noting that the Government Statistics Office reports that we are up from ninth place in 2011-12. And Treasury figures reflected in estimates show that continued growth in GDP has been achieved whilst also fulfilling our responsibility to reduce gross and net debt and improve cash reserves.

260 Mr Speaker, during the financial year 2012-13, the level of gross public debt has been reduced by £142 million – and that is reflected on page 2 of the Estimates, Mr Speaker – from £518 million to £376 million. That is a gross debt reduction of 27.5%.

As Members will recall, Mr Speaker, last year I predicted that gross debt would be reduced by approximately £68 million. In fact, we have reduced gross debt by over double that amount. Gross public debt is forecast to fall again during the current financial year by *at least* a further £12 million. Again, we have exceeded the estimated reduction in gross debt and we remain on target to achieve our commitment to have reduced gross debt by half by the time of the next General Election. We are now more than halfway there in less than half the lifetime of this Parliament.

The level of net public debt has also fallen, as reflected on page 3, from £303.4 million to £291.3 million, and it is anticipated that net debt will fall by a further £13.3 million at least by the end of this financial year, which will amount to a reduction of approximately 10% in net debt in two full financial years.

Moreover, Mr Speaker, cash reserves available to the Government have now been restored to more prudent levels than we found when we were elected. Cash reserves of around £85 million are now available to the Government, compared to the extraordinarily low £20 million which the GSD left and which we found when we took office on 9th December 2011. This also exceeds our estimate last year when I told the House that we expected to have tripled the figure of available cash reserves from the GSD low of £20 million to at least £60 million. In fact, Mr Speaker, we have more than quadrupled the sum of the available cash reserves from £20 million to £85 million. Gibraltar really was in a precarious position at the time we took over, in terms of available cash reserves – but no more.

Indeed, Hon. Members will recall, Mr Speaker, that I made a Ministerial Statement on finances which reflected that I had been informed by the Financial Secretary, when we won the election, that a resolution of the House was required to raise borrowing limits in order to make more cash available. Thanks to our more prudent approach, available cash reserves are now well up from the lows that might have required such a resolution, and I am happy to report, Mr Speaker, that further measures are being considered which will boost Government's available cash reserves even further.

Mr Speaker, the recurrent budget surplus for the last financial year was originally estimated at just over £17 million. The *actual* budget surplus for that year is now forecast, on page 2 of the Summary of Forecast Financial Outturn, at over £37.174 million. Mr Speaker, this is an *all-time record budget surplus*, and therefore, Mr Speaker, the picture emerging is a very positive one indeed: GDP growth unlike anywhere in Europe; a record high surplus like never before; and gross debt down already by almost a third.

Mr Speaker, everything that should go up *is* going up, and everything that should go down *is* going down. That already shows an economic record to be proud of and a Budget that our nation can celebrate.

Mr Speaker, Government revenue collected in the last financial year has exceeded the original budget by around £28 million, whilst departmental expenditure has been kept under tight control to end the financial year largely in line with the original budget, as indeed has been the case with expenditure required to meet Consolidated Fund charges. However, an increase of around £7 million over the original budget was required to meet the recurrent costs of the Government-owned companies, which remains the legacy we inherited from the previous administration of very costly corporations established by them.

Strong economic growth at rates unheard of elsewhere in Europe, together with a historic high surplus *and* departmental expenditure and Consolidated Fund charges on target and not exceeded, demonstrates an excellent record in economic management that speaks loudly and for itself in defiance of critical voices which have been amplified by the absence of these figures until now, and which will be silenced and discredited by the impact of these excellent numbers.

Mr Speaker, I am delighted to tell the House that, of the estimated record recurrent surplus for the year, a total of £35 million has been earmarked by the Government for donation to Gibraltar Community Care Trust, in line with our manifesto commitment. This will be an important first step for the charity to once again build up its reserves so that it can, as it used to, become totally independent of Government grants. Again, Mr Speaker, we are delivering on our manifesto obligations.

Mr Speaker, I now move on to the revenue and expenditure Budget for the current financial year.

Estimated recurrent revenue for the year is budgeted at £487 million. This is a conservative revenue budget which is just marginally above the forecast outturn figures for the previous financial year.

The recurrent expenditure budget for the year is £470 million, which reflects a modest increase over the previous financial year of just under 5%.

Mr Speaker, the Government is therefore again projecting a conservative recurrent budget surplus for this financial year of around £17 million. We believe it is better to be prudent in our estimate, given the prevailing economic outlook around the world and the potential effects of the reining in of the quantitative easing programmes of the US and the United Kingdom exchequers.

Mr Speaker, the Government is continuing with the process of restructuring the public finances in order to reflect the many changes that are taking place during its first term of office. As I mentioned in my Budget speech last year, a few changes have already been made and these are already reflected in the Estimates Book that Hon. Members have had for some time now.

330 For example, the surplus in the Gibraltar Saving Bank is no longer being transferred to the Consolidated Fund, but is being retained within the Bank in order to build up its reserves. The reserves in the Gibraltar Savings Bank have grown during the last financial year by over £2.6 million and the Bank's reserves are expected to grow by a further £3.2 million during this financial year. Mr Speaker, this will bring the accumulated reserves of the Gibraltar Savings Bank, at the end of this financial year, to over £6.6 million.

335 Another change in the accounting of public finances, Mr Speaker, is that the recurrent operating deficits in the Government-owned companies are now fully reflected in the Consolidated Fund recurrent expenditure estimates. This includes contributions from the Consolidated Fund towards the operating deficits in running the King's Bastion Leisure Centre, the Gibraltar Bus Company, Gibraltar Car Parks Ltd and Gibraltar Air Terminal Ltd.

340 Honourable Members will recall that such operating deficits in the Government-owned companies were not previously shown in the Estimates Book and that a contribution of over £28 million was made from the Consolidated Fund last year towards meeting the accumulated recurrent annual cash deficits in these companies for the period ended 31st March 2012.

345 Mr Speaker, the Government is also continuing to look into the reforms and the restructure required to the Social Insurance Funds. Although we had wished to make an announcement in respect of these reforms before today, this has not been possible. Work, nonetheless, continues on this project. The good news for employers and employees alike is that rates will remain static once again today.

350 Mr Speaker, the corporate tax yield for the financial year ended 31st March 2013 was £64.69 million, a significant increase of £7.39 million, compared to £57.3 million collected in the previous financial year. It should be noted that, under the previous Act, the average annual yield was £26 million. However, Income Tax receipts for the same period were £124.94 million, down by £7.15 million compared to £132.09 million collected in the previous financial year. This decrease is directly attributable to reduction in PAYE collections from a number of different sectors, particularly, of course, the construction industry. Tax receipts from self-employed individuals were also down as a result of the coming to an end of the transitional period following the introduction of the new Income tax Act.

355 The combined yield from Income Tax and Corporation Tax for the financial year was £189.63 million, an increase of £230,000 compared to collections amounting to £189.4 million during the previous financial year.

360 In terms of arrears, the Tax Office continues to make progress in tackling issues related to compliance, enforcement and debt recovery. The Commissioner is currently in the process of compiling a further list of PAYE defaulters and soon will be publishing their names in the *Gibraltar Gazette*.

365 Mr Speaker, in the last financial year, the Government invested around £92 million on capital projects funded from the Improvement and Development Fund. Around £21 million was invested on works and equipment and a further £71 million was invested in specific capital projects, including £4.5 million required to complete the new airport terminal building; £5.9 million on the roads and tunnels project; £5.6 million for the conversion and refurbishment of the Old Naval Hospital dementia facility; £2.9 million on the development of Governor's Parade. The sum of £40 million has also been provided in funding for the Government-owned asset-holding corporate structure.

370 Mr Speaker, in this financial year, provision of £54 million has been made in the expenditure budget of the Improvement and Development Fund. Apart from a further investment of £20 million on works and equipment, this provision will enable ongoing projects to be completed, including £1 million for the upgrade of the Victoria Stadium football ground to UEFA standards; £2 million for completing the development of Governor's Parade; and £5.3 million to complete the Old Naval Hospital dementia facility.

375 New projects include £3.5 million for the Sandy Bay Protection project; an almost nominal £3.5 million towards the beautification and cladding programme for all our existing housing estates, which will increase by further provision as the year progresses; and £1.2 million for the refurbishment of Parliament House. There will also be funding for the new schools recently announced.

380 Mr Speaker, capital projects funded through these Government-owned companies include the construction of a combination of approximately 1,000 affordable and rental homes, which are to be provided under a co-ownership scheme; the construction of car-parking facilities in numerous locations throughout Gibraltar; the small boats berthing facilities for locally resident boat owners; and the programme of replacement of our bus fleet with more environmentally friendly vehicles.

385 Mr Speaker, one of the biggest capital projects for the Government is the replacement of our three existing power stations with a single new power station in order to guarantee Gibraltar's power needs for the next three decades. Tenders have already been invited and the closing date for tender submissions is 1st August 2013. The new power station, which will be located in a reclaimed area off the North Mole, will be powered by natural gas-fired engines as well as dual-fired engines, which will be able to burn diesel should gas supplies not be available at any time. The project is in line with the Government's

390 manifesto commitment to investigate alternative sources of energy and eradicate the noise pollution and emissions in residential areas.

Progress in this area is already evident with the installation of the new temporary power station at the North Mole using rental turbine power. This has resulted in a significant reduction in noise and emission levels and has also enabled the three old power stations to close down some or all of their capacity during the silent hours without compromising the security of supply. I know this has been very welcome by residents of the area. Most importantly, Gibraltar now has, thanks to this Government, security of supply and no lack of generating capacity.

400 Mr Speaker, as hon. Members will know, the Government was not convinced by the previous administration's plan to build a new power station powered exclusively with diesel-powered engines. We did not consider that this was the right choice for meeting Gibraltar's power requirements for the next 30 years. When elected, we also found out that the plan required a *100% increase* to consumers in electricity costs over 20 years – 5% a year. It was therefore right for us to stop that proposal and work hard in the inter-ministerial committee to deliver a better solution to our people. Quite apart from the reduction in noise and emission levels, the decision to use natural gas-fired engines for the new power station will actually result in very significant savings in the cost of fuel, which now represents around 60% of the total recurrent costs of the Gibraltar Electricity Authority.

405 Mr Speaker, the Government continues to explore other ways of reducing energy consumption, including the use of solar energy for street lighting and in Government Buildings, and a number of projects are being developed in this respect.

410 A lot of work is also going into the upgrading of the infrastructure of the distribution network, and money has been set aside for those ongoing works this year. Indeed, it is that creaking network which requires most work to prevent future power cuts.

Mr Speaker, as part of the continuing role of the Gibraltar Savings Bank in providing for our locally resident senior citizens, the Bank will be issuing a new debenture, which is specifically available only to our locally resident senior citizens. Many of our senior citizens are making full use of the Bank as a home for their hard-earned savings and have come to depend on the monthly interest payments that they receive on their debentures. Our senior citizens deserve the assurance that they will be able to continue receiving a reasonable rate of interest on their savings in the medium to long term, especially in view of the continuing turmoil in the European and global financial markets. They also need the comfort that they will be able to draw on some of their capital at short notice, if and when required.

420 Mr Speaker, in this respect and to complement the Bank's five-year, monthly income, fixed-term debenture, which pays interest at 5% per annum, the Gibraltar Savings Bank will now issue a new 10-year, monthly income, fixed-term senior citizen's debenture, which will pay interest at 5% per annum, or base rate if higher, and will give debenture holders the right to withdraw up to 25% of their capital before the maturity date upon giving one month's notice and without any interest penalty.

425 But, Mr Speaker, the Savings Bank should also have a role in safeguarding savings for our community's children. In order to encourage parents, grandparents, relatives and friends to start saving for our community's children, the Gibraltar Savings Bank will offer a new Children's Bond Account. All children born in Gibraltar and who are under the age of 10 will be eligible to have a Children's Bond Account in the Bank. The Bond Account will pay interest on deposits at 5% per annum, with this interest being reinvested automatically. All the deposits in the Children's Bond Account will be held by the Bank in trust until the child's 18th birthday. Mr Speaker, the Government will itself be making a deposit of £500 to each of the Children's Bond Accounts opened for every child born in Gibraltar after midnight last night.

435 Mr Speaker, the Government continues to make a significant investment in the public sector, as the engine for growth for Gibraltar and facilitators of the private sector. A start has already been made in the Government's programme of e-Government, which will transform the way business is done in many areas of the public sector.

440 The Government is committed to promoting as much interaction as possible between the citizen and the Government and is committed to enhance the access and delivery of Government information and services to citizens and the business community.

445 A modern computerised system at the Customs Department, known as ASYCUDA, is now ready and the business community will have noted that the Department has already started the transition to a modern computerised paperless system, which will provide internet-based processing and clearing of imports and which will simplify Customs procedures and documentation, consistent with international standards and best practice. Clearance of exports using this paperless mechanism is presently a work in progress also. The system also provides for electronic yacht passenger clearing.

450 Work has also started in other areas of the public sector, including work on the establishment of a central Government counter office for the transaction of Government business. This will provide centralised payment facilities for all Government services, including the use of ATM-style machines and facilities for online submission and retrieval of documents to and from Government Departments.

Through the use of information and communication technology more generally, Government is promoting a more efficient and effective administration which will facilitate more accessible Government services and allow greater public access to information. This will intentionally make Government more accountable to citizens. E-Government will involve securely delivering a wide range of Government services via the internet. To achieve that, during the past year, key investment areas have been the following: enhancing the physical hardware infrastructure; bolstering backup and disaster recovery platforms and data replication technologies; work on high-performance network connectivity and high availability infrastructure; the expansion of the Government's secure intranet; data automation technologies; the setting up of secure online payment gateways; a database integration programme, where necessary, and the development of industry-standard e-Government portal services; as well as continued work on a new interactive Government website alongside the development of Government applications to shortly be made available to citizens; all of this alongside the work to develop the Gibraltar e-ID card.

Let me go into a little more detail of what that means, Mr Speaker. Earlier this year, we introduced a system to produce the new photo-card driving licence as part of EU directives. This was followed by the implementation of the electronic driving theory test for cars and motorcycles. These were the first public applications in line with Government's manifesto commitment on e-Government. Other departmental e-Government projects and applications will be announced in this financial year.

As a step towards implementing e-Government, we have replicated and moved our data centres to secure locations to protect against hardware or software failures, telecommunications breakdown, power failures, environmental concerns such as floods or fire, and sabotage or even terrorism. This set-up provides increased security, minimises risk, guarantees reliability of systems, minimises the chance of data loss and improves overall performance.

Measures have been implemented to further develop and enhance internal Government applications, allowing automated communication between systems and Departments. This ongoing process has also involved uniquely identifying citizens and businesses across Government systems and interlinking secure Government databases. The e-Government initiative will see the implementation of a newly designed Government website that is characterised by the publishing of fillable forms that can be fully completed electronically and submitted to relevant Departments.

With the overall improved hardware set-up and in addition to the above, an interactive e-Government portal is being developed. The e-Government portal has been designed with a view to host a variety of Government services focusing towards centralised citizen services – Government to citizen, also known as G2C services – and centralised business services – Government to business, also known as G2B services. It has been designed primarily with scalability, usability and security in mind. The Driver and Vehicle Licensing Department, Gibraltar Maritime Administration and Trade Licensing will be amongst the first Departments to see their services online. The portal will continue to expand to see the inclusion of a wide range of online services for all Government Departments.

Parallel to the above, work has already begun on the implementation of a new state-of-the-art e-ID card. The e-ID card, besides being a physical identification document, will have advanced electronic functions that will facilitate secure authentication and legally binding digital signatures using public key infrastructure (PKI) technology, which will work as a key to securely identifying citizens on the e-Government online platform. Already employers are able to take advantage of an electronic filing scheme for the ETB, which I take this opportunity to remind them of.

This Government aims to make Gibraltar the leader in e-Government services by making the best possible use of information and communication technologies to bring interactive Government counters to the doorsteps of citizens and businesses, providing services anytime and anywhere.

Mr Speaker, I turn now to the work of the Civil Service review. The extensive work of the review team is progressing on various fronts. With representation from the three union bodies, surveys have been carried out among public servants to obtain their often diverse views on a broad range of areas related to the Service. Among these are their perception of the structure of their workplace; relationships with line managers and senior management; colleagues; resources; professional development; change and future plans; general orders; experiences of discrimination, bullying or harassment; reporting; appraisal and selection procedures. Preferences have also been sought on a possible change of working hours to accommodate more family-friendly arrangements.

The collation of data is being processed with the aim of taking account of views expressed when Government finally considers adopting changes. This is something we are working closely on with both GGCA and Unite, and which will require work also with the Teachers' Union and on which I will also very shortly be commencing with the Chamber of Commerce and the Federation of Small Businesses a consultation process so that we can actually deliver the new working hours that will make us a better employer and provide better services to the private sector and the public.

In the meantime, parallel work is ongoing on a number of fronts with respective subgroups focussing on amendments to General Orders; a review of procedures to deal with absenteeism; as well as recruitment, reporting and selection procedures.

515 The original General Orders, which still constitute the basis for current procedures, are being reviewed in conjunction with a draft Public Service Code which was initiated a few years ago. Already, work has been completed on all areas related to leave – annual, sick, maternity, adoption, paternity and paternal – except for special leave. Preparatory work has also commenced on areas related to conduct and discipline and the third key block, on staff management, will be subsequently tackled.

Substantial work has also been completed on absenteeism and measures and procedures to deal with that, taking into account of changing circumstances and the need for modern practices.

520 As regards recruitment, reporting and selection procedures, work is quite advanced on the review of a document based on guidance from well-established institutions with a view to recommending the adoption of agreed procedures.

Mr Speaker, I will now address my responsibilities as Chairman of the Borders and Coastguard Agency and as Minister with responsibility for Civil Status.

525 The BCA has been very successful in its first 18 months of operations, making a good start, despite having to manage considerable change. Soon after it was set up, the Agency carried out a review of its operations at the airport, frontier and port and it now manages a far more engaged and focused operation.

530 In addition to being regulated locally, it is now inspected quarterly by HMG's Department for Transport in the UK, which ensures compliance with EU legislation. To meet these and the demands of a much larger and busier airport and new developments at the frontier and the port, it has recruited 30 additional officers, all of which have been trained locally to the required EU standards. In addition, earlier this year it moved into ex-MOD premises, extensively renovated to meet requirements and from where it manages all of its deployments and operations. All of this has allowed the Agency to optimise its deployments to meet the demand and has seen a significant improvement in its operations. At our borders, the Agency is now processing over 12 million people a year.

535 Following the amendments introduced to the Immigration, Asylum and Refugee Act, allowing Moroccan nationals in possession of Schengen visas to enter Gibraltar, the Agency has to date processed 1,549 Moroccan nationals as part of the Government's Tourist Visa Waiver initiative. Given the success of that initiative, I am delighted to be able to tell the House today that work is now very advanced indeed in formalising arrangements for visa waivers in respect of Schengen multiple-entry visa holders who are nationals of Brazil, Russia, India, China and Japan.

540 The Agency continues to operate a fine balance between risk and the need to maintain fluidity, and to mitigate this risk balance the Agency has introduced, in the past months, biometric data passport and ID card scanners at all of our entry points, as well as other security measures, thus allowing them to interrogate documents and share information with international agencies, including Interpol, HMG's Home Office and the UK Border Force. It has established and continues to develop a close working relationship with these agencies, and in particular is in regular contact with the UK Border Force, studying how best to share information, develop specific points of contact, and identify work-placement attachments. The Agency is fortunate to have very professional and flexible staff that strive to provide a professional and operationally focussed output and remain committed to improving the service they provide for Gibraltar.

545 More particularly, at the Civil Status Department, at the request of the Senior Citizens' Association, arrangements have been made to introduce a one-stop shop at a central location in Gibraltar, which will not only enable the registration of births and deaths, but will also assist those who require it to transact changes to other benefits or services to which they may be entitled at the same location.

550 The process of naturalisation as British citizens has also been unjammed. A total of seven citizenship ceremonies have been held since April 2012, at which 494 individuals have been made British citizens – 363 of whom are Moroccans and 131 of other nationalities. I think I should have said *were* Moroccans, Mr Speaker.

560 Mr Speaker, during the course of the last year, the Government's decision to consolidate the European and International Department, known as the EUID, and the LSU has continued to bear fruit. The department recruited five new law drafters last year. I am glad to confirm that, after completion of their year of probation, all five have been confirmed in their positions. The department now employs 10 lawyers, double the number when we were elected, largely devoted to the drafting of legislation, both domestic legislation and the transposition of EU and international obligations.

565 The addition of the LSU to the EUID has ensured a seamless process whereby the drafting of all legislation and its publication in the *Gazette* are carried out by a team working closely together and under the same roof. The administrative side of the department now counts 12 officials, ranging from SEOs to word processor clerks. The department, as Members will know, is ably headed by the Government's Chief Legal Adviser, Michael Llamas QC.

570 As the House will recall, in February of this year I was able to announce that the Gibraltar Government was finally fully up to date with the transposition of all EU Directives pending. This was a truly defining moment for Gibraltar and it has served the Government well in numerous contexts, not least in my visit to the EU institutions in March of this year, including those meetings with the Code

575 Group technicians that I referred to during the course of my Ministerial Statement earlier, and the recent private meeting I attended with the Prime Minister and the leaders of Crown Dependencies and Overseas Territories, where as a result of this investment I was able to boast of Gibraltar's culture of compliance. I am glad to be able to say that Gibraltar can hold its head up high and be proud of a transposition record that many Member States can envy.

580 It is with an equal measure of satisfaction that I can also announce today that we have maintained the rhythm of compliance since then and that the drafters at the EUID are now regularly drafting the transposition of EU Directives whose transposition deadline is several months ahead. This is truly remarkable and positive progress, considering where we stood only a couple of years ago.

585 In addition, the department continues to advise all Government Departments and Ministries on a regular basis and over the full spectrum of Government business. The EUID also remains the main contact point with FCO officials in London on EU and international legal matters, with whom it works on a daily basis. The working relationship is excellent.

590 Mr Speaker, the House will be aware, from the advertisement of posts recently published, that I have given authorisation for the recruitment of three further legal assistants at junior level with a view to developing the advisory work provided by the EUID. All of this is consistent with my continued aim to expand and develop the role of the EUID and LSU to encompass all of the Government's legal service with the exception of public prosecutions, which will remain with the Attorney General's Chambers. I can only see the role of the consolidated EUID-LSU department going from strength to strength, providing a streamlined and professional legal service of the highest quality to the Government.

595 I turn now, Mr Speaker, to my responsibility for broadcasting and the media – a portfolio that I have been involved with since I was first elected to this House a decade ago.

600 Mr Speaker, one of the issues that I always think it is important to review in this debate is the health of the print media in Gibraltar. The world of news is changing, Mr Speaker, at a vertiginous pace. The most established newspapers in the world are having to face these changes: *The Times* has disappeared behind what is known as a 'pay wall' on the internet and the popular weekly *Newsweek* has abandoned print and is now only available as an online publication. And this challenge is also, no doubt, facing local print media in equal measure: *Vox* is now exclusively an online publication; the two dailies, *Panorama* and the *Chronicle*, both have printed editions and lead articles provided online also; the *New People* boasts a printed edition and not much by way of an online presence; whilst *Gibsport* remains a print-only publication.

605 Mr Speaker, these commercial issues are clearly challenges which we must ensure do not deprive our community of the journalism which is as essential a part of our democratic process as the work that we all do in this House. In terms of advertising revenues, the financial year to date has seen the sum of £32,882 paid to newspapers, of which £32,402 has been paid to the *Chronicle* to date. As I indicated in the course of the debate on parliamentary reform, this information is now uploaded to the Government website monthly so that the public has unimpeded access to it and they will be able to see that different newspapers invoice Government at different times, and that is why the sums may seem disproportionate at times.

615 In terms of broadcasting – in particular, public broadcasting, Mr Speaker – the past year has been significant for GBC, where a major investment has at last been made in upgrading obsolete analogue technology with the latest digital systems capable of broadcasting in HD – high definition. As viewers will be aware, this has not come without its problems. These have been mainly due to the urgency with which the installation was required in order for Gibraltar to meet the digital switchover deadline of 1st January 2013. When we were elected in December 2011, no work had been done to meet this essential target, beyond which GBC would be off air, Mr Speaker. Although moving to HD was a separate project, it would have been impossible for GBCTV to continue broadcasting after that date in digital with its 35-year-old analogue technical infrastructure, and there was no point in investing in already obsolete SD, or standard definition, digital technology. The problems have been and continue to be addressed by investment in equipment, employing the additional staff required, and retraining existing employees in a process that is still ongoing.

620 We have also completed a basic refurbishment of Broadcasting House in order to allow the very hardworking GBC staff to work in improved surroundings, although not yet ideal, ahead of GBC's move to new premises in the not-too-distant future.

630 The additional resources made available to GBC have allowed the now obvious improvements to television and radio programming as well as news coverage across all platforms, including online and social media. I am delighted to say that this is starting to make an impact on the public view of GBC, with viewers enjoying more and more local programmes of increasing quality. This year will also see a rebranding of GBC, allowing further improvements to its on-air appearance. GBC promises further new TV formats by way of in-house productions and commissioned shows from independent production companies. It is also planned for Radio Gibraltar to increase the level of programme choice in the next few months.

635

Mr Speaker, GBC, under its new CEO, Gerard Teuma, and its new board, chaired by Albert Mena, intend to maximise the use of funds it has available to ensure it provides the best possible national TV, radio and online product within the improved, though still necessarily limited, budget it has at its disposal. I pay tribute to the staff at Broadcasting House for having endured very difficult circumstances over many years, and those who are making a huge effort to assist in turning things around for the benefit of Gibraltar's loyal viewers and listeners.

Mr Speaker, as announced last year, the new Broadcasting Act has provided GBC with the opportunity to enter into a commercial partnership with influential individuals from the film, music, television, new media and publishing worlds. The company, Gibraltar Entertainment Network (GEN), has been formed, 50% of which is owned by the Corporation. The intention, as I told the House last year, is to build a new industry on the Rock, and I am told, Mr Speaker, that initial reaction internationally to the possibility of using Gibraltar for this purpose has been very favourable indeed.

GEN is proposing to build a state-of-the-art studio complex at Europa Point, comprising a large film sound stage, TV production studios, and a high-end audio recording studio among other significant features. The studio complex will likely form part of the area which is earmarked to include the new UEFA-standard National Football Stadium building for the GFA. Most of GBC's operations will also be housed in this new studio facility, thereby exposing our Gibraltarian media professionals daily to international standards – something that can only be of benefit to local broadcasting.

The new home for GBC News will be the Cool Blues building within the Ince's Hall complex, providing the flexibility to record and transmit events staged in the John Mackintosh and Ince's theatres – not least elections, Mr Speaker – in addition to GBC's regular productions at Europa Point. This releases the rest of the Ince's Hall area for drama and for a much needed sprucing up. GEN itself also intends to stage significant events in Gibraltar, placing the Rock firmly on the world map for entertainment.

The Corporation is confident that, in time, the profits generated by GEN will go a long way towards covering the cost of running GBC, with the consequent benefit to the taxpayer and therefore GBC complying with Government's requirement that it should withdraw entirely from the commercial advertising market where it presently competes with other media.

Much has been done over the past 12 months, but the problems at GBC were such that further work is required. In particular, issues such as professional development need to be addressed, so that our young people can confidently choose broadcasting, or the wider media and entertainment industry, as a worthwhile and rewarding career. There needs to be further investment in this area in this year in resources and technology, as well as on the resilience of television transmissions, to ensure that, despite the vagrancies of the various cable networks that operate in Gibraltar, the public is able to enjoy GBC's programming in the best possible quality.

Mr Speaker, the Government continues to invest in Her Majesty's Customs, another area of my specific ministerial responsibility. The Department, very ably led by John Rodriguez, is presently awaiting responses from a pre-qualifying questionnaire in respect of the tender for the purchase of four new vessels. Tenders have already been awarded for the purchase of seven vehicles for Customs – five patrol cars and two work vans – and new accommodation is being developed for shift workers and custody suites at Waterport Wharf to enable compliance with the new requirements of our criminal law. Ongoing works to relocate the entry processing unit to the new airport are progressing, as are the ongoing works to redevelop the Four Corners entry point. In this respect, I have been delighted to lead the work for the reform and growth of HM Customs, which is one of the biggest revenue-raising departments of the Government and which has not seen any serious investment made in it for many years.

The Government is in advanced discussion with the unions about proposals that it will shortly be putting to members of the department regarding all areas of operation and structure in a manner designed to produce a stronger law enforcement agency in this crucial area of Government revenue. I know many officers are very excited about these potential developments. We are working through issues that some have highlighted through their unions, but we are making good progress.

This is an appropriate time, Mr Speaker, for me to reflect more generally on my responsibilities for industrial relations. I am delighted to say that I am working closely with all representative bodies in Gibraltar in a manner designed to ensure that reasonableness and responsibility is the order of the day in dealing with union claims. This is manifesting itself in very useful regular monthly meetings with Unite, which ensures that matters are dealt with quickly and not allowed to fester. I had a similar timetable of meetings with the GGCA, which I am very happy to say has been taken over by the Chief Secretary as part of the public sector review. I now meet with the GTA also, when the Minister for Education or they need me to become involved. We have recently settled a number of their longstanding claims, Mr Speaker.

Speaking of these important public sector areas, Mr Speaker, as promised in our manifesto, Civil Service pay will increase this year by 2.9% with effect from 1st August 2013, despite the pay freezes in the UK public sector.

700 In terms of retired civil servants, Mr Speaker, it was a manifesto commitment to reactivate the Widows and Orphans Pension Scheme on a voluntary basis for serving civil servants. We also committed to introduce a new Widows and Orphans Pension Scheme for retired civil servants as an alternative to the Spouses and Children Scheme announced by the previous administration.

705 Mr Speaker, hon. Members will recall that, shortly after coming into office, the Government amended the Pensions Regulations to give all civil servants who are covered under the Pensions Act the option to commute up to 100% of their pension entitlement. As a consequence of this, a civil servant who dies in service is also eligible for full commutation of his accrued pension on death, as opposed to a 25% commuted pension gratuity, as was previously the case.

710 To explain that more clearly, Mr Speaker, all public sector employees are currently covered under a group life insurance policy which pays dependants a lump-sum payment equivalent to two years' salary in the event of an employee's death in service. That is *all* public sector employees. In addition to the above, public officers who are covered under the Pensions Act are entitled to a commuted pension gratuity on death in service. Prior to February 2012, such commuted pension gratuity ranged from one year's salary to just over two years' salary, depending on the officer's length of service at the time of death.

715 Mr Speaker, hon. Members will be aware that the relevant change to the law was made on 9th February 2012 by this Government, when the Pensions Regulations were amended in order to enable officers to opt to receive up to 100% commutation of their pension entitlement under the Pensions Act. The amendment also provided for the commuted pension gratuity payable on death in service to be based on 100% of the pension entitlement, rather than this being restricted to 25%, as was previously the case. The effect of this, Mr Speaker, is that the dependants of public officers who are covered under the Pensions Act and who die in service are now entitled to receive a commuted pension gratuity of between 720 2.5 years' salary to just over 8 years' salary, depending on the length of service of the officer who dies. This is in addition to the two years' salary payable under the group life policy: a potential maximum 10 years' salary payable to next of kin as a result of the changes that we made to the Pensions Act.

725 As regards public sector employees who are not covered under the Pensions Act but who have a defined contribution pension scheme, the entitlement on death in service is currently a lump-sum payment of two years' salary payable under the group life policy, plus a lump-sum payment of 100% of the accumulated fund paid into the defined contribution pension scheme.

730 Mr Speaker, for those public sector employees who are not covered under the Pensions Act, the Government will be increasing the death in service cover payable from two years' salary to three years' salary.

This has meant, Mr Speaker, that the families of serving civil servants are now, therefore, for all the reasons I have said, adequately protected in case of early death in service, making the reactivation of Widows and Orphans Pension Scheme no longer necessary for serving officers.

735 In respect of retired civil servants, the Government has already confirmed, and I restate here today, that those who opted out of WOPS in the late 1980s will have the choice to opt back in. Let me clarify, Mr Speaker, that the formula for re-entry will require applicants to pay the sum they received when they opted out plus RPI on that sum since then and the contributions that would have been due since then. Government will make a concession that the sum of the WOPS contribution due since the individual 740 opted out will be payable without the application of RPI increases. Only a handful of people have got in touch with the Treasury to seek to be included in this option. To make opting back in easier, a specific e-mail address has been set up, active from tomorrow for enquiries – the address is wops@gibraltar.gov.gi. Those wishing to write in to the Treasury to seek to opt back into WOPS by normal mail should address their correspondence to WOPS OPT IN at No.6 Convent Place.

745 Mr Speaker, I now turn to more specific Budget measures. In line with the Government's manifesto commitment, the following measures are designed to encourage and reduce the cost of doing business in Gibraltar.

Electricity and water charges will not be increased this year, despite the increasing costs of providing these public utilities.

750 In order to further stimulate the retail sector, in Main Street in particular, and to make Gibraltar a more attractive destination for shopping, and in addition to the Import Duty reductions I made last year, I now make the following announcements of further reductions. To encourage the development of the jewellery industry in Gibraltar, including the finishing off of the jewellery manufacturing process in Gibraltar, Import Duty on jewellery is reduced by 25%, from 6% to 4.5%, and Import Duty on loose gemstones is reduced to zero. Import Duty on mobile phones is reduced by half, from 6% to 3%. Import 755 Duty on sunglasses is reduced by half, from 6% to 3%. Import Duty on all sports equipment and spares and all articles for outdoor games is reduced from 12% to zero. Import Duty on all educational items, including pens, pencils, crayons and students' paints, is reduced from 12% to zero. Import Duty on bicycle spares is reduced from 12% to zero;. Import Duty on artists', students' or signboard paints is also

760 reduced from 12% to zero. Import Duty on fishing rods, fish hooks and other line tackle is reduced from 12% to zero. Import Duty on binoculars and camera cases is reduced from 12% to zero.

765 With effect from 1st July 2013, the discount scheme for early payment of general rates, which was introduced last year for all new companies starting up business in Gibraltar, will be extended to include a 25% discount in the second year of trading. All new companies will therefore be given a discount in their general rates bill of 50% in their first year of trading and 25% in the second year of trading. Those new companies that have already received a 50% general rates discount in their first year of trading since the scheme was introduced last year will also be given a 25% discount in their second year of trading.

770 Mr Speaker, in order to assist working families with the purchase of their homes, as well as those families who may need to move to larger or indeed smaller accommodation as their family composition changes, the threshold of zero Stamp Duty, which currently stands at £250,000 for first-time buyers, will be extended to cover second-time buyers. Mr Speaker, Stamp Duty on transfers of properties between spouses, most often an issue in cases of matrimonial breakdown, is abolished.

775 The Government will also arrange, Mr Speaker, to provide soft loans to residential estates for funding projects that use solar panels within their estates to provide electricity for communal lighting, water heating and the powering of lifts. Approved projects will receive funding which would be repayable in a period of up to 10 years at an effective interest rate of 1% interest per annum, with the Government funding the difference in the cost of finance by way of a grant.

780 In order to assist our community to train for competitive sports, both nationally and internationally, all children in our community who belong to Gibraltar sporting clubs and associations will be given free access to all public sporting facilities, including the King's Bastion ice-skating rink. Such free access will be given to all children under the age of 18 on presentation of their Gibraltar identity card.

The annual pensioners' utility grant, applicable to persons aged 60 and over, will be increased from £75 per annum to £90 per annum with effect from 2013.

785 Mr Speaker, maternity grants and death grants have remained unchanged at £400 since July 2006. With immediate effect, the maternity grant is increased by 50% to £600 and the death grant is also increased by 50% to £600.

790 I turn now to import duties, Mr Speaker. It has recently come to the Government's attention that importers and suppliers of diesel in Gibraltar have been increasing the selling price of this fuel in the market to reflect not only the general increase in the cost of this fuel, but also to reflect the increases in the increased price of diesel in Spain as a result of increases in VAT. However, Import Duty on diesel has not been increased in line with VAT in Spain, and therefore it has been the profit margin of the importers which may have increased as a result. Mr Speaker, in order to restore the importers' and suppliers' profit margins based on current price levels, Import Duty on diesel is increased, with immediate effect, by 6.5 pence per litre to 22 pence per litre. But, in order to encourage the use of Gibraltar by yachts, pleasure craft and all other sea-going vessels, and for local vessels, Mr Speaker, Import Duty on marine fuel is reduced to zero with immediate effect. The system will work as a refund for importers in respect of fuels demonstrably supplied to vessels.

800 Mr Speaker, the Government would like to encourage more online business in the export of goods from Gibraltar. The Government, together with the Collector of Customs, is therefore currently looking into introducing measures whereby Import Duty that has been paid on goods that are re-exported by way of such online business, and where the retailer does not enjoy a bond, can be refunded to such businesses.

805 Mr Speaker, in support of this Government's continuing efforts to discourage smoking generally among our community, and despite the sensitivities in raising the price of this commodity, of which hon. Members are fully aware, Import Duty on cigarettes will increase by 10 pence per packet with immediate effect. Hon. Members will note that Import Duty on cigarettes was raised last year by 10p per packet and was raised again earlier this year by 5p per packet, making a total increase in the year of 25p per packet.

810 Hon. Members will also have noted the Government's decision to ban the retailing of tobacco in residential estates. This is something we had received many representations on from tenants' associations before the Election. We had demarcated Laguna and Glacis as special zones, but the activity has become too ingrained to control other than by this ban, but I want to thank, Mr Speaker, the RGP and Customs for the work they have done and are doing in curtailing activity in these estates and generally throughout Gibraltar.

815 Mr Speaker, in pursuance of the Government's commitment to reduce the level of personal tax for every taxpayer in Gibraltar and the statements I made last year, the following reductions in Income Tax will apply with effect from 1st July 2013.

For those taxpayers who have elected to pay Income Tax under the allowance-based system, the tax rate for the taxable income bracket ranging from £4,000 to £16,000 will be reduced from 30% to 24%, as set out in our manifesto. This measure will benefit approximately 3,800 taxpayers.

All taxpayers under the allowance-based system with earnings of £10,000 or less will not be required to pay *any Income Tax at all*. This will be achieved by extending the Low Income Tax Earners

820 Allowance. This measure will benefit approximately over 2,100 of the lowest-paid taxpayers in our community and I am proud and honoured to be leading the Government that introduces this measure.

Additionally, taxpayers under the allowance-based system will benefit from the following increases in allowance.

825 The Medical Insurance Allowance is increased from £1,500 to £2,000. The purpose of this is to reward taxpayers who seek private healthcare and in doing so relieve the burden on the Health Service.

The Nursery School Allowance is increased from £2,000 to £3,000 per child. This measure is intended to assist working parents with young families.

830 The Blind Persons Allowance is increased from £627 to £3,000. This very significant increase demonstrates my Government's commitment to assist the most vulnerable members of our society.

The Disabled Individuals Allowance is increased from £2,724 to £5,000. Once again, this very significant increase continues to show our support for parents who bear the responsibility of caring for disabled individuals.

The Single Parent Family Allowance is increased from £2,632 to £3,000.

835 The Personal Allowance is increased from £2,812 to £3,000.

The Spouse Allowance is increased from £2,632 to £3,000 also.

For taxpayers currently under the gross income based system, the following measures will be introduced.

840 In order to assist further working families with the purchase of their first-time home, a deduction from assessable income of £5,000 will be made to taxpayers under the gross income based system in respect of approved expenditure incurred towards the purchase of their home during the tax year commencing 1st July 2013. Taxpayers will want to check for themselves whether they should stick to their current choice of GIBS or ABS systems of taxation.

845 In order to encourage saving for retirement by way of employee contributions to approved pension schemes, a deduction from assessable income of £1,000 per annum will be made to taxpayers under the gross income based system in respect of contributions made with effect from the tax year also commencing 1st July 2013.

850 And there are other measures too, Mr Speaker. Taxpayers who were taxed on their commuted pensions due to the enactment of section 6(1)(g) of the previous Income Tax Act, which has since been repealed, will now be refunded the full amount of tax deducted. The Income Tax Office will refund these amounts, on application, by way of an extra-statutory concession.

855 Pensions received by retired members, aged 55 or over, of the Royal Gibraltar Regiment shall be exempt from Income Tax. This measure will apply from the tax year commencing 1st July 2012. Employment income received by instructors of Royal Gibraltar Regiment Cadets shall also be exempt from Income Tax in order to bring them in line with members of the Royal Gibraltar Regiment and the Territorial Army.

860 Following representations made by the Gibraltar Society of Accountants regarding the audit exception level within the Income Tax Act 2010, as already announced during the annual dinner on 6th June 2013, I am happy to formally announce that this level will be increased from £½ million to £1 million, and this will be effective for accounting periods ending on or after 1st July 2013.

865 The aggregate sum donated under the Gift Aid Scheme, previously limited to £1,000, is increased to £5,000. In addition the Government is considering the introduction of a payroll giving scheme locally, which will allow tax-free charitable donations to be made regularly and automatically through employment earnings.

870 Finally, in order to encourage the construction of office accommodation in Gibraltar, such developments on which construction commences on or before 31st March 2015 shall be allowed a capital allowance deduction in the first year following completion of construction equal to 30% of construction costs and the remaining 70% written down over the following seven years. This allowance can be claimed in part or in full, either by the developer or the occupant, up to a maximum claim of the full construction costs. Construction costs are those costs wholly and exclusively laid out or expended in the construction of the office accommodation – including all preliminary planning, design and associated costs, but excluding the cost of the land – in respect of this measure.

875 Mr Speaker, as I reminded the House last year, and will not tire of reminding the House *each* year, the minimum wage was first introduced by the GSLP after we were first elected into Government in 1988, even before the United Kingdom, where the concept of minimum earnings per hour was not provided for in legislation until the first Queen's Speech of the New Labour Government of 1998 – a whole decade later.

880 Mr Speaker, in our manifesto we committed to keep the minimum wage under constant review. The statutory minimum wage was last increased by 30 pence, with effect from 1st August 2012, from £5.40 to £5.70. So, this year, Mr Speaker, the national minimum wage is increased again by 30 pence, from £5.70 to £6.00, with effect from 1st September 2013.

I have no doubt, Mr Speaker, that this measure will be very welcome indeed by workers and their respective representative groups as we bring up the standard of living of the lowest paid in our economy with this measure and the exclusion of many such individuals from the tax net – a double whammy, Mr Speaker, of benefits for those who need it most.

885 As I also said last year, it should not be lost on anyone, Mr Speaker, that the hugely successful Future Job Strategy makes the Government itself the largest single employer of persons now, at last, on the minimum wage. This increase will again therefore also further benefit those on the Future Job Strategy.

890 Finally, Mr Speaker, before I sit down, I want to thank the staff of the Treasury and the Ministry of Finance, including the Commissioner of Income Tax and his staff and the Financial Secretary, as well as the Collector of Customs, John Rodriguez, and his officers, and the Head of Social Security, Tony Sacramento, and his team for their work on this Budget. A few words uttered by a politician in this place as a budget measure, like the ones I have just announced, require many calculations in those Departments to work out cost and affordability; a careful calibration that really engages the teams at the Treasury, Social Security, Income Tax and Customs. I want, in particular, to thank Mr Dilip Dayaram and Mr Frank Carreras for their work with me and my team of Ministers on this Budget.

895 It is also right, of course, that I should thank all public servants of Gibraltar, without whom Government cannot operate. In particular, Mr Speaker, our thanks to you, the Clerk and staff of the House for bearing with us in the process of physical reformation of the Parliament.

900 Again, this year, this is a useful moment to extend a very special acknowledgment also to all the staff of No. 6 Convent Place, especially the team that works on my corridor of the building. For the first full financial year we have worked together they have kept me working, smiling and resolute in the face of any challenge that may cross our nation's path.

905 Today, I want to continue also the tradition I established last year, which I think is fitting in a system of real Cabinet government, of thanking all other members of the ministerial team for their sterling endeavours in the course of this past financial year. It is that work and the work of the civil servants who work alongside us that delivers these excellent results for Gibraltar.

Mr Speaker, I told the House last year that from the moment that the General Election was announced and our candidates declared the team of ten of us then sitting in this House last year had been a real team. We worked as a team and we supported each other as a team.

910 We lost a member of our team this year, and although we hope the people of Gibraltar will fill the vacant seat with another one of my party colleagues, we will never be able to replace Charles Bruzon. Mr Speaker, this has been a very sad year for those of us who sit on this side of the House. Last year, our dear friend and colleague, Mr Bruzon, delivered his first and last Budget address as a Minister. I recall his excitement at being able, after eight long years of Opposition, to get up and deliver a Budget speech about the things he and his team were planning on doing to deliver on our electoral commitments. Sadly, this year, he is not with us, and I would simply ask all members and those watching or listening in our community to remember, during this important debate, the contribution that Charles made to the Parliament.

920 He was not the longest-serving Member of this House, nor the most aggressive, but he was certainly among the very best of us and, Mr Speaker, he would certainly be proud to hear me intone that this is a Budget for working families, a Budget that once again provides support for the lowest paid in our economy by increasing the threshold to remain out of taxation and increasing the minimum wage. It provides incentives for greener living in the community and further provides for families of persons with disability by increasing the Disability Allowance. A Budget that delivers tax advantages to a large number of taxpayers and continues to deliver on our manifesto commitment to reduce tax on the allowance-based system, whilst allowing additional targeted deductions for those on the gross income based system.

925 Mr Speaker, this is a Budget that delivers for business too. It keeps the social insurance burden static, which means it is a burden once again, in effect, reduced in real terms by the rate of inflation since it was last raised. Once again, we deliver meaningful Import Duty reductions for the retail industry in Main Street and further reductions for new businesses to encourage entrepreneurs and start-up businesses, whilst at the same time freezing rises in electricity costs, thereby delivering a significant discount in respect of that particular overhead.

930 Mr Speaker, this Budget provides further for pensioners by the exemption of some pensions from tax computations and the creation of a new debenture for senior citizens, and for working families by the creation of the Children's Bond, the increase in the Nursery Allowance and the creation of a Second Time Homebuyers Allowance for those on the allowance-based system and a First Time Homebuyers Credit for those on the GIBS system.

940 And to finally make this a Budget to celebrate and remember: more available cash reserves than predicted – quadrupled from the sum when we took over, without having to raise borrowing limits; a record high reduction in gross debt of 27.5%; a record high increase of Gibraltarians in employment; and a record high surplus. Mr Speaker, a record-breaking Budget of less debt in the context of more

democracy; a record-breaking Socialist Liberal Government. Mr Speaker, a Socialist Liberal Budget delivering social justice for our nation.

945

The numbers speak for themselves and I commend the Bill to the House. (*Applause*)

Mr Speaker: Before I put the question, does any hon. Member wish to speak on the general principles and merits of the Bill?

950

Hon. D A Feetham: Mr Speaker, it is an honour for me to rise to deliver my first Budget speech as Leader of the Opposition.

As we have said in the past, the Opposition will never make political capital against the Government at the expense of this community or without clear foundation in truth or fact. That has been our policy ever since the people of Gibraltar had their say and decided that we could best serve them, at least for the next four years, from the Opposition benches.

955

During the short four months that I have been Leader of the Opposition, I have also said that where my party can work closely with the Government for the benefit of the community as a whole, we will do so.

960

Within a couple of weeks of my becoming Leader of the Opposition, I moved a motion at this House calling for the Hon. the Leader of the House and I to work closely on the attempts by the Prime Minister of the United Kingdom, David Cameron, to renegotiate UK membership of the European Union. That motion was, of course, approved with amendments and I remain at the disposal of the hon. Gentleman.

Five weeks ago, I made statements that, without resiling from my Party's longstanding position that the new Constitution granted this community the maximum level of self-government short of independence and compatible with British sovereignty, I would be prepared to go to the United Nations as part of a Gibraltar delegation if we could agree a position in substance beforehand.

965

On the fishing dispute, over a year now we have been saying that we will support any reasonable solution that the Government brings by way of legislative changes to this House.

970

On tobacco nuisance in Government estates, the Government has just done what I suggested that they should do in September of last year, and I have no hesitation in welcoming the policy. Should the Government decide to move forward with its plans in its manifesto – which is *their* manifesto commitment, not ours – of constructing a berth on the east side in order to curb tobacco smuggling on that side of the Rock, they will also find that the Opposition will support that too.

975

Mr Speaker, in all this, of course, I am going much further than they did when they were in Opposition – on the United Nations, on the Dr Giraldi Home, for example. They never hesitated to plough their own furrow or to take different or adverse positions in international fora or in the international press when we were in Government.

980

That said, Mr Speaker, the Government cannot equate its own interest with the interest of this community, and whilst we will welcome Government policy if it deserves to be welcomed, and we will support the Government if it is in the interests of this community, our job is to hold the Government to account, and that is what we intend to do during the currency of this Parliament.

985

Thus, whilst we welcome, Mr Speaker, some of the measures that he has announced today – for example, the reduction in Import Duty in relation to jewellers, or the reduction in Import Duty on educational items; and indeed the continuation of the policy that we had introduced in our 16 years of Government of increasing the minimum wage and also reducing taxes – we continue to have very real concerns indeed about the ability of the Government to deliver on its manifesto commitments and their own economic targets over the next four years, for reasons that I will develop during the course of this intervention.

990

He has said, Mr Speaker, that these figures will silence his critics. I am afraid that he could not be further from the truth. Nothing that he has said today dissuades me from the very justified criticisms that we have levelled against him and his Party in relation to the inherently flawed and contradictory economic discourse which they pursued at the last Election in relation to public debt and public finances; a discourse, Mr Speaker, that the Chef Minister has made personally his own and which he has repeated on numerous occasions over the past year.

995

Mr Speaker, during the last year's Budget session, my Hon. and Learned Friend, Sir Peter Caruana, then Leader of the Opposition, described the 2011 Election as the 'big lie Election', involving not one but two big lies: a big lie about the state of public finances; and a big lie concerning undeliverable electoral promises. It is a theme that was eminently justifiable. It is a theme in which we partly fight this By-election and it is a theme that will loom very large indeed at the time of the next General Election.

1000

I have to say, Mr Speaker, that the hon. Gentleman captured my interest, and indeed the interest of many others, when he said recently in an interview with GBC's Christine Vasquez that he had, quote, 'cured' any public finance problems he had inherited. The interviewer had asked him what many in Gibraltar are asking themselves, and that is how can he sustain his arguments on public debt and public finance... his criticisms of the previous administration, when the Government is spending money at

1005 current levels. Nothing that I have heard today will lead me to the conclusion, or anybody else, that public
finances that he inherited from the GSD Government needed curing; still less, Mr Speaker, that he has
found some miraculous cure for the illness that he himself invented.

1010 The reality, Mr Speaker, is that the hon. Gentleman's position was and remains riddled with
substantive and presentational contradictions that will catch up with him sooner rather than later – if it has
not done so already.

1015 Not least, Mr Speaker that public finances were in a ruinous state and that public debt was
dangerously too high. Today he has said that at no stage, Mr Speaker, did we say that Gibraltar was
bankrupt. Well, in his first TV appearance to address the nation on 18th January of last year, putting on
his most solemn face, Mr Speaker, he spoke of – and I quote... direct quotes from the hon. Gentleman in
that address: 'a serious public debt problem'; 'a serious public finance problem'; 'an impenetrable
curtain'. He then went on, Mr Speaker, to create the impression – an impression that he reinforced last
year during his Budget speech – that the Government had found a £100 million black hole. During the
course of his speech today he has also said that he inherited a precarious cash position of only
£20 million, which I will proceed, Mr Speaker, during the course of this speech, to disprove.

1020 And yet, Mr Speaker, this was a Chief Minister leading a Party that, at the same time that it painted
that very bleak economic picture, both before and after the last General Election, also promised
absolutely everything to everyone. Make no mistake, Mr Speaker, never in the history of General
Elections has so much been promised to so many, to the extent that throwing all political responsibility
out of the window, unconcerned about the dangerous and undeliverable expectations that he was creating
for this community in the long run, the Hon. the Chief Minister must have written to every single interest
group in Gibraltar, promising to deliver on anything and everything that they wanted at the time.

1025 Mr Speaker, the Party opposite promised approximately £750 million of capital projects, including a
new power station; over 1,000 new homes, leading to the reduction of the housing waiting list and the
pre-list; a reduction of the effective rate of Income Tax to 15%; a freeze in rates, rents, electricity; and
much, much more. Indeed, during the course of today he has announced measures cutting Income Tax.
He has said that the Government, over the last year, has spent £92 million in capital projects. Over the last
year, Mr Speaker, he has renewed some of the promises that he made at the last Election; some of them in
the weeks leading up to this By-election.

1035 Today, under two weeks before the By-election and only 18 months – only 18 months, Mr Speaker –
after the last General Election, public finances are well enough to allow the hon. Member opposite to
announce the measures that he has announced today. That comes off the back of announcements in
relation, Mr Speaker, to a power station that will cost, in anyone's estimate, over £120 million; millions
on a football pitch, the bulk of which will have to be funded by the Government; millions on the new –
and by the looks of it, very very unpopular – berths and promenade in the port; the Queens Cinema
purchase; the Commonwealth Parade, the cost of which the Government has refused to disclose; and
more importantly, Mr Speaker, for the purposes of this intervention, huge increases in recurrent
expenditure – £48 million over four years on the Future Job Strategy at £12 million recurrent expenditure
every single year, a figure that in fact is likely to go up because I had not factored in the increases in the
minimum wage.

1045 Over £40 million, Mr Speaker, in four years is our very conservative estimate on the expansion of the
public service since they came to office at over £10 million recurrent expenditure every year. Indeed,
Mr Speaker, there has been and there is predicted to be next year a significant increase in recurrent
expenditure – in other words, not capital projects, but year-on-year money that the Government spends.

1050 Mr Speaker, recurrent departmental expenditure for the year ending 31st March 2012 was
£333 million. Recurrent departmental expenditure, in accordance with the forecast outturn for the year
ending 31st March 2013 is £372 million, an increase of £39 million per annum from last year to this year.
The predicted departmental expenditure for the year ending 31st March 2014 is £392 million, an increase
of £20 million per annum from the end of this year. This means, Mr Speaker, that from the year 2011-12
to the year 2013-14, next year, recurrent departmental expenditure would have risen by £59 million per
annum, or £4.9 million per month, and we have not even had the Civil Service review completed yet.

1055 In addition to this, the recurrent contribution to Government-owned companies rose from
£10.4 million in the year ending 31st March 2012 to £17.7 million in 2012-13, and for those purposes I
have taken only £10.4 million of the £28 million related to recurrent expenditure because, as we said last
year, the surplus had been wrongly reduced by setting it off against expenditure that was not recurrent.
1060 That £17.7 million level is predicted to be maintained in the year 31st March 2014 and represents an
annual increase of £7.3 million, or a monthly increase of £608,000. Indeed, Mr Speaker, in comparison to
the financial year ending 31st March 2012, the projected overall recurrent expenditure for the year ending
31st March 2014 will have risen by £66.6 million per annum, or £5.525 million a month: not figures of an
economy with a serious public finance problem.

1065 Now, as I do not wish to cover every single Department, this significant rise in Government's
expenditure is seen almost across the board, and I will just give some very few examples.

The projected figure for travel and entertainment for the year ending 31st March 2013 was £390,000; whereas it has come in at £880,000 – more than double the projected figure.

Private sector legal advice is up from £666,000 in 2011-12 to £1.4 million 2012-13.

1070

Appendix K gives details of the Gibraltar Culture and Heritage Agency. The culture activities, including National Week events, cost £720,000 plus £500,000 – which is the net cost of the Mega Concert – giving a total of £1.2 million, compared to the 2011-12 cost of £547,841. That is a £650,000 increase over the levels at 2011-12. Mr Speaker, there is nothing wrong with a good party at all, but £1.2 million is an awful lot to spend on parties, and it is certainly an awful lot to spend for a country that had a serious public debt and serious public finance problem only 18 months ago.

1075

The reality is, of course, Mr Speaker, that either public finances were in a woeful state in 2011 and the Government should have cut its suit to match the cloth that it had at its disposal, which is what most countries in Europe have done with reductions in public expenditure and public services; or it simply accepts that it inherited an excellent economic legacy which enables it to increase public expenditure in this way. *(Applause)*

1080

Even with, Mr Speaker, that excellent legacy, as I will attempt to demonstrate during the course of this speech by reference to this year's Estimates of Revenue and Expenditure and to statements made by the Hon. the Chief Minister during the Budget last year on how he would fund his manifesto commitments, his economic strategy remains, at best, riddled with inconsistency. What we are not going to do is allow this big lie on public finance to become, in the next two years, his mantra or excuse for not complying with his many individually targeted election promises when it all catches up with him.

1085

Mr Speaker I now turn to consider economic growth and the funding of Government projects.

Last year's latest figures prepared by the Government Statistics Office indicated that GDP for 2010-11 was £1.05 billion, and the forecast GDP figure for 2011 was £1.137 billion, representing an increase in the economy of 5.1%. Today, the Chief Minister has said that economic growth for the year ending 31st March 2013 was just under 8%.

1090

Of course, Mr Speaker, Gibraltar is bucking global trends, as it has done since the financial crisis broke in 2007. These figures are therefore good figures and I congratulate the Government, and indeed every professional, employer, employee and business in Gibraltar, for helping Gibraltar buck that international trend. But, good as these figures are in comparative global terms, they are nowhere near the levels of projected economic growth in the GSLP Liberal manifesto of 50% by 2015. It is likely that there will only be, at most, two more budgets prior to the next election.

1095

I have said it before, Mr Speaker, and I will repeat it today: for the Government to make good on the projected economic growth figures, it needs to get the construction industry moving. Whenever there has been significant economic growth in Gibraltar we have had a vibrant construction industry. My concern, and I know it is shared by many within the industry, is that by the time the Government starts to inject some much-needed activity in the sector through capital projects, some established companies and suppliers dependent on the sector may disappear. Jobs in the construction industry are down, from October 2011 to October 2012, by 1,400 jobs.

1100

I also urge the Government to consider carefully the terms of some of their tenders for their projects where the Government pays a small percentage of the project costs at the outset and the remainder at the end with no stage payments. What the Government is trying to do, and I understand it, is to make some of these projects as self-financing as possible by making the bulk of their payments at the end, when the properties are sold and the Government itself is paid, but this makes it very unattractive for smaller local companies and ignores the economic realities that banks are unwilling to lend to developers to enable them to fund the cashflow difficulties that they may experience.

1105

I also, Mr Speaker, remind the Chief Minister that when he was Leader of the Opposition and he was interviewed by Gerard Teuma in May 2011, he said that just as the GSLP had international investors lined up before they won the 1988 General Election, so too did he have international investors lined up if he became Chief Minister. Of course, he never gave details, and that is understandable at the time, but there has been an election, they won it, and I have asked him now on three separate occasions in this House to identify those international investors, and he has declined. He cannot suggest that the *Sunborn* was what he had in mind in 2011, because we know that was a recent development.

1115

In any event, during his Budget speech last year, the Hon. Chief Minister said this, and I quote:

1120

'The Government's comprehensive programme of changes and benefits, as outlined in our manifesto, have been designed to be delivered to our community with an economy that will grow from £1.1 billion to £1.65 billion between 2011 and 2015.'

1125

Mr Speaker, economic growth, even at the rate of 50% over four years, will not provide the Government with the levels of revenue necessary to fund many of its manifesto commitments. There is no direct correlation between economic growth and the funding of capital projects. The latter may be a causal agent of the former in that capital projects contribute to economic growth. Economic growth, of course, may be a manifestation of increased Government revenue – and roughly £½ billion of the

1130 £1.1 billion GDP was revenue related – but simply because your economy grows by 50% does not mean that you will be able to fund all of your capital projects. It is not rocket science. There are limited ways in which a Government can fund its projects. I accept that some may be self-financing, and to some extent the Government is trying to do that in some of its construction projects, but the reality is that most governments in the world fund projects either from cash reserves or by borrowing or by spending Government surpluses.

1135 Mr Speaker, in their manifesto, at page 27, Members opposite said this:

1140 ‘In the same period Government revenue is projected to grow from £400 million to £600 million and Government expenditure projected to grow from £375 million to £525 million. On this basis the surplus for the current year would be £25 million growing to a level of £75 million at the time of the next General Election. In effect, Government revenue is being kept at a constant ratio to GDP and it will grow at the same rate as the economy. Government expenditure growth will be kept below the growth in the economy and limited to an increase of 40% over a 4 year period.’

1145 Effectively, what the GSLP / Liberals were saying at the time of the General Election was that revenue would grow by 50%, at the same level as economic growth, but expenditure would grow only by 40%, leaving a differentiation of 10%.

It is a point, in fact, that the Chief Minister also made during his Budget speech last year, when he said, and I quote:

1150 ‘For this year, Mr Speaker, Government revenues are expected to increase at least in line with GDP growth. However, the Government remains committed to limiting any increases in Government expenditure during our first term in office to below the growth of the economy. That is why we have calibrated expenditure and manifesto delivery as we have.’

1155 Mr Speaker, the forecast outturn for revenue for 2012-13 was £486 million. The estimated forecast revenue for 2013-14 is £487 million, a difference of around £1 million in forecast revenue increase. It will not be lost, Mr Speaker, to hon. Members who have read the Estimate Book, that out of that increase there has been an increase in Import Duty, by the end of March 2013, of some £29 million. Import Duty has gone up from £117 million to £146 million. During that same period, however, the forecast outturn for expenditure for 2012-13 was £449 million and the estimated forecast for expenditure 2013-14 is £470 million, a difference of around £21 million. Growth in expenditure clearly and significantly is projected to outstrip growth in revenue, despite substantial increases in Import Duty, and in terms of future projections it is nowhere near, Mr Speaker, to the projected ratio of 50% growth in revenue and 40% growth in expenditure. That Mr Speaker is a reflection of the high levels of Government expenditure; but worryingly, also a reflection of increases in recurrent Government expenditure, which I have already spoken about.

1165 Mr Speaker, even if the Government grew revenue by 50% and maintained that 10% difference with expenditure – which, as I have stated, it is not... the projections are not in line with that increase – at page 27 of their manifesto, the Parties opposite state:

1170 ‘The annual surplus will be gifted to Gibraltar Community Care in each of the 4 years to allow the charity to meet its current and future costs and build up its reserves so that in the future it will be once again totally independent of Government grants.’

1175 In other words, every last penny of projected Government surplus would be donated to Community Care; and indeed, last year, £35 million was ploughed into Community Care, more than the entire declared surplus of last year.

Mr Speaker, in today’s *Chronicle* – and indeed, the hon. Gentleman has made the point during the course of his speech – he said that we had moved from a position of having very low cash reserves to a position of having high cash reserves; that he had, as I understood it... that the Government only had £20 million in cash reserves in December 2011 and now they have £84 million in cash reserves.

1180 Mr Speaker, as this House will see when I deal with the reduction in gross public debt, the reserves brought forward of £265 million as at December 2011, have actually been reduced to £84.4 million as at 31st March 2013, a reduction of £181 million. There has not been an increase in reserve; there has actually been a reduction in reserves from the position in December 2011. Much has gone to pay off £142 million of the debentures owed by the Government. In fact, it is a net repayment, Mr Speaker, of £104 million, because the Government initially borrowed £38 million when they came into office. But the effect of reducing gross public debt by redeeming Government debentures is that the cash reserves available to the Government have obviously decreased and have decreased substantially.

1185 Mr Speaker, if your cash reserves are down, you will not borrow because you do not want to increase net public debt. If your own budget figures show the projected ratios for increasing Government revenue over expenditure are not being adhered to, because it is obvious that proportionately growth and expenditure is projected to outstrip growth in revenue considerably, but in any event you also promise to donate every single last penny to Community Care, how on earth do they expect to fund £750 million in Government projects without leaving an awful lot of people unhappy, Mr Speaker? Or does the

Government intend to use, for example, deposits in the Gibraltar Savings Bank – which have shot up spectacularly and on which I will say something in due course – to fund those projects?

1195

Mr Speaker, I now turn to analyse the public debt position. Our position as a Party has been and continues to be that, by all known credible measurement systems, public debt is, and indeed was at the time of the last Election, low. Mr Speaker, as my Hon. and Learned Friend, Sir Peter Caruana, said on numerous occasions, every credible measurement of public debt is based on a correlation between the size of that debt as a proportion of the economy. The UK regards a net public debt of 40% of gross domestic product as a prudent level of public debt. Even the Hon. the Father of the House, Mr Bossano, when he was Chief Minister of Gibraltar in the late 1980s and early 1990s, made statements, recorded in *Hansard*, where he regarded 35% to 40% ratio in relation to the size of the economy as conservative.

1200

Mr Speaker, net public debt at the time of the last Election was 28% of GDP. If 35% to 40% was conservative in the early 1990s, 28% remains conservative today in an economy that is much more robust and well diversified. The structural weaknesses present in our economy then are not present today. That was an economy in transformation from MOD dependence with a nascent finance centre, no gaming industry to speak of, an undeveloped port and large parts of our land owned by the MOD. Make no mistake: whatever my criticisms of the Hon. the Father of the House, I do credit him with a positive transformation of our economy which will always remain to his political credit. But the point is that if a public debt ratio of 35% to 40% of the size of the economy was conservative then, then 28% remains conservative today.

1205

1210

At the time of the last Election we also said that you could virtually halve gross public debt by effectively transferring Government debentures which rank as public debt to the Gibraltar Savings Bank where they do not rank as public debt. In other words, invite redemptions of Government debentures, paying for them by using your cash reserves, and then inviting applications to re-issue all or part of them by using the Gibraltar Savings Bank. That is precisely what the Government, in large measure, have been doing.

1215

Mr Speaker, at the last Budget, as the Hon. the Chief Minister said, the Government estimated that it would reduce gross public debt for the year ending 31st March 2013 by some £67 million. The actual forecast is £142 million. The Government has achieved that, Mr Speaker, that repayment, not by some economic miracle but in the manner that I have just described.

1220

Indeed, Mr Speaker, from answers to Questions 374/2013 to 384/2013 and the Estimates of Expenditure, we see the pattern very clearly indeed. On 11th December 2011, the total value of Government debentures was £321 million, which with bank loans of £200 million gave a gross debt figure of £521 million. As at 31st March 2013, the total value of Government debentures was £175.7 million, which with the bank loan of £200 million gave a gross debt figure of £375.7 million. This has led to an overall reduction in gross debt of some £144.9 million from 11th December 2011 to 31st March 2013.

1225

Indeed, from 11th December 2011 to 1st May this year – just over a month later – the total value of Government debentures had been reduced by £151 million. During that same period, the total value of debt security issued by the Gibraltar Savings Bank rose spectacularly from £24 million to £272 million, an increase of £248 million from the position when they came into office. Of that amount, Mr Bossano told me that £123.8 million was transferred from Government debentures – after, of course, they had been redeemed from cash reserves.

1230

1235

We are therefore, Mr Speaker, unable to congratulate the Government on reducing the country's gross debt when they have done it in precisely the way that we said they could do it at the last Election when they systematically sought to scare the people of Gibraltar into believing that our debt was too high. *(Applause)*

1240

Mr Speaker, I wonder – whether if the combined debt of the Government of Gibraltar and the Gibraltar Savings Bank, which are separate entities but one is owned by the other, were ever to exceed, in notional terms, the legal borrowing limit set if it had all been Government debt – whether the Hon. the Chief Minister would rush to GSLP headquarters to record a podcast condemning the levels of public debt.

1245

Of course, Mr Speaker, the Gibraltar Savings Bank debt securities do not appear in the Estimates as public debt because it is strictly a debt of the bank, not the Government; but it illustrates the absurdity of simply considering gross public debt as a yardstick, and the ease of manipulation of statistics. The reality is that the only true reflection of a reduction of public debt is a reduction of net public debt.

1250

Mr Speaker, my Hon. Friend, Sir Peter Caruana, last year described it in this way: he said if you have a bank loan of £1,000 but you also have cash deposits with that bank of £750, although your gross debt – the money that you owe the bank – is £1,000, the net debt is £250 because you have already got cash deposits of £750 to pay off part of that debt.

Mr Speaker, although the Estimates of Revenue and Expenditure show a forecast reduction in net debt of £12.1 million, net debt has actually risen from the position in December 2013. When the Government

1255 first came into Office in December 2011, they inherited a gross debt figure of £480 million, brought-forward reserves of £264 million and a net debt of £216 million.

The Hon. the Chief Minister, during the course of his Budget speech last year, increased the net debt figure by £37.7 million, in accordance with his Party's policy at the last Election to treat a sum equivalent to 10% of recurrent expenditure as available to the Government as a general reserve, giving a gross debt of £518 million, reserves of £265 million and a net debt of £253 million. The net debt figure at 1260 31st March 2013 was £291.3 million. That is a rise of £38 million from the position in December 2011 of £253 million.

1265 Mr Speaker, I do not criticise them for that. Indeed, my predecessor, Sir Peter Caruana, has already said that net debt would have probably increased, had we been elected into office, in order for us to be able to finish off some of the projects that we had embarked upon; but the Government cannot take any comfort, Mr Speaker, in the reduction of gross public debt and there has been no real reduction in net debt since they came into office.

1270 Mr Speaker, turning to the Gibraltar Savings Bank – which I predict will become absolutely pivotal in any debate on public finances and Government expenditure over the next few years – we have been highly critical of the Government in its decision to announce the expansion of services of the Gibraltar Savings Bank in the face of concerns from the local industry, and particularly at a time when bank head offices are conducting reviews of their international operations. All it does is add to the uncertainty locally. I know that he will say to me that nothing has changed at the Gibraltar Savings Bank, but even if that were true – and it is not – bank head offices plan their global operations three or four years in 1275 advance. The Hon. the Father of the House, Mr Bossano, has already set out his road map for the Gibraltar Savings Bank in a number of interviews with the media locally.

But, Mr Speaker, for the purpose of this Budget, my point is a different one. I have already sought to show how the Government has shifted Government debentures to the Gibraltar Savings Bank, where they do not rank as public debt. I now want to deal with the use to which the proceeds of the Gibraltar Savings Bank issued debt security may be put. Hon. Members will understand that every time the Government 1280 issues a Government debenture – for illustrative purposes I am talking about Government debenture, for example – it is effectively borrowing money at a pre-determined rate of interest which it pays pensioners or savers. It also loses money in the process, because invariably the Government is borrowing at a higher rate of interest than it would receive if it reinvested that money in safe investments with low returns in the money markets.

1285 So, for example, we may have a situation where the Government is borrowing at a rate of 4.5% from pensioners when it issues a debenture and it is then reinvesting the money in Treasury gilts which have a rate of return of less than 1%. The Government is therefore funding the difference, which is effectively a loss to the Government and also a loss to the taxpayer. The GSD Government justified it on the basis that we were helping local savers and pensioners; and indeed, in 2011-12, £480,000 had to be paid from the 1290 Consolidated Fund to meet guaranteed interest.

Of course, just as the Government pays an interest cost difference on Government debentures, so too would the Gibraltar Savings Bank, unless the Government intends a different policy in terms of the Bank's investment strategy, or it has made a decision it is willing to take that loss because it is willing to use some of the proceeds to fund some of their projects, or indeed Government companies.

1295 Mr Speaker, when we were in Government, money deposited with the Gibraltar Savings Bank had to be invested, according to section 13.(3) of the Gibraltar Savings Bank Act, in cash deposits or cash deposit equivalent in terms of protection of their capital value. That was the amendment that we introduced in 2008 when we did away with the requirement that the Bank keep a buffer or capital reserve of 10% of all deposits. Indeed, Mr Speaker, hon. Gentlemen opposite may recall that we were highly 1300 criticised for that at the time, but we justified it on the basis that, if we amended the Act in order to introduce a requirement that the investments of the Act be in cash deposits or their equivalent, because those deposits were very safe indeed there was minimal risk of capital loss for investors.

1305 In March of this year, the Chief Minister moved a Bill to amend the Gibraltar Savings Bank Act and took out the requirement that the investments of the Gibraltar Savings Bank be limited to cash deposits or their equivalent, but remarkably, given their criticisms in 2008, did not restore the 10% buffer. That is why we voted against the Bill. The importance, for present purposes, is that as a consequence of those amendments we now have a situation where, legally, there is no longer the requirement for the Government to invest Gibraltar Savings Bank deposits, or for the Bank to invest Gibraltar Savings Bank deposits, in very safe forms of investments with low returns.

1310 Mr Speaker I have been observing the Hon. the Minister responsible for the Gibraltar Savings Bank for a very long time indeed. I may not always agree with him, but he has never done anything without a reason. I hope, Mr Speaker, that I am wrong and that the Government is not contemplating using that money to fund its capital projects or Government-owned company expenditure simply because it is committed not to borrow or to donate Government surpluses to Community Care or because its 1315 projections of rising revenue and expenditure are out of kilter. The consequences for these annual debates

and the transparency of Government finances would be considerable because it would blow a massive hole in the Government's duty to account to this House at Budget time for expenditure, because as we all know, the Gibraltar Savings Bank expenditure is not reflected in the Estimates.

1320 Alternatively, I also hope that the Government is not going to try and recoup any interest rate loss that I have described by allowing the Gibraltar Savings Bank to risk local savers' money by lending that money out to risky borrowers or potential investors, or to underpin small business guarantees.

Mr Speaker, I have asked about this. At the May session of Parliament, in Question 384/2013, I asked this:

1325 'Will the Chief Minister please provide a break down showing how the proceeds from Gibraltar Savings Bank Debentures or other debt security outstanding as at 1st May 2013 is invested or has been used by the Gibraltar Savings Bank?'

1330 The Hon. Mr Bossano then proceeded to provide me with a schedule entitled 'Savings Bank Fund Statement of Investments on 31st March 2012 showing market value on that date'. In other words, he provided me with the position over a year earlier when I had asked him for the position up to 1st May this year. Therefore, Mr Speaker, we do not have details of how the Gibraltar Savings Bank is reinvesting its debt security, i.e. the money that it is taking from depositors, and how it is funding the return of those investments and any loss that it may make in terms of the interest rate differentiation, if indeed it is making a loss.

1335 Mr Speaker, on a number of occasions, the Hon. the Chief Minister has made the allegation that the Government found a financial black hole of £100 million when it got elected. Those allegations have been made repeatedly by the Hon. the Chief Minister, both in Gibraltar and abroad – including Spanish TV, radio, newspapers – regardless, Mr Speaker, of Gibraltar's reputation and the damage to investor confidence. It is, of course, complete and utter nonsense. As my Hon. and Learned Friend,
1340 Sir Peter Caruana explained last year, this so-called missing £100 million is attributable entirely to the fact that the public debt ended the year higher and cash receipts ended up lower than the Government had estimated at the start of the year.

1345 It has happened before: in 2009-10, it was estimated it would finish the year at £116 million and it ended at £148 million; in 2010-11, £180 million was estimated, when it finished at £216 million. All it takes, Mr Speaker, is for capital expenditure to proceed more quickly than budgeted for, or for capital receipts from the sale of assets to be delayed, or a combination of both to produce this effect. The GSLP Opposition, Mr Speaker, has never criticised that position before in any of the statements that it made during the course of this debate in the past.

1350 Last year, Mr Caruana said, and I quote:

'Delayed asset receipts for the year remain on stream to come in now or in the future.'

1355 Well, Mr Speaker, he was absolutely right. If the hon. Members look at page 143 of the Estimates, actual receipts for last year from the sale of Government properties and other premia amounted to £1.4 million, whereas the forecast outturn for this year is £102 million – an increase of just over £100 million.

1360 The reality is that the GSD, Mr Speaker, left a legacy to the new Government that was a golden economic legacy, which this Government will struggle to match, and indeed are spending. That is why so much effort is spent by the Chief Minister personally, trying to – despite his words on election night at the John Mackintosh Hall not to denigrate that legacy – systematically taint and talk that legacy down. A legacy that has included, Mr Speaker, a repositioning and improvement of Gibraltar's image and repositioning of its reputation abroad, which has provided the foundations for Gibraltar, over 16 years, to grow the economy by 300%; to produce over £200 million in Government surpluses; to increase the labour force jobs in Gibraltar by over 8,000; to decrease taxes, cut taxes across the board, and increase the
1365 standard of living for all new Gibraltarians across the board.

But perhaps the most eloquent tribute to that legacy are the words of Her Majesty in the citation to my hon. and learned friend's knighthood, and I quote:

1370 '... following a long career in public service including election of four terms as Chief Minister totalling 15 years. He has made an immense and outstanding contribution to the reputation and prosperity of Gibraltar having driven the Territory forward politically and economically during his tenure through a period of transformational change with diversification of the economy and significant advances and achievements in political and community life for the benefit of Gibraltar.'

1375 Mr Speaker, I am grateful to hon. Members for listening to my maiden speech at this Budget speech. (*Applause*).

Mr Speaker: The Hon. Sir Peter Caruana.

1380 **Hon. P R Caruana:** Mr Speaker, first of all, before I begin my own short address, can I just thank the House for the congratulations and tributes that it paid me at the beginning – the Chief Minister and the Leader of the Opposition, and indeed Mr Speaker himself – on Her Majesty’s bestowal on me of a knighthood. Frankly, although I am absolutely delighted by that recognition from Buckingham Palace, and indeed from the UK Government more widely, personally I had believed and thought that to be entrusted with the privilege by my own community to lead them politically for 16 years was honour enough. That said, I am delighted with this more outward and more conventional and traditional form of recognition.

1385
1390 Mr Speaker, it is apparently tradition – I fear that I may have started it when I was over there – for Members to introduce their Budget speeches by marking what number it is in their current office. So I used to say it was my 15th, my 16th Budget speech; the Hon. the Chief Minister has now said it is his second; and indeed the Leader of the Opposition has boasted that it is his first. So I suppose, in the same vein... I am not sure it is an accolade as such, but I think this is the first Budget speech by a backbench Member of Parliament (*Laughter*) in this Parliament. (**A Member:** Hear, hear.)

1395 I was delighted to hear parts of the Hon. the Chief Minister’s speech. I have to say, for a moment I thought there had been some problem with the construction of this wonderful new room and that there was some form of echo built in to it. I have to say that it sounded remarkably like some of my own Budget speeches and I am delighted that he is able to continue delivering such speeches.

I want also to congratulate the Leader of the Opposition for, I think, an extraordinarily articulate and accurate exposure of the Government’s deception, in political terms, of the state of the economy and the use to which it put it for electoral effect.

1400 Mr Speaker, if I could just start by making observations on one or two matters which have been mentioned, I think the Hon. the Chief Minister is right when he says that it is a good day for Gibraltar when the European Union, in the form of its Finance Ministers, meeting as ECOFIN, endorse our tax regime. He did not, of course, mention that it was the culmination, which happens to have happened on his watch, of nearly 10 years of hard work by the GSD Government in putting in place this new legislation, (*Applause*) and that in this transformational new Income Tax regime, which had to be carefully designed not to stabilise the impact of it on our financial services centre, all the eagles that have looked at it in the European Union have found one clause of it, in relation to one relatively minor matter, to object to it. I think that is a huge monument to the care, imagination and diligence with which the GSD Government devised and then deployed the new tax legislation.

1410 Of course, it has to be said that, in extolling the virtues, which I share with him, of the importance for Gibraltar of the fact that this has been endorsed by the European Union – because it has been notified of the measure and it has approved of it – I recall how he used to criticise me back then for having notified the predecessor of this measure to the European Commission. I used to say to him it has to be notified because only with notification comes endorsement that gives economic stability, the predecessor. And when extolling today the virtue of endorsement, he is recognising the virtue of the reason which he then used to criticise of why I notified the predecessor measure.

1420 I should just say this to him. Mr Speaker, now that this step has been taken, albeit that the culmination of it has come on his watch, I think it is now even more incumbent on the United Kingdom and on the European Union to make sure that we are removed from lists on which we do not belong and to make sure that we are not denied any European Union benefit, facility or amenity of value to us economically because some countries choose not to remove us from lists on which we now plainly do not belong. There is now even less excuse, because there was none before... there is now even less than none, assuming you can assume for a moment that that is possible... excuse for not doing that.

1425 The same, Mr Speaker, I have to say applies to the question of catching up with EU Directives. I do not blame him entirely for this. I remember, when we arrived in office in 1996, the same thing happened. There were then things in the pipeline which finished on our watch, and the Government of the day invariably tries to take some credit for it. The hon. Member might more generously have recognised the fact that the previous Government did 95% of the catch-up work in respect of catching up with EU Directives, and that the fact that the last one of the backlog takes place on his watch entitles him to announce it, but not to try and claim credit for the whole of it. But, again, I recognise that it too makes a very positive contribution to the regard in which Gibraltar is held.

1430 Mr Speaker, I would like to say something about the possibility of establishing a locally owned bank. I have to say that I speak entirely for myself as a backbencher. I am not a spokesman for the Party and I do not have a front bench ministerial responsibility. I am not, in principle, opposed to that, the establishment of such a bank. Indeed, it has been in some of our previous manifestos and I did quite a lot of work, of an embryonic sort, to explore the possibility of bringing it about. I think that such a bank has advantages: it is capable of protecting Gibraltar from the sudden non-Gibraltar-related or caused reasons by which some banks might withdraw, international reorganisation; it enables Gibraltar to have a bank whose policies are more tailor-made to the needs of local businesses and local... There are a number of reasons why, Mr Speaker, it is sound policy to have such a bank.

Mr Speaker, but I would make all of that subject to two absolutely, in my view, essential conditions, which were certainly conditions in my mind when I explored the possibility of doing so.

1445 The first is that it could not unfairly compete with established banks in the private sector. Mr Speaker, banks in the private sector are entitled to have a level playing field to the greatest possible extent. They are good employers of many people in Gibraltar. Gibraltar's finance centre and economy could not survive just with one Government or other locally owned bank, and therefore it is important that a locally owned bank, whether or not it is wholly Government owned and regardless of the extent of the shareholding in such a bank – and I was always a proponent of the Government having the smallest possible shareholding in such a bank... but even if it were wholly Government owned, which would not be of itself illegitimate, it has to play in the market place on a level playing field, otherwise other commercial banks, whose decisions to remain in Gibraltar might otherwise come up for consideration, for reasons unrelated to Gibraltar and unrelated to any Government action, might regard it as the last straw.

1450 Secondly, Mr Speaker – and this is crucial to the economic peace of mind of our people and our children and our grandchildren – any Gibraltar-owned bank – which in principle I would hugely welcome, whatever the extent of Government shareholding in it, provided it operates on a level playing field – cannot be under actual direct or indirect political control, either visibly or invisibly. The moment the perception arises that, by the front door, by the side door or by the back door, Ministers have *anything* to do with the affairs of this bank, it is not rocket science to know what will happen over a period of time. Not immediately, but it will become another instrument of political gratification by governments of all colours and of all shapes. And you do not need to look very far: there are models of successful government-owned banks in Europe where this has not happened *because* there has been political arm's length. France is a great example. Many of France's most successful banks have, until very recently, been state owned.

1460 There are also, and much closer to us, examples of the opposite of what happens when banks come under political control and become political footballs and instruments of the exercise of political power. We all know, and the consequences of that is that the taxpayer ultimately has to bail out Government-owned banks, therefore putting in jeopardy the financial interests of our children and our grandchildren. So, it is common knowledge that the difficulty into which Spanish *cajas de ahorros* have fallen into is principally due to the fact that they have had a level of political control at a local level, through their boards and directors, that have led them to make politically motivated, financially unsound, imprudently structured loans, which have ultimately led to them having to be bailed out by the taxpayers of those countries.

1465 There are also, and much closer to us, examples of the opposite of what happens when banks come under political control and become political footballs and instruments of the exercise of political power. We all know, and the consequences of that is that the taxpayer ultimately has to bail out Government-owned banks, therefore putting in jeopardy the financial interests of our children and our grandchildren. So, it is common knowledge that the difficulty into which Spanish *cajas de ahorros* have fallen into is principally due to the fact that they have had a level of political control at a local level, through their boards and directors, that have led them to make politically motivated, financially unsound, imprudently structured loans, which have ultimately led to them having to be bailed out by the taxpayers of those countries.

1470 And so I want to be as potentially supportive of any Government initiative in this field, as I wish to reserve the right to be critical of any such initiative that the Government takes that does not actually – and I do not mean on a fig-leaf basis, I mean *actually* – protect this community from the consequences of both conditions that I have outlined.

1475 Mr Speaker, I would like to say something too – although the Hon. the Leader of the Opposition, I think, has said everything that needs to be said – about debentures and borrowings.

1480 Mr Speaker, I do not know whether the hon. Member, the Chief Minister, wanted to give the impression, when he said that he had reduced the gross public debt... It is really a question of... we have almost changed roles. Before, he used to argue... an economic debate about gross public debt is not meaningful, and he used to ensure that the conversation stayed on gross public debt. Now the roles are reversed. So when he said in his address – and I can think of no other purpose for him to have given it such prominent highlighting – that they have reduced gross public debt by £142 million, I hope that he was not trying to give listeners, who are perhaps less economically well read than Members of this House... I *hope* he was not trying to give people the impression that, as a result, the Government and the taxpayer are £142 million better off.

1485 Mr Speaker, as if to demonstrate the correctness of the stance that I was taking in the political discourse at election time, in fact, if the Government is better off at all, it is about £12 million better off – namely, the amount by which he claims to have reduced the net public debt. The other £42 million, as has been eloquently exposed by the Leader of the Opposition, has simply been brought about by the redemption, using Government cash reserves, of Government debentures, which have then been reissued in the Savings Bank. A perfectly valid reorganisation of Government Treasury arrangements – I do not criticise it – but not one that enjoys the characteristics and therefore the political use to which he has sought to put it.

1490 And then, of course, Mr Speaker, there is the wider point of whether Government debt is being used or may be used – and I want to say something both positive and something negative about this – to pay Government investment expenditure.

1500 Mr Speaker, dealing first with the Government's own borrowings, I think, unless the meaning of the figures, which... I do not think there has been any statement to the House, unless this page 3 now means something wholly different to what it has meant from time immemorial. The position is this: that as we speak, the Government has very significantly greater sums of debentures issued still by the Government –

1505 £175 million; in other words, the ones that have not been transferred to the Savings Bank. It now has a considerably larger amount in debenture debt. Let's recall that the Government raises debt in two different ways: it borrows from the bank – we have got £200 million of that; or it issues debentures. That is Government borrowing too. Somebody walks into the Treasury, says, 'I want to buy a Government debenture of £100,000,' the paperwork is done, and the effect of that is that the Government has borrowed £100,000 from that investor.

1510 The Government now has £175 million of debentures and only £84 million of cash reserves. Therefore, if every debenture holder – which the Government has no reason to fear should happen, and I am about to reassure people they should not be concerned about, but the reality of it is that if all debenture holders now came in cashing their debentures, the Government would not have the cash reserves to do it.

1515 That happened for the first time, actually, albeit to a very small level, on my watch. In my last year in office, I think we were about £10 million... And you can do the same calculation. The debenture holders were about £10 million higher than the cash reserves. But the matter is getting more serious rather than less serious.

1520 Mr Speaker, even when we are talking about this, I do not say that it is illegitimate. Governments all over the world borrow money from their citizens through debentures – in the UK they call them gilts, Treasury paper – and then use it for government expenditure. Indeed, that is the reason why they do it. And if the Government wanted to do that in Gibraltar, it could point to almost every other government in Europe as an example of the fact that there is nothing wrong with it, but he would have to explain to the people of Gibraltar that that change in our cultural history of Government's handling of savers' money was taking place, so that people understand that, for the first time, their savings and the ability of the Government to repay their savings depends on the solvency of the Government, which never used to before when the savings were backed by cash sitting, pound-for-pound, in equivalent value to the value of debentures – an issue which is no longer the case.

1530 I have no doubt that the Government of Gibraltar will remain solvent and that the Government of Gibraltar will be able to pay its debentures, but I would urge the Government, if they have the intention of continuing the present position, that they should at least explain to the people of Gibraltar that these changes are taking place; and if they do, I for one will recognise the normality and the normalcy of that in the context of other governments in Europe and it is just a change that people need to assimilate in their minds when they decide to invest in Government debentures.

1535 A different issue arises on the question of the Gibraltar Savings Bank, because these debentures may be reducing. I suppose the Government will continue to reduce these Government debentures as it can or wants to and will continue to encourage people to buy debentures instead, issued by the Gibraltar Savings Bank. There, the same issue that I have just been speaking to would only arise in the context described by my learned friend, the Leader of the Opposition. Again, historically, when people bought Savings Bank debentures, they were matched by cash or near cash investments held by the Savings Bank, so there was no risk. Somebody was owed money by the Savings Bank, a debenture holder, and the Savings Bank had an equivalent amount of cash sitting somewhere, or a UK Treasury gilt or some other form of readily cashable investment backing that liability.

1545 I have not yet seen anything in any of the published data that suggests that that does not continue to be the case. If it were to be the Government's intention that it should cease to be the case – in other words, and that the Gibraltar Savings Bank, as it could lawfully do, was going to lend money to the Government – the Gibraltar Savings Bank takes money in in debentures and could, if it wants, invest the money in buying debentures issued by the Government or debentures issued by a Government company, or any other way that puts the money spendably, into the hands of the Government. The Gibraltar Savings Bank is a special fund, not subject to any particular rules in that respect or different. If it were the Government's intention to do that, then I think it would be incumbent on the Government to... and I do not say that it is or that it has, because I cannot see it from the figures published, but I think it would be incumbent on the Government to explain to people that that is what it was doing.

1555 I would also like to say something about the growth in recurrent expenditure. Mr Speaker, we have all in Government – me included – presided over annual increases in recurrent expenditure. It is really just a matter of degree and it is a matter of the circumstances in which you do it. It is true that the hon. Member's increase in recurrent expenditure in the last couple of years and that which they threaten in this next one, has really been unusually and extraordinarily high; which, if everything carries on going well and revenue continues to pour in and the economy continues to grow and the Government continues to get much more tax, we might get away with. But there is a risk of increasing recurrent Government expenditure, and that is that if something happens to your revenue you suddenly find yourself with an inability to meet what you have adopted as annual commitment to expenditure, as opposed to spending the money on capital projects, which you carry on doing whilst the surpluses last.

1560 I just want to flag up, Mr Speaker, two issues that I think represent circumstances that we all face collectively, neither of which are the Government's fault, but which I think would indicate the need for a

1565 degree of caution when growing recurrent expenditure in the context that I have just described. Of course
 I do not mention the third one, which is any interference with existing high sources of revenue, and the
 hon. Members know what that is shorthand for. But the two that I wanted to mention were threats to the
 architecture of our gaming industry, which contributes a significant amount of recurrent revenue to the
 1570 Government through gaming duties, the number of people it employs and therefore the amount of PAYE
 that it contributes and other means of contributing to Government revenue, and that we simply do not
 know – although I hope it will be minimal, but we simply do not know – what impact the UK’s changes
 to its own gambling and gambling taxation regime will have on the extent of the presence of these
 companies in Gibraltar in terms of... Some of them may go, a lot of them will not, but there may be
 1575 reduction of this sort of activities they host in Gibraltar, and certainly there may be a reduction in revenue
 to the Government through taxation.

The other element of uncertainty – which again we do not know how it is going to contribute to our
 economy negatively, if at all, and therefore financially on the Government revenue – is the momentum,
 reflected by the rush of Gibraltar Government statements that have recently been made on the subject, the
 political momentum that has gathered behind tax transparency, international finance centres and things of
 1580 that sort which will challenge parts of our finance centre and therefore may result in a decrease in
 economic activity in that regard, even though I subscribe to the underlying thought of the Government
 that a levelling of the playing field is likely to be net positive for us than net negative for us.

Within that netting there are winners and losers, as with all nettings, and the idea that all sectors of our
 finance centre will be economically unchallenged in terms of revenue levels and business volumes by the
 1585 fact that overall we are net better off, is a question mark. It is true that, over time, the levelling of the
 playing field may give us pole position to exploit new opportunities which will replace any lost activity,
 but that may take time, and in the meantime there may be an economic impact which may be felt directly
 by the Government in its revenue, and indeed indirectly by us all in terms of its effect on the economy of
 Gibraltar.

1590 Mr Speaker, I would like to say something about the floating hotel. I personally am not, in principle,
 opposed to the idea of a floating hotel, although I think it has two main drawbacks. I think if it is the
 Government policy that there is an urgent need for a hotel, for additional hotel capacity more quickly than
 it can be built, then there may be different views across the floor of the House but a floating hotel is
 certainly one way of dealing with it. Personally, I think the location is wrong. I think that, as someone
 1595 who has always been an admirer of the extent to which Ocean Village has improved the leisure amenities
 in Gibraltar, I think it threatens... Although I reserve final judgement until I see it in place, I fear that it
 threatens to overwhelm physically the locality and spoil the amenity experience of the rest of the Ocean
 Village facility, but that remains to be seen. So I certainly am not a supporter of the location for that
 reason, but time will tell whether I am right or wrong.

The other point, which is perhaps more significant, is the extent to which it competes unfairly with
 existing hotels. In other words, this is a non-long-term commitment. This is somebody who comes to
 exploit our hotel market and conference market potential, without having to permanently sink money into
 our community or our economy; because when things go wrong, if things go wrong – I hope they do not,
 1600 but if things go wrong – they just up anchor and take their investment away somewhere else. To be
 contrasted with anybody who owns a hotel in Gibraltar, who cannot cart it away the moment that it goes
 wrong and has to stick to his investment through thick and thin, good times and bad times; and that those
 who make brick-and-mortar investment in our community, are taking a long-term view and they are
 making a long-term commitment to our community by investing in things that they cannot take away
 1605 ever. This does not represent such an investment. It may serve a temporary purpose that the Government
 has identified, but it risks destabilising people’s willingness to sink proper, real, long-term investment of
 the unmovable kind into our community if they think that they can be competed with by somebody on a
 disposable basis – brings the investment in and then takes it out when the going gets tough.

1610 Mr Speaker, I think that with all of these things the Opposition performs two roles. The first is to hold
 the Government to account for what we know that they have done; but also to hold the Government to
 1615 account for things that they may not yet have done and to caution on what might be the circumstances or
 the consequences of the Government doing it or getting it wrong.

My final point is this, Mr Speaker: since I do not think that the Hon. the Chief Minister is
 disingenuous to the point where he pretends that the great economic wonder that he has spoken to this
 morning has been created by him in his short 18 months’ reign as Chief Minister, I therefore gratefully
 1620 acknowledge and accept his extraordinarily positive and complimentary and bullish assessment of the
 current state of the economy as a very gratifying eulogy of the state in which he *really* found the economy
 when we left it, and indeed a eulogy to the last GSD Government’s stewardship of it. (*Applause*)

1625 If the hon. Members will permit me, Mr Speaker, one thing I meant to say... I regret that it will not be
 possible... and I hope Members will forgive me for what might otherwise seem like a discourtesy... that
 unavoidable commitments prevent me from staying in the House to listen to the speakers that may follow
 me, and that is normally not an elegant thing to do – them all having heard me – and that my attendances

in the House will be at best sporadic during the next few days due to a commitment that I simply cannot get out of and which was in place before the hon. Member fixed this meeting for Parliament.

1630 **Chief Minister (Hon. F R Picardo):** May I?

Hon. P R Caruana: Yes, of course.

1635 **Hon. Chief Minister:** Mr Speaker, I rise because the hon. Gentleman has given way, just before he sat down, to say that we acknowledge that, it is no difficulty. I will send him the parts of my reply that deal with issues that he has raised with me so that he can see exactly why – what he said at the last minute – it was meant as no eulogy or compliment to him, and what we have to fix.

1640 **Mr Speaker:** May I ask the Chief Minister – it is past ten to one; shall we recess for lunch now and come back at three?

Hon. Chief Minister: Mr Speaker, I am happy to move the recess for 3 p.m.

1645 **Mr Speaker:** The House will now recess until 3 p.m.

The House recessed at 12.57 p.m. and resumed its sitting at 3.00 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.00 p.m. – 7.25 p.m.

Gibraltar, Monday, 24th June 2013

The Gibraltar Parliament

5

The Parliament met at 3.00 p.m.

[MR SPEAKER: Hon. A J Canepa GMH OBE *in the Chair*]

10

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

15

Appropriation Bill 2013 For Second Reading Debate continued

Clerk: Second Reading of the Appropriation Act 2013. Budget speeches continue.

20

Mr Speaker: The Hon. Dr Joseph Garcia.

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, this is my 15th Budget debate in this House and my second one as a Member of the Government.

25

The GSLP/Liberal Government has now been in office for about a year and a half. We were elected on a platform of change. Our pledge was to transform the way in which Gibraltar was governed and to change it for the better. This is what we have started to do.

In just 18 months, a very short period of time, we have given effect to a record number of manifesto commitments. We have therefore moved forward with a programme for Government at a very fast pace. Before I illustrate this point further, I want to expand for a few moments on other matters.

30

The first is that this year marks the 300th anniversary of the Treaty of Utrecht. The House knows that this was a general peace settlement of the whole of Europe which followed the War of the Spanish Succession. The different treaties that were signed on different dates between the different warring nations are often recognised collectively as the origins of modern diplomacy, which gave birth to the concept of the balance of power.

35

It needs to be said that, outside Gibraltar, this is not a Treaty that is generally associated with Gibraltar because it impacted upon many different parts of Europe and each country or region is more concerned about the implications that it had for them.

The Government took a policy decision that 300 years of the Treaty of Utrecht was a historical event that was worth commemorating, but not necessarily something to celebrate. The House knows well that

40 the provisions of article 10 of the Treaty – the one that deals with Gibraltar – have been used by others as
an excuse to seek to deny or curtail the right to self-determination of the people of Gibraltar. We reject
this analysis, and those who take this view have not significantly been willing to test it in court to see
whether the provisions of a document that was signed 300 years ago can act as a bar to the living wishes
of the Gibraltarians today.

45 The Government will therefore commemorate the event in a number of ways. The first has been the
exhibition on Gibraltar and the Treaty of Utrecht, which has taken place in the lobby of the European
Parliament in Brussels. The opportunity was taken to promote Gibraltar and, at the same time, to promote
our position in Europe; to promote our people and our distinct identity; to promote our history and the
many facets of our economy. The week-long event, from which I returned on Friday, went very well and
50 it coincided with a number of follow-up meetings on various EU issues which affect Gibraltar.

On the actual 300th anniversary date of the Treaty – Saturday, 13th July – the Government is planning
a community event. This will include the setting up of a replica period printing press, which has already
arrived from the United Kingdom. This will be manned by specialist personnel in period costume and it
will run off copies of the Treaty of Utrecht. This activity will last for about 10 days and, for the most part,
55 it will be based in the Gibraltar Museum. A community event outside the Museum has been planned
around the printing press for this Saturday.

Mr Speaker, given the historical significance of the Treaty and its impact outside Gibraltar, a seminar
will take place after the summer, in October, to which different speakers from different parts of Europe
have been invited. The final list of panellists is currently being compiled. A similar event took place and
60 has been taking place throughout the year in the city of Utrecht itself.

In addition to these events, the House will know that there is now a set of stamps which have been
issued by the Government and the Philatelic Bureau to commemorate the Treaty of Utrecht. The
estimated funding for approval for Treaty events, Mr Speaker, can be found at Head 2(19) Treaty of
Utrecht Commemoration.

65 Mr Speaker, I said earlier that, in the time that has elapsed since we were elected, some of the changes
we have made are already manifest in many areas of life in Gibraltar. We have become so used to a new
way of doing things that we take the significance of these changes for granted. We forget what was there
before and the real impact of the transformations that have taken place.

70 We need look no further than this House. The Opposition now complain that they need more notice of
meetings; that they have childcare arrangements to make; that they have trips abroad to organise and
other personal matters of a diary nature to attend to. I understand that, Mr Speaker – I understand it
perfectly – because for nearly 16 years I lived it. It happened to us. This uncertainty affected not only
Members of the Opposition but even Members of the then Government, former Speakers, and the staff of
the House itself.

75 Indeed, my own election to this House in 1999 was a baptism of fire in more ways than one.
Parliament met until two o'clock in the morning during at least two meetings that I can recall – there may
have been more. Several meetings went past 11 o'clock at night and many more into the late evening. I
learnt very early, Mr Speaker, not to make plans when Parliament had been called.

80 This is why I said earlier that it is very easy to take for granted the improvements that the change of
Government has brought about. There is now an element of certainty in knowing that Parliament will
meet around Chief Minister's Questions around the third Thursday of the month. There was nothing
remotely like this before. There are sometimes pressing diary reasons why the House may have to meet
before or after, but there can be no doubt that this is a vast improvement on the system that we inherited.

85 In a very short period of time, Mr Speaker, the Government has revolutionised the way in which the
House does business through the increased frequency of meetings. This has happened, as we always
argued, without the need for a select committee and simply because the new Government had the political
will to make it happen.

I still remember, Mr Speaker, asking Questions in September of one particular year about events
which may have happened in March or April. The present system allows the Government to be
90 questioned in a regular way when issues are relevant. Again, this has never happened before. It is a
reform that cannot be taken for granted.

Mr Speaker, the Opposition needs to take care when they are critical for the sake of being critical
because it shows. They complain that Government does not answer Questions. The Government answers
all the Questions that they ask. They might not like or agree with the answer; that is a different matter.

95 This Government has published more statistical information online, automatically and without being
asked, than any previous Government in the history of Gibraltar. The Government has made provision for
letters to be answered in a reasonable period of time. When they were in office, it was not uncommon for
weeks, months and even years to go by without an answer. It is therefore a nonsense for the Opposition to
criticise the record of transparency and accountability of the present administration.

100 This Government has done more to promote transparency, accountability and democracy in 18 months than they did when they had the chance over nearly 16 years in office. I am not saying they did not do *anything*; I am saying we have carried out more far-reaching reforms in less time.

105 The GSLP / Liberal Government have taken concrete steps in accordance with the policies spelt out in our manifesto. There is more to come: a Freedom of Information Act has now been drafted; a Referendum Act, designed to give statutory backing to any referenda organised in Gibraltar, is also in the pipeline; a Civil Partnerships Act is now entering the final phase of consultation.

The claims made by the Opposition are absurd in the context of what we have done so far and what we have pledged to do in the rest of this term of office.

110 Mr Speaker, returning to Parliament, the increased frequency of meetings has worked very well. There have been 14 meetings of Parliament for Questions since we were elected. The practice in the recent past was for three meetings after the new Constitution made this a minimum; before that, there were two meetings for Questions in a year; and in 2003 there was only one. Therefore, we have already had more meetings in 18 months than would have been the case under them in the full four years of an electoral term.

115 Mr Speaker, the House knows that more meetings is only one aspect to a series of improvements that we have carried out to the workings of this Chamber. *Hansard* is now produced in a few weeks and not over many months. A timetable is now published to provide a rough indication of who will be answering Questions and at what time. Parliament now enjoys a dedicated website which is updated by the staff of the House. Members of the House, the staff and the media have access to Wi-Fi in the Chamber.

120 The most visible hallmark of the transformation that has taken place is the overhaul and refurbishment of this Chamber after many years of decay and deterioration. This Government took a policy decision to prioritise the reform of Parliament and also to prioritise its physical refurbishment. There is a second phase of refurbishment, which is still to come, which is currently being discussed and which hon. Members will have an opportunity to comment upon when the time comes. The Government has already explained this will include provision for disabled access.

125 These physical changes are important as well. They have come with an integrated digital sound recording and camera system which has allowed for the proceedings of this House to be televised. This is a most important effort to take Parliament into people's homes since the decision was taken to broadcast proceedings over the radio many decades ago. It is yet another reflection of the policy of openness and transparency which is at the centre of the way in which the Government operates, and it is a credit to our policies that we are the ones who have made it happen.

130 Mr Speaker, we promised more meetings and we have delivered more meetings; we promised more resources and we have delivered more resources; we promised new technology and we have delivered new technology.

135 Mr Speaker, the Government has, in just 18 months in office, given effect to over 200 manifesto commitments. This Budget will give effect to, or set the ball rolling on some more.

140 It is true that some of these have simply been a case of honouring pledges made to constituents by the previous Administration. However, many more have required administrative action, others have required legislative action, and most of them have required the provision of funding to ensure that they get underway.

145 Tenders have been issued for housing projects in the Aerial Farm site, in the Europort site and the Coach Park site. The first two have already closed and awards are about to be made very soon. This housing stems from the manifesto commitment to rehouse everyone on the waiting list on 9th December 2011.

The process is underway for the provision of a national theatre on the site of the old Queens Cinema. The small boats marina is already at an advanced stage of preparation. New schools have been announced. Sandy Bay will be saved from the elements. Our beaches are looking better than ever.

150 Mr Speaker, it has taken some time for the Government to give effect to a number of its more substantial manifesto commitments, both in terms of works and in terms of funding. In a sense, it has taken longer than we would have liked. I know that many of us are impatient and cannot wait for the implementation of policies to make their way from the manifesto to the Cabinet, to the Administration and to the physical work on the ground. The reality is that people can now see that this is happening and that the Government is moving, and we are doing this because we want to make Gibraltar a better place.

155 However, Mr Speaker, we are not infallible. We will get some things right but there will be other things that we could have done better. Neither do we claim to know it all. This is why we try to widen the circle of consultation and information that we put into the public domain. However, even after the detailed consultation, there will still be people who will agree with a particular project and with its location, and there will be others who will disagree. We live in a democracy, after all.

160 Before moving on, I now take the opportunity to thank the Clerk and the staff of the Parliament for their enthusiasm in pushing through the Government's reform agenda and for their invaluable assistance in making the reforms that we have implemented such a success. (*Applause*)

165 Mr Speaker, one of the consultees that is now heard in relation to Government projects is the Development and Planning Commission (DPC). This was not the case under the previous Administration. The Government took the policy decision to place its projects before the Commission for guidance and advice only at this stage. The full plans and applications relating to Government projects are already placed online on the Government website. This allows the general public to be kept fully informed and up to date on such developments. It is also a prelude to the commitment of the Government to place the entire planning process online. The work to make this a reality will continue during the current financial year.

170 The Government has already said that the presentation of its projects to the DPC will be given statutory effect in the new Town Planning Act, which is currently at an advanced stage of preparation. However, it is important to emphasise that, even with the existing system, the Commission has been able to make its views known to the Government and the Government has listened and acted on those views. The two most significant examples of this are the decision not to proceed with an additional floor to Moorish Castle and Laguna estates, and also the decision not to proceed with the scale of the reclamation of Marina Bay, which was linked to the *Sunborn* project. It is therefore important to stress that even though Government projects are submitted for guidance and advice, the Government has often acted on the recommendations that have been made. The system has therefore worked very well.

180 The reality is that it has been a huge challenge to organise a public administration in such a way that every corner of the Government machinery is aware that their own projects should now go to the DPC, simply because the system was not used to proceeding in this way. The Chief Secretary has written to all Government Departments, Agencies, Authorities and Companies to officially inform them that the policy of the new Government is that its projects should go before the DPC unless there are serious issues of public safety, urgency or national security at stake.

185 Mr Speaker, the resources of the Town Planning and Building Control Department have been increased. This has come about through the supply of additional clerical support staff and the recruitment of two assistant Town Planners. The latter are both Gibraltarian graduates. Outside the DPC, the two Town Planners are now consulted about Government projects at a much earlier stage when their opinions can be expressed and considered sooner. They have been involved, for example, in the team that was established to consider and evaluate the Rosia Bay expressions of interest and in other proposals made to the Government when these are still at an embryonic stage of concept design. It will be recalled that the Department and its professional staff was totally sidelined by the previous administration.

190 Mr Speaker, the Opposition continue to be critical of the planning policy of the Government, even though their own policy remains, first, to revert to the closed and opaque planning process that existed in the past, and secondly that their Government projects would not go to the DPC at all. I am afraid this gives no credibility to anything that they may have to say on the subject.

200 There have been 20 meetings of the DPC since this Government took office; and all of them, except the first purely organisational one, have taken place in public. The feedback that the Government has had on these meetings from applicants, objectors, the media and others is very positive indeed. It is difficult to envisage that all this used to happen in secret, behind closed doors in a boardroom in Europort, less than two years ago.

205 It has proved very useful for the Commission to have architects and project managers present in its meetings when considering an application. This means that any query or issue can be cleared up on the spot. Indeed, at the last DPC meeting there was another incident which again drove home the value of having meetings in public. An application was being considered for the replacement of slate roof tiles with non-original tiles of a similar kind. The Commission was not clear how the new tiles would look from photographs or designs. The issue was resolved by sending the applicant home for a tile while the meeting continued. When the applicant returned with the tile, it was considered and approved. The fact that the meeting was public allowed this to be resolved in about an hour.

210 Mr Speaker, the Members opposite often urge the Government to be even more transparent and even more accountable. Their arguments simply do not wash when placed against a background of the way in which they conducted themselves in office. These reforms, or other reforms to Parliament and to the planning process, could have been carried out by the hon. Members when they were in Government. They had 16 years in which to do this. All they want to do now is turn the clock back. They have no legitimacy to criticise what we have done.

215 Mr Speaker, there have been over 880 applications considered by the DPC in public since this Government took office. It is significant to note that 92 of them have been submitted by the Government itself. The Building Control Division processed a record number of applications for building control approval during the course of 2012, taking this to a total of 383. This also reflects a record number of approval notices issued last year, which totalled 368, and a record in the number of certificates of fitness issued, which totalled 177.

The Town Planning and Building Control Department is at Head 12 in the Estimates of Revenue and Expenditure, with Parliament being asked to approve an estimated expenditure of £1,074,000 for this financial year.

225 I would like to thank the staff of the Department for their support in implementation of the Government's manifesto commitments. I am also grateful to my hon. Friend and Colleague, Dr Cortes, and all the other members of the Commission who have helped to make the new system work.

230 Mr Speaker, I will now touch briefly on some land issues. I have discovered in the year that being in charge of lands is like supervising the construction of a giant jigsaw puzzle where the pieces do not always fit. It is inevitable that, in a country of our size, something that happens in one part of Gibraltar has a knock-on effect on many others, or indeed that plans for development are held back pending something else happening first somewhere else.

235 The root cause of the problem is simple: there is too much demand for the land that is available. There is demand for offices, for stores, for workshops, for plots, for yards; in short, for almost every conceivable land use. The largest plots available to the Government have already been earmarked for housing. This is the number-one priority.

240 Mr Speaker in relation to MOD lands, the I&DF shows that a total of £10.6 million has been received from the sale by tender of former MOD properties. This is shown in the forecast outturn of Head 102. It is not the final amount, because some sales have been agreed but not completed.

The House will know that, under the Lands Deal of July 2011, the Government is expected to raise £66 million from the sale of these and other properties in order to finance the reprovisioning of the Ministry of Defence elsewhere.

245 The sale of MOD properties has drawn into sharp focus the difficulty encountered by a number of prospective purchasers in obtaining mortgages. This continues to be a matter of concern to the Government. The Government is aware that one such person who wanted to buy in Buena Vista went to see nine different lending institutions. These were both banks and building societies. Two of them have not yet got back to him; two told him they did not offer mortgages; three said their quota was already full up; one said they did not offer mortgages for Buena Vista; and one offered a 50% loan to value only for private customers with £150,000 invested with them beforehand. It is interesting to note that two of the lending institutions informed him that their quotas had been full since December 2012.

250 Mr Speaker, in this context, we appear to have lending institutions that do not want to lend. The Government takes a very serious view of this, given the number of MOD and other properties that remain to be put on the market. There have been a number of instances where the sale of properties have been delayed or where they have fallen through altogether. This is something that needs to be addressed.

255 The Government, Mr Speaker, has so far put out 46 ex-MOD residential units to tender. This comprised 13 units at St Christopher's Court, three in Cheshire House, 13 at Buena Vista, eight at Carter House, and 12 units in Currey and Pelham Houses. The properties were allocated to the highest bidders in all cases. The two large properties in Europa Point – Freemantle House and Napier House – went out to tender, but no bids were received. These are now being held back pending the development of the stadium and studio projects in Europa Point.

260 Mr Speaker, the Government has completed all of the major demolition works needed to allow for construction work to commence in relation to the reprovisioning element of the Lands Deal. We have further refined the MOD requirements for the reprovisioning of certain facilities, and this has allowed us to release a tender for the appointment of designers for the design of all such relocations. In addition, a significant amount of work has been undertaken to some of the properties returned from the MOD to get them into a condition where they could be put out to tender in the first place. This includes, in the main, connection of GOG utilities and meters as well as other essential work to provide to the worst properties in order to bring these up to a reasonable standard.

270 Mr Speaker, the long-term aim of the Government is to renew the Upper Town. One way to do this is to identify empty properties that we own and put them out to tender for redevelopment. The House knows that the Government is in discussions with the successful tenderer for Police Barracks in order to determine how to best take this forward.

275 Mr Speaker, various properties in the Upper Town have also been put out to tender over the last 12 months. There has been a good level of interest in these properties. The tenders for the units in Road to the Lines, Ansaldo's Passage, Richardson's Passage and Chicardo's Passage have raised nearly £¼ million in revenue in total and will also result in the return of the Government flats. The new owners will now redevelop these properties and give new life to the area. This fits in with the project to improve access to a part of the Upper Town through the outdoor escalator in Engineer Lane. It fits in with the policies for urban renewal and it also fits in with the recently announced plans for a first school, a middle school and sports facility on the site of the old St Bernard's. The Government is presently engaged in identifying other suitable properties that can be put out to tender in order to continue with this project.

280 I take this opportunity, Mr Speaker, to thank the management and staff at Land Property Services Ltd and the Lands Office in No. 6 Convent Place for their assistance over the year.

285 I move on now, Mr Speaker, to my responsibilities for civil aviation. I want to start by saying that the
Government welcomes the position taken by the UK in relation to the inclusion of Gibraltar Airport in the
new civil aviation measures. This was expressed at the new Aviation Policy Consultative Conference held
at the Department of Transport in London last month. The forum included the UK Government, the
290 Governments of the Overseas Territories and Crown Dependencies. The Minister of State for Transport,
Simon Burns MP, declared that the continuation of Gibraltar exclusion clauses in future EU aviation
legislation was a red-line issue for the UK. This is in line with public statements that have been made
already, most recently by the Secretary of State for Transport, Stephen Hammond MP, in a written
statement to Parliament last week.

295 The Government took up EU aviation issues with the respective Director General during our visit to
Brussels in March. I was able to follow up some of these issues during a further visit to Brussels last
week.

The Aviation Conference gave the opportunity for the Overseas Territories and Crown Dependencies
to be briefed on current UK thinking on a number of aviation-related issues and also allowed the concerns
of those territories to be raised directly with the UK Government.

300 Mr Speaker, in the three years since European Aviation Security Regulations became directly
applicable to Gibraltar Airport – in particular, since a move of departures from the old terminal to the new
one – an enormous amount of work has been undertaken to ensure that the requirements of European
regulations are now being met. The improvement in standards achieved at the Airport has been
consistently commented on in post-inspection reports. The move to the new terminal entailed a complete
305 revision of the security procedures and necessitated the aviation security programme to be redrafted. The
success of the move, and of subsequent operations, speaks highly of the dedication of the Borders and
Coastguard Agency Officers in implementing the revised programme.

The decision last year to employ a dedicated Training Officer for the BCA and a Quality Control
Officer for Gibraltar Air Terminal Ltd has been fully vindicated. These officers have been fundamental in
ensuring that the new procedures required by the new premises were understood by all staff prior to them
310 operating in the new terminal. In addition, since the move, they have reviewed the procedures employed
and have suggested a number of amendments that have been incorporated into working practices.

315 However, the move to the new terminal has brought with it increased demands on the security staff
through the introduction of new dedicated facilities for staff search, cargo and general aviation. In
addition, the terminal offers an increased number of screening lines to search passengers. To facilitate the
use of these, the Government has recognised the need to employ additional staff and has recently started
training a total of 14 new Borders Agency officers. These officers, the majority of whom are Gibraltarian,
have undergone initial training and are now undertaking on-the-job training. They will become
operational in time to meet the bulk of the summer schedule.

320 The recruitment of new personnel will also allow the Agency to create an assistant Training Officer
position to help teach the annual Immigration and Security Syllabuses. Similarly, the Agency will
increase the number of Duty Managers to help them better provide 24-hour coverage for the operations
they oversee in Gibraltar.

325 Finally, Mr Speaker, during the year, the Director of Civil Aviation arranged for a Memorandum of
Understanding to be signed between the RGP and the UK Air Accident Branch, which effectively sets out
the division of responsibilities between the two organisations for investigating air accidents in Gibraltar.

Effective bird management throughout Gibraltar, and especially at the Airport by the Airfield Bird
Management Team, saw only three bird strikes and one near miss reported during 2012. None of the bird
strikes resulted in significant damage to the aircraft and all were found fit to fly following inspection by
330 an aircraft engineer.

Finally, Mr Speaker, improved procedures and ground markings have been introduced at the exit on
the civil apron to prevent runway incursions by aircraft inadvertently entering the runway after passing
the published holding points prior to having received permission to do so from ATC.

335 Mr Speaker, I move on now to the new air terminal. Departures were transferred on 26th September
2012 and all operations have been handled successfully in the new terminal ever since. This has only been
possible thanks to the efforts of all the persons concerned, who have done and continue to do a
considerable amount of work behind the scenes to ensure that everything runs smoothly.

340 The terminal continues to be operated and maintained by a combination of SLAs and in-house staff.
The budgeted cost for SLAs is £3 million for the financial year 2013-14. This includes all the different
electrical, mechanical and IT systems and the ground-handling and cleaning contracts. Work continues to
bring operating costs down to a minimum, including the installation of extra lighting controls and the
constant monitoring of all heating, ventilation and cooling systems to ensure that savings are made on
power consumption.

There has, Mr Speaker, also been a considerable amount of work done by the air terminal IT staff and
the Government's IT Department with a view to configuring the various IT systems to meet operational

345 requirements. This has included purchasing extra equipment and spares to the value of £56,000 that were not included in the original contract.

The Government continues to actively try and attract business opportunities to the terminal. In this connection, three companies have expressed an interest in occupying the seven remaining retail units in departures and Government is now considering these applications.

350 Mr Speaker, the next phase involves completing the migration of all services and entities out of the old terminal to allow for its demolition and building covered walkways, both landside and airside, which the hon. Member to my right is dealing with, to offer some cover from the elements for airport users.

355 Mr Speaker, I take the opportunity to thank the Director of Civil Aviation and the Air Terminal Director and all the management and staff of the different agencies and companies involved in aviation matters.

I now finally turn to Gibtelecom. Hon. Members are no doubt aware of the theft of around £690,000 committed over the last nine years. This is the subject of a criminal investigation by the RGP. In addition, the company's Chief Executive has commissioned an in-depth forensic audit by the external auditor which, once completed, will be considered by the board. In the circumstances, it would not be appropriate to go into more detail or comment further at this time, and I trust the hon. Members opposite will understand this. However, I can pass on the company's assurance that, while Gibtelecom as an entity has suffered a loss, none of the business customers, suppliers or partners have been disadvantaged as a result of the theft.

360 Setting this aside, it has been business as usual with the company keeping pace with demanding emerging technologies together with competitive pressures. Not only has the company retained its position as the leading communications provider in Gibraltar, but it is making great strides in growing its new overseas business as a global carrier as well as substantial data centre operations in Gibraltar.

370 Overall business turnover increased year on year. Steady growth in the mobile, internet and business enterprise services has given the company a solid foundation on which to develop and continue to invest in infrastructure for the future. Over the last decade, the company has invested some 25% of its revenue in technology and infrastructure. The roll-out of the company's next generation network is now well underway with the deployment of VD SL2 technology and the installation of active street cabinets around Gibraltar. To blend in with the surroundings, Gibtelecom have been working with Government planners to smarten up these cabinets, widening their use to additionally provide tourist and heritage information in places.

375 Mr Speaker, as I reported in my speech last year, the company's substantial project to replace and upgrade its existing computerised system for network records, customer services and billing is on course to be completed in the second half of this year. The European / India Gateway submarine cable activated last year continues to provide Gibtelecom with route diversification and facilitates enhanced direct connectivity worldwide. Gibtelecom's agreement with Vodaphone (South Africa), part of the Vodaphone Group, that we reported on last year has now been completed with other important international deals with communications companies headquartered in Australia, London, Monaco, Singapore and the USA. The partnership with Monaco Telecom is providing Gibtelecom with communications capacity to access the European markets from Monaco to France, thereby helping to further establish Gibraltar as a truly international communications hub.

385 Mr Speaker, in order to better place the company to meet the challenges of developing technology ahead and growing customer expectations, Gibtelecom continues to invest in infrastructure and in people. It is only by taking this holistic approach that the company will be able to satisfy the needs of its various stakeholders and maintain its commitment to provide a reliable and important service to the local community and for Gibraltar's economy as a whole.

390 Mr Speaker, in conclusion now, there is no doubt that Gibraltar has changed much in 18 months and that it has changed for the better.

The Opposition will continue to criticise everything that we have done. They will be critical even if they used to do the same in office. They will be critical even if what is there now is manifestly better than what was there before. This is what everyone expects from them – an obsessive nit-picking criticism of everything that we do. They should remember we were elected to implement our manifesto and not to implement theirs.

400 The Government are confident, Mr Speaker, that the electorate value the efforts that the Government is making in the delivery of our manifesto and we will continue undeterred to give effect to the Government manifesto that put us in office.

I thank you too, Mr Speaker, for your guidance over the last year.

Thank you. *(Applause)*

405 **Mr Speaker:** The Hon. Mr Paul Balban.

Hon. P J Balban: Mr Speaker, I stand here today with a larger portfolio to that which I had last year. Although it gives me great pride to have been entrusted to carry forward greater ministerial and political responsibility, at the same time it deeply saddens me and my ministerial colleagues, as I am sure that it saddens all who knew the late Hon. Charles Bruzon. It really should have been him to stand before you today to give an account of the improvements that were either achieved or commenced by him as Minister for Housing. Yet I stand here with great shoes to fill today, delivering a Budget speech as Minister for Housing in conjunction with my other responsibilities for Traffic and Technical Services amidst a contest for his very seat.

Becoming Minister for Housing has changed my outlook on the many issues which affect the core of our population and can have a profound effect on the physical and mental health of individuals as well as the very social fabric that makes up our society at large.

Clearly, leading a social ministry is a totally different challenge to that which I have got used to within Technical Services and Traffic. Here, the truly human factor comes into play, and as Minister for Housing I have become increasingly aware of the complexity surrounding housing issues. These can vary from cases concerning housing applications to those issues which affect existing tenants. Very rarely would we find that two cases are identical, and each person who shares their problem with the Ministry genuinely believes that their particular case is the most deserving. This is totally understandable.

My target is to try to hold interviews on a weekly basis, and here I appreciate the wide breadth of the problems being encountered by many within our community. It comes across very clearly during interviews that most of the problems faced relate to applicants and existing tenants who have suffered as a direct result of the failure to construct homes in a timely manner in the past in order to be able to provide these homes to those who need them now.

Whether through the construction of Government rental accommodation or low-cost homes for purchase, or any other type of accommodation, it is impossible to break the backlog of the housing problem that we are faced with unless there is a clear political will to do so. There are many ways that one can face the acute shortage of homes. Some of these I have already just mentioned, but allowing the present housing stock to deteriorate through lack of maintenance is clearly not the best way to achieve this.

This Government very soon, within its first year of office, started its hunt for old and dilapidated properties which had lain rotting for years, forgotten and unused and a clear target for potential squatters. Many of these have been identified and repaired and returned to the housing stock by using small construction companies that have offered excellent value for money. Just last week, I tasked my staff to physically inspect another large number of buildings, mainly within the Upper Town area, to see whether these could be turned around as housing stock or otherwise offered out for tender.

We will continue with our policy of placing out to tender properties which were left to deteriorate to a deplorable state of disrepair by the former Administration. Many years of neglect, especially within the forgotten estates, and lack of a solid maintenance programme have led to an ever-increasing number of complaints regarding the effects of water ingress and its results, which inevitably mean damp and humidity. Mr Speaker, this should never have been the case. The effects of damp on the health of families, especially the young, have been well documented within the numerous reports we receive on a monthly basis from medical practitioners.

Mr Speaker, not enough homes were built in the 16 years that the GSD were in office. The simple problem that we have is that we do not have enough flats to go round. Yes, the Members opposite did build houses, but there were hardly enough to be able to see real progress within housing lists, and in any case were built too late in their tenure.

We have given a firm and unequivocal commitment to house all applicants that were on the waiting list and pre-list as of 9th December 2011. Furthermore, our commitments far exceed this in also assuring that no-one will need to be on the housing list for longer than three years in the future. Clearly, these targets are aimed towards the end of our first term of office when we complete the first phase of our housing projects.

I am pleased to announce that we have already issued tenders for the co-ownership schemes and flats for the elderly and are already in a position to award these tenders so that construction can commence shortly. This Government, while in Opposition, conducted extensive research as to what local people wanted and preferred by way of housing, and now, as Government, we have put the results of this research to fruition.

We have analysed the mistakes and pitfalls of the past – the limited access for emergency vehicles into the garage of Mid Harbour Estate, for instance: the very vastness of the garage itself, that holds in the region of 500 vehicles parked within, making the garage impossible to secure; a leaking podium causing damage to a number of vehicles; the poor foresight in choosing an inadequate surface for the garage floor, which only met the minimum requirements and renders it extremely slippery, especially during the rains and which has led to numerous accidents; the artistic concept of the wave-style roofs, which although may tie in nicely with the wave concept of the estate, are very difficult to maintain and prevent

470 seagulls roosting on them – they collect water, due to their flawed design, and are causing problems of water penetration. Mr Speaker, I could go on and on, but instead I wish to say that it was our intention to attempt to take all these factors on board when we briefed the tendering companies at the onset, and although it would be foolish to think that we will get everything right, we will most certainly mitigate, as far as humanly possible, to achieve a product that we may all be proud of.

475 Mr Speaker, I have the privilege of being involved and seeing the conceptual plans for the range of properties in the pipeline and I believe that Gibraltar will not be disappointed. Unlike the previous Administration, we are a Government which is very much in touch with its people and I can guarantee you, Mr Speaker, that we will produce the necessary policies in order to achieve the goals which we have set ourselves. I am confident and sincerely believe that we will deliver our commitment of affordable homes. We will very shortly be making an announcement, informing the general public of prices and the criteria applicable in order to qualify for such properties.

480 Mr Speaker, there is a large demand for flats, especially for the elderly, in the style of Albert Risso and Bishop Canilla House. To this end, Her Majesty's Government of Gibraltar is almost ready to award the tender for the construction of these flats. The concept designs for the much-anticipated around 120 flats for the elderly within both the Europort Avenue and the Coach Park sites have ensured, through liaison with both the Ministry for Social Services and the Occupational Therapy Department within the Health Authority, that the layout of these flats will be modern in design, one bedroom in nature, and totally wheelchair accessible. These flats will boast spacious rooms to ensure that wheelchairs may navigate the whole flat with ease. Flats will have accessible bathrooms, with all the facilities to make daily life as simple and user friendly as possible. Once again, we have learned from the construction mistakes discovered, which have been costly to correct, and have listened to the views expressed by our experts, in fields such as occupational therapy, who work in conjunction with the Ministry for the adaptation of these flats.

490 Mr Speaker, I hold regular meetings with each of the established tenants' associations. These meetings are inherent with our style of government, which welcomes feedback in our endeavours. Praise is always welcome, but positive criticism is also invaluable. These meetings are very productive as they reinforce our contact with tenants. Many estates share common grievances such as anti-social behaviour, cleanliness of the estates, together with dog fouling. In these issues we liaise with the Royal Gibraltar Police to try to increase their presence in the area.

495 Mr Speaker, few of us are unaware of the historical number of complaints regularly received regarding the non-reply to telephone calls made to the Reporting Office. I was deeply concerned at this situation, as I am of the opinion that the Housing Reporting Office is an important and essential interface between the general public and the Ministry itself.

500 After thorough research and analysing how best to effect a meaningful improvement to this essential department, I am happy to say that we have managed to address this matter and we now boast a more customer-friendly approach to our clients. We have new members of staff, which in effect has created a mini call centre dedicated to providing an efficient service to the housing tenants. In effect, this has already led to a decrease in the number of persons who attend the counter on a daily basis, many of whom did so as they could not reach the Reporting Office by telephone. We will very shortly be announcing a new dedicated e-mail address to assist persons wishing to submit reports by this method, bringing the Ministry's reporting office in line with today's modern communication methods.

505 Mr Speaker, as promised, the Government has already given effect to its commitment of providing *El Turno* another pre-election commitment which has been fulfilled. We hope to be expanding this service to other Government estates in the near future. Barring some early teething problems, which were to be expected, and thanks to the dedicated team that supervises this service, these have now almost been ironed out. *El Turno* has now been established within Moorish Castle, Laguna Estate, Glacis Estate, Varyl Begg Estate, Mid Harbours, Edinburgh Estate and Alameda Estate.

510 Mr Speaker, following on from the previous mention of anti-social behaviour within estates, there have been a multitude of complaints directly related to tobacco concealments within estates, especially Glacis and Laguna Estates. As already announced, Her Majesty's Government of Gibraltar is committed to targeting these practices in order to curtail this very anti-social behaviour which is causing much distress to the residents of these areas and further afield. Apart from revoking tobacco licences from within the said estates, and as part of the refurbishment programme currently being undertaken within the estates – which I will comment on shortly – we will be placing CCTV cameras in strategic locations within these. These cameras will have a live feed direct to the Royal Gibraltar Police, and in this way we may be able to help reduce the incidence of anti-social behaviour which is plaguing some of our estates.

515 We have received numerous complaints from Mid Harbours Estate, which are very similar to those expressed by tenants of Glacis and Laguna. Here, the underground parking is being used for illicit activities, especially tobacco concealment and other forms of anti-social behaviour. We will also be placing CCTV cameras within this area and looking to the provision of barriers to control the entry and

530 exit to the garage in an attempt to put a stop to these practices. We already work closely with the Royal Gibraltar Police, who have increased their patrols in the area.

Mr Speaker, it is evident that we are a Government committed to our people and to preserving Government housing stock for the future by investing in an unprecedented and unforeseen refurbishment programme for Government estates. Already, scaffolding has been erected, signalling the commencement of this massive investment to our current housing stock. Although we will respect the commitment of the previous Administration to sell to sitting tenants or their children or grandchildren who so wish, as a Government we cannot see the logic behind the decision to sell the Government's entire housing stock had the demand been there, yet on the other hand embark on building more rental housing stock at the same time. If this is not an incoherent policy, then I do not know what is.

540 Mr Speaker, in order to achieve our goals, the Government will work relentlessly. To date, we have commenced external refurbishment of the major estates as well as individual blocks of flats such as Sandpits House. In the meantime, we will continue with the external refurbishment of Alameda Estate and are now approaching the completion of the external refurbishment of Bado's Building. We are tackling the historical backlog of external works which, between April and November 2011, the former Administration did absolutely nothing about; this lack of action being the major cause of the majority of the rain ingress problems affecting many families locally within Government housing estates.

545 The Department will continue to prioritise and organise all bath-to-shower conversions for pensioners and we will also deal with all the Gibraltar Health Authority OT conversions, as we did the moment we came into Government, thereby eliminating the backlog we inherited. This included the replacing of the shower screens at Albert Risso House required by the OT Department, and original design faults put right by this Administration.

550 Mr Speaker, we will take the opportunity to include, as part of the different projects, the provision of new pitch roofs, new double-glazed windows, shutters, and where possible the installation of lifts and the building of access for persons with mobility issues.

555 We will also be considering the environment and use of energy-efficient devices such as solar panels; LED lighting; improved communal lighting; double glazing to reduce the amount of energy required to cool or warm a house; the installation of external thermal insulation; and so on. Hence, our new and existing buildings will become energy efficient.

560 Mr Speaker, apart from these projects and other major works, Government will continue to tackle day-to-day minor maintenance by the Housing Works Agency for all internal defects and the Gibraltar General Construction Company Ltd will tackle all external works. The latter has proved extremely successful since its inception approximately six months ago, and whose responsibility includes the co-ordination and supervision of works carried out by contractors.

565 The waiting time for the cleaning and/or refurbishment of empty flats has been substantially reduced for the benefit of those on the waiting lists. As a result, keys are being handed to tenants in record time.

As promised, we have further successfully reintroduced the allocation of flats on a self-repair basis. This system, which was originally introduced by the previous Administration and later, for no apparent reason, was discontinued, even though it appeared to work successfully following the demise of Buildings and Works and inception of the Housing Works Agency.

570 All of the above is in line with the Government's manifesto commitments to ensure that all Government tenants live in adequately maintained properties for the tenants' enjoyment and for them to safely raise their families in comfort and safety .

575 Mr Speaker, in order to deliver all that has been officially stated by this Government, we will be investing considerable capital amounts for the next three years on works. It is our intention to continue with this level of investment until all the Government estates and individual blocks of flats are brought to the necessary standard. By investing such large amounts of funding, Government is showing its clear determination and dedication to refurbish Government housing stock. We are also glad to confirm that the window replacement contract at Chilton Court which we stated during the last Budget speech, was completed by its target date.

580 Again, as mentioned by my late colleague in last year's Budget speech, a great concern of this Government was the amount of time it was taking to internally refurbish the empty flats available for reallocation. By procuring the repairs by the Gibraltar General Construction Company Ltd, which is working in conjunction with the Housing Works Agency, it has been possible to speed this up substantially. The Agency regularly carries out customer satisfaction surveys by interviewing individual tenants who have had internal works executed within their flats. The Agency takes note of their concerns, but more importantly adjusts as required to improve its overall service, reviewing its funding as necessary.

585 The present Government, in respect of housing, will have delivered, within its first term in office, much more than the previous Administration did within its 15 years in government.

590 Finally, Mr Speaker, by way of a summary, I would like to remind you that it has been this Administration which historically managed to break the back of the housing problem with its vision of

creating that land bank which we still reap benefits from today. This made it possible to be able to build vast quantities of truly affordable homes, which saw an inherited waiting list of over 2,100 applicants in 1988 plummet to near on 400 applicants by the Elections in 1996.

595 When we took office in 2011, after seeing the GSD in government for a consecutive period of almost 16 years, we have once again had to pick up the tab, so to speak, of a waiting list of around 1,600 applicants. It is our intention to once again reverse the trend of escalating housing waiting lists, and we are confident of success.

600 Mr Speaker, I now turn my attention to my responsibilities as Minister for Traffic. As part of this Government's preliminary assessment of parking facilities in Gibraltar, car parks are constantly being monitored in order to allow their maximum usage and hence benefit users at alternative times of the year. This initiative was seen at the Coach Park over the Christmas period and within school car parks during the summer period during school breaks. This successful initiative will be repeated once again this year.

605 Additionally, Government has made various areas available to enable beachgoers to find parking nearer to the beaches. These parking amenities have been provided for beach users at both Eastern Beach and Catalan Bay. The Catalan Bay car park has been made wider than in previous years, resulting in approximately 100 more parking spaces being available. The car park is now open to the public and can accommodate approximately 300 parking spaces. At Eastern Beach, extra parking facilities have been provided by making available part of the reclamation site, which is available via the gate at the south end of the beach.

610 In 2013, Gibraltar Car Parks Ltd has increased its car-parking facilities. Glacis Estate has been converted into a pilot residential parking scheme zone, much to the delight of the local residents. In order to park in the estate, you now need to have a resident's parking permit, thus preventing other non-residents from using the already limited parking facilities. As part of this scheme, we have also introduced limited visitor parking facilities within the estate. This is something that was lacking within the north district parking scheme, namely Laguna Estate. Residents complained of relatives not being able to visit nor tend to their ailing relatives. Her Majesty's Government of Gibraltar is closely monitoring this pilot scheme as part of its Sustainable Traffic, Transport and Parking Plan, which I shall mention later.

620 This year, we will see the opening of Arengos Palace, Engineer Lane and the Governor's Parade car park. In fact, Arengo's Palace has already been opened. These were GSD projects which this Government chose to proceed with as they were well underway at the time this Government took office.

625 Certain much welcome modifications have been carried out to the Engineer's Lane car park by way of installing an escalator which will make the historical inaccessibility of the Upper Town a thing of the past. This has been applauded by the residents of the area. Furthermore, a green roof has been fitted, which will help make an environmental difference – the first of its kind, I believe, in Gibraltar.

630 We have also opened a new small car park at the old Readymix site off Devil's Tower Road. This facility offers a further 35 parking spaces on a free basis, subject to a maximum 30-minute period during the day and no restrictions at night, to allow the residents make use of these.

635 Shortly, we shall also be opening the new car park on the site of the old Royal Gibraltar Yacht Club, which will offer a total of 187 parking spaces. This will be offset by the temporary closure of our car park at the Reclamation Road site during the months of August and September while the annual fair is accommodated on this site.

640 Mr Speaker, as part of the Sustainable Traffic, Transport and Parking Plan, Government is assessing and reviewing blue badge parking bay proposals and hopes to carry out meaningful changes to the issuing of blue badges. Additionally, consideration is also being given to carrying out modifications to the rules for their usage. Moreover, Government, in an effort to support our citizens with mobility problems, has already increased the size of several parking bays to allow better access to individuals with specific needs. Notwithstanding, Government is also considering the possibility of carrying out changes to the medical eligibility criteria to reduce the misuse of these permits.

645 Furthermore, in an attempt to improve on the current criteria for the granting of frontier passes to those persons who have a medical condition, Her Majesty's Government of Gibraltar has assigned this task to members of the Blue Badge Committee, which is the medical advisory panel. Government is confident that these pertinent changes will improve the system for all of its users.

650 Mr Speaker, Government's initiative for the introduction of legislation to ban *quita multa*-type helmets has been a tremendous success and has had positive feedback across all sectors of the community. Now users of motorcycles and mopeds in Gibraltar all wear appropriate protective head gear. This will go a long way to make users safer and reduce the risk of critical injury.

655 However, Government's commitment to further reduce motorcycle accidents will see the introduction of a rear footrest campaign shortly. This campaign will see the toughening of existing legislation to ensure that pillion passengers sit in an appropriate seat and place both feet on adequate and secure footrests, separate from any rider's foot rest. Furthermore, young pillion passengers will only be able to ride on motor cycles if they can sit astride on the seat and are able to position both feet on the foot rests.

Moreover, in an effort to continue to prevent serious injuries and accidents caused by inexperienced drivers, Government has taken the lead and will be introducing new legislation that will see persons born on or before 1st September 1997 who wish to ride a moped or a motorcycle unaccompanied on the road, having to undertake a preliminary motorcycle training course known as motorcycle compulsory basic training (CBT). This training scheme is now in place and will be delivered in house by qualified driving and vehicle examiners from the Vehicle Licensing Department. The CBT will review aspects of riding both on and off the road. This legislation will also see the validity period of a learner's licence increased to 15 months from the date of completion of the CBT itself.

Mr Speaker, the new photocard driving licences are now well established and have been a success. The demand for the issuing of the new photocard driving licence has increased by 70%.

Furthermore, due to the fact that an agreement for the card format of the photocard driving licence was accomplished between the United Kingdom and Her Majesty's Government of Gibraltar, not only has the EU Directive deadline of 19th January 2013 been met, but also, as a result, this has greatly assisted and accelerated negotiations which are long overdue between the Government and the Driver and Vehicle Licensing Agency to supply our professional lorry and bus drivers with tacograph cards. Negotiations for these cards are almost complete and drivers are expected to be able to apply for driver cards in the near future. The issuing of these cards will allow our drivers, driving throughout Europe, to legally and accurately record their activities, retain their own records and produce them on demand to transport authorities throughout Europe. Government is confident that this will put an end to the unfair competition being faced by our transport undertakings locally with respect to drivers from across the border.

Mr Speaker, the use of information and communication technologies as a tool to achieve a better service to the public has led to the installation of counter-top terminals at the DVLD's counters. These machines assist those clients wishing to proceed to process credit and debit card payments.

Furthermore, the multiple-choice user-friendly touch-screen terminals for the computerised theory test are already in place. This approach to learning is helping candidates to gain a better knowledge and understanding of driving theory and results show a better response on the actual practical tests. This new system allows for three theoretical tests to take place simultaneously and allows the Department to increase productivity, which is an integral part of Government's strategy to provide a better service to the customer. Provisions have also been made to allow the computerised theory test to be undertaken in most languages. Reviews are currently being conducted into the use of information technology and other web-based telecommunication technologies to improve and/or enhance further the efficiency and effectiveness of service delivery of the Department.

Mr Speaker, the introduction of training to assist applicants wishing to undertake the new Driver Certificate of Professional Competence (CPC) for bus and lorry theory tests is already showing positive signs towards helping to reduce unemployment by training our resident workforce. This scheme has been so successful that Government has decided to extend it to include those applicants wishing to undertake not only the theoretical side but the practical side of the Driver Certificate of Professional Competence test too. This will ensure that all applicants who complete the training will end up with a complete Driver CPC qualification, allowing them to drive throughout Europe.

Directive 2003/59 EC requires that all bus and lorry drivers must complete 35 hours of periodic training every five years on an ongoing basis to keep driving professionally. This periodic training is delivered via courses that drivers attend over the five-year period. This ensures that their CPC remains valid. The Directive states that all drivers of passenger-carrying vehicles who have obtained their licence prior to 7th September 2008 will need to complete 35 hours of training and have their driving qualification endorsed on their licence by 9th September 2013. This endorsement will be valid until 9th September 2018. Drivers of goods vehicles who have obtained their licence prior to 10th September 2009 need to complete 35 hours of training and have their driver qualification endorsed on the licence by 9th September 2014.

Government, in an effort to ensure that Directive deadlines are met, has acquired the services of a professional and approved CPC instructor to carry out the initial courses. Once a driver's training and qualifications have been brought up to date, it is the Government's objective to train our own officers and deliver these courses in house.

Mr Speaker, looking ahead to 2013 and beyond, I am very satisfied that all the outstanding and relevant European legislation has now been transposed and the Department is working on the administrative and practical procedures for the implementation of this legislation. Parallel to this, the Department is also working on the introduction of some outstanding local legislation.

Finally, the appointment of an innovative Traffic Commission has been a vast success. This Commission has been meeting on a monthly basis for the past 16 months and I am satisfied to state that at present there is no backlog in applications.

Mr Speaker, finally, if I may turn my attention to the Technical Services Department. During the past financial year, the Technical Services Department has been involved with a number of projects covering a

715 variety of areas such as coastal protection works and rock-fall protection, as well as works in relation to their defined responsibilities, such as highways maintenance and works to the main sewer, among others.

On the coastal works side, the main project which Technical Services has been responsible for delivering over the past year is the beach protection and regeneration works at Sandy Bay. Following an extensive technical assessment process, work started on site and is currently progressing well with the northern groin already nearing completion and a start having been made to the southern groin. The beach will have the first phase of regeneration completed in a few days from now to allow the general public to enjoy the area during the summer. Works will continue throughout the summer and, when completed, Sandy Bay will see a major transformation with a wide stable beach, something that has not been the case for a number of years now. In so doing, we will be honouring another of our manifesto commitments.

720
725 Mr Speaker, it is very fair to say that this small but popular beach of yesteryear has been neglected, despite complaints and pleas from both beach users in the summer, but most importantly the residents of Both Worlds, who have seen the beach disappear in front of their very eyes. It has been this Government which has had to put a stop to this decay in only its second summer in office in order to restore this beach to its former glory on a permanent basis, so that people may once again enjoy these coastal facilities.

730 Mr Speaker, the Department also successfully completed an area of reclaimed land adjacent to Western Beach for use as a beach car park, thus adding a much-needed facility to this popular beach.

For the incoming year, Technical Services will continue to develop various other manifesto commitments involving coastal works projects, such as the improvement works at Camp Bay and Rosia Bay.

735 Mr Speaker, I will now turn to cliff stabilisation and rock-fall protection projects. Following the award of a tender, the Department started work on site towards the end of the year to clear the rock-fall protection bund at Williams Way. The area had suffered a major rock fall and landslide a few years ago, and even though the bund did its job at the time, it required clearance in order to fully restore the retention capacity of this protection measure should a further rock fall or landslide occur. These works will be completed during this financial year, along with other areas affected by rock falls, as part of the Government's ongoing cliff stabilisation and rock-fall protection programme.

740 Mr Speaker, the highways maintenance programme has continued over the past year with ongoing repairs to roads, footpaths and retaining walls. Resurfacing works have been carried out during the past year to sections of Glacis Road, Rosia Road and the Sundial roundabout, as well as other areas. Major resurfacing of Flat Bastion Road, Europa Road and Cumberland Road has also been completed.

745 The Department continues to successfully manage road closures and diversions on the public highway, both for its own in-house works and for all other utility companies and contractors. It does so in a manner that balances the need to undertake works against allowing vehicles to circulate on our roads with the minimum of obstruction. Road closures are avoided during peak times wherever possible, and after-hours and weekend work is the default condition imposed on contractors in order to minimise inconvenience to the public.

750 As indicated last year, a comprehensive major resurfacing programme has been prepared by the Department, aimed at tackling the underinvestment in road maintenance over the years. This programme will be assessed and an initial funding provision is being made in anticipation of making a start at the appropriate time.

755 Mr Speaker, moving on to sewers, during the past year, work has begun on providing flood-prevention measures along the southern end of Fish Market Road and at Wellington Front. The works to Fish Market Road have now been successfully completed. The first phase of the Wellington Front project has also been completed and the second and final phase is currently undergoing a tender process with completion anticipated during this financial year. Once this is finished, it will mean that habitual flooding in both of these areas during periods of concentrated heavy rainfall will be a thing of the past.

760 The state of Gibraltar's main sewer and stormwater drainage networks continues to be a matter of great concern for the Government, arising from a lack of sufficient investment and neglect in the past. To this end, funding in this year is being provided to initiate the sewers rehabilitation programme with a view to addressing the condition of the network in the short to medium term. Work has already started in desilting a large section of main sewer along Line Wall Road and the project will progressively be extended to other areas.

765 Funding is once again being provided for the purchase of equipment so that the operational ability of the Sewer Infrastructure Section to inspect and maintain the sewerage system can be expanded even further.

770 This is also the case for the garage and workshop, where funding for new equipment has also been provided. They will continue to provide a service to maintain the fleet of Government vehicles, including the refuse-collection vehicles. The situation with the garage and workshop is also under review given the previous Administration's hurried signing of a collective agreement a few weeks before the General Election, which placed them in a Government-owned company as an interim measure that would allow them to receive a 12% pay increase.

775

780 Mr Speaker, over the past year, the Department has been tasked with delivering several other projects. The demolition of the ex-Royal Gibraltar Yacht Club premises was completed and conversion of the site into a new car park is currently underway. This will be completed within the next few weeks and will provide an alternative for the car park situated on Reclamation Road which shall be used for this year's fair.

The Department will also shortly be proceeding with the demolition of the old air terminal complex, thus releasing much needed space for other uses.

785 Work continues at pace on the new Commonwealth Park project. Even though this is under the remit of the Ministry of the Environment, it is being driven by Technical Services and is another example of inter-ministerial co-operation. The project is on programme for completion next spring, and when finished will be an oasis in the centre of our city for the enjoyment of all.

790 Mr Speaker, this brings me to a major manifesto commitment under my Ministry, working in conjunction with the Ministries for Public Transport and the Environment in the form of the delivery of a new Sustainable Traffic, Transport and Parking Plan for Gibraltar.

795 Work on this project started during the past year, led by Technical Services who were instrumental in its development. The data-collection stage was initiated early in the year and then progressed to the public service stage, which has only just been completed. As was widely publicised, a variety of surveys have been conducted, ranging from interviews at car parks, on buses and at the roadside, right up to the individual households throughout all of Gibraltar. The results have been extremely positive, with a total of over 12,000 questionnaires having been completed. The project is now moving on to the data-input and analysis stage, from which a traffic and transport model for Gibraltar, as existing today, will be derived from and from where potential options for change to help bring about improvements will be assessed.

800 Mr Speaker, as can be seen, Technical Services Department will, this coming year, continue to deliver on their defined responsibilities, maintaining public infrastructure, and will continue supporting and providing technical input across the board throughout all relevant Government Ministries and Departments in all manner of projects, large and small, in order to deliver on the Government's extensive and comprehensive programmes.

805 Inroads have been made in filling the high number of vacancies that were being carried by the Department when we came into office. There are still a few vacancies left to fill within the Department and the commitment is there to do so as soon as possible, so as to allow the Department to meet its obligations.

810 Mr Speaker, to conclude, I would like to take this opportunity to thank all of my staff in all of my Ministries and related Departments, and to express my sincere gratitude to the people who make up the Ministry for Traffic, Housing and Technical Services, who take their work very seriously – I have seen first-hand their dedication and professionalism, which rarely gets mentioned and is, importantly, appreciated – without whose help it would have been impossible to have achieved so much in the past year.

815 I would also like to thank all those persons from other Ministries who have come together to form that truly inter-ministerial team, especially those involved in the traffic plan surveys, and I would also like to express my thanks to all parliamentary staff who are always at hand to assist.

I would also like to thank the members of the public and staff that make up committees and associations like the Traffic Commission, and the Housing Allocation Committee, which are instrumental in providing me with their advice.

820 Mr Speaker, finally, a special thank you to my personal staff within the Ministry who have worked endless hours to ensure that I may carry out my function and duties as Minister in a diligent and effective manner. (*Applause*)

Mr Speaker: The Hon. Dr John Cortes.

825 **Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, the importance that this Government gives to the environment is immense, which makes my job as Environment Minister particularly easy and satisfying, and totally supported by my colleagues.

830 Mr Speaker, this is important in many ways. The environment is not a passing fad, any more than the economy is, and a sound environment is as important as a sound economy. Gibraltar is privileged in that it is making big strides in both. Environmental Governance is a requirement now of international law, and as we increasingly take our place in the family of nations, we have to be increasingly conscious of our duties and responsibilities in this context. Failure to do so will seriously tarnish Gibraltar's name, and moreover, bring substantial fines.

835 Mr Speaker, the reputation of Gibraltar is something of which every Gibraltarian is justifiably proud. We all take great satisfaction when we do well internationally, be it the UEFA acceptance or the success of a Gibraltar team, say, at an international dance championship. Every Gibraltarian, I say, Mr Speaker, with the exception, it seems, of the Members opposite. (*Laughter*) They have characterised their first 18

840 months in Opposition by attacking Government initiatives, even when they have known them to be good for Gibraltar, and even when they have known that their statements could be bad for Gibraltar. And if they have done so without realising, Mr Speaker, then even, and very worryingly, worse.

845 Their spinning of issues to do with fishing, their obfuscation following the Thinking Green Conference, even though they attended and enjoyed it at the time, their unjustified insinuations in respect of a highly significant visit to Washington, their failure to grasp the international significance of the visits of Vice-President Al Gore and Juan Verde to Gibraltar, have all worried me greatly and have made me question the political acuity of the Members opposite, whose performance in these respects has been much more 'rookiesque' than that of this converted gardener.

850 Mr Speaker, this past year has demonstrated an unprecedented level of commitment and work in all areas of environmental management in Gibraltar. The Department is working with more entities both inside and outside of the public service than ever before. Not only are we leaving our mark locally, but internationally as well, as Government officials are increasingly networking and demonstrating our vision and working practices in Europe and within the UK Overseas Territories.

855 I am proud to say that the Department of the Environment officials are finally part of a network with all other Environment Departments in the Overseas Territories. I mention this, Mr Speaker, because for many years, I would attend these meetings as an NGO representative and feel embarrassed that the only Environment Department missing was Gibraltar's. The benefits to the Department from this network are tremendous, as we work and collaborate on projects with the wider international community, and indeed we will provide leadership in many areas.

860 The Department is also taking a more prominent role within EU conferences and working groups with active participation in a number of marine and maritime conferences, the habitats biogeographic process, energy and climate change projects, as well as in the field of air quality.

865 I have myself already held meetings with officials and ministers in the UK Department of Environment, Food and Rural Affairs, the Department of Energy and Climate Change, the Department for Business, Innovation and Skills, the Joint Nature Conservancy Council, the Environment Agency and the Foreign and Commonwealth Office; and in Strasbourg I have met with the Fisheries Commissioner and most of our MEPs and members of various EU Commissions.

This is a truly exciting time to be working in the Environment in Gibraltar, as we strive to lead by example in all things environmental.

870 Mr Speaker, environmental civil servants and advisers continue to be involved in discussion and decision-making at all levels of Government. They not only work for me for but for all other Ministers in this Government and are called upon by my colleagues for input and advice on a regular basis. They continue to be appointed to important committees, including those dealing with legislative change.

875 Home-grown environmental legislation has been neglected for too many years and it is this Government's commitment to ensure that gaps in local environmental management are filled. New policies are being implemented and where necessary, will be included in legislation. This is the case, for example, with the green procurement practices and the newly revised Environmental Action and Management Plan, which was launched last week to meet yet another manifesto commitment. This document exemplifies this Government's commitment to environmental change in Gibraltar.

880 Environmental workshops within the public service are now an annual event in order to provide support for the whole service as we lead by example. The measures introduced to date are working well, and new measures are being discussed continually.

885 Mr Speaker, they say that the proof of the pudding is in the eating and this is indeed the case in the area of green procurement. Not only do members of the Department attend all tender boards but the Department has found that environmental alternatives are now more readily available as evident by their inclusion by prospective tenderers in all tenders regardless of the field or subject.

Building Applications continue to be filtered by the Department of the Environment and they now attend all meetings of the DPC.

Environment representatives are also present in any cross-departmental committee which may arise, as well as in the Government's Projects Committee.

890 Mr Speaker, the recycling of paper, small items of waste electrical and electronic equipment (WEEE) and batteries is finally occurring from all Government Agencies, Authorities and Departments. Furthermore, waste electronic equipment bins, similar to the existing blue, green and yellow bins have been purchased and a trial will commence shortly, placing them in strategic points, thereby making it easier for the general public to dispose of these items in the proper manner. We are asking the public to use these bins, as we aim to increase the number of these pink bins in the not-too-distant future.

895 Waste is an area where we are dedicating a lot of time and effort, as we need to ensure we minimise the impact our waste has on our local and surrounding environment.

Promoting awareness of the need for careful disposal of waste has been and will continue to be one of the subjects covered in the Environment Department's promotional material. The massive success of the recycling campaign featuring 'El Teren' will be enhanced to capture the recycling of other waste streams.

900 Mr Speaker, it is hard to believe that just six months ago, there were no recycling facilities in Gibraltar for cardboard, paper and plastics, once again well behind the rest of the world, the result of a 'couldn't care less' attitude to the environment on the part of the Members opposite, the latter-day self-styled saviours of spider crabs and limpets.

905 The increase in recycling rates as a result of the introduction of paper, plastic and tetrabrick has been greater than what we hoped for, Mr Speaker. So much so, that we are having to increase resources to cope with the services of the bins. It is a great problem to have!

Mr Speaker, in 2012, the yellow bin used for cans only at the time collected a total of 14,620 kilos. In 2013, specifically from January to May, the yellow bin – now collecting cans, plastics and tetra brick – has collected a total of 29,490 kilos, about twice the weight for the whole of last year, in just five months.

910 The green bin, where we deposit glass, collected a total of 126,400 kilos in 2012. In 2013, the figure is already 57,938 kilos.

I must congratulate the Gibraltar public for this great response. Further measures are planned to facilitate the disposal of this waste stream from bars and restaurants, which are still lagging behind. We have to continue our efforts if we are to meet EU targets of recycling 50% of household waste by 2020.

915 The blue bin, used for paper and cardboard, was introduced this year so we do not have a figure to compare it to. This said, I am happy to report that already this year, we have collected 33,430 kilos.

Another waste stream which we intend to include into our recycling scheme is that of domestic cooking oil. It is our intention to start placing orange bins for the collection of waste cooking oil in strategic places around Gibraltar.

920 I am happy to report also that works continue in building refuse-holding facilities, with approximately four to five shelters expected to be done this year.

Further to the report commissioned last year and details of which have been presented in this House, the Government has now entered into the tender process for a waste treatment plant that will include the collection, segregation and treatment of waste streams without incineration. The plant will have to comply with the Best Available Technology and ensure that Gibraltar is as self-sufficient as possible in our waste management. As a result of this, our Waste Management Plan will be updated to reflect the Government's change in waste policy and re-submitted to the European Commission.

925 The Litter Committee, which I set up last year, continues to meet regularly and improvements have already been made in many areas of Gibraltar as a result of the resurrection of this group. Indeed, work is progressing on many fronts in the area of waste and litter management, the fruits of which will become evident in the coming months.

930 Already, through the Litter Committee we have achieved opening of the large items compound at Europa Advance Road seven days a week, increased cleaning of areas, including areas on the Upper Rock, Northern Defences and the tower block lift shafts, increase in level of litter fines and litter patrols by the Environmental Agency and the RGP, and the issuing of a leaflet on waste distributed with water and electricity bills. As from 1st July and thanks to discussions in this Committee, we will be providing facilities for disposal of cooking oil and ink cartridges.

935 Mr Speaker, it is very difficult to pin offenders down, but the issuing of litter tickets has increased. Ten litter tickets were issued in 2012, and 10 already in the first five months of 2013. In contrast, in 2011, only four tickets were issued in the whole year.

940 Mr Speaker, work with non-governmental organisations (NGOs) is increasing and regular meetings take place with Government officials and with me as Minister.

945 Government's commitment to involve the wider Gibraltar in its work continues in this way. Government this year more than ever was involved in supporting the 'In Town Without My Car' event. I have referred also to the involvement of the ESG, with whom we also work in supporting their 'Clean Up the World' campaigns. Similarly, Government is maintaining close contact with the Ornithological and Natural History Society, through regular meetings and discussions on matters related in particular to the natural environment.

950 Resources to the Avian Control Unit will be increased and the Government will continue to assist them in their work in the rehabilitation and captive breeding of birds of prey, both for release into the wild and for use in gull control. Significantly, I can report that the Raptor Rehabilitation Unit, under the expert eye and dedication of Vincent Robba, last year released seven endangered Lesser Kestrels, bred in captivity, into the wild, some of which returned this spring after spending their winter in tropical Africa.

955 Regular meetings have been held with the Scientific Authority and the Nature Conservancy Council, which now perform their true roles as statutory scientific advisers.

960 Another example of community involvement is in our meetings with the Gibraltar Federation of Small Businesses and Chamber of Commerce on a number of issues. These include waste and energy. We have found, Mr Speaker, that commerce in Gibraltar is now more amenable than ever to environmental initiatives. The Chamber of Commerce and the Gibraltar Federation of Small Businesses continue to be engaged and are aware that their members have to work towards introducing greener products and services within the local market, as Government is now procuring on that basis whenever possible.

Mr Speaker, this year has seen the preparation and launch of tenders, which will leave a lasting improvement in Gibraltar's environmental scene. These include the power station tender, the waste treatment facility tender and solar thermal project tenders for certain Government buildings. More tenders will soon be published, including one for providing solar heating to St Bernard's Hospital.

This will result in considerable savings in energy and money. Additionally, progress is being made in discussions to bring about more production of electricity from renewable energy. Never before have so many environmentally innovative projects occurred at the same time. This, Mr Speaker, is our commitment to delivering a sustainable Gibraltar.

The actions taken by this Government in the last 18 months, through initiatives such as the Thinking Green Conference and trade fair, have enabled a range of possibilities and products to become available to Gibraltar and, more importantly, have increased awareness and commitment.

And there is nothing more important than awareness and commitment in the young.

Environmental education continues to be at the top of our agenda, as will be seen in the coming months. Education creates awareness and awareness leads to action, action as individuals and action as a community.

I am delighted to say that we are looking into innovative ways to bring the environment to the forefront and making it more readily accessible to children. As part of our work on e-Government, the Department has recently launched the Thinking Green website and will be producing a 'kids' zone' on this site as well as apps and e-games. All of these will portray local environmental resources which children not only from Gibraltar but from all over the world can download and learn about as they play.

Mr Speaker, this year Government celebrated the ninth anniversary of World Environment Day on 5th June. The purpose of this United Nations Programme Day is to spread awareness of centre stage environmental issues. This year's theme is food waste with the slogan 'Think, Eat, Save.' I must say this is one of the environmental highlights of the year for me: the ever-popular performances by our school children are not only inspiring, but demonstrate that together we can make a difference.

The work done by children, teachers and parents has to be praised. It is very encouraging to see how environmental issues have now become an integral part of the classroom and for this we have to thank the teachers and the officers at the Department. The involvement this year too of world-renowned explorer, Mike Horn, in Gibraltar served to inspire many of our young people. As a result of this, the message continues to come through loud and clear, each year with more energy, enthusiasm and determination.

In the coming year, the Department of the Environment will continue its public awareness campaigns, with a continuation on the one on recycling and a new one on reduction of energy consumption.

Mr Speaker, this year will finally, after nine years of inconclusive work, see the delivery of Geographical Information System (GIS) mapping to the public service. In using GIS to collect data, store, manage, analyse and produce useful information, Government Departments can monitor and map areas under their competence. In the case of Environment, these include many of Gibraltar's natural assets.

As part of our obligations under the INSPIRE Directive, the Department of the Environment has been working with consultants, Technical Services and the IT Department to deliver a digital map of Gibraltar. This map will be viewable by the public through a geoportal which will be launched in the coming weeks. The GIS database will consist of a series of layers that can be overlaid to provide information concerning spatial patterns. A GIS allows a great degree of flexibility to the categorisation and display of data.

As the Government of Gibraltar competent authority for INSPIRE compliance, the Department of the Environment in conjunction with the IT Department have combined efforts and resources to ensure Gibraltar complies with this European Union responsibility. Together with existing work by the GIS Committee, which also includes representation from Town Planning and Land Property Services, the GIS project will enable all Departments to digitise all spatially relevant information to enable better decision-making and update of Government information repositories.

Mr Speaker, last year I announced that Government is promoting the reduction of energy consumption through a number of initiatives. This is a vital element of Government policy. The less we consume, the less we spend, as individuals and as Government, and the less we pollute. It will also reduce the amount of carbon credits that we will now be obliged to purchase. Moreover, we have to meet an EU target of producing 20% of our energy from renewable sources by 2020.

Government has commenced and will continue with a programme to replace public lighting with solar powered devices and/or LEDs, and encourages all citizens to do the same. As part of this initiative, we have for the first time set to quantify our energy profile and have conducted an assessment of our carbon footprint which will shortly be published.

This consumption-based analysis, which uses as a basis the 2011 Family Expenditure Survey, which was based on 2008 data, indicates a carbon footprint for Gibraltar of 15.67 tonnes per capita per year. This is significantly higher than the world average of 5 tonnes per capita, but well within the range of 1 tonne per capita for some African countries to 30 tonnes per capita for Luxembourg. We have, in fact, a carbon footprint higher than Spain, which is 14.44, but lower than the UK, which is 16.99, which is not unexpected.

1025 Mr Speaker, I can neither understand nor believe that in all their years in office, through the period in the Earth's history that this global crisis became apparent and this type of analysis became necessary and crucial, the Government of Gibraltar of the late 1990s and the whole of the first decade of the 2000s, the Government of Gibraltar that had the privilege of seeing in the 21st century, did not have a clue as to what their carbon footprint was. It was a Government that had loitered without vision and been left stranded in the past. This Government, I am proud to say, has confidently jumped one decade in one leap.

1030 Mr Speaker, what this study has shown is that the main contributions to our carbon footprint are transport, food and electricity, and so indicates where we have to make progress – in rationalising transport, as far as possible promoting fresh food and reducing food waste, and reducing consumption of electricity generated by burning fossil fuels.

1035 Mr Speaker, *this* Government's trademark is evidence-based action. Our carbon footprint analysis assists us in taking decisions that will help Gibraltar meet and we hope, exceed European Union targets – targets that are punished with heavy fines of millions, if not met. Not only will these actions reduce our carbon footprint, but they will also lead to a significant improvement in our air quality.

1040 And we are certainly moving in the right direction. The total removal of the three existing power generating stations continue a top priority for this Government, as we have seen. The commissioning of the temporary turbines located at the North Mole, just six months ago, especially when the fitting of silencers and scrubbers is complete, will mean not just resilience in power supply, but much less overall noise and pollution.

1045 As a result of these turbines, Mr Speaker, the South District power stations are now turned off at night, and up to the present, this has meant they have been switched off, since mid-January, for 1,100 hours. That is 1,100 hours' less pollution for residents in the South District. Already the reading of nitrogen oxides in the South District monitoring stations have shown significant reductions in the levels detected.

1050 Mr Speaker, we are serious when we say we will revolutionise the environment for our people. The worst thing, Mr Speaker, is that it has been so easy to do. Where was the Government before December 2011? Was anyone thinking, anyone planning, anyone caring?

1055 Mr Speaker, as is well known, the tender for the new, much more environmentally-friendly power station is out, and this will be a quantum leap into the latest technology and will give us resilience in power in a much cleaner and quieter environment, once and for all putting the residents both of the South District and the Waterport area out of the misery they have had to endure for so long, as we banish another negative legacy into the past.

1060 Mr Speaker, our efforts to mitigate and contribute towards the global fight against climate change led to the honour of Gibraltar being chosen as one of only 21 European cities to be part of the EU Cities Adapt Project, together with major cities such as Birmingham, Barcelona and Rotterdam. Moreover, it was the city chosen to host the second peer review visit for the Project. The conference was a success and Gibraltar showcased our continuing efforts on climate change mitigation and adaptation.

1065 Mr Speaker, this work and other relevant initiatives are all reviewed by the Climate Change Forum, which has not only been reconvened but whose technical advisors have been increased and now meets every two months. As a result of the work and projects I have just mentioned, the Forum will deliver a revised and informed climate change programme for Gibraltar during this financial year.

1070 Mr Speaker, our aim is that our climate change strategy will make Gibraltar a 'Top 5' city in environmental governance.

1075 The water quality monitoring programmes carried out by the Department of the Environment and the Environment Agency continue to be in operation. New requirements under the Water Framework and Marine Strategy Framework Directives are being incorporated into the latter programme. Further developments in relation to the Marine Strategy Directive are expected to take place in the very near future and the Government is committed to meeting and if possible expanding upon the requirements.

1080 The Department has also expanded its groundwater monitoring network to include sampling of groundwater pools within the Rock itself. This work is now being conducted in-house and has thereby reduced the need for consultancy fees.

1085 In line with HM Government of Gibraltar's commitment to improve access to environmental information at our beaches, new beach signs are currently being designed by the Department together with the Environmental Agency. These signs will provide the public with easily accessible information on the characteristics of each beach in Gibraltar, along with further information on the results of the bathing water monitoring programme, which at present are only available online.

1090 Mr Speaker, I am happy to report that works to improve the North Front Cemetery have been progressing. This has included provision of benches and planting of trees. More work is envisaged for the coming year.

Mr Speaker, I have reconvened and expanded the Cemeteries Board, which has now met for the first time in over a decade, and will continue to do so, under the chairmanship of the Reverend David Hoare. I

1085 am also having the legislation governing the Cemetery reviewed and updated. The current Cemetery Act dates from 1889.

Mr Speaker, over the last year we have planted over 100 trees. Trees have been planted at Edinburgh Estate, Alameda Estate, Watergardens and Camp Bay, among other areas. Plans continue to be developed to create new green areas. Protection of trees is another of our manifesto commitments, and we plan to
1090 introduce legislation in order to do so more effectively. We have also increased the monitoring in planted areas with a view to delivering more and improving existing green spaces within our urban fabric.

Works on Commonwealth Park, are progressing very well indeed. While Opposition-inspired ginations – saves me using the word ‘spin’ too often – suggest that nothing is happening, a close look will reveal the truth. Services diversions are progressing, designs of the various areas are complete or near
1095 completion, foundations for hard-paved areas are progressing, as is the procurement of plants. Even the lawn has been ordered, and the green grass destined for our lawns is already growing in a plant nursery in the south of England.

In keeping with environmental good practice, water for irrigation will be recycled after collection in underground tanks, and much of the soil will be manufactured locally. Mr Speaker, we are working on
1100 this project with Mark Gregory, a renowned landscape designer, multiple gold medal winner in the Chelsea Flower Show, and we expect to complete on schedule next spring.

Mr Speaker, last year we took the overdue step of designating the Rock of Gibraltar terrestrial site as a Special Area of Conservation under the European Union. This year will be the year of an expanded and rebranded Gibraltar Nature Reserve, which will see the launch of the Upper Rock Management Plan.
1105 Projects are being developed; the Department of the Environment is working closely with the Tourism Department and the Department of Education to deliver big improvements in this largely neglected area.

The Upper Rock Management Team continue with their habitat creation and maintenance of footpaths. Refurbishment work to the Upper Rock sites has already begun, as is evident in the Devil’s Gap Footpath to Town project, now complete, and clearance and enhancement works to other areas such
1110 as Devil’s Gap Battery and Tovey Battery continue, as we carry on from the progress achieved last year and move into the next phase in developing the Upper Rock towards its full potential.

The Gibraltar Botanic Gardens at the Alameda continues to develop as a major player in research and conservation in the region, and to promote Gibraltar internationally in these fields. I am pleased to see that now that I have severed my links with the Gardens, they continue to go from strength to strength
1115 under their new management.

This year has seen the completion of works to the Alameda Wildlife Conservation Park, funded by Government and the Bonita Trust. I had the pleasure just a few weeks ago of inaugurating the new world-class facilities. The improvements to the site have been tremendous and long overdue.

Moving to the area of habitat management, Mr Speaker, I am delighted to report that great strides have been and continue to be made in the fields of terrestrial and marine habitat management. The existing surveillance monitoring programme will continue to be enhanced this year to ensure greater data capture for species of flora and fauna of local and community interest. The Department of the Environment is now better resourced than ever, both in terms of personnel and equipment and, as a result,
1120 is more proactive than ever before, working steadily on increasing surveillance and on various reintroduction programmes for flora and fauna, including habitat creation. The results of this proactive approach will not only assist Government in meeting the requirements of the relevant Directives, which include ensuring that the favourable status of our European protected habitats and species is attained or maintained locally, but also in enhancing local ecosystems and making Gibraltar an example in the field of ecological management.

The Government has published the updated Southern Waters of Gibraltar Management Scheme. The management regime which is being put in place following on from the recommendations of the Report into the Management of Marine Resources in the Waters around Gibraltar will include the regulation of all types of activities in Gibraltar waters which impact on the marine environment, including rod fishing, diving, spear fishing and diving and dolphin trip operators, as well as other issues affecting Gibraltar’s
1135 marine and coastal resources. All the relevant stakeholders have been fully consulted, in developing these initiatives. One example of increased monitoring is the fish tagging programme where the Department works closely with the Gibraltar Federation of Sea Anglers.

Mr Speaker, the illegal Fishing Agreement of 1999 was torn up, not by two lines on Facebook, but by the people of Gibraltar when they voted on 8th December 2011. That Agreement, and the inability of the Government of the time to detect the Spanish designation of the *Estrecho Oriental* European protected area which enveloped all of our territorial waters, were possibly the two greatest blunders of the former Administration, and have led directly to all the problems that arose since, in relation to waters and incursions.

Mr Speaker, Facebook, Twitter and cameras on everyone’s phone give the impression that there are now more fishing incursions than ever before. But, Mr Speaker, that is simply not true. Where mobile phones survey our waters now, I used to, daily, survey our waters through my binoculars following the
1145

Agreement in 1999. It was much worse then. Just the Agreement, by allowing four boats a day, allowed a minimum of 120 fishing incursions a month, and believe me, the limit of four was usually not adhered to. *That* was a fishing crisis.

1150 Our strategy now, following from the very necessary Fishing Report, is to increase monitoring, to provide more resources for environmental protection, to deliver a programme of unprecedented marine habitat creation and growth of populations of marine life, which will be hugely beneficial to our recreational fishermen, divers and spear-fishermen, to well-regulated diving tourism, and by logical consequence, to artisanal fishermen in neighbouring towns.

1155 Mr Speaker, a protected area, in particular a marine protected area, as our waters are, is a dynamic natural system. Its management has to be robust but has to track the very dynamism that defines it. The new regulations, Mr Speaker, will allow me as Minister for the Environment, to respond to such changes, by delimiting protected areas and protection regimes, by declaring closed seasons and closed areas, or temporary protection of particular species at particular times, allowing sustainable exploitation when possible and strict protection when necessary.

1160 At all times, all Gibraltar stakeholders will be involved in arriving at such measures, and in time, all users of the sea, in Gibraltar waters and beyond, will benefit, as will marine species themselves.

1165 Mr Speaker, this is the type of regime that will gain us respect and make the European Union realise that those who can best govern what happens in British Gibraltar Territorial Waters, in fact the only ones to be able to do so, are the Gibraltarians themselves.

1170 In the meantime, Mr Speaker, we continue to fulfil our responsibilities for our waters. An initial assessment of BGTW as required under the Marine Strategy Directive has been conducted and will this week be submitted to the EU. A bathymetric survey of BGTW has also been conducted, the first full survey of this nature ever carried out in our waters, and an essential tool in good environmental management. This will allow us to better manage the marine environment and the resources therein.

1175 The Macaque Management Plan, already announced, will be launched within the next few weeks. Measures have already started to control the movement of macaques in built up areas. An example is the enclosure of refuse bins in key areas, and the use of noise, and other means of dissuasion when they are in town. At the same time, habitat is being opened up on the Upper Rock, and an increased programme of contraception has been introduced.

There has already been some considerable success. However, monkeys are intelligent and persistent and so work has to be continuous and the increased resources to the Macaque Management Team will greatly assist here.

1180 I must here thank the team, which includes the Natural History Society and the Gibraltar Veterinary Clinic for their work so far, and must highlight also the members of the Department of the Environment who have also deployed in fair weather and foul to assist in management.

1185 Mr Speaker, I will also be appointing a panel of experts to advise me and the management team on scientific and conservation matters in relation to the macaques. This will include all the local experts who have worked on our macaques, as well as international scientists foremost in the field. The membership will be announced at the time of the launch of the Plan.

1190 The wisdom of having such close relationships with internationally acclaimed scientists is evidenced by the success of the high-tech monitoring programme currently being carried out in conjunction with Indiana and Washington universities and National Geographic. This is actually the biggest tracking programme on macaques to date anywhere in the world. Only yesterday, Mr Speaker, I received news of some fascinating movement patterns emerging that will greatly assist cull-free management.

1195 In the area of environmental noise, we have met our EU obligations and updated our noise maps. Environmental noise in Gibraltar focuses on noise from traffic and despite the previous Administration's belief that the legislation did not apply, leading to the halting of work in this field for many years, I am happy to report that we are now up to date on our EU obligations in this field. The Noise Core Steering Group has been reconvened and will work on updating the Noise Action Plan.

The revised noise maps are up on the Department of the Environment and Environmental Agency websites and the process is now in the public consultation stage.

1200 The services provided by the existing Gibraltar Air Quality Monitoring Programme continue to inform the Government on local air quality and how we can address the issues arising. The appointed consultants have been coming to Gibraltar to address Government officials and, on occasion, Ministers for eight years now.

Improvements to air quality monitoring – also a manifesto commitment – have continued.

1205 Mr Speaker, among my various current responsibilities, I am Minister for Urban Renewal. I am therefore very pleased that we will this year be investing in the fabric and appearance of parts of the Upper Town. I also applaud and support the efforts of my colleagues in other Ministries whose work in renewing the Estates and in the superbly designed conversion of my old workplace, the old St Bernard's Hospital into two new schools show the depth and breadth of vision that exists throughout this Government.

1210 Mr Speaker, I have mentioned the work which the Department is either spearheading or working on in collaboration with other Departments and Agencies. Indeed, as everyone now knows, work across the boundaries of Agencies and Departments is a hallmark of this Government. A lot more work is going on behind the scenes which I simply do not have time to go into, all of which contributes to improved environmental management in Gibraltar.

1215 I will however, mention a few examples of inter-departmental collaboration. The first example, Mr Speaker, I must mention is the dedication and efficiency with which the Department of the Environment, the Environmental Agency and the Port Department deliver on areas including marine, waste, habitats and industrial processes.

1220 These entities now meet regularly and work proactively, as well as reactively, to ensure the highest levels of environmental protection. Similarly, the work and close collaboration between the Department of the Environment and the Technical Services Department on a wide range of issues, including the Sustainable Traffic and Transport Study, which will be used to inform decision-making in areas such as traffic and transport, air quality and environmental noise, beaches – in which we also work with the Ministry for Tourism – and coastal protection.

1225 In order to help us in achieving the Government's environmental aspirations, the Environment Department continues to progress. A programme of Continual Professional Development is also taking place, ensuring that officers are up to date with the latest advances in all fields of environmental management. This will allow for a greater level of environmental management and polluter enforcement.

1230 Mr Speaker, I must now pay tribute to the tremendous work done by the staff of the Ministry and Department of the Environment, including administrative, technical and monitoring staff. They work continuously and enthusiastically in taking the very full and very challenging environmental agenda forward. They go well beyond the call of duty to deliver for Gibraltar.

I must also thank the contractors who work for the Department, be it in cleansing, running depots, or providing horticultural, veterinary or scientific services. They too are working hard to improve the service.

1235 And of course, the Environmental Agency who themselves carry a large number of responsibilities. I would like at this point to thank and pay tribute to Francis Martin who is soon to retire after excellent work for many years in the Agency, including most recently, as Chief Environmental Health Officer.

1240 You will have seen, Mr Speaker, that, in the same way as I stated last year, it continues to be true this year: the amount of work being carried out in relation to the Environment, not just by the Ministry and the Department and the Environmental Agency, but also by NGOs, professional bodies, contractors and other Government Departments is greater and of a higher quality than ever before, and I must add, is being done and delivered with ever-increasing enthusiasm and excitement.

1245 Mr Speaker, the Department of the Environment has a mandate to achieve a high quality environment by providing effective environmental protection; addressing the threat of climate change; protecting and enhancing our natural environment; developing sustainable waste management practices; promoting energy efficiency and sustainable energy generation as well as ensuring that Gibraltar's development respects the delicate balance between environment, economy and society.

1250 Securing the integration of environmental considerations into all Government policies is one of the Department's key objectives. This means that as well as providing and maintaining policies, programmes, legislation and information for the protection of the environment, we also promote the integration of environmental considerations into the wider decision-making process.

All of this is possible, because of the environmental governance which we are promoting.

Mr Speaker, I now turn my attention to the Ministry of Health and the Gibraltar Health Authority.

1255 I make this distinction, because up to the present, little distinction had been made between the two, with the Minister for Health essentially just, in effect, taking responsibility for the GHA. I feel that my role is much wider, and that it is all health issues that I have a responsibility for. This includes practitioners in health-related disciplines in the private sector, and organisations outside the GHA.

1260 For that reason, Mr Speaker, I have met with private doctors, dentists and pharmacists, and visited organisations such as the Red Cross and St John Ambulance, and I make myself fully available to approaches by them.

Further afield, Mr Speaker, I have supported initiatives to send ambulances and equipment surplus to requirement to Morocco and other African countries, and will continue to do so. This is a much better outcome than throwing them away, but more important, Mr Speaker, gives a relevance to Gibraltar in the context of the needs of countries less fortunate than ours.

1265 Mr Speaker – here we come to the delicate bit – when I delivered my Budget speech last year, I referred to some details emerging from a Health Survey, to which I will refer later, which stated that – I quote –

1270 '¾ of men in Gibraltar over the age of 45 are overweight'. I was one of that number and therefore committed myself to – and I quote again:

'reaching a weight and level of fitness ... which will be a reflection of a healthy lifestyle'.

Mr Speaker, what I did not yet appreciate was that a Minister's lifestyle is not a healthy one, and so when I looked this morning, the reflection was a realistic representation of an *unhealthy* lifestyle.

1275 I could of course claim that as my weight gain happened after an accident in 2011, months before the General Election, that it is the fault of the former Administration. (*Laughter*) What I could not claim is that I stand before you as a mere shadow of my former self. (*Laughter*) I have at least made some progress and I can state that I have lost five kilos. (*Banging on desks*) So, at least there should be no misunderstanding of that statistic by the Opposition!

1280 Seriously though, my struggle with weight loss is representative of that of many people, particularly as they progress through middle age. And it is in experiencing this and understanding this for myself that I am better able to lead in the initiative for a fitter population.

1285 I now make the commitment again, well aware of Winston Churchill's observation that 'The only problem with committing political suicide is that you live to regret it', and aware also that if I do not deal with this matter, the likelihood increases that I might *not* live to regret it.

Mr Speaker, I do not make that comment lightly. This job has brought me into contact with real life and death situations, almost every day, and I am more aware than many of the fact that simple decisions in life can in fact determine whether you live or die.

1290 I have been enriched as a person by coming into contact with many members of our community with real health problems. I have been able to give good advice to some, less successful with others, but I have been both humbled and inspired by what some members of our community live with, day by day.

Mr Speaker, I will of course *not* blame the former Administration for my accident in 2011 nor for my weight gain at the time. But I will blame them for other things.

1295 Mr Speaker, the Opposition has in recent months sought to evade responsibility for their actions of nearly 16 years by accusing the Government of playing a 'blame game'. Mr Speaker, sadly, it is no game.

If I said during the 2011 Election campaign that the former Administration had caused the Health Authority to lose its heart, then I was understating the real facts. Mr Speaker, the GSD had taken its heart, its lungs, its kidneys and, worst of all, its very soul.

1300 Mr Speaker, I rush to point out that it was the *organisation* that had lost this, not the hundreds of professionals who work inside it. But they had become disempowered, demotivated and uninspired. The lack of leadership at the very top – including the absence of political leadership – has left lasting scars that will take their time to heal.

1305 But they are healing already, Mr Speaker. I pay tribute, Mr Speaker, to the professionals, domestics, labourers, attendants, maintenance staff, nurses, the ambulance team, doctors, administration and clerical staff, allied health professionals – everyone – for their dedication, attitude and friendliness. They all know – every last one of them – the importance of their tasks, and perform it well.

Mr Speaker, we still have our shortcomings, but the growing warmth in the GHA is palpable, and the heart has begun to beat again.

1310 Mr Speaker, before diving into the detail of this part of my speech, let me say that in the context of the community, my regular contact with health-related charities has continued unabated. I will not list them all, lest I omit one, and will only mention by name the two that have been established in this past year – Babystepps and the Multiple Sclerosis Society – but I will state that thanks to the suggestions and constructive approach of all of them, we have made real progress this last year and have plans for next, for example: lift access to the Hospital Garden; benches outside the hospital; increase in visits by neurologists and revamping of the neurological service; introduction of neonatal hearing screening; changes in the laws regarding still births; encouraging of hearing protection during public events; improvements to catering services; improvements in access to primary care by particular disability groups; introduction of sound chips for lifts to assist the visually impaired.

1320 This process will continue. I like to regard, Mr Speaker, the requests by community groups, as my alternative manifesto. And I once again acknowledge and thank members of these groups – old and new – for their work.

Mr Speaker, the Gibraltar Health Authority, by which I mean its Board, has continued to meet regularly in public, bringing a totally new dimension to the way the Health Service is administered.

1325 During the course of last year, I commissioned a Review of the Health Service whose recommendations are in the process of being implemented. The former Chief Executive resigned and I am currently undertaking a reorganisation of the GHA's management structures. I decided to follow the novel approach, at least as far as the party opposite is concerned, of a formal competition. I am delighted to tell the House that a Gibraltarian, Mr Freddie Pitto has been appointed as the GHA's new Chief Executive and will begin his duties officially on 1st September, following a period of induction. (*Banging on desks*)

1330

The GHA is creating a unit-based management structure, Mr Speaker, comprising three units: a Hospital Services Unit, based on St Bernard's Hospital; a Primary Care and Community Services Unit; and a Mental Health Unit; and will shortly be appointing Unit General Managers.

1335 I have been concerned for some time about a lack of clarity on organisational responsibilities and believe that the changes the GHA Board and Cabinet have approved will greatly improve not only accountability within the GHA, but also both clinical and corporate governance.

1340 I am also, Mr Speaker, taking steps to increase the involvement of clinicians in management through the designation of new clinical leads in each unit linking with the new Medical Director to address issues of common concern and provide integrated clinical leadership for the GHA. I anticipate that much of the new structure will be functional from the beginning of September this year. The GHA is also revisiting the work undertaken a decade ago by the Gibraltar Healthcare Development Team, which was commissioned by the Party opposite at a cost of over £2 million, but then, in their usual manner, discarded, and will transform the way we deliver services to patients and make them more responsive and truly patient focused.

1345 Mr Speaker, I would like to tell the House about progress made over the past year in meeting our manifesto commitments and improving health care services to our population. We have made great strides with the Colon Cancer Screening Initiative, which will come into operation later this year. I must say that I found that what was supposed to have been a programme that was ready to go had been under-resourced and has required a great deal of work to get back on the rails.

1350 Mr Speaker, we have introduced, as promised, an In Vitro Fertilisation programme; made excellent progress with our new Mental Health in patient facility; and commenced work, together with the Care Agency and the Minister for Equality and Social Services, on a new Dementia Day Hospital which will vastly improve services currently available for these patients in Gibraltar and have a significant impact on bed utilisation at St Bernard's Hospital by avoiding the need for admission.

1355 The issue of bed availability at St Bernard's Hospital is, Mr Speaker, and remains a continuing concern, not helped by the misleading statements constantly issued from the Opposition benches. Mr Speaker, the hon. Lady, the Opposition spokesperson for Health refers constantly to the number on the waiting list increasing; but, Mr Speaker; this is a wholly irrelevant figure. The only figure of consequence is how long people wait for their operation and in that respect, we are still clearing up the mess that they left us from their years in charge of the GHA.

1360 Members opposite, Mr Speaker, use statistics, if I may borrow from poet Andrew Lang, 'as a drunken man uses a lamp post, for support rather than illumination'.

1365 So, let me highlight for their benefit, Mr Speaker, the real issue faced by the GHA which is the same as that faced by all health care organisations in developed countries, where the needs of patients are changing, as the population ages and the incidence of chronic disease increases. St Bernard's Hospital is not an appropriate setting for the delivery of care to many of the patients currently residing there.

1370 This is not something new and it was evident a decade ago that the hospital was becoming predominantly a facility for the care of the elderly. But, Mr Speaker, little was done to address this growing problem. It was preferred instead to pour millions upon millions of pounds into other grandiose schemes, rather than tackle the rather less eye-catching but much more important issue of providing proper facilities for elderly people in Gibraltar. Mr Speaker, quite frankly, they did not care.

1375 Well, Mr Speaker, the parties in Government now do care. We have focused relentlessly on the things that matter to those we serve and the new Dementia Day Hospital, when allied with the dedicated in-patient facility for those with Alzheimer's disease and dementia will make a very real difference to this community. Not only will these schemes provide modern purpose-designed buildings for the frailest members of our society, but they will reduce admissions to St Bernard's Hospital, allowing us to bring much more of its current resources to bear on treating acutely ill patients even more quickly.

1380 But, Mr Speaker, we will also approach this from other angles. In most UK Trusts, some 70% to 85% of elective surgical patients – the majority of waiting-list patients – have their operations in a day surgery unit and are discharged home the same day. In Gibraltar, only just over 30% of elective patients have day surgery. This has to change, Mr Speaker. There is no reason why we cannot double our day surgery caseload and free up a very substantial amount of bed capacity in the hospital. The new Chief Executive will be taking a lead in changing the way we work to ensure that there is always an adequate supply of beds and that cancellation of operations is further reduced.

1385 Added to the use of empty theatre slots on Fridays, minor procedure and plastic surgery initiatives, rationalising of waiting lists, and other steps, the unacceptable levels of waiting times that I inherited, will begin to whittle away.

1390 Mr Speaker, when I leave this Ministry I will certainly make sure that I do not leave a list with patients on it who have been waiting for an operation for a full 15 years, which is what I found.

Mr Speaker, I must mention here the incredible work to this end that is being done by nurses, surgeons and anaesthetists in bringing all this about. They are so pro-active, working together as a team,

contributing of their knowledge and experience. Because they know that they now have someone, and a Government, that will listen and respond. I am proud to have them as colleagues.

1395 Mr Speaker, because continuing simply to add more and more beds is not the solution, we will also be looking at other measures to develop more community-based services to support patients in their own homes which many of them desire and which, where it is feasible, will be a better alternative than being admitted to an acute hospital.

1400 Mr Speaker, I have to report that the GHA has not yet reached an agreement with the consultants about a new contract. However, in my meetings with the consultant body, strong representations have been made to me about some of the changes they are seeking in particular the dismantling of the ludicrous three-month contracts imposed by the previous Government. The draft contract that I inherited, in about its 20th iteration ever since it was first put together in 2004, was closely studied and found not fit for purpose. My team, including our interim Chief Executive, has therefore been undertaking a great deal of work on this matter and now the new Chief Executive will be leading the negotiations to achieve this contract.

1405 I am very hopeful that an agreement which is fair to both sides will be reached before too long. This will allow security of tenure for the consultants, establishment of job plans, and open a new era for the medical profession in the GHA.

1410 In our manifesto, Mr Speaker, we committed ourselves to creating additional posts for General Surgery, Psychiatry and Accident and Emergency Services. A new General Surgeon, Mr Ezzat Tadros was appointed in September 2012; an additional Consultant Psychiatrist, Dr Alan Lillywhite started with the GHA on 1st February; and the new post in Accident and Emergency Medicine will now follow.

1415 Mr Speaker, we have delivered on our electoral promise but that is not the end of the matter and we will continue to review our consultant staffing levels to seek out further opportunities to deliver more of our services locally and reduce our reliance on overseas hospitals.

1420 Mr Speaker, we are committed also to reviewing the contracts of our Non Consultant Hospital Doctors (NCHDs). These doctors provide the 24-hour seven-day cover that keeps hospitals running and as soon as the negotiations on the consultant contract are complete, we will open discussions with the NCHDs and their trade union representatives to address these outstanding issues.

1425 The annual expenditure on sponsored patients has more than doubled over the past decade and now exceeds £9 million. In 2003, only 291 cases went to Spanish hospitals, whereas last year, it was over 500 cases. Clearly, Mr Speaker, many people in our community prefer the convenience, for them and their families, of more local treatment and the Government will continue to facilitate processes for this, whilst also retaining close links with UK centres of excellence, and thereby offering as much choice as possible to the GHA's patients.

1430 We have already made changes to the allowances for disabled people, increasing them by 50% and we will continue our examination and review of the whole programme, in order to ensure that our patients are not disadvantaged by having to travel abroad for specialist treatment.

1435 Mr Speaker, Gibraltar's first ever Health and Lifestyle Survey was conducted in 2008, but funds for analysing and publishing the data were only made available in 2012 – another example, I am afraid, of the Party opposite fulfilling Abba Eban's famous dictum of 'never missing an opportunity to miss an opportunity'. Mr Speaker, I most certainly will not miss this opportunity.

1440 The Report is a substantial piece of work. It runs to 250 pages and is supplemented with over 230 charts and tables to illustrate the text.

1445 These are some of the key findings: 50% of the Gibraltar population are overweight or obese. Gibraltar has higher obesity levels than Spain, but lower than the UK; 42% of Gibraltar people who are overweight are unaware that they are; one third actually think they are about the right weight for their height.

1450 Three quarters, as I said before, of men aged 45 and over are overweight; 75% of Gibraltar people do not eat five or more portions of fruit and vegetables each day – significantly worse than in the UK.

1455 The youngest men – 16 to 24 – have a significantly worse diet than any of the other age/sex categories; 29% of the population are current smokers. In the youngest group, Gibraltar has the highest smoking prevalence rate of all the countries studied.

1460 A third of the population do not normally use sun cream.

1465 Mr Speaker, this list is the health equivalent of a ticking time bomb and has to be addressed urgently.

1470 This Government has already taken action to ban smoking in public areas. The Smoke Free Environment Act, which came into force on the 1st October 2012, formed a significant milestone in the history of public health in Gibraltar. Not only was it significant in that passive smoking was at last officially acknowledged as a major health risk, but the general welcome and acceptance by the public was a striking demonstration of how society has moved with the times in taking health matters seriously.

1475 The Health Promotion Department also continues to work with the dieticians to develop local initiatives for helping those who are overweight and/or obese.

1455 Mr Speaker, our Health Services already operate under grave pressure and things are only going to get worse, unless we give much more priority to prevention rather than cure. It will therefore be a key objective for the new Chief Executive and the Director of Public Health to develop ever more sophisticated and extensive Public Health programmes, utilising modern methods of communication, to get our messages over to the population and particularly young people.

1460 As an example, the Public Health department has produced and broadcast its first infomercial on GBC Television, encouraging adults to quit the smoking habit, which was presented through the voices of children. Further infomercials on the dangers of smoking during pregnancy, the new Stop Smoking clinic, colorectal cancer screening and other key health topics will be produced and form part of a bank of infomercials.

1465 Mr Speaker, there are so many messages in the Report of value to all of our citizens that the Public Health department is producing a digest, in the form of a slim 16-page booklet, which captures the essence of the Report on a user-friendly format. This will be widely distributed to households in Gibraltar. I have ensured that appropriate resources have been made available to do this.

1470 Linked to this, Mr Speaker, one of my two ministerial initiatives, announced this year and which will continue into the next, was the establishment of a Healthy Living Group, which has met on several occasions and which will continue to discuss and advise on these matters.

1475 Mr Speaker, colorectal cancer is Gibraltar's most commonly occurring cancer, as well as its third most frequent cause of cancer deaths. The incidence is also rising compared to a decade ago and this disease has a high mortality if untreated.

1480 A plan was prepared for investment in this programme which I found was incomplete and under-resourced and which required this Government to provide considerable resources in order now finally to move towards implementation.

1485 The screening plan will initially consist of a programme targeted at all persons between the ages of 60 and 74. Such a programme is currently in place in most major countries and uses a laboratory test to detect faint traces of blood in the individual's stools, a sign of possible hidden cancer. The screening programme will start later this financial year and will be a very significant step forward in detection of this cancer.

1490 In our manifesto, Mr Speaker, we committed ourselves to providing In Vitro Fertilisation or (IVF) treatment for couples with fertility problems that have no children. The GHA Board approved the scheme at its meeting in December 2012 and it came into force from January this year. To date, some 20 couples have been referred for treatment under this much-needed programme, and I am happy to report that so far there have been six pregnancies. Mr Speaker, the difference we have made to these couples' lives...

Mr Speaker, this Government delivers on its promises.

1495 And we are moving on our other commitments. Work has started on introducing a much-needed protocol for stroke patients.

1500 Children's Services are being reviewed in order to cater more efficiently for their journey through primary and secondary care.

Plans are in motion to deliver another important screening service, that for abdominal aortic aneurysms, which we are hoping to introduce towards the end of the financial year.

1505 And, Mr Speaker, we will not rest at just manifesto commitments. In my time in office, I have been able to pick up specific areas where the Health Service was failing. Either from my own observations, or discussions with staff, patients or relatives, I have come across a number of areas where we are falling short.

1510 One of these is neurology, and as I have already announced, we are fully revising this service. Another is management of children with conditions related to autism. Once again, we are reviewing the relevant aspects of the service in conjunction with our UK visiting consultants.

Last year, we introduced Public Access Defibrillators for the first time, and we will this year expand the number of locations where these are located.

A&E is another area where we have been working – and will continue to work. This front-line service, often misunderstood, has been improved by structural changes to the department, which will continue.

1515 And, Mr Speaker, we are looking at how we can improve the services offered by the allied health professionals, such as occupational therapy, physiotherapy, dietetics, audiology and speech therapy.

1520 Mr Speaker, the Government is committed to ensuring registration with the General Medical Council for all our doctors. The current medical registration legislation is chaotic. Rushed transposition of an EU Directive by the previous administration means that one of our laws says one thing and another says the very opposite. That is, faced with a doctor's particular qualifications, one law says he can register and the other says he cannot. How this got to happen in a Government full of lawyers, I cannot understand. I suppose, Mr Speaker, that there are lawyers, and there are lawyers. *(Laughter)*

Therefore, in order to achieve a new and consistent system of registration, the Medical Registration Board has commenced direct discussions with the GMC, whose headquarters in London I will be visiting next month. We aim to achieve that our doctors will both achieve revalidation and licence to practice and

1515 that our new laws will allow that. At the same time the GHA, as an organisation, will need to tighten up on governance and processes, including appraisal of doctors. We will take the opportunity in revising the law to introduce for the first time in Gibraltar regulation and registration of professions allied to medicine.

1520 And that is not the only health-related law that needs work. There are others, including the Mental Health Act, which hails from 1968 and is completely outdated. We are well advanced in drafting new legislation which will better fit the needs of a modern society.

Mr Speaker, we have also advanced in amending the legislation that governs the Ombudsman in order to achieve another manifesto commitment – that is the passing of dealing with medical complaints to his office.

1525 Mr Speaker, crucial to the delivery of excellent health care is a well-trained and well-motivated nursing staff, delivering through high quality care to our patients. Equally important, however, is to plan for the future to ensure that we are well placed to anticipate change and manage and develop our services to meet future demand. Earlier this year, the GHA approved a five-year Nursing and Midwifery Strategy, entitled ‘Keeping your health at the centre of what we do’, developed through effective engagement with our nurses and midwives and between them and their patients. Our ambition for the future is to place the needs of the patients at the centre of everything that we do and ensure that fundamental standards of care and practice are consistently high in all of our care environments.

1530 So, Mr Speaker, patient involvement is crucial to fashioning services which are responsive to their needs.

1535 Mr Speaker, this Government committed itself to a major increase in nurse staffing – 33 additional posts – to rectify years of neglect on this matter and all of these posts have been filled. But our manifesto commitment is not just about nursing increases in the main wards and services; we are also addressing nursing staff needs in the smaller specialist areas and, for example, are in the process of increasing the number of Diabetic and Palliative Care nurses.

1540 Mr Speaker, one of the biggest successes of the past year has been the reorganisation of the Primary Care appointments system. For many years, patients have struggled to obtain appointments, often by queuing up at the PCC early in the morning, in a vain attempt to get an appointment to see their doctor. At the same time, hardworking staff have had to endure criticism and even abuse.

1545 The introduction of a new appointments system in October, designed by the Primary Care team itself, has led to a much better service to patients. Improvements to their repeat prescription processes have also helped. The main remaining problem is that of telephone appointments which, despite the hard work of the operators on site, is due to the large number of calls first thing some mornings which simply flood the system. Further improvements are due which should improve this, which will include the ability to book your health centre appointments online.

1550 The nurse prescribing system is running well, with nurse practitioners at last being able to prescribe.

In addition, Mr Speaker, we have added three Nurse Practitioner Emergency clinics each day supported by the emergency doctor and this has also helped provide a better and more responsive service to our patients.

1555 Nurse-led clinics have a tremendous part to play in developing our Health Service and we are looking at possibilities here.

In fact, Mr Speaker, primary care as a whole, including the work of General Practitioners, space and administration requirements, and services out in the community are in the process of being reviewed and I look forward to developments during the coming year.

1560 Mr Speaker, the GHA is Gibraltar’s largest Government Department, when assessed by budget, and this year spending will exceed £90 million. For many years and certainly the past decade, there has been a managerial failure to control spending, leading to constant overspends of millions.

Mr Speaker, this Government expects expenditure to be controlled and I have taken steps to ensure that this is the case. I am delighted to report that, for the first time in many years, the GHA has in 2012-13 achieved a balance of its budget with its expenditure.

1565 This, Mr Speaker, is a most significant achievement, as in fact over the past year, we have made considerable improvements, including staff increases, but have spent less money in real terms. What does that say about past management of taxpayers’ money?

1570 Mr Speaker, I am not saying that we will not invest more in healthcare. But I am saying that we will make sure that every pound spent is put to good use and that the investment made in the GHA is managed effectively and efficiently. I am, as I stated earlier, Mr Speaker, taking steps to restructure the management of the GHA and part of that involves strengthening budgetary discipline to ensure that for the future we continue to balance our budget.

1575 Mr Speaker, we promised in our manifesto to computerise patient notes within two years. To this end, the Electronic Health Technology Team has reviewed a number of options for an Electronic Health Record (EHR), including UK and Spanish models and will be preparing the specification paper in order to initiate the tender process. I make no apology for making haste slowly on this particular commitment,

as the experience of the NHS on such initiatives has been one of only occasional successes on a road littered with many extremely expensive failures, and our project will not suffer the same fate.

1580 That said, Mr Speaker, an EHR system is vital to the future success of the GHA, not only because it will vastly improve our information flows in support of the provision of excellent care for our patients, but also because such systems are the bedrock of good clinical governance.

1585 So, Mr Speaker, I have commissioned a short, sharp review of our preparedness for procuring and implementing an EHR and expect to receive that report within the next two months and then move forward. It is very important not to underestimate the scale of such a task which, to be successful, will require the involvement and commitment of all of the GHA's staff. But with the re-kindled spirit of teamwork and co-operation now so evident in the GHA, we will achieve it.

Mr Speaker, over the next two years, we will prove that we will, finally, have an electronic health record system in Gibraltar, a system that we all deserve.

1590 That does not mean, Mr Speaker, that we are standing still with other much-needed developments in our IM&T systems across the GHA.

Projects and systems improvements undertaken in the past year include: in Mental Health Services, a module which covers patient information on referrals and management of outpatient and inpatient activity, which has been developed and was launched in February this year; and also a system for processing risk management, claims and litigation.

1595 But, Mr Speaker, that is not the end of it and other IT projects to be completed in this financial year include: a computerised colorectal screening programme, including a call/recall service; a similar system for abdominal aortic aneurism; a cancer registry patient management system; improvements to the Patient Registration management system; an improved referral system from Primary to Secondary Care; a sponsored patients module; a Child Welfare Clinic module; a chronic obstructive pulmonary disease module; and paperless prescribing.

1600 The aging digital telephone system in the Primary Care Centre has been upgraded to IP telephony technology and all phones have been replaced with modern IP Phones. We have also increased telephone lines to allow improved access for patients.

1605 The Gibraltar Health Authority website is currently undergoing a complete redesign with a new look, updated content and increased functionality and is expected to be available by the end of this week.

1610 Mr Speaker, I stated last year in my Budget speech that records staff, both at St Bernard's and the Primary Care Centre, needed better accommodation in which to operate. A new Medical Records Department at St Bernard's Hospital will shortly be completed, providing spacious and functional accommodation for the safe storage and retrieval of medical records. A new patient administration area and expanded record facilities at the Primary Care Centre has already also been provided.

This past year the Department of Pathology has brought about significant improvements to its services. Mr Speaker, I will mention just a few of these.

1615 The first impacts on the whole GHA and has resulted in the delivery time of results to clinicians to be much quicker than before. As soon as the results are ready and validated, they are available on-line for clinicians to see. In addition, electronic requesting of tests has removed the need for filling in paper requests, removing possible typographical and other errors, and improving patient safety.

The Department is continually fine-tuning this information system, based on feedback from users and a level of excellence has been achieved, such that the software supplier has recognised our system as cutting-edge in the way it has been configured.

1620 Mr Speaker, the supplier has the system installed in over 700 laboratories in 15 countries and has classed the GHA's laboratory as a reference centre. This led to the system being show-cased to a delegation of specialists from Thailand, looking to introduce it in their hospital.

1625 Mr Speaker, in line with the Government's aspirations to explore university level education as close to home as possible, I am delighted to announce that in September 2012, we recruited 15 local students into Gibraltar's first full-time nursing degree programme. The BSc (Adult Nursing) course attracted significant local interest, and this programme is now being taught in the School of Health Studies by our own lecturers.

1630 Thanks to the enthusiasm and co-operation of our clinical staff, all of the clinical placements required for these students to undertake these practical aspects of the course on the wards and departments are also able to be delivered in Gibraltar. This has required us to ensure that we have sufficient educational mentors – and these programmes have been run locally, also – enabling practitioners to gain additional local qualifications in mentorship.

1635 In addition Mr Speaker, the Director of Nursing and his hard working team have been carefully managing vacancies as they arise, in order to ensure that the 14 Diploma in Nursing students who will graduate in September this year will all have a staff nurse's post available.

We have also successfully appointed a new senior lecturer to the department, Gibraltarian James Viñales. A significant amount of post-registration education has also been provided.

1640 But, Mr Speaker, provision of education must now go further. There has been substantial investment and planning with respect to opening the gateway to professional career paths for those who may have an aptitude and enthusiasm, but may not necessarily hold the required entry qualifications. In order to assist these staff, NVQ Level 2 training has been developed and delivered, with the support of our local School of Health studies – notably the tutor, Janet Lane. I am pleased to report that 21 candidates have successfully completed and passed their NVQ Level 2 in the past year. This is a significant achievement, for which I commend both these staff and their tutors.

1645 Mr Speaker, I am delighted to confirm that the GHA is renewing the educational contract with Kingston and St George’s University. This has proved a mutually advantageous partnership and I look forward to its continued success over the coming years.

1650 What I think is the biggest achievement of the school this year, Mr Speaker, is the re-introduction of Enrolled Nurse training, offering once again opportunities for progression for Nursing Assistants who, for whatever reason, cannot go down the degree avenue. Enrolled Nurses would then be able to train further to achieve staff nurse status. This is an improvement on the UK system and shows how this Government cares.

1655 Mr Speaker, the development and modernisation of the Gibraltar Ambulance Service was a stated priority for the Government. Over the past year, a significant amount of attention and investment has been made to address a number of deficiencies which were seriously affecting staff morale and the capacity to deliver the standard of service which we believe the people of Gibraltar deserve.

In this respect, Mr Speaker, I was most recently proud to have presented the members of this fully fledged emergency service with long service medals for the first time.

1660 Mr Speaker, we have seen the delivery of three new state-of-the-art ambulances for our Emergency Ambulance Service. Funding has also been provided for a further five ambulances, which will arrive during August and September this year.

1665 The GHA is providing an expanded rest area for the ambulance crews, which are a marked improvement on the cramped area they previously occupied in the A&E Department. This is an interim solution, pending a longer-term permanent replacement to be provided, as part of wide-ranging changes in the layout of St Bernard’s.

1670 The Government has continued to invest in paramedic training for staff, which was recently topped up with some additional practice placements overseen by the paramedic tutor. Our paramedic students are due to complete their degree programme in September 2013 and work is currently underway to design the job descriptions to ensure that on completion of their degree, the paramedics can move seamlessly into the new roles.

I am also delighted to report that the paramedic degree programme was also validated by the Health Professions Council in the UK – its first overseas validation.

1675 In order to ensure that we make the best use of this new expertise, the Government has commissioned an external review of our ambulance services. The review is due to report by the end of the summer.

1680 Let me now turn, Mr Speaker, to a subject very close to my heart, Mental Health Services. These services continue to go from strength to strength and this Government remains 100% committed to rectifying the under-investment of its predecessors. The last financial year saw an investment in excess of £70,000 simply to provide basic levels of comfort within the unsatisfactory environment at KGV. This has brightened up the existing facility and has improved significantly the morale of both patients and staff.

All of the professionals from the Mental Health Services have been actively involved in planning their new facility on the old Royal Naval Hospital site, which has occupied a significant amount of staff time over the past year.

1685 Finally, I am delighted to note that in the last financial year, KGV Hospital was successfully nominated as team of the year for our staff awards ceremony. The fact that such a touching citation came from users of our services is testimony to the work that our excellent staff have managed to continue to deliver in what we all acknowledge are sub-optimal surroundings.

1690 We should also remember, Mr Speaker, that mental health problems are not confined to adults and can strike at any age. A contract has therefore been signed for visiting Consultants for Children’s Services in Mental Health, so that we can also offer first-rate services to our children. There is a growing and fruitful partnership between the South London and Maudsley NHS Foundation Trust and the GHA, and a number of visits to Gibraltar have now been completed by Dr Bruce Clark, Consultant Child and Adolescent Psychiatrist.

1695 This Government remains committed too to improving the community services provided by the Community Mental Health Team, a small team, but of undoubted commitment and capability.

Mr Speaker, a top priority for the forthcoming year, is the completion and commissioning of the new unit which we anticipate will be handed over in October or November. Then, at last, Mr Speaker, Gibraltar will have the first rate mental health facility that should have been provided many, many years ago!

1700 Mr Speaker, last year the Government increased the GHA's Capital Expenditure funding from £800,000 to £3.3 million – an increase of 312%. This substantial increase was not a manifesto commitment, but simply recognition that after years of under-investment by the Party opposite we needed to increase capital expenditure in the GHA to allow it to develop important projects necessary to improve facilities and upgrade medical equipment that has become either technically or clinically obsolete.

1705 This increased funding has allowed the GHA to embark on an ambitious medical equipment lifecycle replacement programme to ensure that our clinicians are supported with the modern technology that is now an integral part of health care delivery.

1710 For example Mr Speaker, we have been able to: upgrade the St Bernard's Emergency Oxygen System; upgrade the St Bernard's Cardiac Alarm System, so that cardiac arrest alarms now go straight to a pager-triggering system, which includes specific location details and will also cut the manual step of contacting the call centre from the loop. Electronic logs of these alarms will be generated, improving on reporting and auditing trails.

1715 We have procured two new dialysis units, which brings to four the total of units which have been replaced, and it is envisaged that the two remaining units will be replaced during the course of this financial year.

We have redeveloped theatre 3 to provide the necessary space for increased throughput, as part of our Day Surgery Initiative.

1720 But that is only part of the story, Mr Speaker. Work continues on a host of other projects to meet the GHA's urgent needs and also to deliver on all of our manifesto commitments. These include, apart from those already mentioned: the new Dementia Day Care Facility at the old Royal Naval Hospital site; redevelopment of the Accident and Emergency Department; expansion of the Day Surgery Ward, to increase capacity to 15 patients; an expansion of the Blood Department, which is an EU Blood Directive requirement which had been ignored for years; a new patient counselling area for Palliative Care; a new clinical area for the Hepatitis B immunisation service; and a new area for colorectal screening.

1725 And Mr Speaker, there is more to come. We said in our manifesto that we would:

'make alternative arrangements to improve the delivery of meals and consequently their quality'.

1730 We have decided to go much further than that, Mr Speaker. It beggars belief that the previous Administration could have settled on a scheme which places the kitchen providing meals for patients at St Bernard's, KGV and HM Prison in its current location and then purchased an extraordinarily expensive plated-meals service which not only fails in its basic design, but costs a fortune to maintain. We have therefore started again from scratch and examined the relocation of the facility, via a feasibility study for which a preliminary outline design has been completed.

1735 Plans are progressing for the creation of a new Catering Department at St Bernard's Hospital. This initiative is very important as it will improve the quality of the food served at the bedside and good nutrition is an essential aid to the provision of excellent health care.

1740 Could I, at this juncture, Mr Speaker, pay tribute to the excellent work done by Duncan Cerisola, our Catering Manager and his team, who have continued to work in very difficult conditions to provide a good service to our patients. I should make clear, Mr Speaker, that, as a team, they are not at all happy with their current working conditions and strongly advocate these changes being implemented as quickly as possible. We will not let them down.

1745 The GHA is very conscious of the need to reduce the environmental impact brought about by its increasing use of facilities and services. A specially established GHA team is actively working on a range of environmentally friendly initiatives aimed at reducing energy consumption, enhancing energy conservation and recovery, and the reduction of operational costs. These include: a solar thermal initiative to reduce the use of oil burners and provide a large amount of hot water throughout the Hospital; an LED lighting scheme, to replace conventional lighting throughout the GHA estate; air-conditioning set-back controls; smart metering installations to ensure we can monitor power usage throughout St Bernard's; heat recovery systems, ensuring we recover heat load generated from our air conditioning systems in order to provide hot water.

1750 In conclusion, Mr Speaker, I want to pay tribute to two people who I have not mentioned so far: the interim Chief Executive, John Langan and Ernest Lima, his adviser, for assisting us to get through a period of change in the Health Service.

1755 But what can I say about the salient points that remain to be made?

1760 Well, the first is the way that clinical staff, including nurses and doctors are listened to so much more, and encouraged to get involved in initiatives and decision-making. The second is the great teamwork that has developed, not just within the GHA, but also between the GHA and other Departments, particularly the Departments so ably led by my friend and colleague the Minister for Equality and Social Services, Samantha Sacramento.

1765 But also in particular with Education and with Housing, the seamless integration of multi-agency, multi-disciplinary and inter-departmental teams is making a real difference to the community. To mention but one example, the Occupational Therapy department is now fully involved with other professionals in a wide range of activities, from assessments of the needs of the elderly at home, through the design of new facilities, to ensuring that our new housing schemes are fit for the elderly and disabled, not like those we inherited.

1770 Mr Speaker, I must once again pay tribute to all the staff. Health professionals because they deserve our thanks every single day that they get up to go to work; supporting services because without them the Health Service would not function; administrators because they provide the chain that links the cogs to keep them turning.

And I would like to make mention of management as a whole, clinical, support, and administration. They have kept the machinery running, and improving, while so much change has been going on around them. That is never easy.

1775 While things have begun to be looked at differently, as the way of doing things and who has been doing them has been evolving. Thank you for your patience. We are nearly there.

And of course to the unions, whose support for their members is strong and resolute, but whose sense of responsibility in the delicate environment of healthcare is just as strong and just as resolute. Your job is not easy, but you carry it out admirably.

1780 Mr Speaker, this Government has already made very substantial progress on fulfilling its manifesto commitments for health. I believe that under the leadership of the new management team, we will be able rapidly to move forward and complete our programme during the next two and a half years.

1785 Mr Speaker, this is a new Gibraltar. So much has changed. It feels like smoke-free restaurants and paper-recycling have been with us forever – but it has been much less than a year for both. The community have now got used to being able to openly comment on – and yes, criticise! – the Government without fear of reprisal from the chamber of horrors that was No. 6. (*Laughter*)

We now accept that a Government's plan can be constructively discussed by the people and that the Government will listen.

Gone are the days of autocracy and secrecy. We have taken Government back to the people.

1790 Mr Speaker, the new dawn came, and now, the sun is rising. (*Applause*)

Chief Minister (Hon. F R Picardo): Mr Speaker, may I invite you to recess the House now for 15 minutes? Although we have been invited to refrain from digestives, perhaps we can at least enjoy a cup of tea!

1795 **Mr Speaker:** The House will now recess for 15 minutes.

The House recessed at 5.40 p.m. and resumed its sitting at 5.58 p.m.

1800

**Appropriation Bill 2013
For Second Reading
Debate continued**

1805 **Mr Speaker:** The Hon. Gilbert Licudi.

Minister for Education, Financial Services, Gaming, Telecommunications and Justice (Hon. G H Licudi): Mr Speaker, I have the honour to present my Budget address as Minister with responsibility for Education, Financial Services, Gaming, Telecommunications and Justice.

1810 Mr Speaker, the 9th December 2011 indeed saw a new dawn for Gibraltar politics. Since that day, my fellow Ministers and I have worked to bring about the agenda for change that the people of Gibraltar elected us to deliver.

1815 The Government has, of course, an overreaching desire, and indeed a duty, to deliver stability, opportunity and growth across all areas for which we, collectively, have responsibility. But it also has a political responsibility to deliver fairness, equality and transparency in governance, as well as providing the building blocks of a healthy and vibrant economy.

This Government will bring about a new era of social and economic prosperity and the positive change that the people of Gibraltar want and deserve – a change which already, a mere 18 months since we took office, is palpable and evident.

1820 That said, Mr Speaker, I turn to the various areas of responsibilities that form part of my ministerial portfolio, starting with Education.

Education, Mr Speaker, remains a top priority for the Government. The Estimates reflect that the amount required for the year ended 31st March 2014 for salaries, wages and expenses is £37,892,000. The forecast outturn for the year ended 31st March 2013 is £33,861,000. There is therefore a projected increase this year of around £4 million – that is just over 10% – in recurrent expenditure.

1825

This follows an increase in last year's Budget of around 23%. In two years, the Education budget for recurrent expenditure has gone up from £28,407,000 to an estimate for this year of £37,892,000. That is an increase of around 33%, one third, in two years. It is, I believe, unprecedented and clearly serves to confirm our continuing commitment to Education.

1830

As anticipated in last year's Budget, September 2012 saw an increase of 47 in the complement of teachers. In fact, the complement increased by 48 as, in addition to the 47 new teachers, one post of instructor was converted to that of qualified teacher.

1835

One of the effects of the increase was to resolve the long-standing problem of having supply teachers permanently on supply, whilst covering what was clearly not a temporary need. These teachers have now been given the opportunity of having permanent tenure of employment, with all the benefits that this brings, including all employment protection rights, sick leave, maternity leave and pension rights. Those engaged have also had years worked on supply taken into account for salary and pension purposes.

1840

The increase of 47 teachers also means that there are now more teachers in our schools than there have ever been. This benefits the teachers themselves, the schools, the pupils and, ultimately, the whole of Gibraltar.

1845

The eradication of the concept of permanent supply has not just affected teachers. It has also resulted in the permanent engagement of over 20 cleaners who, again, are now able to enjoy the full employment rights which they were previously denied.

1850

We have also seen the engagement through a Government-owned company of 153 lunchtime supervisors. Until now, these ladies were engaged in September of each year and dismissed from employment the following June. The result was that they had no security of employment, did not enjoy full employment protection rights, were not able to take maternity leave and had no pension rights whatsoever. All of that has been remedied by the engagement of these ladies earlier this month.

1855

With regard to scholarships, Mr Speaker, hon. Members will note a provision for 2013-14 of £10,250,000 compared to a forecast outturn in 2012-13 of £9,689,000. That is an increase of £561,000. This reflects the increasing number of students supported by the Government.

1860

As a result of the changes the Government has already made since elected into office in respect of mandatory, distance learning and discretionary scholarships, the Department of Education has commissioned a bespoke student data management system to cope with the increase in the number of our young people that now have access to undergraduate and postgraduate degrees and other qualifications.

1865

In nurseries, applications for nursery placements are substantially higher this year, totalling 398. In order to meet the demand, St Mary's and Governor's Meadow First Schools will open for the next year in the afternoon. There will be a nursery place for every application, should parents wish to take up the offer they receive.

1870

Apart from the more than 50% increase in the complement of Special Needs Learning Support Assistants, which were formerly known as Classroom Aides, implemented in last year's Budget, their role has also been reviewed. A more modern and enhanced job description that better focuses on learning support has been devised and successfully implemented.

1875

Mr Speaker, I am happy to report that the new extension at Notre Dame, with enhanced facilities for Special Educational Needs, was completed in record time, and was ready to receive pupils, as promised, by September 2012.

1880

I can also confirm that works for a much-needed extension at St Martin's started in April 2013 with an expected completion date set for the beginning of August. This should provide the school with approximately 170 m² of extra space. This project is being carried out with the support of the Kusuma Trust to which the Government is very grateful.

1885

Government is also committed to developing a clearer understanding and awareness of the needs of children with social, emotional and behavioural difficulties and this continues to be developed by the Department of Education's Advisory Service. One of its members is currently completing a Masters degree in Education in this area of educational practice. A programme of in-service training for teachers and other professionals will be launched for the next academic year 2013-14. The Department of Education will also offer individual teachers further opportunities to enhance their knowledge, skills and understanding in this and other fields of interest.

1890

The Department of Education has developed a programme for the support of children with emotional and behavioural issues. The provision is specifically aimed at supporting children who cannot be educated within the school context. Such arrangements are always undertaken as temporary measures and the goal will always be to re-introduce the child back to the school as soon as is practicable and the child is ready.

1885 All Special Educational Needs Co-ordinators have now received training in autism, delivered by one of the UK regional specialist centres. With the support of the Advisory Service, further in-service sessions have already been delivered to one Middle School and other schools will follow during 2013-14. All schools will benefit from similar in-service sessions in understanding autism.

1890 In addition to this course, members of the Advisory Service have received specialist training in understanding autism by the Autism Education Trust in the UK. This Level 3 Training Programme is designed to support professionals working in education. The focus of the training is on the UK's National Autism Standards, which are used to identify good practice in schools for pupils with autism, as well as helping in the development of the provision already in place.

1895 Mr Speaker, our 14-to-19-year-old children continue to enjoy a range of fascinating science and mathematics activities and experiments prepared by outreach teams from the British Science Museum and Cambridge University. These initiatives continue to be sponsored by the Kusuma Trust and serve to give children different perspectives of what science and mathematics are all about.

1900 The Young Enterprise Scheme continues to thrive and clearly enjoys the support of the business community. This is a good example of Gibraltar punching above its weight, inasmuch as our Young Enterprise teams always do extremely well when competing against the 26,000 students and the 2,000 companies across the UK, in the National Championships in the UK every June. The Gibraltar representative has achieved third and fourth places in recent years and last year, Y-Tangle, an innovative product designed to prevent headphone cables from becoming tangled, won the Best Product award.

1905 The finals in Gibraltar for this year took place last week, with seven teams displaying once again imaginative products with very high standards of design and production. I congratulate the winners Elementz, with a product called Bootz – a waterproof boot designed to be worn over shoes and trousers to prevent them from getting wet – and wish them every success at the forthcoming national finals in the UK.

1910 As an example of the very real results that schemes such as Young Enterprise can deliver, I am very pleased to see that one of last year's teams from Westside School, Develop I.T., has now become a Private Limited Company. This group of young people developed an App called Key2Gib, an electronic tourist and visitor guide. The App includes diverse sections including What to See, What to Eat and Things to do. The App is also an extensive guide to all things Gibraltar – with the inclusion of tourist hotspots, restaurants and a great range of activities available on the Rock. I have the App myself on my iPhone and I can certainly say that it should be downloaded by every visitor to Gibraltar, as well as by all residents.

1915 The Government congratulates all those involved in the Young Enterprise Scheme for their magnificent achievements.

1920 This academic year, Mr Speaker, will see the implementation of a repeat programme at Bayside for Year 12 boys who have need to improve their grades in the core GCSEs. A repeat package of GCSEs and qualifications will be on offer to children who wish to improve their grades and possibly progress onto A-Level study or seek employment at a later stage. This will mirror the repeat provision that has existed at Westside for many years.

1925 It was wrong, Mr Speaker, for boys not to have the same opportunities as those which were available to girls. The Government has now corrected this anomaly.

1925 Bayside is also piloting an exciting new series of courses from the ASDAN awarding body, as a more vocational, life-skill-based pathway. ASDAN programmes and qualifications are well established in the UK and offer flexible ways to accredit skills for learning, skills for employment and skills for life.

1930 Mr Speaker, the Department of Education continues to keep a close watch on 14-19 developments in England and will advise the Government accordingly. The public examination system in England is in a constant state of flux. Our secondary schools and the College have successfully adapted to these changes, sometimes at very short notice.

1935 There are more changes on the horizon, such as the curtailing of the 'repeat' system within the A-Level examinations, the reintroduction of two-year courses with terminal examinations at the end, the uncertain future of the GCSE in England and the constant updating of the examination specifications, or syllabi.

1935 These are examples of the challenges which our local education system will continue to face. I am glad to say that all the professionals at the Department of Education have always risen to such challenges and will undoubtedly do so again as they arise in the future.

1940 Mr Speaker, Government remains firmly committed to the provision of Higher Education programmes in Gibraltar. The Department of Education is currently exploring a number of potential routes leading to the development of university faculties in Gibraltar and the provision of a range of professional qualifications and post-graduate programmes. I expect to be able to make further announcements on this during the course of this year.

The Department of Education is also firmly committed to providing opportunities for professional development for all staff. The Leadership and Management courses for teachers, which is accredited by

- 1945 Durham University, terminates this year. The Department of Education is currently working on the provision of a more specialised programme of teacher professional development, focusing more on practical teaching, learning and pedagogy, as an alternative to Leadership and Management. It is envisaged that these programmes will also be at Master's degree level.
- 1950 The Advisory Service has also provided or facilitated in-service courses in the following areas: Safeguarding Children Tier 1 Training – this multi-agency commitment, which education forms part of, has continued to offer monthly training. So far 110 teachers have completed the Safeguarding (Tier 1); it is forecast that the full teaching complement will have received Tier 1 training by the end of the academic year 2013-14.
- 1955 Tier 2 training is now well established and provides additional guidance and support to senior leaders requiring a greater depth of knowledge and skill in this area.
- Dignified Care and Responsibility Training: this continues to be facilitated by the Advisory Service. Restraining children should always be a last resort strategy. DCRT is commended for its focus on de-escalation techniques and serves to reduce the need to physically restrain children. This course includes both the theoretical aspects, such as understanding aggression and aggression cycles, triggers, self-awareness and risk assessments, as well as the practical skills needed to safely restrain children.
- 1960 The Advisory Service continues to work in partnership with all schools to enhance and develop anti-bullying strategies. A common anti-bullying framework is already in place offering guidance to schools on how to manage incidents of bullying. Following on, Mr Speaker, from the introduction of a permanent BEST team last year, twilight sessions have already been held in the majority of schools to reinforce the support that this service provides.
- 1965 First Aid Courses in schools: this is part of a rolling programme facilitated by the Advisory Service. British Sign Language Level 2: the Advisory Service is funding teachers attending the Level 2 course. 'Using Smartboards More Effectively': this is funded and facilitated by the Advisory Service and involves the training in the UK of a Middle School teacher in the use of Smartboard technology. This teacher will then in turn cascade the training to other practitioners.
- 1970 Mr Speaker, apart from this, schools continue to prepare and deliver their own 'in house' in-service, which addresses individual schools' priorities in support of school improvement and development.
- The number of Smartboards and access to these is growing and a programme to substitute first generation Smartboards for new models is being implemented. Six IT technicians have now been employed by the Government's IT and Logistics Department for deployment in schools. This should address the historical lack of dedicated IT support and maintenance of ICT equipment in schools.
- 1975 The Department of Education is also actively encouraging, fostering and funding the development of technological developments and initiatives by individual teachers. These include educational mobile phone 'Apps', websites and sophisticated, web-based pupil-teacher interfaces for PE, Music or ICT.
- 1980 Mr Speaker, the Health and Safety Audits of all schools commencing in January 2012 were completed within a year, as per our manifesto commitment. A technical officer from the Ministry for Housing has now been seconded to the Department of Education in order to support the addressing of the repairs and maintenance issues arising as a result of the Audits.
- 1985 As part of these recommendations, Asbestos Surveys have also been completed in all schools except St Martin's School, which is currently in progress. Asbestos registers have also been completed and updated.
- Computer software is being commissioned as a result of the increase in the volume of repairs. This will replace the current legacy system in use by the Department of Education. The new system will support the processing of works orders in respect of repairs carried out by the dedicated GJBS maintenance team for schools. This will offer substantial savings in time, accuracy, improved management and tracking of the huge volume of repairs and maintenance generated by the maintenance and repairs programme for schools. The software will also be used for accurately costing works for budgeting purposes.
- 1990 During the financial year ended 31st March 2013, the following works have been carried out.
- 1995 An extension was completed at Westside School. This extension includes two new kitchens and a drama studio. The total cost during the last financial year has been £313,360.
- New classroom conversions have been completed at Westside School at a total cost of £10,625.
- A special needs purpose-built extension at Notre Dame First School was completed at a cost of £539,000.
- 2000 The windows of the western façade of St Anne's Middle School have all been replaced. The cost has been £146,000.
- The works to provide St Joseph's Nursery with special flooring have been completed at a cost of £14,466.
- 2005 The gymnasium flooring at Bayside and Governor's Meadow Schools have been replaced with new 'Taraflex' flooring at a total cost of £12,000.
- Structural timber support works have also been completed at Bleak House at a total cost of £32,600.

Works planned for the current financial year include the following.

2010 Works on the extension, as I have already mentioned, to St Martin's School commenced on 18th April 2013 with an expected completion date set for the beginning of August. Works involve the building of a one-storey extension with an approximate area of 170 m².

Westside School will benefit from the construction of two much-needed science laboratories. These works will commence this summer and will be completed for the new academic year 2013-14.

2015 A full mezzanine floor will also be constructed to maximise the usable space available at St Joseph's First and Middle Schools in their lunch hall. The works will commence this summer and will provide six extra classrooms for the two schools.

The refurbishment of Bayside School will commence this year, with the painting of the school and the replacement of windows at the ICT/History area.

The ICT Suites at both the Hebrew School and St Paul's First School will be re-sited this summer.

2020 The toilet block at the present Sacred Heart Middle School site will be re-configured and refurbished. St Mary's First School will have the windows to the west façade replaced.

The patio flooring at Bleak House will also be replaced during the course of this year.

The fence at the east side of St Paul's First School will be repaired and the playground fence will be removed to be replaced with a brick wall, for increased privacy of the school grounds.

2025 Mr Speaker, in accordance with the Government's manifesto commitment, Sacred Heart Middle School will be relocated. We will also relocate St Bernard's First School.

The Government has announced the conversion of the Old St Bernard's Hospital site into two new schools and community sports facilities. The works will primarily involve the renovation and modernisation of existing buildings to turn these into a First School and a Middle School.

2030 In addition, there will be a Sports Hall which will be shared by the two schools with a play area/sports court on top of the Hall. Both the hall and the court will be available for community use. These can be accessed separately and will house toilets and changing room facilities.

The First School will have eight classrooms, rooms for teaching children with special educational needs and specialised teaching areas and spaces specifically designed to cater for this age range, including rooms for Music, ICT and a library.

2035 The Middle School will have 16 classrooms, SEN rooms, a library and dedicated teaching areas for Music, ICT, Art, and Science in keeping with the needs of older children.

A salient feature of the Middle School will be a central glass-roofed, multi-purpose atrium which will be available for students and teachers to enjoy either for social or educational purposes.

2040 Both schools will be fully accessible to pupils, parents or teachers who may have mobility issues. The schools will also be fully networked and equipped with ICT resources and facilities.

Mr Speaker, this exciting project creates much needed school facilities in this area as well as sports facilities for the Community. This will be, in fact, the first purpose built Sports Hall in the Central or Upper Town area. It will be a showpiece of urban regeneration in the Upper Town, combining heritage with educational needs and new facilities for the whole community to enjoy.

2045 Work on the site has already started with expected completion in the summer of 2015, in time for the new intake of students in September of that year.

Mr Speaker, the Government promised one new school. It is in fact building two new schools.

This Government means what it says, acts on its commitments and delivers on its promises. We are seeing that not just in Education but across all Government Departments.

2050 Mr Speaker, I turn to other areas of my ministerial portfolio, starting with financial services.

Mr Speaker, the financial sector accounts for around 15% of total employment and contributes around 20% to GDP. Overall, there has been an increase in employee jobs in the Finance Sector of 2.1% – 66 jobs – during 2011-12.

2055 As part of the European Union, Gibraltar's financial services, licensing, regulatory and investor and depositor compensation regimes are fully compliant with all EU requirements. Gibraltar-licensed financial services firms have access to the EU single market of over 500 million people, with 'passporting' rights in banking, investment services, insurance, reinsurance and insurance mediation.

2060 Gibraltar's successful finance centre is based on the Government's conviction that it must remain squarely within the mainstream of international consensus. In line with its commitment to transparency and effective exchange of information, Gibraltar has to date negotiated and signed a network of tax information exchange agreements with OECD/EU Member States. Gibraltar is on the G20-instigated OECD 'white list', and is currently negotiating or concluding similar agreements with several other countries. Tax information exchange agreements signed so far have been with the USA, France, Germany, the UK, India, Italy, Ireland, Portugal, Netherlands, Belgium, Austria, Australia, New Zealand, South Africa, Malta, Mexico, Turkey, Poland, Greece and the seven Nordic countries – Sweden, Finland, Denmark, Norway, Iceland, Faroes and Greenland.

2065 To underscore Gibraltar's commitment to transparency and exchange of information, I undertook to personally sign further tax information exchange agreements since taking office in December 2011. As of

2070 the time of my last Budget speech in July 2012, I had signed TIEAs with Malta on 24th January 2012 and with South Africa on 2nd February 2012. Since then, I have signed a further six, namely with Italy on 2nd October 2012, Mexico on 29th November 2012, Turkey on 4th December 2012, Greece and Poland on 31st January 2013 and India on 1st February 2013, bringing the total signed so far to 26 – with more in the pipeline.

2075 Nineteen of these agreements have so far entered into operation and Gibraltar is awaiting reciprocal notification in respect of the remainder.

2080 Mr Speaker, on 2nd May 2013, Her Majesty’s Government of Gibraltar announced in a press release that it was ‘committed to continue to work with the UK Government... in a spirit of partnership with the UK as advocated in the Overseas Territories’ White Paper’, and the wider international community on a new package on tax transparency. The Government expressed confidence that it already had in place ‘a robust regime for the rooting out of tax evasion, particularly through its membership of the EU and full compliance with EU rules’. It reasserted its commitment to ‘pursuing this agenda with the UK in agreement, and subject to consultation, with the finance industry in Gibraltar.’

2085 It remains the Government’s firm view that tackling tax evasion and fraud is rightly a global priority, necessary to protect the integrity of public revenues, the confidence of taxpayers in the fairness and effectiveness of their tax systems and, ultimately, public confidence in open global capital markets. Gibraltar, uniquely amongst all British Overseas Territories and the Crown Dependencies, notes that it is required to comply, and already complies, with all EU requirements in this area.

2090 Increased attention has been given to tackling evasion and fraud over recent years, in particular through the development of international standards and the Peer Review process by the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes. The Government has said that Gibraltar has ‘...nothing to fear and all to gain from international initiatives to stamp out tax evasion and we would be very pleased to finally see a level playing field of all other relevant jurisdictions.’

2095 Gibraltar participated in the pre G8 summit held recently in London. This included a meeting between the Chief Minister and the UK’s Prime Minister. Gibraltar was able to demonstrate its full compliance with all relevant international standards and its commitment to continue to be at the forefront of developments aimed at fighting tax evasion and fraud.

2100 Mr Speaker, the international community has recognised that the action taken by the United States under its Foreign Account Tax Compliance Act (FATCA) provides a unique opportunity to develop a new global standard for multilateral automatic information exchange. Gibraltar has committed to entering into a FATCA agreement with the US and to enter into similar arrangements with the UK in keeping with the same timetable.

2105 Furthermore, building on Gibraltar’s actions as regards the EU Savings Directive, we have also committed to the pilot multilateral automatic exchange of tax information announced recently by the G5 countries – the UK, France, Germany, Italy, and Spain.

Gibraltar has also asked the UK to extend to Gibraltar the Multilateral Convention on Administrative Assistance in Tax Matters.

2110 In agreeing to all of this, the Gibraltar Government has emphasised the fundamental importance of maintaining a level playing field in the international financial services area and the need to take firm enforcement action against non-compliance.

The updated Mutual Assistance Directive on administration co-operation in the field of taxation, which was transposed with effect from January 2013, provides for the introduction of standard forms for exchange of information on request and spontaneous exchanges, computerised formats for the automatic exchange of information and channels for exchanging information. It also introduces automatic exchange of information from 1st January 2015 in five categories of income and capital.

2115 The Government has received confirmation directly from the OECD that this updated Directive on administrative co-operation in the field of taxation is TIEA equivalent. This signifies that since January 2013, Gibraltar has had TIEA-equivalent arrangements in place with all 27 EU Member States, assuming that they have all already transposed this Directive – in addition to the bilateral agreements with which Gibraltar has signed with certain EU Member States.

2120 Mr Speaker, this morning we heard a statement from the Chief Minister in relation to a decision by ECOFIN, the Council of Financial Ministers of the EU, whereby ECOFIN endorsed the Income Tax Act in Gibraltar as being compliant with the EU Code of Conduct for Business Taxation. That is, Mr Speaker, very good news to Gibraltar and I am sure it is something that will be very welcome by all involved in the Finance Sector.

2125 I wish to echo what the Chief Minister has said and congratulate all those involved in making that a reality – in particular, the very hard work that has been put in in this regard by the Government’s external advisers, the Government’s Chief Legal Adviser, Michael Llamas, the Commissioner of Income Tax and the whole team that works tirelessly in order to be able to engage with the Code of Conduct and ensure that this magnificent result was achieved for Gibraltar. Congratulations on behalf of the Government to
2130 all of them.

Mr Speaker, in the field of international co-operation and judicial assistance, Gibraltar assists with claims relating to taxes and duties with EU Member States under the EU Directive concerning Mutual Assistance for the recovery of claims relating to taxes, duties and other measures as transposed in Part III of the Mutual Legal Assistance (EU) Act 2005.

2135 Gibraltar also provides judicial assistance under the Evidence Act 1948 in response to *Commissions Rogatoires* or Letters of Request, as well as mutual legal assistance with Schengen states under Part II of the Mutual Legal Assistance (EU) Act.

2140 Assistance is also given to non-Schengen states which have either entered into a reciprocal agreement on mutual legal assistance in criminal proceedings with the Government of Gibraltar under the Mutual Legal Assistance (International) Act 2005, and in cases where the requesting state is a party to the UN's Transnational Organised Crime Convention and the circumstances of the case mean that the provisions of the Transnational Organised Crime Act 2006 apply.

2145 Additionally, Gibraltar has, since July 2005, been exchanging information with EU Member States under the EU Taxation of Savings Directive as transposed into our Taxation (Savings Income) Act 2004.

Mr Speaker, the Government of Gibraltar has a record of full co-operation with all relevant international bodies, such as the IMF and in the area of anti-money-laundering. Gibraltar has a good reputation internationally for co-operation and information sharing.

2150 The Government will continue to co-operate fully with the IMF and devise policies where appropriate, in order to ensure that any assessment undertaken by this body meets their assessment criteria.

The Finance Centre Department continues to compile Gibraltar's portfolio investment position for submission to the IMF, as it has been doing since 2004. Information on this can be viewed or downloaded from the IMF's website.

2155 Progress on the Fourth Money Laundering Directive, a Proposal for a Directive on the 'prevention of the use of the financial system for the purpose of money laundering and terrorist financing', published on 5th February 2013, is being monitored by the Government with a view to timely transposition to ensure that Gibraltar maintains its position as being completely up to date with the transposition of all relevant directives.

2160 Mr Speaker, Gibraltar's financial services centre continues to post stable growth in a number of areas such as insurance, investment management and funds, notably experienced investor funds, of which there are now approximately 95. Gibraltar's future in financial services continues to rest in high-end, high-value-added private client business, insurance, both captive and retail, investment management and funds. Gibraltar has set itself the objective of becoming a major player as an EU funds domicile and EU centre for hedge fund management operations, particularly with the introduction of the Alternative Investment Fund Managers Directive next month.

2165 The number of licensed insurance companies writing new business at present is 55: 13 of these insurance companies are captives writing general insurance business, three of which are protected cell companies that collectively manage 32 cells.

2170 The critical mass that has been achieved in this sector makes Gibraltar a mainstream insurance domicile within the European Union along with long-term players in this market.

Gibraltar motor insurers now write 10% of the UK motor market and that percentage is expected to increase over the next few years. A new motor insurer was licensed in the first quarter of 2013 and there are a number of other insurance businesses actively seeking to establish themselves in Gibraltar.

2175 Mr Speaker, following the commencement of the Income Tax (Amendment) Act 2012 which made amendments to the Income Tax Act 2010 in respect of certain pension schemes imported into Gibraltar, which are generally known as Qualifying Recognised Overseas Pension Schemes (QROPS), on 28th June 2012, the pensions industry has seen increased interest in Gibraltar as a pensions domicile and a number of new pension administrators are in the process of establishing businesses in Gibraltar.

2180 The amendment represented an important piece of legislation for finance centre practitioners involved in the administration of pension schemes. It opened up a line of business which had previously, in effect, been out of reach for Gibraltar. It created opportunities for pension schemes administrators and generates income from taxation for Gibraltar in respect of distributions from the imported pension schemes.

2185 With the expected increase in imported pensions business coming to Gibraltar, new pension administrators and the ability to offer more pension products, Gibraltar can develop into a truly international pensions centre over the next five years.

Mr Speaker, approximately 95 experienced investor funds have been established in Gibraltar since the 2005 Regulations came into effect in August of that year – almost half of which have been structured as protected cell companies. This represents an increase of five funds from the figure reported last year.

2190 The Government introduced new Financial Services (Experienced Investor Fund) Regulations in 2012. The new Regulations allow large funds to use reputable and substantial administrators based in jurisdictions of equivalent standing to Gibraltar. The new Regulations also allow funds to redomicile to Gibraltar, yet continue to use their existing reputable administrator, representing a significant advantage

for funds moving to the EU with, *inter alia*, the advent of the Alternative Investment Funds Managers (AFIM) Directive, due to be implemented by July 2013.

2195 Mr Speaker, this year the Government has supported joint initiatives with the Gibraltar Funds and Investment Association (GFIA). In February of this year, I addressed the FONDS 13 Conference in Zurich where I stressed that Gibraltar was well on course for the transposition of AFIM and that we were determined to hone our product range so as to become even more attractive for Swiss asset managers to consider using Gibraltar in various ways.

2200 In March of this year, I attended the Hedge Fund Brazil Forum in Rio de Janeiro. I addressed around 300 delegates at the conference and participated in a discussion panel. I said that Gibraltar had now firmly positioned itself as a strong EU alternative to Dublin and Luxembourg for the establishment of hedge funds. I am happy and gratified to report that the visit attracted considerable interest from the international media, including Bloomberg and the *New York Times*.

2205 Just a few days ago, Mr Speaker, the Finance Centre Department attended GAIM 2013 in Monaco, a conference which I attended and spoke at last year. This is an important conference for the global funds industry with all major players represented. We have received excellent feedback from the delegates, which give us good cause for optimism for the expansion of the Gibraltar funds industry.

2210 Mr Speaker, the Government is working closely with the Society of Trust and Estate Practitioners (STEP) on several proposals and pieces of legislation. Specific pieces of legislation are being enhanced and modified with the aim of making the jurisdiction more competitive for private client work, particularly as Gibraltar is a solid centre for High Net Worth Individuals. These include Anti-Forced Heirship Rules, changes to the Perpetuity Period, Private Trust Companies, Purpose Trusts and Foundations. I expect the relevant legislation to be in place during the course of this year.

2215 Upon the commencement of the Companies, Partnerships and Trusts (Miscellaneous Amendments) Act 2012 in March 2013, Gibraltar had implemented in full all of the recommendations contained in the OECD's Peer Review Report, Phase 1, published in October 2011.

2220 The Phase 1 Review had found that of the nine areas examined, Gibraltar had been judged by the OECD to be compliant in seven, with just one element 'not in place', and a further element 'in place but certain aspects of the legal implementation of the element needed improvement'. Hence, Gibraltar was permitted to proceed to a Phase 2 Review in 2014. The Government is now confident that it is fully compliant in all of these areas.

2225 The Act which we passed amended Gibraltar's Companies Act, Trustees Act and Partnership Act to make provision for the enhanced keeping of full books of accounts including underlying documents such as invoices and contracts for five years, the maintenance of records identifying settlors, trustees and beneficiaries of all trusts, also for five years, and the abolition of share warrants to bearer.

A copy of the amending Act is publicly available on the [gibraltarlaws](http://gibraltarlaws.gov.gi) website. The full text of the OECD Report is freely available via the OECD's online library and is also available as an easily-downloadable pdf on the Government website.

2230 Mr Speaker, the areas of business that Gibraltar wants to develop include: insurance, with captives, open market, general and reinsurance; pensions, in the area of QROPs; funds, in the area of asset management and alternative investment management; and private clients, in the area of structuring, headquartering and fiduciary services.

2235 The Government continues to invest heavily in growth for the Gibraltar Finance Centre. In the last 12 months, two significant senior appointments have been made, namely a Senior Executive covering each of the Insurance and Private Client sectors; and a third Senior Executive specialising in the Asset Management, Alternative Asset Management and Funds area is in the process of being recruited.

2240 The staff complement overall has doubled from 4.5 to 9 since my last Budget speech of July 2012. The increase since last year includes specific marketing and logistics support staff, which together with the new Senior Executive Asset Management and a new Personal Secretary/Personal Assistant will take the total number of staff in the Finance Centre Department to 11.

2245 The primary objective of the senior executive is to convert leads and opportunities that they instigate, into tangible new businesses coming to Gibraltar. Senior executives are charged with developing close relationships with journalists from financial newspapers, specialist periodicals and web-based media, with regular interviews and press briefings on a systematic basis, as well as journalists' visits to Gibraltar. It is the intention to extend this to individuals and media based in non-traditional markets.

The Finance Centre Department and the Senior Executives in particular are charged with producing information notes, articles and other relevant material that can be uploaded onto the website, tweeted and disseminated via LinkedIn, as well as by the Finance Centre Council association members.

2250 We also accept articles written by the private sector for the above purposes. Individuals in key markets are also being contacted directly and being invited to meetings and focused seminars/workshops by the Senior Executives as part of the education process and the theoretical use of Gibraltar to more practical levels.

2255 It is the specific objective of the Senior Executives to use the facilities available at Gibraltar House to introduce London and UK-based professionals to what Gibraltar has to offer in financial services. This will also be done in tandem and close collaboration with the private sector in Gibraltar.

2260 Mr Speaker, the Finance Centre Department launched its social media profile in April 2012, prior to my last Budget speech, and its online presence received a significant impetus at the beginning of this year with the addition of the two new Senior Executives. Particularly noteworthy has been the enhancement of our Twitter page which now has around 200 followers and plays an important part in gaining a wider audience for Gibraltar. We set up an additional LinkedIn page this year and, from that, a Group. The audience for this media is now in excess of 800 industry professionals with a national and international reach. A Facebook corporate page is also under consideration.

2265 The Finance Centre Department is at an advanced stage of launching a standalone website which will support our international marketing activities and keep communication with our industry partners.

A new marketing management system is being introduced to manage more efficiently the wealth of contacts that have been established over time and ensure that this area delivers effective results. This will support our drive to increase direct marketing activity.

2270 During the last 12 months, Finance Centre Department staff have attended 10 international conferences, including industry leading events in London, Zurich, Rio de Janeiro and Monaco. In addition to this, we have participated in numerous events covering wider areas of interest including OECD, HM Treasury and EU and of course the flagship Gibraltar Day in London event.

The Government has committed to a significant increase in the budget for use in marketing and promotions. The financial provision has been increased for this year by a third to £200,000.

2275 A fundamental element in the Finance Centre Department's strategy over the next 6 to 12 months is to ensure a significant increase in Gibraltar's profile as a centre for financial services, specifically amongst professionals, such as lawyers, accountants, funds specialists, etc, within both traditional and new markets. The means by which this is being carried out includes the following.

2280 Databases with some 2,000 individuals specialising in financial services have been created. The medium-term objective is to increase the databases to cover some 5,000 individuals, based, for example, in the United Kingdom, Switzerland and elsewhere in Europe. The databases will be widened to include professionals based outside traditional markets.

2285 The databases are used to send out key information and updates, via e-mail or hard copy, on a systematic and regular basis. The Department is beginning to use professional e-mail delivery programmes, which provide a very wide range of statistical information and helps identify, for example, which key individuals are receiving information and which appear to be taking the greatest interest. They are also being made available to periodicals such as the *Gibraltar International Finance and Business*, so that copies of third-party material are also being received by our network of professional contacts.

2290 With our increased staffing levels, we have been able to increase our presence, in conjunction with the industry, at international conferences, exhibitions and seminars, with an additional emphasis of obtaining, where possible, speaking slots.

We are identifying a number of key 'anchor' conferences per sector. Regular and systematic attendance at these events will reinforce our position within each sector.

2295 It is also important that the Department cements alliances with key international conference organisers. There will also, from time to time, be a need to attend specific one-off opportunities.

We have already scheduled attendance at a further nine major events for the remainder of 2013 and are planning to add a minimum of a further five visits to professional firms in London and major cities around the UK delivering our message on site.

2300 I have no doubt, Mr Speaker, that the increase in resources, both financial and human, and the work and efforts of all in the Finance Centre Department will pay dividends and will see increased business for those already established and licensed in Gibraltar, as well the establishment of new businesses in the financial services sector.

Mr Speaker, I now turn to Gaming.

2305 Gibraltar continues to be firmly established as a world leader in remote gaming. As an industry which constantly has to meet new challenges, the competitive nature of the gaming industry requires constant innovation by operators. And, with Gibraltar hosting the most important online gaming companies in the world, it is crucial that we keep abreast of new developments in the industry.

2310 The Government is strengthening the base of the industry by attracting more operators of the same high standing as existing licensed operators, but also including some diversification to reflect the changing and dynamic nature of the industry.

The remote gaming industry is constantly evolving. Not only does it face new and additional licensing and regulatory demands across the world, as the means of electronic communications evolve, so must its products and the way they are delivered.

Whilst the last year has seen the arrival of a number of conventional remote gambling operations, we have also seen diversification in, for example: the establishment of a company in the 'App' and HTML5

2315 environment, otherwise known as smartphone and tablet markets, aiming to draw the massive creativity
of the App world into remote gambling whilst ensuring customer protection is at the forefront of the
customer business model; the establishment of a company with a business model which runs in parallel to
approved lotteries; and the creation of links by Gibraltar companies with the world's biggest social media
2320 companies, applying Gibraltar's standards to their gaming offers as they extend into real-money gaming
whilst keeping their social products available for those who prefer to play for fun.

These developments and relationships are designed to strengthen the licensing base whilst ensuring
the standards and reputation of the Gibraltar industry remains pre-eminent in Europe and elsewhere in the
world. In each case, the Government's approach to licensing continues to be selective.

2325 Gibraltar is clearly seeing the fruits of that selective approach with new companies being licensed
whilst maintaining the very high standards which Gibraltar demands of its operators.

Last year, Mr Speaker, I attended the GiGse conference in San Francisco and visited two important
American companies at their headquarters in Las Vegas. Both companies are now licensed in and are
operating from Gibraltar.

2330 Also last year, I attended the EiG conference in Barcelona. The Conference was attended by over
1,700 delegates from around the world and I had the opportunity of having a working dinner with senior
executives of some of the top names in the industry. I also met with a major company in remote
gambling. That company is now licensed and is operating from Gibraltar.

2335 This year, I attended the ICE conference and exhibition in London. I met with two companies. One of
them is now licensed and operating in Gibraltar. The other has applied for a licence and I expect it to be
operational from Gibraltar very soon.

There are currently 26 remote gambling licensed operators established in Gibraltar and four more
applications are currently being considered. During the course of the financial year 2012-13, four new
companies were licensed, with a total of five remote gambling licences being issued, and one existing
licensed company also being issued with one additional remote gambling licence.

2340 Since the end of the financial year 2012-13, two more new companies have been issued with remote
gambling licences. One of our existing licensees ceased remote gambling operations with effect 31st
March 2013.

2345 As of 31st March 2013, Mr Speaker, the total number of employees in the remote gambling industry
stood at 2,647. This is an increase of 400 posts over the past financial year. This figure is expected to
increase modestly over the next few months.

In terms of GDP contribution, Gambling and Betting activities is estimated to contribute 21.6% to
GDP and represents 13.2% of total employee jobs. This includes all employers trading in gambling
activities. Remote gambling is estimated to contribute 21.3% to GDP and 12.4% of total employee jobs.

2350 The Government Revenue from remote gaming tax for 2012-2013 has increased to £12.1 million from
£10.7 million in 2011-12. Remote gaming represents 95.28% of the total gaming tax yield of £12.7
million for 2012-2013, the remaining £0.6 million gaming tax being in respect of domestic gaming.

PAYE from remote gambling operators totalled £17.9 million for the period 1st April 2012 to 31st
March 2013, with an additional £0.3 million for domestic operators.

2355 Corporate tax received from gambling operators for the same period currently stands at £17.2 million,
although a number of licence holders have yet to conclude their financial statements and make the
relevant payments.

Overall, direct Government revenues from gaming duty, PAYE and corporate tax from gaming
operators have increased by £2.5 million from the previous year.

2360 Mr Speaker, the Government is mindful that the demands on the Government's Gambling Division
continue to grow, especially with the influx of B2B licensees in addition to the increased number of B2C
licence holders; consequently an additional EO post has been introduced in the Gambling Division to deal
with the increasing volume of due diligence and company record checks arising from the new business
relationships the B2B and B2C licence holders create.

2365 Additionally, the Government has taken steps to consolidate the establishment of the regulatory
section within the GDC. A vacant post of Regulator will be filled very shortly. Consequently the staff
complement at the Gambling Division will consist of seven individuals, up from five in the last financial
year.

2370 It needs no saying, Mr Speaker, that it remains essential that our operators continue to provide their
services to the highest standards in the industry and, whilst we are confident that they already have the
systems and infrastructures to do so, efficient and effective administration and regulation are key to
maintaining the high global reputation we have. In this regard, during the course of this year we have
seen, once again, regular liaison between the Gambling Division and the licensing and regulatory bodies
of other states, including visits to Gibraltar by the US, Canadian and European regulators as well as
attendance at European Commission and other international events.

2375 Mr Speaker, an issue on the horizon for Gibraltar and our operators remains the proposed introduction
of a Point of Consumption Tax in the UK. As I reported last year, there is intense opposition to these

proposals. The Government is aware of a possible industry challenge to the UK Government's proposals, if they persist with the proposed licensing and taxation measures.

2380 The Government will naturally continue to support all efforts to defend Gibraltar's well earned and established gaming industry.

The Government has highlighted to UK Ministers and HM Treasury officials the serious threat that such a move could bring about for Gibraltar, given the key income streams this sector generates for our economy. This will, therefore, remain a vital issue which needs to be carefully monitored.

2385 Mr Speaker, it will be recalled that earlier this year, the Gibraltar Government sent a top level delegation to Brussels to address MEPs on the Rock's gambling sector, amongst other things, where the Chief Minister briefed the European Parliament's Internal Market and Consumer Protection Committee and told MEPs that Gibraltar was setting the standard for regulation in the fast-growing gaming industry and that the companies based in Gibraltar were operating to the highest standards of probity and integrity. It is the Government's firm belief and commitment that those high standards will continue to be met by
2390 all operators in Gibraltar.

Mr Speaker, I now turn to Telecommunications.

2395 Mr Speaker, the e-gaming industry, together with Gibraltar's finance centre and, indeed, other businesses, have a high dependency on state-of-the-art communications. Local telecoms companies have invested significant funds over the years in providing diverse and resilient international fibre optic routes. These companies continue to invest in infrastructure and I am happy to report that internet service providers in Gibraltar already provide next generation communications networks. These new networks provide some of the highest internet broadband speeds available in the European market. The technology is engineered to maximise the use of existing copper networks to produce internet download speeds of up
2400 to 100 Mbps, depending on the quality of the copper together with the distance from the new fibre nodes and related electronics being put in place currently throughout Gibraltar.

These systems cater for multi-media services to the extent that the technology allows television to be provided down telephone wires, if so required.

2405 The way people connect to the world nowadays continues to expand and be ever more vital. Through the internet, individuals can communicate and share data with each other, whether for business or just communicating with family and friends.

2410 Through the proliferation of smartphones, tablets, laptops and other mobile devices the public can now connect to the internet virtually anywhere, and at any time. The availability of Wi-Fi hotspots, affording additional mobility, continues to increase. Advances and investment in fixed line and mobile technology is facilitating the availability of higher broadband speeds, making for faster transmission of data.

The European Commission's target is for 30 per cent of households having at least 30 Mbps by 2020. In Gibraltar, telecoms companies aim to cover 95% of addresses before the year end. The penetration rate, per capita, for broadband services currently stands at around 41%, with the EU average being 28.2%.

2415 These figures are to be welcomed, and would not be possible without continuing investment in infrastructure. This is something for which Gibraltar is recognised by the online gaming sector. Without such a robust and high quality foundation, Gibraltar would not be able to cater for these demanding e-commerce businesses.

2420 Another vitally important area is the provisioning of data centre services. Gibraltar is also host to a number of companies that provide technologically advanced data centres located in secure sites around as well as inside the Rock itself. A comprehensive suite of services and solutions are available in Gibraltar, from traditional co-location to fully managed solutions, designed to meet the current and future needs of an organisation in this evermore interconnected world. These data centres employ the latest industry standard technologies, including cooling and standby power, and are Payment Card Industry (PCI) accredited.

2425 Data centre services are also supported by technologically advanced Network Operations Centres that operate round the clock every day of the year.

Mr Speaker, I have responsibility for certain aspects of the work carried out by the Gibraltar Regulatory Authority, under the provisions of the Communications Act 2006.

2430 The GRA is an independent authority which regulates electronic communications, which includes broadcasting networks, radiocommunications and licensing of the radio spectrum, and international co-ordination of satellite networks and licensing.

There are seven companies operating under the regime created by the Communications Act 2006 providing a variety of fixed and mobile networks and services.

2435 Currently, there are two active mobile operators, Gibtelecom and Eazitelecom. Eazitelecom, trading as Shine, has launched a pre-paid mobile service which will be expanded by the end of the year.

This year, CTS was removed from the register of authorised operators for failing to renew two licences and pay the statutory fees. As a result, CTS was directed by the GRA to stop operating its mobile network.

2440 In December 2012, A J Sheriff Electrical Limited, trading as Gibfibrespeed, was authorised under the Communications Act 2006 to provide an electronic communications network in Gibraltar. During the year, the GRA on my behalf, as Minister with responsibility for Communications, issued a public consultation under the Communications Act 2006 in relation to the procedure proposed to be adopted for the application for a right to instal facilities under section 49 of the Act. The form of application was also published and annexed to the public consultation.

2445 The GRA highlighted that persons authorised to provide a public electronic communications network who are granted a right to instal will still be subject to the necessary planning permits being obtained as well as the appropriate agreements with the relevant landlords.

2450 The GRA invited interested parties to make representations on the proposed procedure and replies were received from companies who provide fixed and mobile networks and services in Gibraltar. After having considered the views of all respondents, the GRA set out its response and its procedure for applications under section 49 of the Act has been established.

2455 The Satellite Division of the GRA is responsible for representing Gibraltar at international meetings and ensuring that the satellite operators comply with the International Telecommunication Union's (ITU) Radio Regulations and all other international obligations. The Division liaises closely with the UK Administration to submit new filings to the ITU, but the main workload comes from processing the international correspondence for each individual satellite project.

2460 The GRA collects Administrative Charges from providers of electronic communications services and networks, radiocommunications licence fees and other reimbursements. During the 2012-13 financial year, the total collected under the Communications Act was £1,976,612, which was paid into the Consolidated Fund. The figure is slightly lower than estimated because CTS did not pay its licence fees.

I will now give an update on to the conversion – although it was touched upon by the Chief Minister this morning – to digital broadcasting. Gibraltar's digital broadcasting network was launched in December 2012. The transmitters have been located at the Upper Signal Station on the Upper Rock.

2465 Gibraltar's new national digital TV network, replaced the analogue TV network which was switched off on 31st December 2012. This switch-off was agreed at an EU and international level, an objective the Government was committed to fulfil within the given deadline.

2470 The arrival of digital television, and the switching off of the analogue TV network at the end of 2012, is a very positive move for Gibraltar. Not only has this new digital service offered TV viewers with a clearer picture and better sound quality, there is also great scope for additional TV channels, information services and high definition television.

Digital TV also has an added benefit in that it is more efficient than traditional analogue TV because it uses less space in the broadcast spectrum band and frees up space which could be used for other purposes, such as the provision of mobile or broadband services.

2475 The launch of the digital TV network also marked the start of 'Gibraltar Freeview', a free-to-air service on the new digital terrestrial television platform. This TV service will allow other licensed broadcasters to offer new channels, for both TV and radio, and will widen the choice of programmes and information services for Gibraltar.

Mr Speaker, lastly I turn to Justice.

2480 I would start my contribution on Justice, Mr Speaker, by congratulating Mr Liam Yeats, who was recently appointed Registrar and Additional Stipendiary Magistrate of the Supreme Court. I also congratulate Damian Conroy, who was recently appointed as Senior Crown Counsel at the Attorney General's Chambers. I am sure that in both cases these appointments are well earned and deserving.

2485 Mr Speaker, the Government successfully commenced both the Criminal Procedure and Evidence Act 2011 and the Crimes Act 2011 with effect from Friday, 23rd November 2012. The two Acts, which were passed by Parliament before the change in Government, have brought about a major change in the criminal justice legislation. New procedures and rights for suspects have been introduced as well as new criminal offences. The Acts strengthen the ability of our law enforcement agencies to combat crime and anti-social behaviour and provided for the first time comprehensive codes of practice for the exercise of these powers.

2490 In order to commence these Acts, the Royal Gibraltar Police, Customs and the Courts Service all required specific training on aspects of the laws and also needed to create and implement new procedures and manuals dealing with every aspect of the criminal investigation, from initial searches, to the dealing with seized property, to the detention, treatment and questioning of persons in custody.

2495 As I mentioned at the time, and time has shown, our law enforcement agencies have demonstrated that they are up to that challenge.

As a consequence of the commencement of the Crimes Act, what is commonly known as a 'sex offenders' register' is now in operation in Gibraltar. Furthermore, regulations have been made under this Act dealing with travel by persons on the register.

2500 On other legislation, Mr Speaker, various amendments have been made to the Supreme Court Act during the past year. The Act has been amended so as to allow the Chief Justice to nominate more than

one puisne judge as a 'Family judge' and also to give the Chief Justice the discretion as to what work other than pure family work he allocates to such judges. This is intended to ensure that the Chief Justice is able to utilise the resources available to him in whichever way he deems most suitable in the interests of justice.

2505 Further amendments have been made to this Act in order to increase the maximum age for justices of the peace, from 70 to 72, and to allow justices of the peace to be entered into the Lay Assessors List.

The Government enacted the Employment (Public Interest Disclosure) Act in order to provide for what is commonly known as 'whistle-blower protection'. The Act provides protection for people who come forward to provide information about abuse or other wrongdoing.

2510 Mr Speaker, pursuant to our manifesto commitment to legislate against hate crimes which are not currently specifically prohibited under the Crimes Act 2011, the Government will shortly be publishing a Bill. Specifically, this Bill will make provision for the creation of hate crimes based on sexual orientation and disability and also providing that the courts must, where it is a contributing factor to an offence, take hatred on the grounds of race, sexual orientation, disability or religion into account as an aggravating factor when sentencing.

2515 The drafting of a Bill for a law on civil partnerships, which is to be published as a command paper is nearing completion. The Bill is currently being reviewed and amended to take into account recent decisions of the Supreme Court.

2520 A draft Bill for a Companies Act has been finalised and it is intended that it will be published in draft form for consultation very shortly. This will completely update our companies legislation which is currently based on the UK's 1929 Act, but with various amendments over the years.

2525 The drafting of various regulations and forms required to be able to commence the Insolvency Act is almost complete. Given the correlation between the Companies Act and the Insolvency Act, it is intended that the Insolvency Act and subsidiary legislation will be implemented at the same time as the new Companies Act.

2530 Mr Speaker, as has been highlighted already, for the first time in modern history, Gibraltar is completely up to date with the transposition of EU Directives. The milestone means that every EU Directive that Gibraltar is required to implement has now been written into local legislation. The development is significant because it signals Gibraltar's commitment to serious governance and compliance with international obligations.

2535 This achievement reflects the priority that the Government has given to this matter since being elected into office on 9th December 2011. In order to achieve this milestone, the Government has recruited and increased the number of legal drafters in the EU and ID Department and the LSU, and has restructured that Department. I take this opportunity to congratulate Mr Michael Llamas QC, the Government's Chief Legal Adviser and all of his staff on their work which has led to this historic achievement.

2540 Mr Speaker, the past year has seen significant improvements in the performance and services provided by the law courts. The completion of the new building, the provision of additional courtrooms, more court staff and the introduction of new administrative procedures have brought about the removal of the backlog of criminal cases waiting for trial dates in the Supreme Court. Furthermore, there has been a complete removal of the backlog of civil and family applications to the Supreme Court that were waiting for first hearing dates.

2545 The Government's increase of staffing to the courts now means that the vast majority of applications receive a first hearing date within five days of application. This is a dramatic improvement on the historical position, where court users had to wait many months to have their application listed. Also, the dates of those hearings are typically within two or three months of the date of application to the court.

Again, this is a dramatic improvement on the delays that the justice system used to experience.

2550 The introduction of the new videolink system between the courts and HM Prison has also introduced further efficiencies to the criminal justice system. The investment in this system has released considerable hours each week for both Prison officers and Police officers, time that can more effectively be used in other areas.

2555 Mr Speaker, in last year's Budget I mentioned the benefits that have been seen in the Magistrates' Court as a result of the introduction of the videolink system. The contract for their installation includes a further videolink for the Magistrates' Court and additional units that will be added to the Supreme Court. These additional units will give the court the ability to better handle the needs of vulnerable witnesses or victims, so that they can give evidence to the court without the stress of having to physically appear in the court itself. The courts will also be able to handle hearings where a party may be unable to travel to Gibraltar to attend court. Videolink has already been used with a vulnerable witness in a criminal case and has been offered for use in a family case.

2560 To further help the work of the staff in the Supreme Court, a new computer diary system is due to be installed to replace the current paper-based system. Not only will this help staff dealing with enquiries about pending hearings, but the system will also be able to give e-mail confirmation to the applicant's

lawyers of the hearing dates set by the court. The daily court list from the new system will also be automatically updated and shown on the display screen in the Supreme Court lobby.

2565 The Gibraltar Courts Service website continues to be developed. Supreme Court sentencing pronouncements are now added on to the website as a matter of course, setting out the details of any criminal sentences set down by the court. This is an important addition in the work to increase the availability of information on the justice system.

2570 Further work is also being carried out to look at adding all reportable Supreme Court judgments on to the website, which will be of assistance to the local Bar.

Mr Speaker, in addition to the appointment of the Registrar/additional Stipendiary Magistrate to the courts, we have also seen staff added to the courts; bailiffs, ushers and typists, with further administrative staff to be appointed shortly. This investment in additional staff, together with the removal of many of the backlogs from the courts, will ensure that we achieve and maintain the performance improvement which we expect from a modern and efficient court service.

2575 With regard to the Prison, Mr Speaker, as I have already mentioned, we have already seen the introduction of the new videolink which has significantly reduced the impact on resources required to manage the weekly escort operations. At times, these involved the movement of over 20 prisoners, presenting challenges not only to the Prison, but also to the Royal Gibraltar Police. It is an excellent example where the introduction of technology can be of great benefit, both in terms of reducing workload and improving security.

2580 The main area of concern for 2012 was the rising Prison population. This had risen steadily over the last five years. The average daily inmate population for 2012 stood at 75 prisoners, the highest on record. Managing such numbers, at times reaching 85 prisoners, can be challenging in many respects.

2585 Interestingly, Mr Speaker, a marked decrease in the average population has been noted since December 2012 and throughout the first quarter and subsequently in 2013. The average daily inmate population for January 2013 stood at 65 prisoners; the figure for March being 56 prisoners and in May 40 prisoners. For the first four months of 2013 there have been a total of 57 admissions into prison custody. This compares with 94 admissions for the same period last year.

2590 Between June 2012 and May 2013, there have been a total of 16 female admissions and 6 juvenile admissions. Juveniles are provided, when necessary, with educational classes by a qualified teacher.

Mr Speaker, some aspects that prison management will be focusing on during the next 12 months include enhancing vocational training opportunities for prisoners, mandatory drug testing and continuing specialist training for prison officers. Some of these initiatives are new and all are necessary and the Government is pleased to support them.

2595 Mr Speaker, on international co-operation, we recently had the case of a five-year-old autistic boy who was reported missing in April of this year. Further to a locally issued Letter of Request and a European Arrest Warrant, the RGP and other local agencies were able to obtain the assistance of Interpol and the German authorities in order to trace the child and his mother in Germany.

2600 The child has been successfully returned to Gibraltar and is with his father. His mother is under arrest in Germany and is awaiting extradition proceedings in order to bring her back to Gibraltar to face charges of child abduction.

2605 I would like to record my appreciation to all those that were involved in this case, including those who worked on the Letter of Request and the European Arrest Warrant, which were instrumental in allowing the German authorities to carry out investigations, locate and return the child, quite rightly, to his father in Gibraltar.

The Royal Gibraltar Police is operating four District Offices in Glacis Estate, Edinburgh Estate, Lower Castle Road and Witham's Road. Neighbourhood officers work from these offices responding to community issues. The intention and expectation is for these offices to be operated as multi-agency bases in the community.

2610 Sixteen bicycles have been bought and will be deployed at the district offices. They will provide a versatile and environmentally-friendly mode of transport which will enable neighbourhood officers to more effectively patrol their sectors.

2615 An extension of the Neighbourhood Policing concept is to engage with the community through social media. A revamped website has been launched and a Facebook page created, together with Twitter feeds. All of these mechanisms provide virtually instant methods of communication with the public and have had great success.

2620 The RGP has pioneered live Facebook clinics in Gibraltar. Six of these have now been held, dealing with neighbourhood issues in each of the four areas. The most recent had over 1,000 users engaging during the hour long session and over 4,000 have viewed the discussion since.

A Public Protection Unit has been set up comprising of a sergeant and two constables. The intention is for the team to deal with sex offender management and offender management. Parallel to this is a detective sergeant and two detective constables, comprising the Safe Guarding Unit, which, in liaison

with the Care Agency, investigates and deals with matters relating to vulnerable children, domestic violence and sexual offences.

2625 Officers of both units have received training and secondments to prepare them for their specialist roles.

Three new vessels have been received and are now deployed operationally by the RGP's Marine Section. The *Sir John Chapple* and *Sir Francis Richards* are two high powered interceptors capable of navigating at high speed and are ideally suited to combat drug trafficking and other illicit activity at sea.

2630 The recently acquired *Sir William Jackson* is a large vessel capable of remaining at sea for extended periods of time and provides a stable and well prepared vessel to co-ordinate and undertake operations at sea.

2635 The Royal Gibraltar Police has taken delivery of further new equipment to tackle and deter unlawful activity out at sea and especially the dangerous use of high speed craft that has endangered bathers at Gibraltar's busy beaches.

A new jet boat and two jet skis will enable officers from the RGP's Marine Unit to police shallow waters and respond at high speed to anti-social behaviour at sea. The jet boat and jet skis will provide a continued presence at Gibraltar's beaches throughout the summer, alongside the RGP's patrol vessel, the *Sir William Jackson*, which will act as a base ship. The jet vessels will act in support of shore based officers, policing the beaches and the lifeguards on duty.

2640 The seconded Highways Enforcement Officers continue to support the Traffic Unit with traffic management at choke points, at the beaches and in dealing with traffic offences and parking issues.

2645 The installation of CCTV has served as a successful deterrent and is a useful mechanism to prevent and detect crime. The continued future deployment of cameras will further strengthen the RGP's capabilities to combat crime and gather evidence.

2650 The first phase of the Government's Public CCTV Programme went live on 10th September 2012, coinciding with National Day. CCTV cameras are located at: Casemates Square; the top of Casemates Hill; to the east of Casemates covering the Landport Tunnel; in the Market Place bus station; covering Waterport Road in both directions; Cornwall's Parade; the top of Castle Steps; Irish Town outside Central Police Station; and Governor's Street.

The project also involved the laying of a dedicated fibre optic cable from Central Police Station to New Mole House in order to allow the monitoring of the camera feeds by the Royal Gibraltar Police from its Control Room. The cost of the equipment and works was £197,467.02.

2655 The Ministry of Justice has worked closely with the GRA's Data Protection Compliance Manager to ensure that the Public CCTV Scheme meets all obligations under the Data Protection Act.

The installation of the cameras has proved to be an invaluable asset to the RGP in deterring anti-social behaviour and in their fight against crime. The RGP has recently procured and is in the process of installing a video wall monitor solution for its Control Room, comprising of twelve 46-inch screens which will allow for the optimum viewing of the CCTV camera feeds. The cost of this is around £53,000.

2660 Following recommendations by the RGP and calls from residents requesting the installation of CCTV cameras in other areas around Gibraltar, the Public CCTV Programme will over the coming months be extended to include Mid Harbour Estate, Catalan Bay Village, Laguna Estate, Glacis Estate, Moorish Castle Estate and Engineer Lane Garden.

2665 Proposals for camera locations within the Government Housing Estates have been drawn up by the RGP and consultation with the Estates' Tenants Associations has taken place.

Mr Speaker, the RGP is currently engaged together with other Criminal Justice partners and the Government's IT and Logistics Department in setting up a fit for purpose IT infrastructure platform suitable for the whole of the Criminal Justice System. A scoping exercise has been completed and the results will be presented shortly to the Government's IT & Logistics Department for consideration. Such a system will serve to improve service delivery within the whole spectrum of the Criminal Justice System.

2675 The RGP continues to invest in the professional development and training of its officers: a Superintendent has attended the Senior Command Course in Bramshill in the UK and a Chief Inspector has taken part in a Police, Leadership and Management Course with the Federal Bureau of Investigation in the US. Police Cadets have been recruited in a joint initiative with the Ministry for Enterprise, Training and Employment and are receiving instruction in policing and other skills, which will serve them well in later life, whether in the Police or elsewhere.

Also the Royal Gibraltar Police has this year achieved the Investors in People Bronze Standard and is working to progress to the next level.

2680 Mr Speaker, I would like to take this opportunity to thank my staff and all those areas in my various Departments as well as the many professionals in the areas which form part of my ministerial responsibilities, for their hard work and support throughout the year.

I would end, Mr Speaker, by referring to one other matter which arises from the work of an inter-ministerial committee of which I form part – the small boats marina.

2685 The previous Administration promised in 2007 that they would provide additional berths for small boats. They provided none whatsoever by the time they were removed from office in December 2011. In fact, there were some boats which were forcibly removed from the sea by the previous administration and placed on land.

2690 There were therefore less boating enthusiasts who were able to enjoy their small boats at the end of 2011 than there had been in 2007.

In our manifesto, we promised 700 new berths for small boats – and that is precisely what we are going to deliver before the next elections are called. There will be 400 berths for six-metre boats and 300 berths for eight-metre boats. In addition, we will create around 500 metres of new wharfage, together with a public promenade for the whole community to enjoy.

2695 All the necessary studies, including an environmental impact assessment, have been carried out and the matter has been referred to the DPC. I expect works to start on the new marina in July of this year, with completion in two years.

In the course of drawing up plans for the new marina, we have met and consulted with all relevant stakeholders. Since we announced the project, we have met again with representatives of the Mediterranean Rowing Club, the Calpe Rowing Club, the Gibraltar Amateur Rowing Association and the Royal Gibraltar Yacht Club. Following these discussions and as communicated to them, we have modified the entrance to the marina to ensure that there are separate dedicated channels for rowing and sailing boats on the one hand and motor boats wishing to access the new marina on the other. Motor boats berthed at the new marina, therefore, will have a separate demarcated channel to that used by boats from the rowing and sailing clubs.

2700 Mr Speaker, the new marina is but one of the many commitments we made in our manifesto. We have already completed more than 200 of those commitments, with many others being either ongoing or about to start. It was undoubtedly an ambitious manifesto, but one which we were sure we could deliver.

2710 Our manifesto, Mr Speaker, was said by our political opponents to be too ambitious, that it could not be delivered, that it was unaffordable. The work we have already done and that which will be done during the forthcoming year shows that what we have promised *is* being delivered, *can* be afforded and with money left over, as the Chief Minister announced this morning in delivering this Budget, with an all-time record surplus of £37 million. All of this is part of the Government's aim to bring about a positive and long-lasting change to Gibraltar.

2715 In my address, Mr Speaker, I have talked about progress, achievement, and this Government's commitment and willingness to invest in our future, and the future of our children. We are all as excited today about the work we are doing for Gibraltar as we were on 9th December 2011, when we took office. I and my colleagues are grateful to the people of Gibraltar for their trust, for allowing all of us the opportunity to get on with the serious business of not only making Gibraltar a world class jurisdiction for business, but also a safe, socially inclusive and diverse homeland, to be enjoyed by its people, visitors and friends.

2720 Thank you, Mr Speaker. (*Applause*)

2725

ADJOURNMENT

2730 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I note that there is less than half the Opposition here, but I would take this opportunity to, before I move the adjournment, simply invite those who are left to come to the public rally that we are holding at eight o'clock at the John Mackintosh Hall to launch the Albert Isola manifesto.

I move to adjourn the House now to 9.15 tomorrow morning.

2735 **Mr Speaker:** I will now put the question that this House do now adjourn to 9.15 tomorrow morning. Those in favour? (**Members:** Aye.) Passed.

The House will now adjourn to tomorrow morning at 9.15.

The House adjourned at 7.25 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 9.20 a.m. – 12.45 p.m.

Gibraltar, Tuesday, 25th June 2013

The Gibraltar Parliament

The Parliament met at 9.20 a.m.

[MR SPEAKER: Hon. A J Canepa GMH, OBE, *in the Chair*]

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

PRAYER

Mr Speaker

Order of the Day

Appropriation Bill 2013 For Second Reading Debate continued

Clerk: Sitting of Parliament, Tuesday, 25th June.
Second Reading of the Appropriation Bill 2013 – Budget speeches continue.

Mr Speaker: The Hon. Mr Neil Costa.

Minister for Tourism, Commercial Affairs, Public Transport and the Port (Hon. N F Costa): Mr Speaker, it is always with a great deal of anticipation that I stand to deliver my Budget Address. As this House knows, this is my sixth Budget Speech and my second as Minister for Tourism, Commercial Affairs, Public Transport and the Port.

Without an ounce of exaggeration, I can tell this House that it has been, and continues to be, an absolute privilege and honour to be able to continue to serve our community during this last financial year

in the areas of responsibility entrusted to me by the Hon. the Chief Minister. And what a productive year it has been, Mr Speaker.

15 It is in order to be able to highlight the most important aspects, as well as making the relevant announcement for this financial year, that I intend to take each of my constitutional responsibilities in turn.

20 In the first place, therefore, I address Consumer Affairs. As the public may recall, the Department of Consumer Affairs became part of the Commercial Affairs portfolio in June of last year. The allocation of this responsibility under the auspices of my Ministry, Mr Speaker, is in pursuance of a central plank of the Government's manifesto, to establish an Office of Fair Trading.

25 This House may also recall that Ken Kinrade, the retired Chief Executive Officer of Fair Trading and Trading Standards Office of the Isle of Man, was invited by my Ministry to travel to Gibraltar to assess our legislative, regulatory and infrastructural architecture to advise the Government on how best to proceed to establish an Office of Fair Trading in Gibraltar.

30 During Mr Kinrade's visit in January of this year, he, together with Mrs Maruchi Risso, the Director of Consumer Affairs, met with the Chamber of Commerce, the Gibraltar Federation of Small Businesses and other relevant persons with an interest in commercial affairs.

35 Apart from a fact-finding mission, Mr Kinrade was also provided with two briefing documents from the Trade Licensing Authority and the Consumer Affairs Department, which contained their recommendations as to the functions that should be undertaken by the Office of Fair Trading/Trading Standards Office and how it might be structured.

40 It therefore pleases me greatly, Mr Speaker, to confirm that the first draft of this critical piece of business legislation is ready and has already been forwarded to the Chamber and the GFSB for their comments and proposed revisions.

45 Whereas I will of course make a full announcement at the appropriate juncture, Mr Speaker, the legislation will not simply establish the Office of Fair Trading – it will also, just as importantly, address a perennial bugbear – and rightly so – of the business community, which is the need to form a one-stop shop to make that quantum leap that Gibraltar requires in commercial matters to make her even more attractive, not just to potential foreign investors but persons locally who wish to set up a business. A crucial step therefore in the Government's drive to foster entrepreneurship, this of course, without mentioning the raft of measures that the Hon. the Chief Minister mentioned yesterday in his Budget address.

50 Mr Speaker, the proposed Bill will not stop at the one-stop shop. The Bill will also, and once and for all, also redress another major complaint of the business community, which is to modernise and overhaul the Trade Licensing system. Once the GFSB and the Chamber revert with their comments, the draft Bill shall be presented as a Command Paper for wider public consultation, after which the Bill will be presented to Parliament.

55 Laws without enforcement can, in the main, however, Mr Speaker, prove pointless. As a result, it is the intention of Her Majesty's Government of Gibraltar to provide the Office of Fair Trading with the adequate and necessary resources so that the legislative provisions therein will have teeth.

60 And at this point, it is right that I should applaud the tireless work of the staff of the Department of Consumer Affairs. It is unquestionable that they undertake a wide range of duties, providing a high level of service under historically less than ideal circumstances and are nonetheless committed to doing their very best for consumers and in assisting the retail industry. To this end, and something that not many people know outside of this house and indeed traders, they are also responsible for calibrating all the petrol stations and supermarkets in Gibraltar, as well as dealing with between 600-800 consumer cases every year – a formidable work load indeed.

65 Mr Speaker, the House will recall that this year the Government brought in the Indication of Prices and Invoicing Rules in April 2013 and, bearing a short leeway to traders, this will make shopping a good deal easier and better in Gibraltar. We hope to have traders exhibiting prices in shop windows as well as in the shops, prominently and in line with the rules.

70 The House will also recall that the Small Business Board, which I established last year, has now met numerous times and has identified various problems facing small businesses in Gibraltar. We continue the process of discussion and seeking solutions to difficulties raised and we expect to be in a position soon to make various recommendations to the Cabinet.

It is to be pointed out, Mr Speaker, at this juncture that I must applaud the efforts of the GFSB and the Chamber who have, under the auspices of the Small Business Board, worked together to be able to put to the Small Business Board joint recommendations which we will in turn put to the Cabinet.

As the Minister for Commercial Affairs, I can say on behalf of the Government, that we are fiercely committed to increase, wherever possible, the opportunities available to entrepreneurs whilst ensuring that the ultimate consumer is properly protected. I therefore very much look forward to elaborate and progress discussions with the Small Business Board.

75 The public will also remember, Mr Speaker, that as a result of matters raised at the Small Business Board, the Business Support Unit, under the auspices of my Ministry, held two seminars. One of them, on indication of prices and will soon hold its fourth seminar; the second – on exploring solutions to the challenges posed by online sales.

80 The Trade Licensing Section, which is also part of my Ministerial remit, has had their historical computer problems resolved. As the House will recall, the GFSB is now represented on the Trade Licensing Authority in order to correct a historical issue.

85 I now turn, Mr Speaker, to my transport responsibilities, in general, and, in particular, the Gibraltar Bus Company. The House will recall that in 2012, the Government advertised the pre-qualification of the tender for the Eco Friendly Buses. Out of the companies that applied for this tender, and as part of the second stage of this process, two companies were selected as meeting the requirements of the tender. As the public will have witnessed for themselves, buses are being tested on our roads. Once this stage of the process is complete, the Tender Board will make its recommendations to the Government.

90 Mr Speaker, I eagerly await the day that we will be able to announce the successful completion of the tender process and replace the current fleet with environmentally friendly vehicles. It pleases me to note that on the recommendations from the directors of the company and the managers, the Bus Company has reduced the costs of the company, by having wages and salaries prepared, too by the Treasury. Electrical works which were conducted by a sub-contractor are also now conductor by GIB Elec.

Mr Speaker, I am sure that the House will have welcomed the introduction of the 18th July of last year of the new Route 7, to meet the demand for a service to Mount Alvernia. The route has certainly been welcomed by the visitors, the residents of course and the Mount Alvernia Trust.

95 Certainly, this route was a need that was promptly addressed by this Government on entering office which saw the need to do so on hearing the representations from the general public and the Mount Alvernia Trust. Following more feedback from the users of this route, on 31st July of last year, the Bus Company extended the route to service Linewall Road, thus making it more accessible to other bus users who visit this area.

100 Mr Speaker, on 20th March of this year, the Bus Company also introduced a brand new bus, a Ford Transit Trend Mini Bus to service the route. In August of last year, you will recall that new bus routes were introduced. The new routes have received overwhelming approval and support from the general public save for representations on two additional routes being requested, on which I will elaborate below.

105 In respect of one of the routes that have been requested, and based on the recommendations from the directors and the managers. The comments were taken on board and in September last year, routes 8 and 9 were introduced. These two new routes have proved to be very popular with users, and the record shows that, by introducing them, it has eliminated complaints received by the Bus Company over the chronic delays of the route 4 bus, which we inherited.

110 Mr Speaker, the second representation stems from residents of the South District and I can also confirm that they will very soon see a solution to the various representations received. I hope to be able to be in a position to make an announcement later on this month.

115 Further, Mr Speaker, in order to improve communication with the public, the Bus Company introduced a user-friendly website that is constantly updated. It has added a totally new concept to our users with its feedback section, and it has also seen the introduction of a Facebook page that has interactivity between the website and vice versa. Additionally, facilities for the mobile-optimised version of the Company's website can be accessed by most smart-phones.

In addition, Mr Speaker, and as pledged at my last Budget speech, a new bus shelter was installed in the Shorthorn Estate bus stop in April of this year. Further still, following representations from the Senior Citizens Association, two new bus stops, inclusive of shelters, were installed in both directions in the area of Bishop Canilla House. This has made the area more accessible for our elderly.

120 In turning to the taxis, Mr Speaker, the House will note that the Government's publicly stated commitment to work with the Gibraltar Taxi Association – the GTA – to resolve their concerns and improve the service available to the community. The work done is well underway and tests have established the effectiveness of the newly incorporated taxi meter against a modern, reliable and cost effective dispatch system. The tests will establish communications between the vehicle and a central office. The installation of these newly incorporated taxi meters will also allow all the vehicles job details to be tracked.

130 As part of Government's commitment to further improve the taxi service, a joint effort between the Ministry of Transport and the Ministry of Traffic will see the deployment of several transport inspectors. These officers will be seconded to the Driver and Vehicle Licensing Department and will be trained, not only to police and to ensure the improved taxi service, but to guarantee that other modes of transport, such as buses and heavy goods vehicles, adhere to all regulations and safety requirements.

In addition, the Government, in close consultation with the GTA, has also established a client charter. This document will be placed in every rank to ensure transparency and the right to information.

135 Mr Speaker, the Committee of the GTA and I, are quietly confident that all of the above measures, in addition to the legislative changes that I will announce shortly, will address the lack of a proper city service at certain times.

If it does not, then we will return to the table to see what changes will need to be made. It goes without saying, however, that we have met as many times as we have felt necessary to produce what we think will immediately produce a workable solution to the city service. What this Government will not do, Mr Speaker, is to do nothing to resolve the situation by trying to find solutions with the GTA and then unnecessarily threaten to issue more taxi licences on the eve of a general election and then do sweet nothing for the next four years.

140 As the Minister responsible for Transport, I wish, from this House, to acknowledge support and applaud the GTA and the other entities' efforts in working with the Government to ensure that the general public – both residents and visitors alike – benefit from an improved taxi service.

145 It is important that we do not forget that taxi drivers are important tourism ambassadors and play a key role in Gibraltar's tourism industry. In this respect, I can say that I have found in the GTA and in the individual members that I have met, willing participants in furthering the aim of the Government to provide an effective and reliable taxi city service.

150 Mr Speaker, on that note, I now refer to my responsibilities for the Gibraltar Port Authority and the Gibraltar Maritime Administration.

Turning first to the Gibraltar Maritime Administration, I can tell this House that they are indeed exciting times. I am pleased to report on the successful progress of the Gibraltar Maritime Administration, which, despite the global economic downturn, continues along a steady path of growth in terms of its overall fleet and resources.

155 Firstly, in respect of Gibraltar Ship Registry; Mr Speaker, as I have previously noted and in a clear sign that the Government's new focused marketing strategy of the Maritime Administrator and staff travelling to personally meet ship owners is certainly working, given that the number of commercial ships on the Gibraltar Ship Register has increased by 5%. In other words, meeting owners face to face has had an immediate impact in attracting new vessels to Gibraltar. 2012 was a record year for new registrations, with 58 brand new vessels. This trend appears to be holding, Mr Speaker, with 22 new ships registered as at the end of May of this year.

160 Significantly, the overall gross tonnage jumped nearly 50% in one year, from 2.1 million in December 2011 to 3.2 million in December 2012. The current overall gross tonnage now exceeds 3.5 million in April of this year. Larger, high value ships are now being registered on the Gibraltar flag, attracted by the quality services being offered, not just by the GMA, it must be said, but also by the local ship representatives and financial institutions.

165 Crucially, Mr Speaker, and this is an important point, I have to point out that, notwithstanding the increase in the number of vessels and tonnage, the quality of the fleet is being maintained, with an equivalent number of vessels turned down in pre-registration in the last year, as they did not meet the high standards of the flag. Furthermore, the mean average of the commercial fleet remains at nine years, despite the increase in numbers. This is indicative of the number of newer vessels being brought over to Gibraltar and being registered.

170 I now turn, Mr Speaker to the Gibraltar Yacht Registry. Like with the Ship Registry, the Yacht Registry continues to make its presence felt, in terms of marketing and fleet growth. My Ministry with the GMA is developing a comprehensive marketing strategy for the Yacht Registry, which includes the creation of a new website dedicated to yacht registration as well as participation in a number of international yachting events, including an exhibition at the Monaco Boat Show and technical discussions at yacht fora in Malta and the Netherlands.

175 It pleases me to note the positive feedback that has been received from potential new clients of large yachts and my Ministry working with the Yacht Registry is in the final preparations of introducing two new products. The first a new fee regime for the Registration of very large Mega Yachts and the Registration of Yachts Under Construction.

180 It is also very gratifying, Mr Speaker, to note that the number of yachts on the flag now exceeds 800, with an increase of 5.5% over the last 12 months. The Yacht Registry has tremendous potential, in terms of commercial growth, and the Government is keen on facilitating its development. Future proposed developments will include the availability of online payments for yacht registration services. This will be one of the first Departments to offer this, in line with the Government's new e-payment system.

185 Mr Speaker, the GMA has also enjoyed an increase in staff resources over the last 12 months. Three new marine surveyors have joined the fold and one additional engineering post has recently been advertised. The Department has also taken on two trainee marine surveyors, emphasising our long-term vision for the development of the maritime cluster in Gibraltar. It is with great personal pride, that I can tell this House that, in spite of the fierce competition for these vacancies, all of the new highly-qualified surveyors are Gibraltarian, as are the trainee surveyors. While more surveys were delegated to the

195 recognised classification societies, increased monitoring of these organisations has continued to ensure the overall quality of the fleet is being maintained.

Mr Speaker, it is also to be noted that the Seafarers' section issued over 2,200 endorsements to officers serving on Gibraltar-registered ships. This is an important aspect of maintaining the safety and maritime protection standards expected on board the ships of the fleet. The Provisional Endorsements, which are issued online, is completed within 24 hours. The Seafarers' certification section of the GMA is another success in terms of revenue collected and the quality of the service.

Indeed, Mr Speaker, I should note, as a course, that the GMA is not just a self-financing arm of Government but it also is able to make a profit – thus not costing the taxpayer any money at all and yet contributing positively to the economy of Gibraltar.

205 Furthermore, we have a new Maritime Administrator, and the whole House can boast that this post is, for the first time, also held by a Gibraltarian. This highly-qualified officer has over 14 years' experience in the maritime industry and has progressed through the Government system. The previous incumbent, Alan Cubbin, was, it must be said, a tremendous asset to the Department and his successor will build on these solid foundations, the main objectives of which are to ensure the highest standards of quality, safety and protection of the marine environment. I am sure, therefore, that all hon. Members will congratulate Mr Richard Montado to the post.

I now turn, Mr Speaker, to the Gibraltar Port Authority. The financial year 2012-13 has also been successful for the port when, also despite the financial pressures on shipping generally, revenue has shown a 3.7% surplus on the estimated bid; £6,801,518 against an estimate of £6,556,000.

215 Pursuant to a manifesto commitment, and/or withstanding the increase in revenue, a review of port charges was undertaken at the end of the last financial year and the decision was taken not to increase the tariffs. So, notwithstanding that the tariffs have remained the same, we still have an increase in revenue for the Gibraltar Port Authority, thus also positively contributing to the economy of Gibraltar.

220 In fulfilment of another manifesto commitment, work continues to improve port facilities and infrastructure including provision of enhanced facilities for operational personnel.

It pleases me greatly, therefore, Mr Speaker, to say that, in satisfaction of another manifesto commitment, a new messroom and facilities for launches and crews is being provided by adapting the old ferry terminal at Waterport. I am told that the works are quite close to completion. As well as welfare facilities for crew, this site will also provide berthing and workshop facilities for craft.

225 It also, Mr Speaker, pleases me to be able to announce in this House today, that a site for an entirely new port administration building, incorporating improved accommodation and a better location for VTS, to include a physical lookout, fulfilling yet another manifesto commitment, has been identified and architects drawings have been produced. This, Mr Speaker, will represent a substantial injection of capital investment in the port, in order to fulfil yet another critical manifesto commitment to stop the chronic underinvestment in the port and, instead, to substantially invest so that the port may continue to operate successfully, safely, enhance its global reputation and continue to generate revenue for the Gibraltar economy.

230 In addition, moving the port administrative and VTS centres away from the port will also free up valuable land within the port estate for operational use. Work is underway to identify a suitable site and commence the investment in human resources in order to be able to reinstitute the reporting berth.

235 Introduction of port-wide closed circuit television system is now complete and underpins enhanced safety and security through much improved surveillance of the critical areas of the port estate. Works to improve the resilience of business systems within the port is nearing a landmark stage, with the successful implementation of an upgraded and robust computer system. The introduction of an electronic Vessel Management System will further enhance capabilities and will allow ships' agents to input data remotely in order to provide the most recent information on a vessel's movements.

240 In line with the importance the Government attaches to its environmental obligations, an environmental health and safety advisor post was created and a Gibraltarian was successful, and has been appointed to provide impetus to build a robust environmental, health and safety culture within the port and provide support for compliance with marine environmental legislation.

245 As further proof that, in this Government, every Minister is a Minister for the Environment – although none of us, of course, Mr Speaker, presume to have the expertise of the Hon. Mr Cortes – this House will remember that in January of this year, I enacted regulations to ban ship to ship operations being carried outside British Gibraltar Territorial Waters in a concerted drive to enhance the supervisory control of the Port Authority over port operations.

250 The House will also recall that an Act and Rules were enacted to increase fines for pollution offences at the Magistrates' Court, with a fine up to a maximum of £250,000 and to an unlimited fine on indictment. Real deterrence, Mr Speaker, and incontrovertible proof, if any further were needed, that we, on this side of the House, take our duties to our marine environment very seriously indeed.

255 The commitment to review and upgrade the oil pollution response organisation is also truly well underway and, as a result, a new Vikoma Alligator skimmer, capable of being effective in the recovery of

a wide range of oils in the most demanding of weather conditions, has been purchased. This will augment the equipment already held. Research continues into ways in which threats of oil spills from vessels outside British Gibraltar Territorial Waters can be detected early and appropriate action taken.

260

Relationships are being developed with the aim of producing a coherent plan for the deployment of stakeholder's assets in the event of a pollution event.

And in an embarrassment, Mr Speaker, of environmental riches, and all this, of course, to please my great friend the Hon. Mr Cortes, this year saw a landmark in the commitment of the port in supporting the Government's Green Agenda, when the Gibraltar Port Authority became an accredited member of the Green Award Scheme. The scheme, administered in the Netherlands, seeks to reward responsible ship owners who commit themselves to having their vessels audited to stringent high standards, by recruiting partners as 'Incentive Providers'. The Port Authority has elected to provide a 5% discount on port dues for ships certified under the scheme.

265

In his speech, Mr Fransen, the director of the scheme said as follows, and I quote him:

270

'The Port of Gibraltar's view fits very well with the Green Award's Philosophy. When such a major bunker port as Gibraltar practices its Corporate Social Responsibility through participating in the Green Award scheme, it does make a difference and motivates safe and environmentally conscious shipping.'

275

The Port of Gibraltar is the second port this year that offers new incentives to seagoing vessels holding the Green Award certificate. A total of 31 ports have now earned the Green Award. With the Port of Gibraltar being a major bunker port and the gateway to the Mediterranean, the port's decision to grant incentives to ships, the highest safety standards of which are confirmed by the Green Award certificate, motivates even more ships owners to invest in improvement on board.

280

And, Mr Speaker, of course I cannot leave my responsibilities to the port without mentioning to this House that a major project has, as the Minister for Justice has said as well, commenced to provide sufficient small vessel berths to accommodate 700 vessels, in accordance with yet another manifesto commitment.

285

The marina will be constructed in the mid-harbour area and will incorporate 400 six-metre and 300 eight-metre finger pontoon berths. The marina will have electrical and water points, secure entry to the pontoons and CCTV security cameras. The construction will be a caisson vertical wall design wharf, which will also provide around 500 metres of new outer wharf berthing for large vessels and super yachts.

290

This will be the first time in recent history that new commercial wharf facilities have been constructed in Gibraltar. There will be two lanes for traffic, a roundabout at the end of the wharf, a public promenade and parking for over 50 cars and for motorcycles.

295

Mr Speaker, at this point I pause to pick up on the point made by the Hon. the Leader of the Opposition, who mentioned that the small boats marina was not popular. I cannot for the life of me fathom why he would make such a point, except that maybe he will now use that as the excuse why they did nothing in 16 years. (*Banging on desks*) And yet, we, within 18 months in Government, and having announced it as a promise in the manifesto, are already starting work on this important, critical plank manifesto commitment and will finally be able to provide pontoons and small boats berthing to the long suffering, waiting owners of small boats.

300

As the first stage of an ongoing project to review and bring up to date legislation relating to the port, work is continuing in conjunction with the Pilotage Authority to review the legislation concerning marine pilotage, including the issue of Pilotage Exemption Certificates in anticipation of the new European legislation on the subject. A strategy for marketing the port and its activities is continuing to be developed with a greater emphasis on face to face meetings and the development of relationships with industry stakeholders.

305

Mr Speaker, I now turn to tourism, in a year that has also been satisfyingly dynamic. My efforts and those of the team at the Gibraltar Tourist Board, and their colleagues at Gibraltar House in London, have been tireless in pursuing: (1) our responsibility to deliver more visitors to the Rock; (2) market the destination effectively; and (3) make product improvements. In tandem, we have encouraged the private sector to take more initiatives and to work in closer partnership with Government. I am happy to say that the results are there for all to see.

310

Let me start, Mr Speaker, with air services where we have shown tremendous progress. Despite the loss of services from Liverpool and East Midlands Airport, the Government acted swiftly last year to address the situation and worked closely with Monarch Airlines to encourage service to resume from the Midlands, with the airline starting flights from Birmingham as from March of this year.

315

We were also able to delight in the news that, following a series of meetings that the Chief Executive of the GTB and I held with BA, BA decided to increase capacity to the Rock as from last winter, by scheduling two extra services at the weekend. These are set to continue through this summer and next winter. Indeed, Mr Speaker, we are working hard to argue the case for additional capacity from Heathrow, where we believe there is still potential for further growth.

320 As part of the on-going support for airlines, and in association with BA, the GTB held an event at Gibraltar House in London to specifically promote this extra weekend service. The event is one of many that the GTB would like to host in this intimate setting, to target travel agents who are an important part of the booking process for the airlines.

325 Mr Speaker, it is also good news that flights from Manchester have also risen to four flights per week in the current schedule and will remain at three flights per week for next winter, offsetting the loss of capacity from Liverpool. I am also pleased to report that easyJet will continue to lay on extra capacity from London Gatwick in the peak summer months, increasing to four rotations on some weekdays.

330 It will therefore be, Mr Speaker, the busiest summer for the airport, with more than 1,800 flights and 300,444 seats available to five destinations until the end of October. For the first time on one day, namely Sundays, the airport will enjoy seven flights. This is all very encouraging news, Mr Speaker, but neither I nor my team at the GTB will be satisfied nor rest until Gibraltar enjoys, firstly, even greater connectivity with the United Kingdom and we start connections into mainland Europe – an aim I am sure that Members obviously will also encourage us to undertake.

335 To that end, we are working very hard to encourage our existing airline partners to add new routes from the UK and other countries, and are in hot pursuit of new airlines and new routes from European destinations.

I now turn, Mr Speaker, to an important aspect of the tourism sector, the cruise industry. Not least given the very recent misleading and blatantly partisan comments on social media, by at least one supporter of the GSD, I need to place the 2011-12 financial year, in terms of cruise calls, in its proper context.

340 When this Government came into office on 9th December 2011, we were faced with the, let's not say ideal, scenario where only 170 cruise calls were booked for 2012, down from 186 cruise calls in 2011. As those that are familiar with the cruise industry, certainly not the persons who made the post on Facebook, as they will categorically tell you, cruise calls are planned sometimes for more than a year, sometimes 12 months and at the very least nine months in advance of the call. As a result, Mr Speaker, the number of cruise calls for 2012 was already well and truly cast when we, on this side of the House, were elected into office by December 2012.

350 Those who support the party opposite should, therefore, try to be honest when insinuating that the drop in number of calls in 2012 was somehow the fault of this administration – it was certainly not. Then again, why allow the facts and reality to get in the way of trying to denigrate the Government, it never has to date.

355 Having pursued, Mr Speaker, a vigorous policy of one-to one meetings and building up real strong personal relationships with the industry, I am pleased to report that 2013 will see calls scheduled rise to 186, with passenger numbers also rising. We must also consider that ships do carry a large crew complement, some of which also come ashore and avail themselves of Gibraltar's facilities and services.

In 2012 the cruise ships calling carried 291,000 passengers. This year, Mr Speaker, estimated passengers are 300,000 and crew members of course will also need to be included. In an encouraging sign, furthermore, as at Friday last week, there are already for 2014, 170 calls. This evidences the undeniable fact that some cruise liners book their calls sometimes more than one year in advance.

360 Some of the great news this year was the announcement by Thomson Cruises and Island Cruises that their calls to Gibraltar for the winter 2013 and summer 2014 programme will increase by 33%. The announcement came in an interview for the press carried out by Neil Duncan, who is the General Manager of Thomson and Island Cruises, whilst in a visit to Gibraltar – in fact, during the course of our meeting.

365 Pullmantur Cruises also announced the return of their important product aimed at the French cruise market. In 2011, Pullmantur calls had fallen to two from four in 2010. A total of two calls were scheduled for 2012 but after a direct meeting with the company calls increased to five scheduled for this year and, so far, this company has 13 calls booked for 2014. Good news indeed, Mr Speaker, although undoubtedly a bucket of ice cold water to those who mischievously want to paint an inaccurate picture on social media sites.

370 This year, I have held meetings with senior cruise executives in the UK. I was able to dispatch two of my very able senior officials, with experience in the field, to Miami with the Government's strategy of marketing on a one-to-one basis. We are certain, Mr Speaker, that personal contact and an exchange of ideas with the itinerary planners and shore excursion decision makers is vital if we are to maintain the level of cruise calls we enjoy today.

375 We have also ensured that as many senior executives from the cruise companies as possible come and visit us in Gibraltar to experience our legendary business hospitality. Since early 2012, we have held meetings here at home with Pullmantur, Thomson and Island Cruises, Viking Ocean Cruises and Carnival Cruises. We are scheduled to meet with Saga Cruises later in fact this very week.

380 Another area being actively pursued by my team and I, is the provision of turnaround cruises in Gibraltar, and we have already presented a comprehensive study to this end to some of the major cruise

companies. Whilst taking note of the concerns and representations raised by the cruise operators about the feasibility of being able to have turnaround cruises in Gibraltar, we will be tireless in our pursuit of this opportunity.

385 Mr Speaker, we were able to delight in the news from the team at Azamara Club Cruises, through their agents in Gibraltar, M H Bland, that we were being given the opportunity to host an AzAmazing evening. We were then further overjoyed to hear that once was not enough for them and that a second AzAmazing event would take place in Gibraltar.

390 Azamara, having been disappointed at the arrangements being made at a Spanish cruise port, scheduled to host the event on 30th April. Azamara Cruises visited the GTB stand at the World Travel Market and right there and then asked if we could take on the other event, which of course we clasped with both hands, putting Azamara Cruises in no doubt of the Government's commitment to the tourism industry.

395 This event was co-hosted by the GTB, M H Bland and the cruise line. I can also doubly confirm, Mr Speaker, that despite some additional blatantly partisan misinformation on another social networking site, the Government did not pay for the excellent fireworks display that took place on the two occasions that the Azamara Quest was in port. This was a generous gift from Azamara Club Cruises to its passengers and indeed for all of Gibraltar to enjoy. Of course, Mr Speaker, once I made clear in a press release that the taxpayer had not funded the fireworks, they then complained of the time at which the fireworks display was held. Quite touching really, that they should feel so desperate that they should pick on anything that they feel they can.

400 In any case, Mr Speaker, these events have gone a seriously long way in cementing a relationship with a cruise line by showing a willingness to be proactive, and will no doubt result in further events like this taking place in the future. I can confirm that Azamara Club Cruises have already been in contact to plan their AzAmazing evenings for 2014.

405 The passengers on board the Azamara Quest were one of the first to enjoy improvements made at St Michael's Cave. Azamara Club Cruises called at Gibraltar three times in 2011, there were five calls in 2012 and there have been six calls in 2013.

410 Mr Speaker, if ever there was a signal that Her Majesty's Government of Gibraltar is a great supporter of the tourism industry, aside from all I have said so far, it is the unprecedented investment currently being undertaken in the visitor attractions. Works have already been completed at the Great Siege Tunnels, Moorish Castle, the 100 Ton Gun exhibition, St Michael's Cave, Jews' Gate, Apes' Den, the Gibraltar Cruise Terminal and Waterport Fountain along with other works at other locations.

415 In particular, attention has been given to providing enhanced or new accessible facilities. This has included the refurbishment and provision of toilet facilities and improved access at St Michael's Cave, including the provision of a specialised lift at the new entrance to enable guests to view the Cave from the first landing. Facilities have been installed for those with impaired hearing and the Gibraltar Tourist Board is now also looking at providing enhancements for visitors with impaired vision.

420 We are also in the process, Mr Speaker, of installing new signs on the upper town area. These are designed to provide clear directions for those walking in and from the Upper Rock in this area, and therefore assist our visitors in finding their way to the marvellous attractions within the Nature Reserve. I must point out that this particular exercise is to be carried out following a suggestion by a citizen of Gibraltar, which was sent to the GTB by email, and reflects the Government's continuing consultation with the public, and our willingness to act on excellent suggestions from the public when they are able to be actioned with ease. I must stress, Mr Speaker, that this is just one example of the consultation.

425 The Government has also given its support to the arrival and installation of HMS Pickle as a tourist attraction in Gibraltar. As you know, Pickle is famous for the role she played at the Battle of Trafalgar from where she sped home to deliver the news of Lord Nelson's death and the British victory to the King in London. The Government warmly welcomes new attractions and initiatives from the private sector.

430 At the end of March and for a few weeks subsequently, several injured soldiers visited Gibraltar, courtesy of a charity called 'Give Us Time'. This is a charity founded by former UK Defence Secretary Dr Liam Fox to provide holidays for soldiers recently returned from operational duties. These soldiers require operational quality time in order to reintegrate into family life and to recuperate after six difficult months apart. The Government was pleased to support the initiative.

435 In co-operation with M H Bland, Monarch Airlines and the GTB, a group of school children visited Gibraltar for the day on 24th April, in what proved to be a great event for those involved and an educational trip the children will no doubt remember.

440 One of the most anticipated events this year, Mr Speaker, and one very close to my heart as an A-level student of English literature, will be the first Gibraltar International Literary Festival, to be held in October. The Festival follows the Government's policy of encouraging event-led tourism in a bid to drive more visitors to the Rock, off peak season, and to firmly place us in the field of quality international events.

I am particularly pleased to see the great support we have received from private sponsorship, signifying a willingness, on behalf of these companies, to work in partnership with the Government and sharing a vision for success with these events. I have no doubt that this prestigious Festival will do much to promote Gibraltar as one of the most dynamic city states in the world.

Also bearing fruit is the continuing work done by the United Kingdom Gibraltar Tourism Association and the team at Gibraltar House in London, with UK tour operators. In February, Superbreak, one of the tour operator members of the UKGTA, announced that for the month of January they were 263% up in bookings for Gibraltar against January 2012 – with an additional 300 clients booked in the month. I am pleased to say that the feedback from most of the operators to Gibraltar from the core source market remains positive.

Yet another UK tour operator, featuring Gibraltar as a destination reported an increase in sales this month. The announcement was made by Cresta Holidays, that are part of the Thomas Cook Group and are members of the UKGTA. The news came just before the last meeting. Earlier this month, Cresta Holidays reported encouraging performance from their Gibraltar programme so far in 2013, currently trading at over 7% up from year on year. This performance improved further and the four weeks prior to the meeting of the UKGTA trading stood at over 23% versus the same period in 2012. Cresta added that Gibraltar is an area in which the company has seen significant growth and that they were sure that this would continue.

The GTB has held successful road shows in the UK aimed at the catchment areas around the airports with which Gibraltar has connections. An event was held in Birmingham earlier this year to promote the start of services from this airport to Gibraltar by Monarch Airlines. At the beginning of June a very successful road show, attended by 102 agents, was held at the Waldorf Hilton Hotel in London. The road show was aimed primarily at the London airport catchment areas, in support of British Airways, Monarch Airlines and easyJet. The road show proved so popular that a wait list was in place for agents wishing to attend the event, this being the first time that some travel agents were not able to find a place at the event.

Marketing continues apace in the UK with a campaign in the media and jointly with members of the UKGTA and local industry partners. We have actively encouraged our partners to contribute to the marketing and advertising campaigns in the UK, in particular for niche markets such as for conferences and meetings and the weddings market. In respect of the latter, the GTB has now set up a weddings committee which will meet regularly so that all those selling this product can work together to improve on the services on offer.

We have paid particular attention over the last year to the formula for attending trade fairs. In a drive to maintain costs down, or as from 2012 onwards at the same levels, an effort to curtail stand build costs have been made and stand designs have reflected the needs of the users. We have therefore managed to drive costs down substantially in some cases, such as, for example, with the World Travel Market, where in 2007 – its high peak – just over £68,000 was spent on this exhibition, compared to just over £30,000 last year.

I have personally held post mortem analysis sessions after the events with co-exhibitors to fully appreciate their feedback and incorporate this into the work of the GTB at the events going forward. The co-exhibitors are therefore doubly encouraged, firstly, that the Government takes the time to listen to their views, and then secondly, incorporate those views into the format of shows held abroad. In addition, Mr Speaker, the attendance at the fairs by Miss Kaiane Aldorino and the Gibraltar History Alive Group has added colour and dynamism to the GTB's attendance at these events. We have also ensured that the time is used to hold as many meetings as is possible with industry partners and prospective customers. We shall endeavour to bring all of the improvements to the attendance at the World Travel Market and all other trade fairs or consumer events that the industry urges us to attend.

Mr Speaker, this year the GTB exhibited for the first time at the IMEX trade fair in Frankfurt. Members of the GTB team attended on an observer basis, on two occasions in the past. This event is specifically aimed at the Meetings Incentive Conference and Events markets, commonly known as MICE. Gibraltar, as the House knows, is ideally placed to host small to medium sized events in this category and it is vital that the GTB supports local industry partners in pursuing this market. Despite only having had a small stand this year, the event was wholeheartedly supported by the industry in Gibraltar.

In April the GTB was also present at the Marrakech FIA World Touring Car Championship Event. The Chief Minister and I led a delegation to this event and hosted a stand. The event served to highlight the recent changes in Gibraltar's immigration rules, encompassing the Government's relaxation of visa requirements for Moroccan Schengen multiple entry visa holders and the Government's desire to develop modern tourism, trade and business links with the Kingdom of Morocco. As at 20th June, 1,549 Moroccan visitors have availed themselves of this scheme.

The GTB is therefore pursuing new markets. Germany, in particular, is a country holding great potential in outbound tourism for Gibraltar. Last March, I approved a visit to the ITB fair in Berlin by two members of the GTB's team, on a fact-finding mission. This visit has been instrumental in setting up contacts and in helping the GTB to gain a feel for this market. China and Russia are also two very

505 exciting areas for growth. Last year, the Government introduced a visa waiver programme for Russian nationals wishing to visit Gibraltar for the day on an organised trip. I am also pleased to note that, as at 20th June, 3,327 Russian nationals have visited Gibraltar as a result of this initiative.

As the House knows, in April the GTB participated in the World Travel Market Vision Conference in China and exhibited at the China Outbound Travel and Tourism Market. The GTB also continues to pursue niche markets. In particular, bird watching is of significance and a group of tour operators and 510 journalists specialising in the field visited Gibraltar recently, following an initiative taken by the Bland Group of companies. The expanded Tourism Advisory Council has already proved very useful in advising us of issues affecting the industry.

Mr Speaker, I turn to the beaches. As far as our beach facilities are concerned, I can safely say that the Government has so far provided for these in an unprecedented manner. Last year we initiated weekly 515 cleaning of all the beaches from 1st February, laying of all walkways from mid-May, the purchase of new lifeguard boats and the employment of senior lifeguards.

This year, initiatives include: the purchase of three extra boats with engines for the lifeguards to cover the service in all our beaches; the provision of a lifeguard weekend service as from 11th May, with a full 520 lifeguard service from 8th June; beach facilities, including showers, being made available as from 6th April; external showers being provided at all the beaches; a new beach umbrella store being provided at Camp Bay; a new toilet/changing room unit, including showers, has been provided at Western Beach; vastly improved accessible facilities provided at Camp Bay; a new walkway being provided at Catalan Bay to provide easier access from the car park to the beach and to the promenade; jellyfish booms have also been provided and there is already one on a trial basis on Western Beach; and accessible facilities 525 being improved, Mr Speaker, at all the beaches.

It will not have escaped the notice of Members of the House of the regeneration works of Sandy Bay, which is now truly and well in progress. As announced earlier this year the works involve major coastal protection, indeed one of the groynes is very much developed and work on the south groyne, I believe, 530 will be starting today. And also, of course, the replenishment of the beach with sand. This will once and for all undoubtedly bring improvements to the much neglected and popular beach.

I was very pleased, to have seen last year the launch of a new website for the GTB. The new site has brought great improvements to the online information available to visitors and the site is compatible with tablets and smart phones. However, Mr Speaker, connectivity with tourists through the internet does not 535 stop there. The Government has embarked on an initiative to have Gibraltar's main tourist and beach locations also covered by Wi-Fi. Gibtelecom has been asked to extend the reach of its existing Wi-Fi network to cover 12 separate tourist sites, as well as all six main beaches on the eastern and western sides of the Rock.

The project is being carried out in a phased approach, with the Government contracting with Gibtelecom for free access to a number of local orientated websites at each location. This would include 540 tourist information, as well as a selection of other public sector sites of interest to visitors. Access to more general websites, outside this 'walled garden' approach, would be directed to Gibtelecom's Wi-Fi payment portal.

The first phase of the project will see prime tourist sites such as St Michael's cave, Napier Magdala Battery, the Coach Park Terminal and the frontier area covered. It is expected that this stage will be 545 completed very shortly. This will be followed by Gibraltar's main beaches, including Catalan Bay, Sandy Bay, Little Bay, Camp Bay and the Eastern and Western beaches. The plan is for these to be fully up and running in August. The remaining sites, embracing other areas such as Europa Point, will be covered in September.

Mr Speaker, I now return to the revenue of the GTB. In a bid to ensure the cost effectiveness of the 550 GTB, the GTB is on a drive to improve revenue in its areas of responsibility. This will now be achieved by: the already installed ATM machines at the Gibraltar Cruise Terminal and Gibraltar Coach Terminus; the selling of advertising spaces at the Gibraltar Cruise Terminal and Gibraltar Coach Terminus; and, subject of course to the appropriate licences, the sale of new official souvenirs at the main GTB Information Office, including gift vouchers, for those wishing to purchase entry tickets in the visitor 555 attractions.

Mr Speaker, it is the aim of the Government to make the GTB self-financing so that the savings made to the taxpayer can go towards socially essential services such as Health, Education and Social Services etc. In the current climate of close co-operation, which I have engendered in the local tourism industry, 560 there is a clear view that the tourism product in Gibraltar has devalued itself over the last 20 years, driving much needed yields down to levels that are just not acceptable to anyone involved.

We all travel regularly, Mr Speaker, for business and for leisure and to say that £10 for an all inclusive ticket to see all of the wonderful attractions on the Upper Rock is expensive, is clearly a misnomer. When you consider that a ticket to see a film in central London today can cost up to £20 and that entry into a well known wildlife park on the Costa Del Sol can cost up to €25, we really are cheapening our breath- 565 taking attractions, which I hasten to add, this Government is continuing to improve and add value to.

Mr Speaker, looking at last year's statistics, I am pleased to report that, excluding non-Gibraltarian Frontier Workers, the total number of visitor arrivals increased by 0.6% over 2011. The published figure, including non-Gibraltarians, however, shows a decline, but this is due to the decline in the number of

570 cross Frontier Workers crossing into Gibraltar.
The number of visitor arrivals by land, again excluding non-Gibraltarian Frontier Workers, increased by 1%. Again the published figure including non-Gibraltarian Frontier Workers declines by 1% again because of the decrease in the number of Frontier Workers.

575 Mr Speaker, it is particularly pleasing to say that, despite the loss of two routes in 2012 – one, a commercial decision taken by easyJet and the other due to the demise of bmibaby – together with a slight reduction in capacity on some routes, the largest visitor arrival increase in 2012 was in fact by air. A 1.7% increase in arrivals was recorded over 2011.

580 It is interesting to note, and I am sure the hon. Members opposite will be interested to know, that in comparison, air arrivals in Andalucía for 2012 showed a decrease of 6%. In particular, arrivals at Malaga were down by 1.8% and at Jerez by 13%. In 2012 overall passenger load factor jumped 4.8% over 2011 to 87.2%, with June through to October recording average monthly figures over 90%. This load factor of 87.2% is way above the worldwide IATA average of 79.1%, and the European airline average of 80%, indicating a strong market on existing routes to Gibraltar.

585 Of note, Mr Speaker, is that the additional Heathrow services secured by this Government, have delivered an additional 5,202 passengers to date versus 2012. There has been, Mr Speaker, which is very welcome news, a 13.9% growth on this route so far this year versus 2012. Also good news for Gibraltar, the route from Manchester is doing exceedingly well, having recorded a 26% growth to date over 2012. For summer 2013, the airport will have an additional service overall compared to 2012, and winter 2013 will have an additional four services overall compared to 2012.

590 Mr Speaker, the number of coaches arriving in Gibraltar has fallen by 1.5% over 2011. However, statistics show that there has been a continuous steady decline of coaches arriving in Gibraltar since 1999. This, to an extent of course, is no doubt a reflection in the way that the industry has changed, with more independent travellers choosing to make their own arrangements. Having said that, Mr Speaker, I am not being satisfied that there has been such a steady decline since 1999 on the number of coaches arriving in Gibraltar. I have tasked the GTB to make a particular effort in devising protocols and plans in how we can stem this tide.

595 Mr Speaker, in turning to the hotel occupancy report, in 2012 all arrivals at hotels decreased by 6.6%. However, room nights offered fell by 5%. Room occupancy, therefore, fell by a marginal 0.7 percentage points and stood at 59.3% as an average for the year. Mr Speaker, it must be noted that this average of 60% is an average of all of the hotels and the sleeper occupancy for all of them. But, without mentioning the details of any one particular hotel, if one were to analyse the sleeper occupancy of different hotels individually, some hotels clearly do much better than others, with one hotel in particular boasting of 76% sleeper occupancy in Gibraltar in 2012. It is also interesting to note the statistic that the number of employees in the hotel industry has actually increased by 3.2% over the year to October 2012.

600 Mr Speaker, at the meetings of the Tourism Advisory Council and the UKGTA, I have repeatedly encouraged hotels to make far more use of the Government's increased marketing drive to convert the visitors to Gibraltar into overnight tourists. These marketing collaborations have clearly worked for UK tour operators, who have seen the numbers increase, and which announcements have been made. It is, therefore, apparent that the hotels have their work clearly cut out for them in this respect.

610 It is also interesting to note, as I did before on a comparison with the neighbouring region, that an analysis of hotel statistics in Andalucía for the period of January to March in this year, shows that occupancy at 35%, and in Gibraltar, for the same period, room occupancy stands on average at 46%.

615 Mr Speaker, in respect of hotels, a leap forward in the provision and variety of bedstock in Gibraltar is necessary. Soon, in 18 months, we will have a new 5-star hotel, in the form of the Sunborn Hotel, bringing the first product of this kind to the Rock. This allows us to promote the destination to a 5-star bracket and attract visitors who, potentially, may offer a higher yield in the leisure and business sector. Some of the new market sectors that we are pursuing, indeed the exhibitions that we have attended in respect of the MICE industry, require the provision of 5-star accommodation.

620 The Government is acutely aware, of course, to continue to support established hotels in Gibraltar and the assistance scheme that was started by the previous administration, which is tied into the prompt payment of utilities bills, continues. In addition, of course, the GTB continues to promote the hotels in Gibraltar in the marketing activities at no cost.

625 Mr Speaker, it has to be said, that the attitude of the Opposition, in respect of the Sunborn Hotel was certainly one that I found interesting, if not to call it contradictory. I recall when in Opposition, they were flaunting that they were going to bring to Gibraltar, seven – not one, not two, not three – seven new hotels and that two were committed to Gibraltar. I have to tell them that I have not found any contract that commits any hotel to Gibraltar.

630 So, on the one hand we have the Hon. Mr Bossino, who in this House tried to bring me to task over what he tried to suggest was the failure of this administration in not bringing over the Lester Hotel, which they could not bring over for four years. They now accuse us of making a done deal over the Sunborn, which is a 5-plus star hotel, which everyone in the tourism sector tells us is vastly needed for those who want a 5-star experience.

635 Mr Speaker, if they do not want to credit the Government where credit is due, and clearly that is always the case, it is considered, and I am told, that one of the benchmarks of how the tourism industry in Gibraltar is perceived to be doing is the annual report of the Chamber. Let me say how encouraged I was to read the section on tourism in this year's report. It is acknowledged that the GTB is proactive and focused and the invigorating approach is gratifying.

640 In addition, the Chamber recognises the new administration's focus on the much-needed attention to this sector and is welcomed by them. The Government also shares the Chamber's view that tourism was the lost pillar of the economy, but we will make it resilient and we will continue to work on it. So we were very pleased to read as well that the Chamber, in addition, applauds our investment in the Upper Rock and we can assure the Chamber, the House and persons listening to this debate, that the programme will continue with a further series of investments this year.

645 So, Mr Speaker, it pleases me to announce that the Government will spend yet another £1 million in this financial year on much-needed infrastructural repair and work on the physical fabric of the visitor attractions in Gibraltar. The details of the sum that has been invested and the projects to be carried out will be made public shortly.

650 We agree with the Chamber that there is a need to convert more of our visitors into tourists, and attract them to visit the sites and to stay overnight in Gibraltar. The team at the GTB has therefore worked hard with the local tour and transport operators in Gibraltar to establish new tour options. These have included the use of under-utilised iconic venues such as the City Hall and Garrison library.

Training and education, Mr Speaker, in the hospitality industry is very much at the forefront of our minds and we intend to focus this financial year on how we progress on those matters.

655 Clearly, Mr Speaker, the industry can see that the Government is committed to investment and growth in the tourism industry and that it is serious about the sector. We, therefore, look forward to establishing the partnerships that some in the industry believe should materialise, so that the Chamber of Commerce, the GFSB and other similar institutions, have a role to play in future developments.

660 We are confident, Mr Speaker, that the Government has already started to do this, and we will continue. Our long-term strategy is clear: to establish Gibraltar as the preferred short break leisure destination in this part of the world, delivering a quality product in a unique setting, at one of the most impressive geographical locations in the world.

We continue to work vigorously in all areas of the tourism industry with a very able team, Mr Speaker, and I wish to thank them now for all of their work to date.

665 Mr Speaker, before I close, I take the opportunity to thank, from this House, all of the staff at all of my responsibilities for their unwavering dedication and their commitment to duty. It is true to say that despite the ambitious programme of the Government – and our desire, for us on this side of the House, to wish to implement it – we would not be able to fulfil our pledges if it were not for the hard work of the staff that surround us.

670 So, Mr Speaker, it would be remiss of me not to also thank you, the Clerk and the staff at the Gibraltar Parliament who are unfailingly patient and always ready to assist, guide and advise, and for which, Mr Speaker, I am personally always very grateful.

All objective observers will agree that in the areas of responsibility, in which the Hon. the Chief Minister has entrusted me, there has been serious earnest work and results that have been seen throughout this last financial year. (A Member: Hear, hear.)

675 Moreover, not only have results been delivered, not only have projects come online in a timely fashion, not only has there been consultation, but it also has to be said, Mr Speaker, that this Government has prioritised infrastructural projects that also aim to assist the most vulnerable of our community – such simple things, as a lift at St Michael's Cave, so that people with disabilities can also enjoy the attraction. The accessibility projects at all of our beaches so that people with disabilities can choose which beach they wish to attend.

680 Mr Speaker, the Hon. the Chief Minister also made special mention of the increase to the disability allowance and other allowances for the most vulnerable of our society; things which we have been able to do only after 18 months in Government, and which they failed to do and missed one opportunity after another, over 15 years – in particular, the Hon. Mr Netto, who nods whilst I speak.

685 So, I conclude on a more serious note by remembering the late Charles Bruzon. Every person in this House, I am sure, will remember Mr Bruzon as a caring gentleman. I will remember him, Mr Speaker, when I first met him when I stood for Parliament the first time in October 2007, and he showed his usual special kindness by, at the time, trying to get to know the reasons why I stood for Parliament, what we expected that this Government could do whilst in office, and I will always recall his words to me, that: 'In

690 everything that we do, when in Government, we must act our exercises, our discretions with fairness and with justice'. I can think of no better way to honour the memory of the late Mr Charles Bruzon, than to, in everything that we do, reflect exactly that – fairness and justice to our people.

Thank you, Mr Speaker. (*Banging on desks*)

695 **Mr Speaker:** The Hon. Mr Selwyn Figueras.

Hon. S M Figueras: Mr Speaker, it is scarcely believable that I am already called upon to deliver my second Budget speech in this House, an honour and a privilege, which I have come to eagerly anticipate in my few short years on the political frontline of this community.

700 I am tasked by my Hon. and Learned Friend, the Leader of the Opposition, with shadow responsibility for the portfolios of Transport, Planning in the City, Justice, Home Affairs, Financial Services and Immigration.

705 Following the marathon by-election hustings in this House since the start of this session by the Hon. the Chief Minister, the Deputy Chief Minister, the Hon. Minister for Traffic, the Hon. Minister for Transport, as well as the contribution of the Hon. Minister for Health and the Environment, it falls to me, Mr Speaker, to bring the Government's election campaign momentarily back down to earth. (*Laughter*)

710 I turn my attention first to planning. During last year's speech I focused on the fact that the Government had failed to make Government projects subject to the approval of the Development and Planning Commission. A year on, Mr Speaker, it remains the case that Government projects continue to be passed on to the DPC for their opinion and guidance, but do not require the DPC's approval before going ahead.

715 I told this House last year, and happily say it again this year, that the Government's commitment to subject their projects to DPC approval is unrealistic. It is unrealistic for reasons which I have already rehearsed in this House and will not bore the Members with again. Suffice to say that it is clear that the Government has not yet delivered on this manifesto commitment, for the simple reason that it has too much work to do before the conclusion of its first term in office to afford such controls on its agenda.

720 I am of the view that Government, in a community like ours, needs to take responsibility for the direction in which it takes Gibraltar, making decisions and standing by them to deliver on the mandate given to it by the electorate. The difficulty for this Government is not that they do not want to take responsibility, and it is not that they do not want to take control of the agenda. The problem is that what they certainly do not want to do is to upset anyone in the process of governing. That, Mr Speaker, is impossible, and that, Mr Speaker, is where they are coming unstuck.

725 The extra floors on the Government estates, the construction of a tank farm at the North Mole and, more recently, the preparatory works for the arrival of the far from ready Sunborn Hotel; these are all examples of how this Government is struggling with being all things to all men, now that they are in Government.

730 In relation to the Government's estates and the Sunborn Hotel, they made public announcements of the projects they had come up with, surely in consultation with experts and civil servants, and when the public tide of objection was coming in a little too fast for their liking they backtracked and revisited the projects to try and save face and, of course, the votes.

In relation to the floating hotel, Mr Speaker, that change of heart came well after the Hon. Minister for Health and the Environment – who is unfortunately not in the Chamber at this moment – had been happy to literally wash aside the environmental concerns expressed during, what I am told was rather an awkward moment during the relevant meeting. (**A Member:** Shame.)

735 In relation to the new purpose-built, state-of-the-art tank farm on the North Mole, the two Ministers on the Development and Planning Commission – the only two members with political responsibility on that Commission – abstained from voting on a project which was clearly felt to be in the interest of Gibraltar by the rest of those present at the meeting.

740 The feeble excuse given by the Hon. the Deputy Chief Minister, when I asked him about this in the House, is that both he and the Hon. Dr Cortes had been disappointed that operators had not been able to come together to agree joint use of one facility, as opposed to having more than one.

745 The developers of that project, Mr Speaker, had been made to jump through every hoop in the book to obtain approval. Yet the Ministers, when the time came, chose to abstain during the very process, hoping thereby not to alienate any voters on either side of the result. This dithering, which the Government dresses up as openness and transparency and the willingness to consult, is very dangerous for our community. I have warned about the dangers of relinquishing decision making power to unelected and unaccountable institutions in the past.

Whilst it cannot be denied that the contribution made by the Development and Planning Commission is an invaluable one, it is one that cannot, and never should, replace political control of Gibraltar's development by the Government of the day. Political leaders of this community share the responsibility to

750 ensure that, amongst other things, a planning process encourages and nurtures growth in activity and helps to accommodate it. I do not believe that this is true for Gibraltar's planning process today.

As things stand, Mr Speaker, and as an illustration of what I am referring to, there has been little, if any, creation of office space in our community since 9th December 2011 – (*Laughter*) down, in no small measure, to the extensive demands placed on developers by the enlarged DPC, (*Interjection*) which
755 demands are entirely unencumbered and unfettered by the responsible imposition of reasonable political direction from the Members opposite. In this context I do note, however, the measures announced by the Hon. the Chief Minister yesterday to incentivise the building of office accommodation. Be that as it may, planning is an area of Government which causes me concern, as it does for many in the community who approach me to discuss precisely this.

760 In my view, Mr Speaker, the Members opposite should not have relinquished general control over the planning process to the Town Planner, which should not be interpreted as a reflection of my opinion of the person of the Town Planner himself. I further believe that the Government should not hand over powers of approval over Government projects either. I suspect, however, Mr Speaker, that this particular commitment box will only be ticked when the bulk of the Government's capital projects are well under way. We shall keep a keen eye on developments, if you will pardon me the pun.

765 I now turn my attention to the area of Justice and, unfortunately, the Minister for Financial Services and Justice is not in the Chamber either at this time. In relation to my shadow responsibility for Justice and Financial Services, (*Interjection*) I am pleased to be able to say that I have enjoyed a generally positive and constructive interaction with the Minister, since I was allocated this portfolio on the great occasion of the election of my Learned and Hon. Friend Daniel Feetham, as the new Leader of the Opposition.

770 It is my view that, in the context of both these areas, being positive and collaborative is better for the community than being divisive and negative, (**A Member:** Hear, hear.) an approach which the hon. Members opposite tended to favour when they themselves were on the Opposition benches (**Several Members:** Hear, hear.) (*Interjection*)

I also wish to associate myself with the Leader of the Opposition's complimentary and positive comments of the Hon. Minister for Justice and Financial Services – a view which he expressed during last year's Budget speech when he was shadowing his portfolio. I do not consider that there is a better qualified individual on the whole of the GSLP's team to deal with this area of responsibility, and I look forward to working opposite him for as long as I am tasked with it.

780 I would also like to take this opportunity to add my congratulations to Liam Yeats and Damian Conroy on their recent appointments, and to extend my thanks and congratulations to the Royal Gibraltar Police and all those involved in securing the return to Gibraltar of the five-year-old child the Minister referred to yesterday.

785 I also acknowledge the Minister's comments, in relation to the improved management of cases and availability of hearing dates, and take the opportunity to remind the House that none of these improvements could have been possible in the circumstances without this party's vision and investment in the Court's complex as it stands today – a source of much pride for this party.

790 Turning to deal with the issues, Mr Speaker, I turn first to the sex offenders and the work being done to deal with this scourge of society in our community. It is obviously a positive development that the Sex Offenders Register is now a reality, despite the differences expressed heatedly at times across the floor and in public by the Minister and the Leader of the Opposition, my predecessor in this role.

795 It was, I hasten to remind the House, a measure that we introduced through the Crimes Act 2011. (*Interjection*) We on this side of the House feel strongly that the creation of the Sex Offenders Register should be just the first step on the journey towards protecting our children and vulnerable, to the furthest extent possible.

800 When Gibraltar delivers the change, in the shape of Gibraltar's first one-term Government, and returns the GSD to office in 2015, we will set about the process of establishing, in consultation with the relevant authorities, NGOs and the public at large, a child sex offenders disclosure scheme built on the model of the UK's enforcement of what is known as 'Sarah's Law'.

805 With Mr Speaker's indulgence, I will read a brief description of what such a scheme entails. Any member of the public can approach participating forces to apply under a child sex offender's disclosure scheme for information regarding a specific person who has contact with a child or children. The Police will process the application, but disclosure is not guaranteed. Even if there are no firm grounds for suspicion, the applicant can trigger an investigation to find out if the subject – the person they are asking about – has a known history that means they might be of risk to children.

810 Third parties with concerns, for example the grandparents or neighbours, about an individual who has contact with children are also invited to use the scheme. However, where appropriate, disclosure will only be given to parents and guardians or those best placed to protect the child. A number of agencies work together in the UK for this purpose – the police, probation and prison services – in the gathering of information and on initiatives to manage the risks posed by sex offenders and to protect the public.

815 I recognise, Mr Speaker, that Gibraltar is a very different place to the UK and, whilst it is important to acknowledge that our security services have an advantage over other forces in the UK by virtue of its size and the strong family ties that bond this community, we can ill afford to stand still in the development of tools and strategies to manage and minimise risks to our children, and vulnerable adults, from sex offenders in the community. This is a hard line on sex offenders; one which the GSD plans to pursue, when it is returned to Government in 2015, as part of the GSD's continuing dedication to keeping Gibraltar safe in the modern age.

820 Further, in the context of the hard line on crime, the Minister and I have had an exchange in the last few months, in relation to the enactment of legislation in Gibraltar for the purpose of clamping down on living off the proceeds of criminal activity. Some in our community, Mr Speaker, enjoy the fruits of a criminal lifestyle and do so with impunity. The Proceeds of Crime Act in the UK, as an example, empowers law enforcement authorities to seek confiscation orders in relation to persons who benefit from criminal conduct and to make provision about investigations relating to benefit from it –

825 **Minister for Education, Telecommunications and Justice (Hon. G H Licudi):** Mr Speaker, will the hon. Member give way?

830 **Hon. S M Figueras:** No, I think I will carry on. (**Hon. G H Licudi:** Point of order.) By legislating along the lines of the Proceeds of Crime Act here in Gibraltar, we will begin to target those in our community who, by their lifestyle... and, Mr Speaker, we have afforded all the Members the opportunity to continue and complete their –

835 **Hon. G H Licudi:** Mr Speaker, on a Point of Order.

Mr Speaker: What normally happens during the course of a Budget debate, is that if you ask a Member to give way very early on in his speech, the Member may very well want to make more progress before he gives way. He is developing a point and he may want to make more progress and it is a right, which the hon. Member who holds the floor... It is his right to decide at which point he does or does not give way.

840 Now, does the Hon. Mr Licudi have a Point of Order?

Hon. G H Licudi: Yes, Mr Speaker, that is absolutely right, and this is the first occasion that I have asked for the hon. Member to give way.

845 I have already made my contribution so I do not have a right to reply. This is after all the... (*Interjection*) This is, after all, the debate on the Second Reading of the Bill, and it is quite normal in other Parliaments for there to be exchanges across the House whenever a point is made and it is important to clarify a particular point.

850 It is a matter of courtesy, especially with the hon. Member having said that I was not here before and not having corrected as soon as I came in – especially in that light. It is a matter of courtesy for the hon. Member and it is good for the debate, especially when the hon. Member has made a serious point of there being proceeds of... an allegation of persons out there enjoying the proceeds of crime in Gibraltar with impunity. It is important for the hon. Member to say exactly what he means; who is out there, who is enjoying the proceeds of crime in Gibraltar with impunity? Certainly, we do not know of anybody.

855 **Mr Speaker:** I am not sure that that is a Point of Order. What I would suggest is that the Hon. Mr Licudi may wish, before the Hon. Mr Figueras terminates... before he finishes his contribution... ask him to give way as he nears the end. I think that that would be better procedure.

860 **Hon. S M Figueras:** Mr Speaker, I am grateful for your intervention. I have to say that unfortunately the Hon. Minister was not in the Chamber when I was being tremendously complimentary of him.

865 **Mr Speaker:** The hon. Member will give way. The fact that an hon. Member is, or is not, in the Chamber does not mean that they are absent, because all Members have to sometimes transact business, attend to telephone calls, or what have you, and they are in the Antechamber. So, that should not be a reflection of the fact... that should not be an indication that they are not necessarily following the proceeding in the House.

870 **Hon. S M Figueras:** Mr Speaker, with respect, and for the avoidance of doubt, it was not a suggestion at all, when I was making reference to that. I was simply saying that it was unfortunate that he was not in the Chamber when I was about to be complimentary and to congratulate him on matters of his responsibility, and the fact that we have enjoyed a hitherto very positive exchange across the floor in respect of matters arising in this portfolio.

875 As far as his quasi Point of Order is concerned, it is a matter of general observation made in respect of some – and again the word used was ‘some’ and I will not labour the point too much further – of some in the community known to be living on a criminal lifestyle.

But, Mr Speaker –

880 **Hon. G H Licudi:** Mr Speaker, it is a Point of Order, because when Members make observations in this House they are responsible for the accuracy. They are responsible. Members of Parliament are responsible for the accuracy of every statement they make in the House and what the hon. Member is saying is that there are members known out there to be living off the proceeds of crime with impunity, as if the forces of law in Gibraltar know about that and are doing nothing about it.

885 That is absolutely incorrect and the hon. Member should correct it.

Hon. D A Feetham: Mr Speaker, may I... ? Mr Speaker, may I... ?

890 Mr Speaker, I rise because, having also been Minister for Justice for four years, I know something about this. Look, Mr Figueras has not made a statement criticising law enforcement officers at... *(Interjection)* No, he has not. *(Interjection)* No, he has not. No, he has not.

Indeed, in the United Kingdom, they have introduced this particular type of legislation, which you and me have had exchanges across the floor of this House, and, indeed, you yourself said that it is something the Government was considering.

895 Of course, this particular type of legislation is introduced precisely because it is very difficult for law enforcement officers to actually pin a crime on an individual, but then, of course, it is obvious from the lifestyle that that individual is leading... that that individual’s lifestyle is not commensurate with their job or with his employment status. That is a very sensible... *(Interjection)* It is a...

You cannot expect, Mr Speaker, for the Hon. Selwyn Figueras to name individuals.

900 **Mr Speaker:** Could we have some order and pay attention to each other. It is a matter of common courtesy, and that is how it has been all day yesterday and earlier this morning. *(Interjection)*.

Hon. D A Feetham: Mr Speaker, I am very grateful.

905 It is not a question of identifying – and if the Hon. the Minister for Justice has misinterpreted the point, I think that nobody on this side misinterpreted it – it is not a question of identifying individuals and saying: ‘well, if there is an obligation, Mr Figueras, to identify individuals’. The reality is that, not only in Gibraltar but in all parts of the world, this happens.

The way that one deals with it, and the way that Mr Figueras is inviting the hon. Gentleman to deal with this, is to introduce legislation dealing with... effectively, being able to explore somebody’s lifestyle with the job and income that that person receives.

910 I do not think this is a Point of Order, I think this is a point for the Hon. the Chief Minister, who has a right to reply and, traditionally, has always responded to every single speech on this side of the House, to do so and it is not something that the hon. Gentleman ought to be offended by.

915 **Hon G H Licudi:** Will the hon. Member give way before he sits down? Just for one point –

Hon. D A Feetham: Mr Speaker, I think that the problem that we have here is *(Interjection)* that it really is destroying the contribution of my Hon. and Learned Friend Mr Figueras’s speech. It is the second speech that he gives in this house. The hon. Gentleman is far, far more experienced and really he should not be making the fuss that he is making. Allow him to continue. You can make whatever points you want to the Chief Minister and he can then respond. I think that is common courtesy.

Hon G H Licudi: ...*[Inaudible]*so is it the case that the hon. Member is giving way just to clarify one particular point? So the hon. Member does not want to hear our response to that particular point when –

925 **Mr Speaker:** I am afraid that the Hon. Mr Licudi, much as he is trying, does not have the floor, because hon. Members of the Opposition have the floor at the moment.

930 **Hon. S M Figueras:** And I am grateful, Mr Speaker. *(Interjection)* I return to, and I expect the hon. Members opposite will afford me the opportunity to complete my contribution to this debate in much the same manner as we have allowed the lion’s share of the Ministers... of the Members opposite to do so in the last few hours in this House. *(Interjection)*

So some in our community enjoy the fruits of this criminal lifestyle and do so with impunity. The Proceeds of Crime Act in the UK empowers law enforcement authorities to seek confiscation orders, in relation to persons who benefit from criminal conduct – and, Mr Speaker, I am conscious that I may have

935 dealt with this already, but I simply want to set the tone once more briefly – and to make provision about investigations relating to the benefit from criminal conduct.

By legislating along the lines of the Proceeds of Crime Act here in Gibraltar – and this is the point I was getting to, that perhaps the Minister would do well to listen to – we would begin, or could begin, to target those in our community who, by their lifestyle, remain a dangerous and enticing example for otherwise law abiding citizens yearning for a fast buck or indeed that easy life. (A Member: Hear, hear.) (Banging on desks)

940 We must ensure that the maxim that crime does not pay, holds true in our community. Seizing upon an initiative of this kind, Mr Speaker – and this is not a criticism of the Government, which seems to be how it is being taken – would help to allay fears in the community that Gibraltar is falling off the wagon, or veering from the course set by the GSD Government back in 1996. A course away from criminality and a course away from the easy come easy go criminal lifestyle.

945 The GSD steered that course through stormy seas for 16 years, and now this Government has the opportunity to hold her steady and eradicate all that was bad about that episode in Gibraltar’s history, and ensure it never returns. On that note, I would like to make one further observation in relation to Justice and Home Affairs, before I turn to Financial Services.

During the last few months, the Opposition has openly been supportive of the Government in the work it has done to try and deal with the consequences of the busy tobacco trade. The Opposition has congratulated the Government on its initiatives in this regard, going further to ask when the Government will be delivering the East Side berth for law enforcement agencies to use in their daily struggle. This is a matter that the Hon. the Leader of the Opposition also referred to in his address in this debate. I also note yesterday’s announcement, by the Hon. the Chief Minister, of an increase in 10p per packet on the price of a packet of cigarettes, bringing the total increase in price to 25p over the one year.

950 However, despite all these measures, the figure for import duty has suffered a steep increase year on year, and that certainly is worrying. There can be no denying that Gibraltar has over the years benefited from the significant sums of revenue from import duty, but as the former Leader of the Opposition, the Hon. Sir Peter Caruana referred to yesterday, that source of revenue remains susceptible to factors outside our control. It is with this in mind, that we will continue to observe the Government’s management of this particular issue, to ensure that our community’s longer term interests are served as well as possible, and remain at their disposal and willing to assist in the handling of what is, and we acknowledge, a very delicate matter.

965 Turning now to, I trust, the slightly less controversial subject of Financial Services. (Laughter)

Hon. G H Licudi: Mr Speaker, he has finished his contribution on Justice –

970 **Hon. S M Figueras:** No, no, I think I am going to progress, Mr Speaker. (Interjection) No, I think I am going to take the opportunity to complete my address to this House. (Interjection) Mr Speaker, I am genuinely surprised by the nervousness of the Members opposite [Inaudible] in respect of this matter. (Interjection) Mr Speaker, perhaps I could have the floor?

975 **Mr Speaker:** Order please. Will hon. Members please give an opportunity to the Member who holds the floor to conclude... to carry on with his contribution. (Interjection)

Hon. S M Figueras: I am grateful, Mr Speaker.

980 On the subject of financial services, I wish to thank the Hon. the Chief Minister for bringing the news of ECOFIN’s approval to this House yesterday morning. I further proudly associate myself with the remarks made in that context by the Hon. my Learned Friend, Sir Peter Caruana, as it is a source of much pride to form part of the political family that presided over this community’s transformation during my hon. and learned friend’s stewardship at its head. (Several Members: Hear, hear.)

985 I note the Minister’s comments about the new areas being explored – new avenues for business, and the use of new and fresher strategies in the marketing of Gibraltar plc – once again being complimentary, Mr Speaker.

The Minister can count on this party’s support in respect of all sensible measures being pursued by the Government to further develop the financial services products, and to spread the message of Gibraltar’s value in international financial services far and wide.

990 Conveniently, given the interplay between both fields, I would like to take this moment to deal, momentarily, with my responsibility as Shadow Minister for Immigration and remind this House that Members on this side of the House were happy to support the introduction of the visa waiver system earlier this year.

995 It was a personal pleasure to collaborate with the Hon. Chief Minister in this House on that measure. (Interjection) The Hon. the Chief Minister knows that I share his view that it can only be good for

Gibraltar to explore and develop relations with our neighbours to the south, as an entirely natural extension of our very strong links to Morocco, through our local Moroccan community.

1000 In fact, it is with much satisfaction that I watched Miss Maroua Kharbouch take the crown of Miss Gibraltar in this year's pageant – becoming our representative for the upcoming Miss World contest. I think that all hon. Members will agree that Miss Kharbouch will be able to capture everything that is good about the Gibraltarian spirit of community and the wonder of our peaceful multicultural existence. Miss Kharbouch's representation of Gibraltar is, in my view, a brilliantly positive story, which will only help to bolster the work of our own Miss World, and all our Miss Gibraltar's before or since.

1005 I also note the Chief Minister's comments yesterday, in relation to the directions due to be issued in respect of the territories of Brazil, Russia, India and Japan, and the installation of biometric scanners at all entry points to Gibraltar. Whilst this is certainly capable of bringing further investment and activity to Gibraltar, I have just a few cautious words to say about this particular bit of news.

1010 Gibraltar's success is built on three things: reputation; reputation; and reputation. In fact, the Hon. Sir Peter Caruana often referred to reputation as being Gibraltar's only commodity. Expansion into, and the pursuit of opportunities in territories hitherto undiscovered, such as the [*inaudible*], must in my view be accompanied by a resolute adherence to the highest levels of care and compliance, almost to the point of paranoia, if necessary, to ensure that the romance of the new opportunity does not inadvertently lead us into harm's way. I know the Chief Minister understands these concerns, and for that reason, I am happy that he and the Minister for Finance are both alive to these matters and will proceed with due caution in this regard.

1015 Mr Speaker, Gibraltar's transformation from old school offshore centre to onshore specialist finance centre, complying with all EU and international obligations, has been down to the hard work of the industry, and the sensible, mature and competent management of all the challenges Gibraltar has faced over the last 16 to 20 years.

1020 Our success – Gibraltar's success – is down, in no small measure, to our ability to adapt and thrive in the face of an evolving European and global regulatory landscape. Re-inventing ourselves as we go along, complying when required to with wave after wave of EU legislation.

1025 Much as I am a proponent of this approach and an evangelist of the Gibraltar story – hence my highlighting of Gibraltar's presence on the IOSCO list on non-compliant jurisdictions some months ago – the direction in which financial services regulation is going is a source of some concern; namely the move towards automatic exchange of information and the creation of registers for use, in the first instance, by law enforcement authorities and then by extension tax authorities around the world.

1030 Gibraltar cannot – and I cannot stress this enough – and should not, seek to stem the tide of regulation. As it must remain committed, as it is, to continuing the work it has already done for many years in combatting money laundering, the financing of terrorism, and more recently tax evasion or rather, what is more recent, Mr Speaker, for the avoidance of doubt, is the trend to deal with tax evasion, as evidenced by the exchanges between the Ministers opposite, the Members opposite and the UK Government in recent times. (**Hon. G H Licudi:** We already do.)

1035 I feel compelled... Indeed, indeed, indeed and I acknowledge that. I feel compelled, however, to quickly raise the point that may be worth bearing in mind moving forward. There is a palpable concern, which I and others... and I really do not understand this nervousness emanating from the other side of the House. (*Interjection*) No, no, no, yes.

Mr Speaker, perhaps I can have the floor?

1040 **Mr Speaker:** Will the hon. Member sit down.

A Member: Yes, by all means.

1045 **Mr Speaker:** I think hon. Gentlemen, particularly in the Government side, have to bear in mind that a number of them have made speeches, yesterday and today, and some of those speeches have contained barbed comments about Members of the Opposition when they were in Government. They may not have liked what was being said but they took it on the chin and there were hardly, if any... I do not think there were any interruptions yesterday or this morning, and that is how I think we ought to proceed. Common courtesy demands that that is the way to proceed.

1050 On the Government's side you have nine speakers, so it is not beyond the ability of any of them to respond, later on, to other Ministers, who respond to points that are being made by the Members of the Opposition.

1055 What is more, the Chief Minister has a right to reply, and in that right to reply is usually a winding-up speech, in which he will have an opportunity to address all these matters. So I would ask hon. Members to maintain the decorum, the good behaviour that we have had throughout yesterday and today.

Now, I will give the Chief Minister an opportunity to rise and then I will ask the Hon. Mr Figueras... and call again upon hon. Members to allow him to carry on with his speech without unnecessary interruption.

1060 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I am grateful for the way that you have called the House to order. It is important that in this very detailed and important debate, there should be order in the House.

I acknowledge what you say, but if I may, Mr Speaker, I think that the issue that has arisen is not one of barbed comments. There will be barbed comments of course, during this debate and this is a parliament, and a parliament without barbed comments is an encyclopaedia of facts, and not a parliament. But there is one issue that the hon. Gentleman has said, which I will take up now as a point of information, for him and for the House, and it is important that we do it.

1070 This is not nervousness on the side of the Opposition; this is the reputation of Gibraltar, internationally. (*Interjection*) Since 199... and he will want to hear me, Mr Speaker, because he is an operator in the financial services field, and he needs the information if he is going to go around marketing Gibraltar. Since 1994, Gibraltar has had tax evasion as a crime, (**A Member:** Absolutely.) laundering the proceeds of which would be a crime. I think what has happened, Mr Speaker, is that, on this side of the House, we have interpreted his last comment as meaning that we have only recently done that. If he accepts that, then there is no issue in respect of his last comment.

1075 **Mr Speaker:** I will not allow any more interruptions to the contribution of the Hon. Mr Selwyn Figueras.

1080 **Hon. S M Figueras:** Mr Speaker, I am grateful for your intervention once more, and for establishing what us, on this side of the House, know to be the correct way to manage this debate, and that is to not interrupt and allow contributions to be completed.

On the point that the Hon. Chief Minister has just made, I have not suggested for a moment that we have not been dealing with tax evasion for as long as we can recall in the financial services industry. If he has interpreted it in that manner then he has, unfortunately, misinterpreted it.

1085 There is one point, if I can find my place in my address following the various incidents; (*Interjection*) Gibraltar cannot and should not seek to stem the tide of regulation – certainly not. But there is a palpable concern which I, and others in the profession here and elsewhere, have expressed about the distinction between the taxation implication for an individual seeking to avail him or herself of the services a jurisdiction like Gibraltar, or others might be able to offer, and the importance of the confidentiality and/or security of the information itself.

1090 Concern is growing for the security and confidentiality of information shared on registers, or between tax authorities around the world, for very good reason. In times of austerity – where communities around the world are facing more cut backs, more cuts in salaries, and cuts in services – wealthy families are increasingly becoming exposed to risks of being targeted by those less fortunate and those of less noble intent.

In certain countries around the world, Mr Speaker, gangs are resorting to stealing tax return documentation to help them identify wealthy families, and then proceeding to kidnap a family member for ransom. They are then showing the hostages copies of this documentation as a means of telling them: ‘we know what you are worth’.

1100 This is a concern that has been raised – not just in Gibraltar but certainly as part of my professional endeavours in a recent visit to Switzerland. And, in a world where the likes of Google, Amazon and Starbucks, and generally the well-to-do, have become easy and populist targets for politicians around the world – who decry the use of tax mechanisms to limit or reduce taxes payable by such giants of business, despite the wealth such companies generate for the communities in other ways – is it preposterous to suggest that the sharing of sensitive information between tax authorities and other agencies could be a matter of concern for finance centres like ours? I certainly do not think it is.

1105 I am keen to stress that my concern is not one of the potential limitation that this move towards automatic exchange may represent for Gibraltar’s product, but simply that the more places information is stored and shared, the more likely it is to be found and put to the wrong use. In that context, I trust that the Minister will just take this on board and bear it in mind as we move together along this international political agenda in Gibraltar’s future.

1115 Finally, Mr Speaker, and commenting generally on the impact of his Government’s labour policies on this area of business – and here come the barbed comments – it has to be said that if there is a home grown threat to the continued well-being of our financial services and other service industries, such as gaming, it is his hon. colleague the Minister for Employment’s worrying and over-protectionist labour policies, which threaten the viability and commerciality of local business.

1120 I need to make clear that this party on this side of the House is all for creation of jobs for locals as a priority. We are committed to taking care of our own. However, whilst bearing that in mind, we would be fools, Mr Speaker, to allow the party political pursuit of unchecked nationalist and protectionist policies, which impose barriers to business in an already difficult context, to shape the administration of labour in Gibraltar.

1125 In that context, I would now urge the Government to tighten policy controls to ensure that none of these anachronistic and unnecessary polished shenanigans see the light of day, as the last thing the lawyers in this House, of which there are a few, and the rest of the professional community at large, wants to see is the effective souring of the milk for businesses operating here. **(Several Members: Hear, hear.)**

1130 On that note, I move on to Traffic and Transport, Mr Speaker, and these are both areas for which I have significant interest – both as matters which affect the community as a whole, and as matters for which, as a petrol head with a keen interest on two-wheeled pedal-powered transport, I have a special affinity for.

1135 I will say, Mr Speaker, that, much as the Chief Minister thought he was making, of labelling me a petrol head in his reply to this debate last year, it is accepted wisdom that you are not a real petrol head unless you have owned an Alpha Romeo. I have not had the pleasure of owning one, but perhaps the Hon. Chief Minister himself knows others in the Chamber who have indeed had one, or maybe even two.

1135 **A Member:** I have had two.

Hon. S M Figueras: Thank you.

1140 On transport, I have had the pleasure of dealing with my good friend, and I recall one time colleague, the Hon. Minister for Transport, on these matters and, in particular, in relation to the GibiBikes urban bike rental scheme and its development. I will admit, Mr Speaker, that I was not encouraged to hear, very shortly after the General Election of 2011, as the Hon. Minister for Transport declared cycling dangerous in this House at the drop of a hat. On that basis, I feared for the survival of the urban bike rental scheme and the outlook for cycling generally in Gibraltar.

1145 I can reveal, however, that I have been working very closely with him on this particular subject, and I am hopeful that we may be able to collaborate across the floor of this House, to bring about a solution for a much loved and needed service in Gibraltar.

1150 In relation to the buses, Mr Speaker, I was also aware from the Hon. Minister, that work was afoot in respect of the replacement of the bus fleet for Gibraltar. Equally, given my Hon. and Learned Friend Mr Damon Bossino's intervention on the subject of the deterioration of the bus fleet during last year's Budget speech, I understand, and have experienced for myself, that the standard of repair of our bus fleet, one of the standard bearers for Gibraltar and all it represents in the 21st century, is much improved. I eagerly anticipate further news on the fleet's replacement, as I am keen to understand which solutions are being proposed for our community in this respect.

1155 As far as the taxis are concerned, Mr Speaker, also this is a work in progress, which we will give the Government the benefit of the doubt, in respect of, for some time, in order to allow for the new GPS enabled meter system to have an opportunity of having an impact on the service. I am hopeful that this service will improve, particularly at the border and airport at peak times, given that I continue to receive some reports of delays and difficulties in that regard.

1160 I am, Mr Speaker, as hon. Members on both sides of the House I thought now appreciated, but I am not sure of any more *(Laughter)* able to recognise the good and the bad in local politics. The Sardeña affair has to be a rather unsavoury and inevitable black mark on this Government's record so far. The manner in which the whole thing has been handled has, frankly, fooled no-one. The fact that we are still pending resolution, in respect of what should be a relatively straight forward matter, just does not inspire confidence. I am not going to rehearse the facts or chronology of this case again, Mr Speaker, as it is entirely unnecessary and I am not in the business of wasting this House's time.

1170 The simple reality is that in this day and age, when information is so easy to come by, the spectre of cronyism, favouritism and contracts for the boys looms large over this Government's term in office so far. **(Several Members: Hear, hear.)** It is important also to note, Mr Speaker, that it is down, in no small measure, to the dedication of concerned individuals, who bring matters of this ilk to our attention that we continue to do such sterling work in Opposition. *(Interjection)*

1175 By way of a side note, before returning to the substance of traffic, it is perhaps one of the more notable down sides of living in a community as small as ours that, during the GSLP's second reign of... second reign, *(Laughter)* few of those with the ability or fora to publicly air these matters in a non-partisan, independent and objective manner are put off their noble pursuit for fear of consequences on their personal lives. *(Interjection)* And in that context, I must admit, Mr Speaker – *(Interjection)*

Hon. Chief Minister: A hugely important Point of Order.

1180 The hon. Gentleman has got up in the Parliament of Gibraltar and said that there is fear for people's lives? Has he said that, Mr Speaker? That people fear for their lives? Because, if he has said that, I am going to ask that you ask him to withdraw. (*Interjection*)

Hon. S M Figueras: Mr Speaker, no I have not said that.

1185 I have said that... and I will read it – thankfully it is written so I can say it again – that few of those, with the ability or fora to publicly air these matters in a non-partisan, independent and objective manner, are put off their noble pursuit for fear of consequences on their personal lives. There is no matter – (*Interjection*) On their *personal lives*, yes, (*Interjection*) yes. Mr Speaker, the Hon. Chief Minister's nervousness gets the better of him once more. (*Laughter*)

1190 However, in that specific context... (*Interjection*) Specifically in that context, Mr Speaker, I must admit that the Government has indeed been very innovative in respect of one Gibraltar's hitherto most vociferous writers. If you cannot beat them, employ them.

Turning now to deal with traffic, I found it very interesting yesterday that the Minister should tell us about 100 additional parkings in Catalan Bay when, just last month, I had asked him whether there were going to be any additional parkings and he flatly said 'no'.

1195 I also note from the Hon. Minister for Traffic's comments during last year's intervention – something, which I consider is very telling about the Minister's approach to this area of responsibility – the Minister said 'that the Trafalgar Interchange', Mr Speaker, 'was an example of a project where the previous administration did not research the project enough before going ahead', hence the supposed nightmare arrangements for pedestrians negotiating it. Surely, the Minister understands, or at least we hope he does, Mr Speaker, that the design of something like the interchange simply cannot take the interests of all stakeholders and give them all equal weight.

1200 Highways Engineers – the Ministers now own civil servants – will have surely participated in the process to build an interchange – to design and build an interchange – to favour the largest group of users, whilst trying to limit the inconvenience for smaller groups. That is what is has to be about, doesn't it, Mr Speaker?

1205 But be that as it may, I can go no further in this speech without mentioning the all-consuming ever present Sustainable Traffic and Transport Plan. The GSD Opposition has long since accepted, a long time ago, that the Government was always going to take the GSD's integrated traffic management plan and rubbish it, with a view to establishing a more realistic starting point for achievement in this field.

1210 The survey is, apparently, now complete and we wait, with bated breath, until the data is collated, a report produced, and recommendations made. We wait with bated breath because there are not many questions that my predecessor or I have asked of the Hon. Minister for Traffic that have not been met with the standard form of reply: 'let's wait and see what the survey says'.

1215 I will admit, Mr Speaker, that I was, for some time, unsure as to my hon. and learned friend Mr Damon Bossino's impatience with this portfolio, until I inherited it. It is a frustrating exercise too, as question after question invokes the same answer.

I understand that there is a plan being drawn up and that, since we are paying for the thing, we might as well wait and see what it says.

1220 **A Member:** A lot of money.

Hon. S M Figueras: But surely we cannot be shackled by the terms of reference to do nothing. I have commended the Hon. Minister on the installation of the intelligent traffic lights at the junction of Queensway and Europort Avenue, as well as the installation of pedestrian crossings on Bishop Caruana Road. Can we do no more than that while we wait for the plan to be complete?

1225 What is certainly a contradiction in terms, in my view, Mr Speaker, is the Government's stated intention of waiting for a plan to be devised for sustainable traffic and transport for Gibraltar, and their determination to tick every box in their manifesto, which includes the commitment to deliver double the number of car parking spaces in the area of Commonwealth Parade.

1230 Isn't it correct to say, Mr Speaker, that if the plan – the Sustainable Traffic and Transport Plan – is the centre point of everything they do to fix Gibraltar's perennial traffic problems, much improved by the GSD Administration during their 16 years in Government (**Several Members:** Hear, hear.) (*Banging on desks*) that they should be putting some time of caveat on that particular commitment? Something along the lines of: 'we will deliver twice the number of parking spaces, subject to approval and advice received from Messrs Mott MacDonald'.

1235 The Sustainable Traffic and Transport Plan may well prove insightful. It may even prove to be helpful. The problem is that, like me, there are many in the community that cannot shake the idea that the plan is just a cynical ploy to either avoid investing in any major programme of infrastructure works on our roads during this term, or perhaps a way to disguise the fact that this Government simply does not have any ideas of its own in the traffic context.

1240 One thing is clear; the massive strides this community took, in the context of traffic management in Gibraltar during the last 16 years of the GSD administration, is a matter of record and attributable to this party, the party that I proudly form part of today. The GSLP Government, Mr Speaker, will struggle to deliver progress on such a scale and will in future, I am sure, happily point the finger at the Sustainable Traffic and Transport Plan as the root of all it does or all it does not do.

1245 And so, Mr Speaker, I would like to say a few final words to conclude my contribution to the debate this morning. What this Government has done since it took office, is to take a ship that was sailing well in stormy seas, kept her on an even keel and proceeded to polish the bells and whistles... (*Interjection*) (**Some Members:** Hear, hear.) (*Banging on desks*) whilst drawing as much attention as possible to the buff and the blush as they can muster.

1250 They have been conscientious, Mr Speaker, indeed they have; conscientious to ensure that they have not missed a single opportunity to blame the GSD and rubbish its legacy; blaming us still – 18 months after they took office – for all the problems and crises of their own making.

1255 The Hon. the Deputy Chief Minister said to us yesterday in this House that everything they do, they do because they just want to make Gibraltar a better place. I wonder, Mr Speaker, whether in order to make this a better place they are satisfied that misleading the electorate at by-election time is the way to go. They say that the only vote that counts is a vote for their candidate, that any other vote is a wasted vote. This, Mr Speaker, betrays the reality of the value that they place on democracy. They tell the electorate that this is an election for a Government seat and that, as their candidate is the only one that could fill it, a vote for any other candidate is a wasted vote. They choose, Mr Speaker, to shamelessly mislead the electorate about the by-election, desperate to secure a victory, whether they have to put their principles on the line or not. Something that they have shown time and again that they are happy to do.

1260 But it is particularly peculiar today, Mr Speaker, because the Hon. the Chief Minister has, himself, said that he could easily run Government with nine Members. With their keen eye on expenses, and their ability to run Government in its current streamlined form, why is the Government so keen on an electoral victory, Mr Speaker? The Government is, once more, deceiving the electorate in the fashion of their handling of the referendum on our constitution, by saying that to vote for anything other than the GSLP is to waste a vote, because it is nervous about its popularity, its very *raison d'être*.

1270 We on this side of the House are excited about the election, contrary to the negative campaign of the Government. We are out in the community going door to door, telling constituents how important it is to go and vote, whoever they decide to vote for. Clearly, Mr Speaker, we believe the GSD is the absolute best option for this community (**Some Members:** Hear, hear.) (*Banging on desks*) but we are not willing, despite our confidence in that, to deceive or dupe the electorate into giving us their vote. The Government, on the other hand, will.

1275 Let them be reminded that it was they who were told, on three separate occasions, by this electorate, that they were not wanted – by an electorate consumed by frustration and the divisive negative and irretrievably partisan politics of the GSLP. Let them be reminded, Mr Speaker, further, that it took almost 16 years of political attrition for the GSD and an election bonanza, offered by the party now in Government, to shoehorn themselves into Convent Place without a majority of the electorates vote on their side. (**Several Members:** Hear, hear.) (*Banging on desks*)

1280 They have done some good work, Mr Speaker, they have, (*Interjection*) and I will happily acknowledge that. But, as a good friend, who knows a thing or two about politics, recently told me, (*Interjection*) the biggest danger with the Members opposite is their narrow mindedness – the fact that all they are thinking about is their own party political agenda and nothing else. He went on to say that so long as they are ticking boxes in their manifesto, that is all they care about. I do not enjoy agreeing with my friend any more these days, but he was certainly right about that.

1285 Thank you, Mr Speaker. (**Several Members:** Hear, hear.) (*Banging on desks*)

Mr Speaker: The Hon. Miss Samantha Sacramento.

1290 **Hon. Miss S J Sacramento:** Mr Speaker, it is a pleasure to address you and set out my Budget for the year ahead, which follows an extremely busy and productive year.

1295 Having had the benefit of being in office 18 months, I can proudly say that there has been a marked difference in the work that has been undertaken by my Ministry and my Departments. This year, I have an additional portfolio that I have taken over since the sad passing of my colleague and very good friend Charles Bruzon. While I do not have the years of wisdom that Charles had, I hope to continue what he started and do him proud in dealing with the Ministry for the Elderly, with the same dedication and hard work that I apply when dealing to the rest of my portfolio.

1300 This past year has mainly been spent addressing pressing social matters, which were neglected or forgotten by the previous Administration; forsaken by misspending on luxurious projects. The most visual of these are probably the intervention at the RNH Estate, and the changes at the old St Bernard's Hospital that I will refer to in greater detail further on.

1305 Mr Speaker, last year I described the Care Agency as a monster, an uncontrollable beast, because this is the way that both its management and staff felt. Through constant reviews of the service and working very closely with the Chief Executive and management, while, of course, not yet perfect, I am happy the general feeling that the Care Agency report is that it is greatly improved and is, nowadays, much less of a beast. It is felt, throughout the Care Agency that it now has direction and everybody is focused on the path they need to take.

1310 Importantly, I am told that there has been a significant improvement in staff morale. This was incredibly low when we took office, not least due to the disjointed management of the place. People tell me that they are now proud to say that they work for the Care Agency because they have the tools and are in a position to deliver.

1315 The focus of the Care Agency now is to make it a great place to work, to deliver effective and professional services and optimise the outcomes for its service users. The central administration of the Care Agency is now better consolidated and more cohesive. We have had a new Chief Executive since October 2012, in an acting capacity. I have been working very closely with the CEO to improve and develop the Agency. This has also meant that the previous acting Chief Executive has reverted to her substantive role as Clinical Standards Compliance Director and has been able to lead on the training needs which have, this year, been delivered in an unprecedented manner, and will continue to do so in the year ahead.

1320 As stated in my Budget speech last year, training for staff is an essential component in social care. Last year, we increased the complement to introduce a new training co-ordinator post, a training assistant, together with administrative support. This enhanced team has allowed the delivery of training and development of new and existing staff, in addition to collaboration on multi-agency training. The Care Agency is continuing to strive towards ensuring that its workforce has appropriately skilled people in the right places, working to deliver high quality care.

1325 For the first time, the training team is working closely with the managers from each of the services, ensuring identified training needs, which include specific subjects identified by them.

1330 The generic core training programme continues to be held regularly in response to service demand, ensuring trainees receive the necessary underpinning knowledge to allow them to work within the Care Agency, while they gain further practical and theoretical experience prior to taking up employment in the Agency.

1335 The generic core training programme is continually evaluated, improved and developed, based on feedback and current research. Last year a total of 65 training sessions were delivered, as compared to 59 in the previous year. Furthermore, a lot of this training is now being undertaken by the Care Agency's own specialised and experienced staff; thus reducing the cost of having to commission external training. The number of in-house key trainers for the past year, trained to deliver training, has increased to 46. The year before, the figure was 24.

1340 I am particularly proud, Mr Speaker, that we are now delivering our DCRT training in-house. Whereas before, this was commissioned externally, we have now trained four Care Agency employees up to Level 3 in DCRT. They have also undergone the trainer course and they are the ones who are now delivering DCRT training Level 1 and Level 2 to all the staff in the Care Agency. In addition, this year the Care Agency has seen 14 employees achieve Level 2 NVQ qualifications in health and social care, and five employees achieve A1 NVQ Assessor qualifications.

1345 The Care Agency will continue to invest in its staff to undergo NVQ training, as well as support care staff who may wish to apply for enrolled nurse training provided by the GHA. The Care Agency is now working closely with the GHA and is sharing learning opportunities. Staff from the Care Agency have attended courses provided by Kingston University at the GHA.

1350 We have also been working with the Tourist Board in order to provide training for their staff, particularly life-guards, to allow the continued running of the extended accessibility facilities at the beaches.

1355 Turning to administration, Mr Speaker; in my speech last year, I expressed shock when I discovered that the salaries paid at the Care Agency were calculated by hand, using the old Kalamazoo system. I can confirm that the salaries, which were historically done manually, are now processed electronically. This has finally become a reality for all those concerned who never thought this would materialise.

The element of error has now been reduced drastically as all calculations are undertaken by the programme, and staff have been released of the stress they previously endured. All necessary reports are produced by the programme and payslip advice is now in line with all other Government Departments and Authorities.

1360 Another small investment this Government has made in the administration of the Care Agency, is in commissioning a database for Human Resources. This will entail the inputting of all employment and qualification details of personnel, allowing information of every single one of the almost 600 employees of the Care Agency. This will allow a full amalgamation of Human Resources, which had not yet materialised, even after four years since the inception of the Care Agency. So, although this is a small

1365 financial investment, it is a huge one for the service, as working without this database has been a nightmare for the staff at Human Resources.

The structure of Human Resources has slowly been regularised and is now working in better conditions than when I inherited it from the previous Administration. A new staff handbook has been commissioned. Essentially, the two handbooks of the previous Elderly Care Agency and Social Services Agency were never consolidated, and the Human Resources Department continued to operate as two
1370 separate departments, until last year.

Turning to Social Services, Mr Speaker, a review of which is continuous; this is comprised of four teams: Children and Family; Adults; Drug Rehabilitation; and Probation and Disabilities.

Last year saw an expansion of staff by two social workers. This year there will be an increase of a trainee social worker post, and there has also been an innovation this year in the creation of two posts of assistants to social workers. These are administrative posts which provide dedicated support to social workers, to enable the latter to better dedicate their time to social work. Insofar as the Children and Families team, Mr Speaker, the ongoing review of the Care Agency is markedly apparent in this team. This is a service that is not without its problems, given the complex and reactive nature of the work undertaken.
1375

We have looked seriously at service delivery and service improvement, to improve outcomes for children and young people who require this service. This team has, in the past year, progressed from child protection to a broader safeguarding agenda. The aim is to progress this service from being a reactive one to a preventative one, but this is not an outcome that can be achieved overnight. There has been management restructure within the team, and staff are more autonomous in their decision-making and better supported in terms of supervision.
1380

As a result of yet last year's growth posts the service has developed tremendously this past year, not least, it has assisted in reducing the case load of the other social workers. One of the new social workers appointed last year has a background in working with children with disabilities, and a lot of work is being undertaken developing policies, such as the provision of respite for children with disabilities.
1385

The Children's Residential Team has also been reviewed. In this context, we are also looking at providing for children with challenging behaviour, as well as for secure accommodation. This is not a simple thing to do, but we are looking at it carefully so as to get it right, given the importance of this facility.
1390

Furthermore, the Family Team have the additional responsibility of managing Court Welfare, which was transferred to this team at the end of last year. Management and staff have dealt with the transition and absorption of this service admirably. This team is also looking at developing an adoption and fostering policy, and we are, at present, undertaking a review of the Adoption Act. There has been great emphasis on training for professional staff, and social workers have started attending professional training courses in the UK. Furthermore, last year the Care Agency subscribed to an online professional research tool. This enables social workers to access the latest research and practice developments, and provides them with invaluable current information.
1395

Safeguarding children is the top of this Government's agenda; it is an absolutely fundamental principle when it comes to child protection and safeguarding. The multi-agency child protection forum is proving very effective. This forum, of various Government agencies led by Social Services, includes representation by the Department of Education, the RGP and Health Services. Under this forum, the Care Agency provides Tier 1 and Tier 2 child protection training to Government Departments and the voluntary sector on a monthly basis. This past year, they have delivered a record number of training and now over 650 multi-agency professionals and volunteers have been trained. This has had a tremendous effect on raising awareness on child protection issues and is also a recognition that the responsibility for child protection does not only fall squarely on Social Services.
1400

By way of service development, we are in the process of commissioning the production of formal child protection procedures. This would provide a critical leap forward in the child protection agenda and will be instrumental.
1405

On the subject of child protection, Mr Speaker, a glaring hole that we discovered, is the lack of regulation of vetting of people who work with children. We have acted on this in very little time and have already drafted regulations on the vetting of people who work or volunteer with children and vulnerable adults. We hope to introduce this legislation as soon as possible.
1410

Turning to the Disabilities Team, Mr Speaker; the development of adult disability services this past year has been remarkable. This has been attributable in great measure by two factors. The motivational leadership of the acting team leader and the intense training provided to members of staff. The focus of the services provided by Dr Giraldi Homes and St Bernadette's Resource Centre has changed to provide structure and enrichment to services provided to service users. There have been a wide range of new activities introduced and greater participation in community events promoting integration. For example, this year saw the first ever sports day at St Bernadette's Resource Centre; an event that was held in conjunction with the GSLA, and a programme for employment of some service users has commenced.
1415

1420

1425

Mr Speaker, we have set up an enquiry into the allegations of abuse and misconduct in the Dr Giraldi Home, so that a line can be drawn under the allegations which have been hanging around and concern the community for far too long.

1430 Turning to probation, Mr Speaker; this service has continued to operate from within the Care Agency, although it works very closely with the Ministry for Justice. Over the past year the management of this service has been changed as part of the Care Agency review. Whereas previously this formed part of the adult team, it is now headed by a team leader who is himself a probation officer. Essentially the team has been augmented, with the appointment of a further probation officer and a part-time probation officer. As
1435 such, the team now consists of three probation officers – doubling the previous complement of 1.5 – and also a community service officer.

This team provides a vital service to the criminal justice system, in providing risk assessments to assist the courts in the sentencing process. In 2012, the Probation Services provided 160 pre-sentence reports to the courts, in criminal cases. Except for a small number of isolated cases, all these reports were delivered to the courts within the agreed timescale of three weeks. This is a significant improvement from
1440 the past and we have also implemented a system of quality control to ensure that all reports meet the exacting standards of the judicial process.

The enactment of the Criminal Procedure and Evidence Act 2011 has had a significant impact on how the Probation Service now operates. There is a new range of community disposals that the Probation Service is expected to manage; notably drug treatment and alcohol treatment orders. These present a real
1445 opportunity for offenders to break the cycle of substance abuse and offending that are so closely interlinked.

Another area that has seen much improvement is the unpaid work requirements, formally known as community service orders. Many local organisations, public services and charities have benefited from the scheme. For example, much of the refurbishment of the John Mackintosh Hall and at the Garrison Library is down to offenders completing these community sentences at these sites. I have to publicly
1450 thank the various placement providers for supporting the scheme. Community service now enjoys a degree of credibility and confidence that it lacked in the past. A special mention must go to our Community Service Officer who has worked indefatigably to achieve this.

A further important innovation for the Probation Service will be the use of a room within the new court building, which will be used as a base for probation officers during court working hours. This will result in the Probation Service being able to implement a duty system, to enhance the service it provides to the court, with a view to expediting pending court matters.

One significant development the Probation Service will focus on this year is the service it provides to the prison. Steps have already been taken to commence addressing this. The service has made contact with an organisation in the UK and will be undertaking a training schedule over the coming year, in order to better equip officers to carry out specific work with offenders in custody.

And now on the subject of drug rehabilitation, Mr Speaker; in last year's Budget Speech, I highlighted the state of the Drug Rehabilitation Services, as set up by the previous Administration, and how these were clearly failing to reach those individuals and families they were supposed to be helping. Statistics show how low the number of admissions to Bruce's Farm has been over the years. It is quite concerning,
1465 given that there is a substance abuse problem in Gibraltar.

I also addressed the lack of any focused or strategic thinking on this front. Over the past year, a clearer picture has emerged of the services and initiatives that need to be developed. I have spent a great deal of time listening to staff and all the stakeholders, particularly voluntary groups, who can attest to the open door policy that I have adopted with them. This has been instrumental in shaping the thinking on what needs to be done on this front. I am pleased to say, that as a result of assessing the situation this past year, this coming year will see a range of initiatives at all levels, that I am confident will impact on the issue that, as I said last year, we need to get right.

During my last Budget intervention, I pointed out that we need a complete rethink on how our drug and alcohol rehabilitation services operate. Over the last year, we have extended some of these services from a purely residential model to a more community based model, with promising results. At most times, more people have been seen within the community service than at Bruce's Farm Drug Rehabilitation Centre. Many of these would have had no recourse to any help in the past. We have also made the admissions process more accessible and flexible for those wishing to access Bruce's Farm with the input of the GHA.

As I speak, I am reliably informed that this week will see the highest occupancy of this service in over five years. We have also facilitated the process to assist inmates at Her Majesty's Prison, who genuinely wish to address their drug use and, so far this year, several inmates have been released on parole, subject to the condition that they complete a programme of rehabilitation at Bruce's Farm. Since 1999, only three
1485 inmates have been able to access Bruce's Farm via this route. However, I recognise that a lot more still needs to be done. The Drug Rehabilitation Service that this Administration inherited was a stale and

stagnant one, which was clearly limited, and not reaching out and helping those in the community in the way that it ought to.

1490 This last year has been one of taking stock; listening to the right people and identifying where the gaps in the service provision lie. I recently had the benefit of visiting the UK, with two senior officials from the Care Agency, in order to familiarise ourselves with the established and respected provider of community drug rehabilitation services. This is helping us to develop a clearer picture on how this model can be adapted and implemented locally. We also need to improve the current residential rehabilitation model and to this end, a visit has been planned to a centre in the UK with a view to enhancing our practice, training, as well as developing other joint initiatives.

1495 In addition to the provision of facilities available, Mr Speaker, I have been working on the establishment of a working group that will be tasked with producing a strategy on how to deal with the drugs problem in Gibraltar. This group will not be a stagnant paper exercise, as was the case with the Drugs Strategy that was developed by the previous Administration in 2003. It will be a dynamic project that will produce real outcomes. The committee will consist of individuals with a wealth of experience spanning a range of disciplines, including the public and voluntary sector. Crucially, it will also include past service users of the rehabilitation service.

1500 It is not to say that because new committees are being set up, that no strategy or policy developments have taken place this past year. In my speech last year, I undertook to ensure that there was a more robust approach to public awareness campaigns of drug and alcohol use, particularly among the youth.

1505 We have undertaken two very successful campaigns last year, during National Week and over the Christmas season, alerting to the dangers of binge drinking. This involved a coordinated approach across various traditional and social media, television adverts and posters on buses. This was complemented by a programme of talks at comprehensive schools by the Care Agency Drugs Team Leader, the Police and former addicts.

1510 The multi-agency collaboration has produced fantastic results and this will set the benchmark for how we will conduct similar initiatives in the future. I am particularly grateful to the members of the voluntary groups who have given up their time to deliver such talks to children. I have attended some of these sessions and have personally witnessed how effective their presentations can be.

1515 Turning now, Mr Speaker, to the Adult Team at Social Services. The workings of the Adult Team has been completely overhauled. By removing management's responsibility for court welfare and probation, this team are able to concentrate exclusively on the care of vulnerable adults. In addition to the day to day referrals of vulnerable adults, the team now manages the one point entry system into elderly care. This includes domiciliary care, day centres and residential care. This means that there is a consolidated and more professional approach to elderly care.

1520 The one point entry system for referrals, assessment and access to a range of services has proved to be very effective. Since 1st April this year alone, the adult team have received a total of 421 referrals from people, ranging from professionals working in different agencies to relatives and neighbours concerned about people living in the community. This number is increasing on a monthly basis as our community realise services are no longer stagnant but available to those who really need them. I am pleased that the new systems implemented ensure that all services are allocated in a fair and equitable way, based on each person's individual health and social care support needs.

1525 The services being provided for elderly people in our community continue to be developed and increase at a significant and dramatic rate, and this is to the credit of the Adult Team who have worked so admirably hard over the past year, to completely turn this service around. The old waiting list system of people applying for residential care at the age of 60 years – when admission was based on the basis of time of application and determined solely on this, regardless of any other factors, such as risk of the vulnerable elderly person in the community – was considered unfair and tantamount to abuse of the vulnerable elderly in the community, in urgent need of admission. Some of them, Mr Speaker, unfortunately, would die while they waited to get to the top of the list because the previous Administration did not change its policy.

1530 Entry into Elderly Care Services is now needs based and ensures that the most vulnerable people in our community are given priority. All people on the previous waiting list have been contacted and those requiring the services at this point have been identified and assessed. Since April 2012, a total number of 48 people have been admitted to Mount Alvernia, Calpe Ward or Cochrane Ward and because of the review of the system, Mr Speaker, every single one of these individuals are the ones who were in most need of admission.

1535 Domiciliary Care Services... (*Interjection*) Of course, he knows I am right.

1540 Domiciliary Care Services are now being provided by two providers and an additional 68 people have been granted various hours of domiciliary care. This means that we are now providing domiciliary care to 168 people. In 2011, before this Administration took office, a total of 43,056 hours of domiciliary care were provided. During the past financial year, this has been increased to 97,702 hours – quite an achievement within such a short space of time, I am sure you would all agree. (**A Member:** Hear, hear.)

1550 There is now, Mr Speaker, an electronic database to record domiciliary care and applicants. The staff spend weeks and months trawling through boxes of paper in order to implement this, because under the previous administration, records were simply not organised. Now, all the domiciliary care systems have been updated, and it is possible to easily monitor who has received hours and ensure that the funds granted are being effectively and efficiently administered, and that we are getting best value for money services.

1555 Historically, Mr Speaker, a common complaint was that the Care Agency worked in isolation with very little communication from other Government Departments, but this has been changed in the last year and a half, with a holistic approach being set down. This has been further developed, with a number of new initiatives being instigated and existing systems have been updated and improved. This has ensured improved communication between different agencies and resulted in an integrated approach to people's care and support.

1560 As far as we are concerned, Mr Speaker, this is one Government and not various individual Government agencies. (A Member: Hear, hear.)

1565 The quick response initiatives between the Police and Adult Services are going from strength to strength, with 105 people now receiving this valued service. People on this list also receive regular monthly phone calls from Adult Services, in order to identify any changes to the person's social care needs or circumstances. This pro-active work by my team identifies difficulties at an early stage and often prevents unnecessary admissions to hospital.

1570 Regular multi-disciplinary discharge meetings within the hospital are now attended by social workers, Mr Speaker; that is an innovation that we have introduced. There is also a new funding system in place, which makes the whole process seamless. This improved multi-agency working practice minimises any potential delays in the person leaving the hospital. It is not only more cost effective and time effective, but it also improves the quality of life of the person as most people want to return home as soon as possible.

1575 It is in our interest, Mr Speaker, to ensure that these elderly people return home to a safe environment. Twenty-five new packages of domiciliary care have been approved since January 2013 alone under this system, to support patients being discharged from the hospital and enabling them to return quickly and safely to their homes.

1580 People wish to remain independent in their homes, with residential care being seen as a last resort. So the significant increase in funding for domiciliary care in the last financial year, has provided an incredible support to people in the community, and is greatly appreciated by those in receipt of this service. Again, this year, we have renegotiated a lower rate for the provision of this service, in order to be able to supply even more packages of care from our budget.

1585 A working party under the direction of the Safeguarding Adults Multi-agency Committee has developed a basic awareness training course for vulnerable adults, and this training has been provided by my Department and has been cascaded down through different agencies. This will ensure that everyone understands their individual responsibility to raise alert if they are concerned a vulnerable adult is at risk at home.

1590 The importance of establishing even more robust working partnerships with key agencies is acknowledged. And it is proposed that the training of new police recruits, for example, in these safeguarding procedures take place in their basic training, in order for them all to be fully aware of this important work, and the procedures in place to protect vulnerable people at the commencement of their careers.

1595 We will continue to develop clear policies and procedures that are concise and transparent to ensure that fair and equitable access to services, to include a three-tier system of day care, will meet the support of different needs of people in our community. The effective and efficient use of day care services, combined with Domiciliary Care Services, will reduce unnecessary admissions to hospital; with residential services being seen as the last resort, as opposed to the only resort. Mr Speaker, as I mentioned in this House last week, our new elderly care day centre will be opening very shortly. This will clearly enhance the services that we can provide.

1600 Turning now to Elderly Residential Services, Mr Speaker; since the one-stop point system was introduced and managed by Social Services, there is a fantastic working relationship between Elderly Care Services and the Social Services Adults Team, and this results in the provision of an individualised service. Regrettably in the past, the staff at Mount Alvernia would never even share the list with the social workers – that, thankfully, is a thing of the past.

1605 Since the commencement of a new nursing co-ordinator, there have been some positive changes to the management of Elderly Care Services; most significantly is the introduction of night duty rounds. This has proved extremely positive with the staff. Last year saw the increment of one part-time physiotherapist and one full-time physiotherapist assistant. The quality and quantity of physio input has increased and is having a positive impact on the health and welfare of residents.

1610 In the next six to nine months, we will see the opening of the new Alzheimer's Residential Unit at the RNH Estate. This is, what can only be described as, a tragic inheritance from the former Administration. It was obvious to me, when I first visited this place, that it was not fit for purpose, and it was confirmed to me by the expert engineer in dementia design, that I commissioned to prepare a design brief.

1615 Previously there had been no design brief and this resulted in the construction of a place where not even a *single room* was suitable for an elderly person with dementia to spend the rest of their days. We have completely re-designed the internal layout, in order that the residents – let us not forget that they are dementia sufferers – can live in dignity.

1620 For this Government, the priority is the people. (**A Member:** Hear, hear.) In addition, we shall shortly, in approximately the next four months, be making available some 36 beds for people with Alzheimer's at the Mackintosh Wing of the Old St Bernard's Hospital. Again, this building is another fiasco and waste of taxpayers' money incurred by the previous Administration.

Mr Speaker, they purported that this building was going to be flats for independent living for elderly people. We showcased these flats to 150 pensioners, but nobody wanted them. Out of all the people who saw them, only about four or five people were interested in them, and even then, subject to conditions.

1625 To make things worse, the previous Administration did not bother to consult with the occupational therapist or elderly care professionals, and as such the flats' layouts were simply not appropriate. Doors are smaller than standard and not appropriate for wheelchairs or Zimmer frames. Therefore, Mr Speaker, this has resulted in a complete waste of money, in the initial design, and has caused us to have to redesign it. This building, in addition to providing beds for elderly care, will also provide five or six flats for semi-independent living on the ground floor.

1630 Having dealt with the Care Agency, I will now turn to my responsibilities as Minister for Equality. The landscape in relation to equality is changing. It is changing physically, in relation to the changes being made to various locations by making them more accessible, and it is changing as things move and policies are developed. Legislation will be amended and, in some cases, new laws will be introduced. I have said it before and I will say it again, equality is at the heart of this Government's agenda.

1635 Mr Speaker, starting with the issue of disability, a lot has been achieved in the last year and a half – much of it very visible. Significantly, works will be done to this Parliament to make it fully accessible, as part of its refurbishment. There have also been assessments of other public buildings with a view to making them accessible. Works have already been taken at the GSLA shallow pool, St Michael's Cave and, most recently, most of Gibraltar's beaches. Provision is made for public events, such as concerts, National Day and the Three Kings Cavalcade. This Government strongly believes in a policy of inclusion.

1640 A register of people with disabilities is being compiled and is almost complete. Significantly, work has been done in relation to a review of the current legislation and in relation to extending the UN Convention on the Rights of the Disabled. A person who will be tasked with developing policy and Government strategy in relation to disability will commence working in my Ministry shortly. This will enable me to further progress this agenda. During this past year, I have engaged with many groups with an interest in disability and we are working together very fruitfully. You will have heard from the Chief Minister's address yesterday, the difference that this year's Budget will make to people with disabilities.

1650 Turning now to gender equality, Mr Speaker; this is a subject that is becoming very popular lately. Perhaps this is due to its profile being raised by having a Minister for Equality for the first time. (**A Member:** Hear, hear.) (*Banging on desks*)

1655 We must, however, ensure that we deal with this responsibly. It is not about rhetoric or quotas. Gender equality is not about having more women for the sake of it, as this completely undermines the work done by women. People should be appointed on merit. What we need to ensure is that people of a particular gender, whether they are men or women, are not placed at a disadvantage. To this end, my Department is looking into issues so that we can develop policies.

1660 In the past year, I have raised awareness of this issue, met with various women's groups and the unions. In March of this year, I attended the UN Commission on the Status of Women, 57th Session at the United Nations Headquarters in New York. This was the first time that a Minister from Gibraltar attended this forum. The CSW is a functional Commission of the United Nations Economic and Social Council, and is dedicated exclusively to gender equality and the advancement of women. I attended many meetings and side events where representatives openly exchanged their experiences, objectives and achievements.

1665 I also recently met with the Minister for Equality in the United Kingdom and I had the opportunity of discussing with her various issues. I also sit on a women's steering group of Commonwealth parliamentarians, and shall shortly be attending a meeting in the UK to discuss women's issues with my fellow colleague parliamentarians.

An issue which is prevalent to women is that of domestic violence, and I am in the process of setting up a forum to deal with this issue and have already commenced speaking to interested groups.

1670 Turning now to the issue of gay rights, Mr Speaker; great strides have been made in the field of gay rights this past year – not least the recognition of gay people. I, as well as many of my fellow Ministers, have had regular meetings with equality rights group, GGR. Most significantly, a draft Civil Partnership

Bill is at an advanced stage, and a draft of this has already been provided to GGR, by way of consultation. We have also met to discuss the issue of hate crimes and hate speech in the Crimes Act 2011. We will continue to work together with interested parties and make progress on this front.

1675 Mr Speaker, the Citizen's Advice Bureau is the body currently tasked with promoting equality under the Equal Opportunities Act 2006. I have been working very closely with CAB's manager and the Discrimination Officer over the past year, in order to support them in achieving their objectives. A very successful training conference was organised earlier this year. I recently met with CAB to discuss equality awareness events in the coming year, and they know that they can count on my full support in this.

1680 Mr Speaker, I am an advocate of working in partnership with groups and associations, and I meet with many of them on a regular basis. A perfect example of this is the tremendous work which my Ministry and I have undertaken with representatives of the Gibraltar Clubhouse Project. This project, which complements the mental health services offered by the GHA, had been operating from the old Toc H building. Which I noticed on my first visit was in a terrible state of repair; mainly due to excessive dampness problems and very hot conditions in the summer.

1685 As part of our working partnership, arrangements for alternative premises at Wellington Front have been made and this will give Club House members a better opportunity to benefit from what is offered by the valued team, while permanent premises for the project are being considered.

1690 Finally, Mr Speaker, in the same way that I did last year, I would like to acknowledge the hard work of my staff and the teams around me and their sheer determination to make a difference. Because they know all too well that we serve the most vulnerable in our community.

1695 I would also like to acknowledge the valuable work undertaken by the different groups and associations who work with me; thanks to their enthusiasm and they strive to work together toward common objectives. This is achieved due to my open door policy and the establishment of solid working relationships with the representatives of these various groups and associations. It has been a pleasure working with everyone at the Care Agency, who are so willing to make the difference and I will now give them the tools and the support to do so.

1700 Insofar as my Ministerial team, I would like to welcome my two new members of staff, who joined me in this past year and have already proved to be very committed individuals, and above all to my Senior Personal Assistant, whose dedicated assistance, in the complex matters we have dealt with this year, has been exceptional. They have all helped me in achieving what I truly believe is now a better service.

1705 To conclude, Mr Speaker, ours is a Government that works for its people and will help those who need it the most. It is my pleasure to work as hard as I can to achieve this. (*Banging on desks*)

Mr Speaker: The Hon. Mrs Isobel Ellul-Hammond.

1710 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, it gives me great pleasure to address Parliament as Opposition spokesman for Health, Social Services and Civil Contingencies. It is both a duty and an honour for us on the Opposition benches to contribute to, and vote on, this vital discharge of the responsibility of Parliament.

1715 What a year this has been, Mr Speaker; a year in which the GSD Opposition has held the Government to account on behalf of the people of Gibraltar; a year where the GSD Opposition has questioned Government policy, where appropriate; occasionally even getting an answer to those questions; a year of positive and effective opposition.

Mr Speaker, I begin my address with Civil Contingencies and the Fire Service. I start by referring to the Hon. Minister's Budget speech of last year, where he said that and I quote:

1720 'Professional development in the form of training was unfunded and it was only until last year that some extra funding was provided for this.'

1725 Unfunded, Mr Speaker. I would impress on the Hon. Minister to check the present and past Estimates of Revenue and Expenditure books to see that, under the Head of Operational expenses for the City Fire Brigade and training courses, he will note that this has been funded to the tune of £90,000 for the last three years. He further stated that, and I quote:

'We have increased it even further only months after coming into office.'

1730 As if only his Government could possibly understand the value of training and continuous professional development. But wait for it, the increase was of £10,000, Mr Speaker, for the 2012-13 financial year. And not so important it seems this financial year, as the figure remains exactly the same at £100,000 for training, not even an increase to account for inflation.

1735 With much fanfare, and many photo opportunities, the Minister said how he visited each watch of the City Fire Brigade to observe them performing different exercises, in order to address the so-called demotivation that the Fire Service had endured for many years. How many more motivational visits has the Minister made to the three watches of the City Fire Brigade, Mr Speaker? Perhaps he could have been a bit more honest by stating it was a familiarisation visit, as would be the norm, and not spin it to sound as though, if he had not visited them, the Fire Service would have collapsed in a morass of demoralisation.

1740 The Government commissioned Sir Kenneth Knight, the UK Government's Chief Fire and Rescue Adviser, to conduct a scope study of our local Fire and Rescue Service, which was completed last November. Seven months later, we are still waiting for the contents of the report, in full, to be made public. Not, of course, the first Government report that has been delayed; perhaps it has not yet been formatted. But we look forward to hearing of the findings of the report regarding the re-organisation and transformation of the Gibraltar Fire Service and Defence Fire Service; what the recommended modern working and shift patterns are; what the terms and conditions of service for the fire-fighters are.

1745 There is also still no word on the re-location of the Fire Station, on which Sir Ken Knight would have had a view, and no commitment for it again in this year's Budget. Such a delay in informing the public makes one thing that Sir Ken Knight's recommendations may not be what the Government was expecting. Will the Minister now be cherry picking recommendations from the report, so as not to upset the apple-cart, (*Interjection*) or are issues being moved in private by activists, as has become the practiced norm of the GSLP?

1750 The Hon. Minister was also critical in his last Budget that C3, and I quote:

1755 'Table top exercises had not been carried out, as should have been the norm,'

and that, I quote:

1760 'C3 Meetings would be convened regularly in order to evaluate current procedures.'

1765 Well, Mr Speaker, that is another budget commitment that has not yet been fulfilled. The full C3 has met three times in the last year and a half; hardly regular or evaluative. I wonder whether, in one of those three meetings, the Civil Contingency was discussed for when Gibraltar's only two brand new emergency ambulances broke down, in the same area of flooding along Queensway? Both of Gibraltar's emergency ambulances using the same route, and out for the count at a time when they were potentially most needed. And the City Fire Brigade tied up rescuing them, when they too were on alert and most needed during a power cut on a day of pouring rain and floods. That procedure needs evaluating by C3.

1770 We also hope, Mr Speaker, that the new Medical Priority Despatch System goes live very soon. We have had several concerns raised, where members of the public have called the ambulance in an emergency, only to be told that they are both busy and they either have to wait or get a taxi. The City Fire Brigade operates a third ambulance which is also deployed in these circumstances. However, they are neither paramedics nor trained health professionals. A pre-scoop of the patient triage system is absolutely essential to ensure that emergency ambulances are not called to incidents that are not emergencies, thus depriving those who really need them.

1775 Mr Speaker, still on the topic of ambulances, the new ambulances and patient transfer vehicles are very welcome. £1 million well spent, or is it? The Hon. Minister Costa, who was shadowing Health in Opposition, went to great lengths to highlight the inadequacy of the then fleet of ambulances and how they kept breaking down. Some did not even start, and that they were not fit for purpose.

1780 But let me put things into perspective, Mr Speaker, of how the situation is today. In answer to a written question by me in February to the Minister for Health, I learned that in just 14 months the new ambulances and patient transfer vehicles had broken down no less than 52 times, and been off the road for a total of 565 days for repairs, which cost the tax-payer £59,000. Also the cover for these broken down vehicles cost around £73,000. That is a total of £132,000 in 14 months, for ambulances and vehicles that had broken down.

1785 I assume that when Minister Costa stated, in one of his seven ambulance-related press releases in just two months as Opposition Spokesman for Health, that, and I quote:

'The voters can at least dispense with Mrs Del Agua's services as an ineffectual Minister at the next election.'

1790 He did not intend this to apply to his now Minister for Health, Dr Cortes.

A Member: [*Inaudible*].

1795 **Hon. Mrs I M Ellul-Hammond:** Yes.

With regard to Health Services in Gibraltar, Mr Speaker; the Hon. Minister opposite presides over the largest community budget, which reflects the importance we give to the free provision of health care. The

1800 estimated budget for this financial year of 2013-14 now stands at £94,506,000, including a contribution for capital expenditure. The GSD Government estimated a health budget of £78,880,000 for the financial year 2011-12, which it saw half way through until the GSLP/Liberals took office after the general elections. In just two years the health budget has gone up by £15,626,000; an increase of around 20%.

While I welcome increases in the health budget, Mr Speaker, it is imperative that those with the political responsibility ensure we receive a value for money health service that adequately foresees and pre-empts the problems ahead, through careful planning, rather than throwing money at it.

1805 Our Health Service, therefore, really needs to show some results and improvements, in order to justify this increase. Given this huge increase and the millions we spend on healthcare every year, it is my duty to raise the question as to why some serious issues had not been tackled, such as: acute bed shortages; cancelled operations; long operations waiting lists; months to get an appointment with a consultant; a CT scan that keeps on breaking down; locum cover that is still at a high of £2 million estimated for this financial year; and a GHA board which remains ineffective with no accountability for how the GHA organisation works and to ensure that it offers value for money.

1810 These fundamental necessities and issues are not achieved simply because the GHA board is meeting in public under a veneer of openness, as the GHA process remains exactly the same as it has been for the last 20 years with little empowerment of its members. Perhaps, Mr Speaker, we can put all of this down to rookie error. *(Interjection)* Mr Speaker, my Budget address has to respond to that of the Hon. Minister of last year; to assess whether his pledges have been fulfilled or whether his allegations made of the previous Administration had any foundation.

1815 Dr Cortes stated last year that the executive structure of the GHA – of which he and his party have been so critical – was created by the old regime in No. 6 Convent Place, that doctors were banished from the management board, and directors were personally appointed. Well, Mr Speaker, this is the very same executive management structure that was advised and created in 2004 by the then temporary Joint Chief Executive Mr John Langan. The very same Mr John Langan, commissioned by Dr Cortes, who has been paid exactly the same as the former Chief Executive Officer Dr David McCutcheon, to review his own GHA executive management structure, with little changes so far yet and still no medical advisory council. The same Mr Langan who withdrew the so-called flawed consultant contract in December 2004, and was, until recently, paid to find a solution to the ongoing consultant contract problem; which has still not been resolved as per his brief, despite last year’s Budget commitment to, and I quote:

‘negotiate a fair reasonable agreement that places reasonable expectations on the consultants.’

1830 And about which Dr Cortes stated, and again I quote:

‘I expect agreement this year.’

1835 Dr Cortes criticised a GHA that he inherited, and then employed the same man, crucial to the 2004 implementation of the new GHA, in order to re-fix it.

1840 The GHA now has a new Chief Executive Officer, or rather should we refer to him as the Head of the Health Department, with his permanent and pensionable terms and conditions? This diminishes the accountability of a Chief Executive of an Authority who should be on contract, with specific targets answerable to the GHA Board, and therefore subject to removal from the position, if not met. As per the constant concerns, raised by the then GSLP Opposition, that the then Chief Executive of the GHA should not have his contract renewed. I am hopeful that this Chief Executive Head of Department will succeed; however, I will be very interested to see what will happen should the Chief Executive not achieve the targets he has been set.

1845 Dr Cortes mentioned at last year’s Budget how he, and I quote:

‘was briefed on the severe waiting list of over 200 patients in general surgery, and the increasing waiting lists in the other services.’

1850 Well, Mr Speaker, the last time I looked there were 309 patients waiting for general surgery and the waiting lists for all surgeries now stand at 1,081 from an all-time high of 1,118 in April; an increase of around 17% these last 18 months.

1855 Dr Cortes was also concerned then, at last year’s Budget, that the bed access problem was limited due to the total of 65 acute beds taken up by patients waiting for a Care Agency bed. Well again, in answer to a written question from me last month, there are now 80 acute beds taken up by long stay elderly patients awaiting a place at the Elderly Care Agency; 15 more than last year; an increase of 23%.

1860 And despite my questionable use of statistics, and my not understanding how waiting lists work, the fact remains that 65 operations were cancelled due to lack of acute beds in the first five months of 2013, compared to only 48 for the whole of 2012. It is obvious that the measures taken in 2012 had only proven to be a temporary patch to the problem. However, we do welcome the positive initiatives announced by the Hon. Minister yesterday regarding the operating theatres, together with an increase in Care Agency

and mental health beds to be rolled out by the end of the year, and look forward to seeing if the results they yield are lasting.

1865 The issue of cancelled surgeries and bed availability, which I have highlighted these last few months, demonstrates how effective Opposition questions can be at galvanising the Government into action; into finding solutions which benefit the people of our community. That is the role of the Opposition, and we will continue to monitor their delivery, praise positive results, but will continue to subject the Government to the checks and balances in order to ensure further positive action.

1870 And, yes, there are some further positive stories coming out of the GHA, Minister Cortes will be happy to hear that no concerns have been raised with us about the control of the norovirus at St Bernard's Hospital this year. The employment of more nurses has been extremely welcome. The plans for solar-heating, LED lighting and environmental measures, generally, are commendable. So far, apart from a few hiccups reported to us, the new Primary Care Centre appointments system seems to be running smoothly, although some improvements could still be made to ensure consistency in the process. Patients now look forward to a new system for repeat prescriptions, without the need to see their GP. Credit must also be given to the health team and their quick response to the cases of TB and their measures to mitigate any spread of the infection.

1875 Certain commitments for this year were made at last year's Budget, but not all have been implemented, Mr Speaker, such as the tabling of changes to the mental health legislation, which was due this year, and as I stated previously, an agreement over the consultant's contract, also expected this year. I understand that both of these are still ongoing and will be tackled later on in the year, as per the Minister's announcement yesterday. However, I hope not to be raising this issue again at next year's Budget as they will both be resolved.

1880 Despite the repeated answers in Parliament of 'it is being reviewed' or 'it will be ready within a few weeks', the public is still waiting for the publication of the £130,000 GHA Review Report, which was completed in August of last year, but perhaps it too is being formatted.

1885 As also stated yesterday, somewhere in the pipeline, we still await the implementation of the new kitchen and food system; we wait for the new permanent facility for ambulance staff; wait for the colon cancer screening programme to actually start; for the new GHA website; the new Ombudsman GHA complaints process; the completion of the Diabetes Strategy; the review of the sponsored patients programme; the health promotion initiative to develop a co-ordinated programme in lifestyle change, where only the smoke-free legislation and related awareness has been launched to this end, over and above the continued previous practice; and changes to the Children's Health Services, which members of the public have always been happy with, actually.

1890 With regard to health promotion, much stock yesterday was made of the lifestyle survey, conducted by the GHA in 2008, where the results will be used to raise awareness on changing lifestyles in order to improve health. A note of caution, Mr Speaker; these results are now five to six years old. That makes the data unreliable and less relevant to the Gibraltar population of today, especially post smoke-free legislation. This needs to be highlighted by the Public Health Team when promoting the booklet among the general public, and should not solely form the basis of advice to the public on preventative lifestyle changes.

1895 One area of policy making which has been lacking in Gibraltar is that of sexual health advice and support. The Government's manifesto commitment to offer IVF treatment through the GHA is welcome, and the happy news is that now contraception is available under the GPMS. But we believe that jumping from no official GHA sexual health service, apart from an ad-hoc one offered by some GPs, straight to fertility treatment without the proper sexual health advice services in place, is premature.

1900 The GSD's policy to set up a sexual health advisory clinic, to offer free confidential advice and information on sexual health, sexually transmitted diseases and contraception, addresses this. Its objective is to enable people to make informed choices about sex and to enjoy sexual health safely, have the knock-on positive consequences of reducing the number of unwanted teenage births. Awareness and screening for certain sexually transmitted diseases will mitigate the end result of infertility, with couples having to resort less to IVF treatment at a later stage in their life. I urge the Hon. Minister to look at this policy area seriously for consideration.

1905 As I commented in last year's Budget, no address on health by me would be complete without saying something on breast cancer care services in Gibraltar. (*Interjection*) Although an honourable but empty gesture for the GHA to raise awareness with Breast Cancer Support Gibraltar about lymphoedema to the upper body of breast cancer sufferers and survivors, and to state in Press Release No.154/2013 that, and I quote:

1920 'it is important to highlight the vital need for lymphoedema to be detected and treated as early as possible, thus ensuring quality of life to those affected.'

with which I concur, Mr Speaker, there are still too many women being failed in this regard.

1925 Many women are struggling to receive the appropriate therapy. Treatments are not regularly given, which need to be administered for the rest of their life, and many women are waiting far too long to be re-assessed, measured and checked; feeling there is no individual care pathway for them in place.

1930 This potentially affects every breast cancer survivor who has had their lymph node sampled or removed; affecting a majority of one in eight of us women. A walk-in lymphedema clinic is urgently needed, Mr Speaker, and I urge the Hon. Minister to listen to the concerns of Breast Cancer Support Gibraltar on this matter, and to take heed, and not to take it as another photo opportunity. (**Several Members:** Hear, hear.) (*Banging on desks*)

1935 The breast screening programme which has now been in place for two and a half years – a period during which all women eligible in Gibraltar have been invited for a mammogram for their first time. In 2012 only 58.2% of the women invited took up the offer of a mammogram. This is a figure that falls well below the UK’s ideal uptake figure of 70% and below the lowest uptake figure of 59%, seen in some areas of the UK and which has received concern from UK health professionals. This is a service that should be taken up by almost 100% of our women eligible, Mr Speaker, due to the easy access to healthcare in our small community.

1940 However, I am heartened to see that, for the first five months of 2013, we see an uptake of 74.4% of women, which is much more acceptable, and I only hope this will continue to move in the same direction. But yet again I repeat my pledge to the Hon. Minister and urge him, as part of the GHA’s public health policy, to conduct an awareness campaign on the benefits of the breast screening programme and to encourage women to take up the offer of a mammogram; it may mean life or death for some.

1945 On a point of principle, Mr Speaker, since this Government has taken office, it has become common for the GHA to be used for issuing press releases, rather than the Government’s Press Office via the Ministry for Health and the Environment; the latest being Press Release No. 370/2013 of 30th May. It is entirely inappropriate for the Health Authority to question and challenge the Opposition’s Spokesman for Health on matters of party political policy or respond with vitriol and spin. (**Several Members:** Shame, shame.)

1950 The GHA can, by all means, issue press releases on data information, GHA initiatives, charity donations and so forth, which it does, (*Interjection*) but should remain removed from the political interchange. It is completely inappropriate that press releases should be issued in the name of the GHA which are pointedly political and designed to attempt to damage the reputation of those serving on the Opposition benches. (**A Member:** Shame.) (*Interjection*) Has the GHA now become a political organ of the Government or does it remain part of the public services of the people of Gibraltar, which should remain apolitical? (**A Member:** Hear, hear.) (*Banging on desk*) (*Interjection*)

1960 In February this year, after Daniel Feetham became the Leader of the GSD, (*Interjection*) we saw a reshuffle of portfolios among the GSD MPs. After moving my Education portfolio to Edwin Reyes, I was then charged with shadowing Social Services. In order to get to grips with this new responsibility, I obviously reviewed all the press releases and announced policies by the Government to check what had been achieved so far in this Ministry.

1965 Well, not much of substance yet, Mr Speaker. A lot of photographs in the media for turning out to events and a few policies but then just the continued GSD practice in areas of training and domiciliary care. In 18 months, the Calpe Ward has opened with 18 beds, which is welcome but has had little impact on cancelled surgeries. More social workers have been employed which is very welcome. The Club House Project has been given temporary premises; we now look forward to hearing of news for a permanent facility. Care Agency nurses have parity again with those of the GHA, which is welcome, plus the new payment of salaries done electronically. Disability access to various sites around Gibraltar has increased, which is right and proper and to be applauded. However, the new access to Catalan Bay seems not to have been planned in consultation with the disabled users of (*Interjection*) the beach, nor sought guidance from the DPC. (*Laughter*) It has failed to provide proper access to the shore line, unlike the facilities and services enjoyed by those at Eastern Beach; yet another ill-conceived and poorly executed project announced with great fanfare, but failing to deliver.

1975 The announcement by Minister Balban, to review the eligibility criteria and rules for use of Blue Badges spaces and the increase in Disability Allowance, are both very welcome. However, we are still waiting on the results of the disability services review, life planning for the disabled and the new legislation on disability.

1980 Also on hold, and part of some ongoing process of the amalgamation of Social Services and Elderly Care, which the Minister claimed at her 2012 Budget had not yet occurred, is the filling of Mount Alvernia’s nursing co-ordinator post and that of Tangier View’s residential home manager. Considering the enormous overall increase in the number of Civil Service posts that has occurred since this Government came to Office, I would have thought that these two key roles would have been quickly filled.

The secure unit for children with severe challenging behaviour, plus the full review of the Children Act, as pledged at the last Budget, still remain elusive. Other issues, which appear to have failed to gain

1985 any traction, are: the Dementia Strategy; the refurbishment of the Jewish Home, promised at the last Budget; and the long delay in the opening of the Waterport Terraces day centre.

1990 Mr Speaker, if every change of Government resulted in them behaving in the manner of the present one, social progress would grind to a halt. The Minister for Social Services, in pursuing the GSLP policy of rubbishing everything the GSD ever did, has set the cause of the elderly and the vulnerable back by at least two years, and this in order to try and convince us that she is saving the day from disaster.

1995 To say that work finally started in April 2013, after 16 months of inaction, Minister Sacramento needs to explain why there have been no works at the former Royal Naval Hospital site previously and for so long. What have the construction workers been doing for 16 months and how much has it cost the taxpayer to keep them waiting to start work again on the project until April 2013... having to re-mobilise them?

2000 The reality is that the GSD's plans for the Alzheimer and Dementia Facility were perfectly acceptable and well within the guidelines and recommendations for NHS registered elderly homes. The specifications were provided by the Care Agency and GHA Deputy Chief Executive Officer, Mr Joe Catania – who were part of the design team all along – where their brief recommended room sized within the NHS minimum standards required. *(Interjection)* The downstairs single rooms, which were the only ones highlighted, were the smaller ones at 9.6 metres squared. This is an accepted size for the restoration of an existing historical **(Several Members: Hear, hear.)** building, with the option to remove the dividing wall to convert it into a twin room at 19 metres squared; larger than the NHS minimum for a twin, set at 16 metres squared.

2005 Additionally, the ceilings in these smaller rooms were reinforced to take overhead hoists, so there was no need to bring a mobile hoist in, as demonstrated by the grimacing Minister for Social Services, to show how cramped they could make the room look for the media. *(Interjections)* It is greatly disappointing that, almost from the first day of entering office, the GSLP Government chose elderly care as a battleground for scoring political points against the former GSD Government, **(A Member: Shame.)** rather than embracing and building upon the ongoing projects in a timely manner.

2010 However, if this is the style of the Minister, the very least she should have done is look at the previous GSLP Government's policies, where funding barely existed for Social Services and the Elderly; *(Interjection)* and judging from the interruptions of my Hon. Friend Mr Selwyn Figueras, if we had said, as the Hon. Minister has just said to us, that they had put vulnerable adults at risk, there would have been an explosion on the benches opposite. *(Interjection) (Banging on desks)*

2015 As far as the independent living complex – planned by the GSD for the more mobile and independent elderly persons, out of the old John Mackintosh wing of the former St Bernard's Hospital, which had been completed and ready for people to move in – it has now been gutted with brand new kitchens and bathrooms torn out, some recycled, but most thrown away, at a cost of £1.43 million to the taxpayer, according to the Estimates Book subsequent statement of reallocations.

2020 More money thrown away to convert the facility into an Alzheimer Dementia Facility, as this was not the original intention of the refurbishment. Had the Government opened the new facility on 1st April 2012, as planned, a considerable number of elderly people would now have been enjoying the new facilities, thus alleviating pressure on the housing waiting list. *(Interjection)* Mr Speaker, there is a case that would have had Minister Costa, who shadowed Social Services last term, still jumping up and down in his chair and stamping his feet, had it happened under the GSD's watch.

2025 A looked-after child was lost for 48 hours in Spain while in care *(Interjections)* –

2030 **Mr Speaker:** Yes. The Hon. Mr Costa.

Minister for Tourism, Commercial Affairs, Public Transport and the Port (Hon. N F Costa): Mr Speaker, I appreciate that Budget addresses are heard in silence, but I have never stamped my feet nor jumped up and down. She should correct that statement.

2035 **Minister for Equality, Social Services and the Elderly (Hon Miss S J Sacramento):** Mr Speaker, I have a further Point of Order.

2040 **Hon. N F Costa:** It is not true. I have never jumped up and down nor stamped my feet to make a true accurate statement, which is different –

2045 **Hon. Miss S J Sacramento:** Mr Speaker, but I am concerned about what is coming, given the nature of the questions that we had before this Parliament last month, and what the hon. Lady is about to say. She has already said **(A Member: Shame.)** things that ought not to have been said in this Parliament. Mr Speaker, I am very concerned.

Hon D A Feetham: Mr Speaker, I rise as Leader of the Opposition. That is simply not true. You have not even read the rest of the speech. No, you have not listened to the rest of the speech. (*Interjection*) You do not know what she is going to say.

2050

And as for the Point of Order –

Mr Speaker: Perhaps if I am given an opportunity to hear the hon. Lady.

2055

Hon. Mrs I M Ellul-Hammond: Mr Speaker, I can assure you that I will not be disclosing any information or detail at all. If the hon. Members opposite would just allow me to continue.

A case that made headlines in the Gibraltar and Spanish media, that had the Gibraltar and Spanish Police involved, that had members of the public from both sides of the border searching; so what happened? How did this child escape? Was he a flight risk? Were contingency measures in place? Where was she found? Unlike the parties opposite we are not concerned to make capital on an individual case; we are concerned that the right systems are in place to protect vulnerable children.

2060

At least, Mr Speaker, I was able to get these answers and reassurance through direct communication with the Minister for Social Services, who I thank – something the party opposite was not willing to do when in Opposition. I also complied with all concerns raised by the Ministry and Parliament over this case, but the *modus operandi* of the party opposite while in Opposition, was always to issue a press release first, ask the sensitive questions in Parliament to (*Interjection*) try and score cheap points –

2065

Hon. N F Costa: No, I am sorry, on a Point of Order –

2070

Mr Speaker: Will hon. Members make sure that, when they rise on a Point of Order, that they are familiar with the Standing Rules and Orders and are able to direct me to the Rule that they are referring to.

2075

Hon. N F Costa: Mr Speaker what the hon. Lady has said is not true. That is the Point of Order. I have always sought, and the record will reflect by way of emails and telephone calls, that I always tried to contact my former... the Minister that I used to shadow, Mrs Yvette Del Agua and I used to call her first always to try to establish the facts. I then used to send e-mails – never, never did she ever return my call, nor reply to an e-mail, for me to be able to ask the comment. As a result, it is not true to say that I issued a statement first, and asked questions later. It is *untrue*.

2080

Hon. D A Feetham: Mr Speaker, may I, on a Point of Order?

Mr Speaker: Yes. The Hon. the Leader of the Opposition.

2085

Hon. D A Feetham: Mr Speaker, I am very grateful to you for allowing me to speak on this Point of Order.

Mr Speaker, it clearly and patently is not a Point of Order. The hon. Lady has not... (*Interjection*) I am talking on the Point of Order. You have raised the Point of Order. It clearly is not a Point of Order. It is not referable to any Standing Orders of this House. She clearly has not infringed any of them. The hon. Gentleman has, either through some of his colleagues or alternatively the Chief Minister, a right of reply.

2090

All the points that you are making now, the Chief Minister can make them at the appropriate juncture, but there has been a lot of interruptions of Opposition speeches and I would just ask the hon. Gentlemen opposite, for the sake of common courtesy, to please keep the interruptions to a minimum so that our Members can continue – (*Interjection*) Well, if I wanted to raise a Point of Order, I could because you said [*inaudible*] (*Interjection*)

2095

Mr Speaker: Order, order, order, (*Interjection*) order!

Will hon. Members please behave in accordance with the Standing Rules, or I will have to suspend this session? And I am prepared to do so. So I hope that they will keep the temperature much lower.

Now, the Hon. Mrs Ellul-Hammond.

2100

Hon. Mrs I M Ellul-Hammond: Thank you, Mr Speaker.

I was making this statement, in fact, with reference to the shadowing of my Hon. Friend Mr Netto, when he was Minister for Social Services and the 10 press releases that the hon. Member opposite issued in the last term, with reference to various individuals in care who were vulnerable.

2105

And if I may continue, he was very quick to point the finger of blame and never tried to understand the realities and difficult decisions that Government Ministers face on a day-to-day basis, which I do acknowledge today. But that is the difference between the party opposite and us, Mr Speaker, and that is what got us re-elected four times. (**Several Members:** Hear, hear.)

2110 Mr Speaker, in relation to equality for women, the same issues I raised at last year's Budget still exist; nothing has changed. Women still find themselves struggling as single parents with erring ex-spouses defaulting on maintenance payments, trying to make ends meet or surviving on benefits, which I am glad to say have risen this year.

2115 Many single mothers are at the mercy of grey areas in law, such as access to Legal Aid and the recognition of common law relationships. It is shocking that the Government has still only published new rules to expand Legal Aid that enable defendants, accused of complex fraud cases, to hire expensive specialist lawyers at public expense. No thought has gone into or takes into account the plight of single parents, who are not entitled to Legal Aid if they earn above the qualifying threshold of £5,000 income per annum, (*Interjection and laughter*) which we would have increased to £12,000 (*Interjections*)

2120 **Minister for Education, Telecommunications and Justice (Hon. G H Licudi):** Mr Speaker, the hon. Lady seems to be confusing Legal Aid with Legal Assistance.

Mr Speaker: She has... The Hon. Mr Licudi, will you please sit down because the hon. Lady has not given way. (*Interjections*)

2125 **Hon. Mrs I M Ellul-Hammond:** Well then perhaps the Hon. Chief Minister can clarify that in his response. Additionally, if these women own a family home or a car, they are still not entitled to Legal Aid – a blanket rule which penalises lone parents, struggling with mortgage payments and paying legal fees, in order to pursue erring partners in their duty of care as a parent.

2130 The measure announced yesterday, however, to eliminate stamp duty on the transfer of deeds after a marital breakdown is welcome news. Equally the introduction of parental leave, whereby either parent is able to take entitled leave after the birth of a child, is a policy that would be welcomed by many working parents across Gibraltar.

Working parents also look forward to changes in working hours that are more family-friendly.

2135 As was discussed in Parliament in relation to parliamentary reform, with regard to statutory bodies, it is imperative that, where necessary, their composition should be changed to improve the constitutional checks and balances on Governmental power, as recommended by the Commission on Electoral and Parliamentary Reform.

2140 I believe that this cannot happen without proper representation from members of our diverse community. This means reflecting the composition of Gibraltar's society in these statutory bodies. Which, at present, are comprised mostly of, and reflect the view of, white middle class males. The provision of meaningful checks and balances to Government, a role which these bodies should be providing, is hindered by this narrow view, and this is one of the many reasons why I recommend Marlene Nahon as our candidate (**A Member:** Hear, hear.) (*Banging on desks*) for the upcoming by-election. (**A Member:** Hear, hear.)

2145 In order to address this balance, as I have stated publicly before, it means actively inviting more women and minority representatives to sit on these bodies. Out of the statutory bodies gazetted so far, only 10% of their composition is women, some of whom are the secretaries of the boards, and even fewer are from different ethnic backgrounds. This improvement to composition can be done quite simply, with a little more consideration and active, positive discrimination when inviting individuals to sit on these statutory bodies.

2150 Membership of a statutory body is not through a process of applying for the role, the assessment of applicants, and the recruitment of the best person for the job. It is simply through the invitation, by a letter, from the Minister responsible, to join and form part of that statutory body.

2155 As a former Trustee of the Heritage Trust and former non-executive member of the GHA Board, I am acutely aware of the continued practice of giving little thought to actively selecting individuals who represent all sectors of Gibraltar society, when considering the composition of statutory bodies. I therefore ask for the serious consideration of the fulfilment of some kind of a prescribed quota when selecting people and inviting them to sit on a statutory body; that is positive equality in action.

2160 Mr Speaker, we are yet to see some equality policies regarding the Moroccan residents of Gibraltar.

2165 Finally, Mr Speaker, I have to end with an example of playground politics which reflects everything that this Government's parties are about, and what they stand for. It was very unfortunate that the Hon. the Chief Minister of Gibraltar, the highest officeholder in our land, should have reduced himself to insult me personally by mocking my surname at the GSLP's AGM this year. Such childish tactics, playing to the gallery of his most hysterical supporters, says so much more about him than about me. (**A Member:** Shame.) (**Members:** Hear, hear.) Thankfully, Mr Picardo's speech is broadcast to all via the internet. Let people hear for themselves how petty this Chief Minister can be. (**A Member:** Shame.) (*Banging on desks*)

2170 **Hon. Chief Minister:** Mr Speaker, at the end of Mrs Isobel Ellul 'hyphen' Hammond's speech, I now move that the House recess, in the context of the debate this morning, to ponder why it is now so clear that we should all vote for Albert Isola in the By-election, until three o'clock this afternoon.

2175 **Mr Speaker:** The House will now recess until three this afternoon, when I understand that the Hon. Mr Bossano will be addressing the House.

The House recessed at 12.45 p.m. and resumed its sitting at 3.05 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.05 p.m. – 6.17 p.m.

Gibraltar, Tuesday, 25th June 2013

The Gibraltar Parliament

5

The Parliament met at 3.05 p.m.

[MR SPEAKER: Hon. A J Canepa GMH, OBE, *in the Chair*]

10

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

Order of the Day

15

Appropriation Bill 2013 For Second Reading Debate continued

20

Mr Speaker: The Hon. the Minister for Employment, Enterprise and diverse other responsibilities.

25

Minister for Enterprise, Training and Employment (Hon. J J Bossano): Mr Speaker, in my Budget speech last year, I made very clear a number of objectives; the principal one of which was increasing the number of Gibraltarians in full-time employment.

As I stated in the 'Viewpoint' programme in November last year, based on the records of the Employment Service, the increase in the number of Gibraltarians in employment in one year was going to exceed that which had taken place in the previous 15 years of GSD Government; this has now been confirmed.

30

In 1996, the GSD said the big issue was employment, and argued that the registered unemployed, at 331 in May of that year, failed to reflect the numbers without a job. Had they been right, this would have then been reflected in ever-increasing numbers of Gibraltarians in employment, irrespective of whether the numbers that were registered as looking for work, went down or not. This did not happen then, but has happened now.

35

It is the hidden long-term unemployed who we are reaching out to because the real numbers without work was much greater than in 2011... were registered with the Employment Service, and even now we have not yet found work for all of them.

The approach adopted has been a logical one: of looking to those sectors where the Gibraltarian share of jobs was low or declining. The construction sector of the economy has been identified as a priority area to promote opportunities for Gibraltarians and other residents, as I made clear a year ago.

For many years, we pressed the previous Government to take action to ensure that the unemployed persons had the opportunity to get those jobs, and for many years they argued that it was impossible because Gibraltarians did not want to work in the construction sector.

Having long been in a denial mode about the takeover of the construction sector by imported labour, shortly before the last election the Government relented and introduced a system of allocation of construction contracts to local firms on the condition that they employed persons supplied by the Employment Service.

We supported this initiative and have, since December 2011, relied on its terms to ensure that approved contractors increase the use of local labour. I am glad to report that the success of the strategy is already reflected in the composition of the industry in the first year, based on the Survey Report comparing October 2011 with October 2012.

In this period, the total number of jobs in the industry fell as a result of the completion of a pre-election construction boom, which had drawn in many hundreds of outside workers but was not reflected in higher local employment in the industry in spite of the restriction placed on building firms in the last year, 2010-11.

In fact, 2011 saw the highest influx of new construction workers ever in the industry, which is partly explained by the concentration of construction projects in that period carried out by outside contractors. The total employment in the industry was 3,434 in October 2011, compared to 2,486 in October 2007 at the start of the previous term of office of the GSD; almost 1,000 more jobs, only three of which were taken up by Gibraltarians whose employment in the industry went up from 725 in 2007 to 728 in 2011; three more Gibraltarians in the whole of the four-year term of the last Administration. In the year 2011-12, the total number of jobs in the industry fell from 3,434 to 2,008; a drop of 1,426. However, the jobs taken up by Gibraltarians went *up* by 140 to 868.

If we go back to October 1996, when the GSD first came into office and before the start of the process of encouraging the inflow of Frontier Workers into the industry, the figure for the construction industry was a total of 1,408, of which 752 were Gibraltarians.

In just one year we have been able to reverse the trend of the previous 15 years and I expect this year's figures, that is 2013, will show further improvement in the area, based on the records of the Employment Service to date. It is quite incredible that in 15 years in Government, under the GSD the number of jobs went up by over 2,000 in the industry and the number of Gibraltarian construction workers went down by 26.

Coming to the Future Job Strategy, Mr Speaker, I can report this year that, to date it has been much more successful in getting Gibraltarians into jobs than its predecessor scheme ever did in the preceding 15 years.

Let me remind the House that the new approach to employment training was introduced as promised in the manifesto on 1st February 2012. In the first month, five employers signed up, committing themselves to provide employment at the end of the agreed training period, which initially was up to 11 months. In fact, since the month of February 2012 was the first month trial period, no employer had an obligation to sign up until March. However, this did not prevent the Hon. Mr Feetham standing up and asking me to admit that the policy was a failure because so few employers had signed up to it, in its first month.

By the end of the 11 months, in December 2012, 101 persons had completed their agreed training and started work by January 2013. Mr Feetham's reaction now was to say that it was no more successful than its predecessor, their low paid VTS. He argued this, based on a claim that he and Mr Montiel had carried out an exercise which showed that 101 was also the number taken on into permanent employment at the end of their time in the VTS scheme placement.

He wanted me now to explain my failure to do better than Mr Montiel... could not say that scheme was a failure anymore... his good friend, so he said at the time. Well, I have found no evidence in the Department of any such exercise being done by him and his good friend, and if they did succeed in employing 101 persons it certainly was not reflected in the 2011 Employment Survey Report as an increase in the number of Gibraltarians in employment.

However, what I am now able to tell hon. Members, is that the results to date shows a continuation of the trend established by the figures of January 2013 and, as I have been providing in answers to questions on a regular basis, the take-up on completion of training is very high and well above the success rate he claimed for those on the old VTS, which he told us was 28%. I have no reason to doubt that this will continue to be the case into the future; that is our success rate, not his 28%.

I have said before that, although Opposition Members have protested how much they want our policy to succeed, as they should if they really care about the well-being of our people and the success of our economy, their constant prediction of failure and criticisms of its effectiveness suggests the very

100 opposite. Their predictions of failure and fault finding is an indication that what they want is for the policy to fail, putting their own partisan political interests before the welfare of the unemployed who are being given an opportunity to go into jobs that previously were not open to them.

I can tell the House one thing, it may not be perfect and it may not work 100% but it is hugely better than anything that was there before and the results will continue to prove it.

105 There are two issues which I want to make clear, that are being used by Members opposite in order to try and undermine the training programmes. It is not the case that when vacancies are opened and applications invited for the public service, trainees have any advantage in the selection process for those public sector jobs. The selection is done by interview boards on the basis of the merit of the applicant using their judgement. The results of the recent selection for AAs clearly showed this; the vast majority
110 who were selected were already employed in the private sector.

Nor is it the case that persons in private sector employment cannot get a job in the public or in other private sector vacancies because the Employment Service stops them. This is utter and complete nonsense and again my answers to questions recently have shown that the numbers getting employed, in both the public and the private sector vacancies, exceeds by far the numbers who do so as a result of having their names submitted by the Employment Service, which sometimes seems to be a disadvantage rather than an
115 advantage.

However, the Employment Service exists to assist the unemployed into jobs, not to help those already in employment to get promotion, move to a better job or one that they find more attractive. That has always been the role and that is its role in any other country that keeps a register of unemployed persons. The position today is therefore no different from what it has been before and from what it is everywhere else.

Looking at the level of economic activity, Mr Speaker, the number of employers, in October 2012, who completed a survey return was 1,500 and increased by 55 from 2011 when the figure was 1,445. This is from the internal analysis of the Statistics Office which does it by sector.

120 In the construction sector, however, there was a decline of 16, from 131 in 2011 to 115 in 2012. The Leader of the Opposition, at Question Time last week, claimed that there was an anomaly in that there had been a reduction in the number of construction workers shown in the survey report whilst at the same time the number of employers had grown by 100. I have no idea where he got this information from but it is totally incorrect, as far as the statistics collected from the employment survey are concerned.

130 If we exclude construction and wholesale and retail, where the number of returns fell slightly from 337 to 335, the rest of the economy reflected a rise in employer returns of 73; from 977 to 1050 – around 8%. Let us compare these results with what was happening in the supposed economic boom of 2011, generated by a totally misguided pre-election spending spree. The October 2011 survey provides us with a clear picture of where the economic activity was taking place.

135 The number of employer returns in 2011, compared to 2010, was up by 11; from 116 to 127 – almost 10% in the construction sector; and down by 7% in the rest of the economy, which showed a reduction in the number of employer returns. This indicates little or no growth outside the construction activity, which activity, as we all know, was funded by public spending, and caused a monumental influx of Frontier Workers which, as I pointed out at the time, was an all-time record; leading to an outflow from our economy of much of the public money spent.

The creation of these temporary construction jobs, taken up by the Frontier Workers, came at a price of over £100 million increase in the level of net debt; the debt which we have been told is what really counts and which still remains to be significantly reduced.

145 The Leader of the Opposition, when he was contesting the 2003 election against the GSD, was horrified at the thought that the total outstanding gross debt was £100 million. Indeed, he got quite annoyed with me in the radio debate because I had disagreed with him and agreed with the then Chief Minister that £100 million gross debt was not too high. That was, of course, when he was claiming that I was content to allow Mr Caruana, as he then was, to remain in power, when he was determined to remove him; which he has now done, of course, albeit in an unusual manner. *(Laughter)*

150 This is not the only U-turn by the Member opposite, whose favourite pastime is to accuse me of making U-turns. For example, the horror he felt at £100 million gross debt was converted after 2007 into the view that the level of gross debt did not matter at all, however high. How can anyone reconcile, Mr Speaker, concern about total debt of £100 million and defend, not long after, an increase of £100 million in net debt and in one year alone; an all-time record in debt increase to finance a pre-election boom that failed to gain the GSD a return to Government? An expensive election campaign, financed by the taxpayer.

155 The answer, of course, is that it cannot be reconciled because it is not a position that results from an analysis of what is sound policy to adopt on the public finances but a position which is determined by a value judgement as to what has the greatest propaganda effect, as the hon. Member sees it.

160 Since that is the hallmark of the hon. Member's political philosophy, and presumably the new dogma of the GSD under his leadership, emulated by others on the Opposition benches, there is a clear

conclusion to be drawn. Explanations given in this Parliament, however exhaustive or detailed, providing statistical evidence of what is happening in the economy or the labour market will have no effect whatsoever on how the Members opposite react and the political stance that they will adopt.

165 Nothing could provide greater proof of this than their reaction to the evidence contained in the returns provided by employers in Gibraltar and reflected in the report of the October 2012 survey. An increase of 524 in the number of Gibraltarians in employment is not something to be welcomed by them. Well, I assume the 524 families who will now have an income earner contributing to the household, which was not the case in 2011, and will have taken careful note of that.

170 The fact that it is the highest ever number of Gibraltarians in employment is not important to the Members opposite. Instead, their propaganda is that there are now more Gibraltarians without a job than in 2011. How can that be, Mr Speaker? Is it that I can perform miracles? That they left 500 unemployed? I have increased the numbers in employment by 524 and I am still left with 500 unemployed.

175 Where is it that I have produced the 524 from, up my sleeve? Or is it that the real number of unemployed in 2011 was in excess of 1,000? As the hon. Member opposite admitted, during the November election campaign, when he said, 'Employing all the jobless at the minimum wage would cost £11 million a year'. That is the cost of 1,100 individuals at £10,000 a year; 1,100 unemployed workers, of whom 500 or less were registered and turning up regularly at the Employment Service and therefore the rest were being either removed as lapsed or failing to go.

180 One factor in the number registered not being higher, has been the competition from the influx of Frontier Workers, encouraged and welcomed by the previous Administration. This meant that a considerable number of jobs were actually filled before they were registered and available to the Employment Service, making it difficult for the staff at the employment office to satisfy the demand for work from those turning up and leading to many people eventually failing to go there to seek employment because it was considered a complete waste of time.

185 Mr Speaker, I would like to deal now with the comments by the Hon. Mr Figueras, for which I am grateful. I have noted that he is concerned that I am overprotective in my efforts to get jobs for Gibraltarians and other long-term residents. It is, of course, a reflection of how much I care for and about unemployed workers, whom I want to protect rather than leave them to fend for themselves and fare as best they can against a flood of competing cross-border workers who are here as jobseekers. It does not surprise me since he defends the record of the GSD, who welcomed the massive increase in Frontier Workers over the last 15 years, at the expense of our own people.

190 I am sorry that he chooses to describe my efforts to get our people into jobs as 'shenanigans'. I can say I am happy that there has been an increase of 524 Gibraltarian shenanigans and 167 other British shenanigans who are now in employment, after I have been in the job for just 10 months. An increase on what was there before, and I only wish the numbers were higher.

195 I can assure him that, given that these shenanigans have been helped by the Department irrespective of their political views, many must have voted for him but may now be less likely to repeat their mistake after hearing his views. (*Interjection and banging on desks*)

200 Mr Speaker, as regards the statement we heard yesterday, from the official and the unofficial Opposition leaders, as to the debt and the reserves, it seems to me that they fail to understand the simple facts contained in the Estimates.

205 At the end of the financial year 2011-12, the level of reserves set off against the gross debt was such that there was really no margin of usable cash available. Hence, the hon. Member's statement in the official opening of Parliament at the time, that he would support a motion to go over the limit of the sacrosanct net debt, which is what he had planned, and would have done had he won the election.

The maximum net debt for the year 2011-12, set by the formula, was £306 million and the year finished with £303 million of net debt, almost hitting the ceiling. At the end of 2012-13, the maximum debt allowed by the law was £363 million, and the actual net debt had been reduced to £291 million.

210 What does this mean? Is it that the hon. Members who introduced the system, and legislated it, do not understand how it works? Or is it that we are witnessing an attempt to mislead people? It is quite simple, with reserves in March 12, shown on page 3 of the book of the Estimates, standing at £214 million, only £3 million out of the £214 million was capable of being spent because if the Government spent £4 million out of the £214 million, it would have pushed the net debt to £307 million, above the ceiling of £306 million by £1 million, which the law did not allow unless the motion that was being put ready in the drawer before the election had been brought in.

215 The position a year later, using the same formula, is that the maximum debt is now £363 million and the net debt is £291 million, so out of the £84 million reserves, shown on page 3, forecast for March 2013, cash is available, or was available, for spending by the Government up to a maximum of £72 million, as opposed to £3 million a year earlier. The reserves, had we spent the £72 million, would have fallen to £12 million without the ceiling being breached. That is all that the figures on page 3 represent.

220

It is nonsense to suggest that the £214 million in March 2012 meant there was money to repay the £317 million of debentures and that now we have got £84 million, which is less money to repay the £175 million of debentures, which is what we were told yesterday.

225 The cash is only required when the debentures mature, unless a deliberate policy decision is taken, as was done earlier this year, to repay some of those debentures early and before maturity. The way to ensure that the cash is available when the maturity dates arrive is to create a sinking fund to match the expiry date of the debentures, which was the system in the past, until the GSD came along, scrapped it and used the money for something else.

230 Coming to the development of the role of the Savings Bank, it is as far as we are concerned, an important element in support of what we want to provide to the local business community and the efficiencies that we can achieve in payment transactions.

235 The opening of its new headquarters in Main Street earlier this year was only the first step, Mr Speaker. To date, the Gibraltar Savings Bank has not done anything that it was not doing already in 2011 and that it had been doing throughout the previous 15 years. That is to provide deposits in accounts at seven days' notice of withdrawal, issuing bonds, redeemable at one month's notice, and debentures on fixed terms of three and five years; they are the instruments that are available and they have been available all the time.

240 The Opposition first said they supported the expansion of the Bank but have never stopped criticising it since, even though nothing has yet happened. The two specific criticisms from the Leader of the Opposition have been: one, that the Gibraltar Savings Bank has an unfair advantage because, unlike credit institutions – that is commercial banks – it is not required to have, and does not have, its own capital.

245 The incredible thing about this criticism is that it is made by the very person who, in Government, removed in 2008 the £17 million own capital from the Savings Bank, put it into the Government Consolidated Fund as part of disposable revenue, available to meet recurrent expenditure and we, who were not in favour of the move, have now announced our intention of gradually building again the bank's own cash reserves which is the equivalent of equity.

250 The second criticism was that expanding the role of the Bank puts the other banks at risk by providing competition and taking away their customers. Mr Speaker, if we manage to do this in 2013 we would be doing it 10 years late. In 2003, in the Budget, the House was told, and I quote:

255 'During recent years, the availability of appropriate banking services has been concentrated in progressively fewer banks, that is to say the appropriate domestic banking services. Some people, particularly the low paid, find it increasingly difficult to obtain a range of banking services at affordable prices and on affordable terms. In order to remedy this, and to supplement the services available in the private sector, the Government will...'

– will –

260 'during this financial year'

– in 2003-04 –

'extend further the role of the Gibraltar Savings Bank by extending the services and the banking products...'

265 – and even having –

'cheque accounts and even card accounts are a possibility. Well, cheque accounts for certain, ATM facilities, automatic teller facilities and possibly also card accounts. This extension of the role of the Gibraltar Savings Bank the Government hopes'

270 – this is all the GSD Government, by the way –

'will go on to correct some of the difficulties that people in Gibraltar, some people in Gibraltar, particularly those on low paid incomes in cash are having in obtaining easy accessible banking services.'

275 Note, Mr Speaker, that it was going to be done in 2003. This, from a party now sitting on the other side, that accuses us of broken promises and U-turns if things do not materialise on exactly the same date and time as we hoped to achieve them by.

280 I know the Leader of the Opposition was not in the party in 2003. Indeed, he fought an election against them in that year. However, since he now defends and identifies himself with everything they said and did in the 15 years, including all the nasty things they used to say about me and the rest of the GSLP, I assume he is aware of, and approves, their policies.

But in case he does not, can I remind him of a more recent Budget, in 2010, when he already had made the jump to the other side and the former Chief Minister then said:

285 'I have already mentioned the restricted credit facilities that exist for both commercial and personal borrowers as a result of the international credit crunch. Gibraltar general retail banking needs are principally provided by two banks, Barclays and NatWest, who both provide an extensive service and have shown, and continue to show, a very welcome and much valued commitment to

290 Gibraltar. Nevertheless, both of these banks operate within policies relating to such things as lending criteria, risk assessment, project lending limits and country lending limits, which are not decided in, or specifically for, Gibraltar. Furthermore, the Government believes that a market such as ours should have at least three general retail and commercial banks serving its needs. Gibraltar would therefore benefit from having a local home grown and home managed bank. To this end, the Government is exploring the viability of establishing such a bank in partnership with private sector interests. A project paper has been prepared and will shortly be circulated to selected local private interests to test their appetite for such a venture.'

295 I assume that the appetite was not there when the GSD was there.

This presumably was the alternative to the idea, originally, of the Savings Bank being expanded and what, in effect, would have provided additional competition to existing institutions to the same degree as the Savings Bank will in future.

300 Mr Speaker, if hon. Members opposite believe that they are entitled to expect us to implement our manifesto commitments and they are entitled to question us about any delays or failure to do so, then they have to make up their mind what their role is.

305 In this particular case, the manifesto commitment is clear. It is in the recent manifesto and it has been in previous manifestos and, therefore, they have to decide whether they want to criticise us for delays in implementing the expansion of the Savings Bank or criticise us for going ahead with it because they are against.

310 Having heard, Mr Speaker, the views of the hon. backbencher yesterday, I have to say that there was no indication of any of the concerns he expressed when he announced what he was going to do in 2003 with the Savings Bank, or what he was going to do in joint venture with the private sector in 2010. I can assure hon. Members that the Gibraltar Savings Bank will proceed with its planned expansion, as I have stated publicly, taking one step at a time so that its success is guaranteed and it avoids making mistakes. I do not share any of his concerns or the different concerns of the Leader of the Opposition. It will, of course, be run by the staff who are employed in it, and it will continue to operate as a Special Fund as provided for by the existing legislation.

315 Coming to the items of expenditure in the Estimates. As regards the approval for the three areas of the Estimates that I am responsible for – which are Heads 26, 27 and 28 – the position is as follows: the forecast outturn for 2012-13 is within the Estimates approved by Parliament last year. The budgets, for which I am seeking approval this year, are about the same level as last year.

320 There are two areas showing increases, one of which is where staff has been transferred from another Department, and where there will be a corresponding increase – and this is usually identified in a footnote – and the provision for 25 AAs in the Employment Service.

325 This is not because they are required in the Department but because, at the time when the AAs were recruited, the exact distribution was under discussion between Departmental heads and the Human Resources Department as to their needs. The AAs were therefore placed in the Employment Service so that the provision for their salaries could be included in the estimates and the Parliament had the opportunity of approving it. But they have now, in fact, already been redistributed to other areas where they are most needed and therefore, although they will continue to be paid from the budget of the Employment Service, in next year's Budget they will have been moved from there to wherever they happen to be and their salaries will be shown in the proper head of expenditure.

330 As regards the new provision, this year, for Community Care, this is in accordance with our manifesto commitment and the policy that was in place until 1996, the Government therefore has now resumed this year, the payment of an additional grant to Community Care equivalent to most of the estimated surplus. The purpose of the payment is to allow the charity to restore its reserves, which were in excess of £60 million in 1996 and was allowed to run down to nothing as a deliberate policy of the GSD Administration.

335 When this policy was formally announced by the previous Chief Minister, it was explained that the purpose of running down the reserves was to discontinue the work of the charity and to place current and future recipients onto a statutory scheme making comparable payments alongside the Social Security old age pension. It was stated, in the public statement that was made, that none of the present or future recipients of Community Care payments would be any worse off. The new replacement scheme was said to be better, providing more security for pensioners and was promised for implementation initially before the general elections in 2011 and subsequently immediately after, had they been returned to Government.

340 I have to tell the House that I have found no evidence, whatsoever, of any such scheme being in preparation in the Social Security Department and I have to assume that if this scheme existed at all it was not kept as a secret from other Members of the Government now in Opposition.

345 There are no two ways about it, Mr Speaker, either there is a better way of helping resident pensioners than the system provided by the charity, which Members opposite know about but refuse to share with us, for partisan political reasons to the detriment of those pensioners, since they say that it is better than the existing system, or none of these things and what we have been told in the past had been true and this was said both in the Parliament by the previous Government and they were not telling the truth outside the Parliament to the electorate. Either way, I have to say their conduct is inexcusable.

From the Opposition, from the moment it was announced, I invited the then Government to share their proposals with us and if they were as good as they claimed we would support it. From the Government, from day one, we have repeated and requested in the public interest of Gibraltar and for the good of the pensioners that that information should be made available. Not one word of reply have we had to date.

355 How can Members of the Opposition claim the charity is a ticking time bomb, have an alternative up their sleeves which addresses the problem and continue to leave Gibraltar exposed to the danger which they claim has existed years ago or is it that there was no such danger or is it that it only exists if they are in Government?

360 In the absence of an honest and transparent response from those responsible for having put this problem in the public domain and now sitting on the other side of the House, we shall have to continue with increased funding for the charity in order to secure its long term future, to be sure that it is not left again without reserves and exposed to a situation where a future Government, in times of difficulty, might not be able to help it out.

365 There is, therefore, this additional provision of £35 million, under Head 45, and a token £1,000 in respect of the current year, which is over and above the £24.5 million contribution also from import duty under Head 26, which is initially paid into the Social Assistance Fund and out of which the annual payments through Community Care are transferred. There is, as well from this head, the annual payment of £10 million repeated this year which goes to cover the deficit in the Social Insurance Fund.

370 I regret to say I have not been able to bring the legislation for the fully funded Social Security Fund to replace the existing system for new contributors as I had hoped in the past financial year, and as I mentioned in last year's Budget, I will do my best to do so in the current year, Mr Speaker.

375 I need to make clear that the new proposals will not deal with the position of the finances in the existing fund, which can only be addressed either by additional contributions from beneficiaries or by subventions from the Government. What the proposals will set out to do and achieve, as I have said in previous explanations, is to contain the situation and to protect Gibraltar in the long term from the exposure to a potential liability which could be virtually impossible for any future Government to meet if something is not done soon to address it.

Thank you, Mr Speaker. (*Banging on desks*)

380 **Mr Speaker:** The Hon. Mr Bossino.

385 **Hon. D J Bossino:** Mr Speaker, Let me issue a health warning before I start my speech formally to the hon. Members. This speech will contain some barbed and pointed political comments. (*Laughter*) But not as pointed as those which the Hon. the Minister for Employment has just deployed in his speech just given.

390 Mr Speaker, this is my second Budget speech, but the first occasion that I have been tasked with the responsibility of shadowing the Minister for Employment, Mr Bossano, and I must confess to hon. Members that I am labouring under a sense of *déjà vu* and I am afraid to say that it is not a good one. Having observed the hon. Member politically now for many years, as he knows, he is living proof, Mr Speaker, that a leopard never changes his spots.

395 We all recall his rather brazen – and some would argue, bizarre, with the turn of events – statement in his first term as the Chief Minister of Gibraltar, when he said things like he would make Gibraltar the 13th state of Europe or turn it into the Jewel of the Mediterranean, or when he would refer campaign, after election campaign – as no doubt the Speaker himself will remember – and certainly in the campaign before the 1988 General Election victory, to his secret economic plan. I am very sorry to have to say that shivers are sent down my spine when I hear him make similar statements with the same degree of confidence and bravado as he used to back then. Although I must say, now, certainly in the speech I have just heard, he seems to be slightly more cautious, Mr Speaker.

400 But I refer to a specific example and that is his statement that he would eradicate unemployment by the end of his term of office. Well, this is the thing, already we have seen, lamentably on this side of the House, how the reality seems to be going in a different direction and that is that, in fact, registered unemployment amongst Gibraltarians is higher than when the GSD left office.

405 The figure, as at December 2011, Mr Speaker, stood at 421 with previous annual averages standing at about the 300 to lower 400 mark. The average for 2012, now stands at 522, almost exactly 100 more than the previous Government had left it. Our calculations are that employment is therefore 24% higher than in 2011.

410 Mr Speaker, he has just called it propaganda; I call it a very concerning figure indeed. And I know what he uses, he uses the vocational training scheme cadets to increase the unemployment figure to around 1,000, but the reality is in fact quite different.

At this juncture, Mr Speaker, it is important to recall the words of the Hon. the Chief Minister in his only Budget speech as Leader of the Opposition when he said, and I quote:

415 'Mr Speaker, the nation has had enough. Mr Speaker the nation is let down by a Government that has not known how to resolve the plight of almost 400 unemployed. Mr Speaker, the nation is ready for a change of Government.'

On the basis of their performance to date, over the last 18 months, and on the basis of the Hon. the Chief Minister's own test, they should reconsider their position and call an early general election. (*Banging on tables*)

420 Mr Speaker, but there is more. The other commitment, which we can see as you get closer to the Government's mid-term, is looking less and less likely to be delivered; is the guarantee 'cast iron' no doubt – to use one of the favourite words of the Hon. the Minister for Employment – that he would be able to employ every FJS trainee currently in the public sector into the private sector. Yet, when one looks at the figures, the numbers in the public sector remain stubbornly high at almost 200; 193, I think, was a figure in March of this year.

425 We are also seeing a return to opaqueness and the smoke and mirrors style of politics he so enjoys to revel in. Anybody who cares to read *Hansards* from when the hon. Member was Chief Minister, will immediately see that nothing much has changed. We all know that open Government is a principle which simply goes against the grain for him. I do not agree with what the Hon. the Deputy Chief Minister said in his intervention yesterday, that our questions are now answered; this is far from the truth. It is not that we want them to be, as he puts it, and I quote, 'even more transparent and open'. All we want them to do, Mr Speaker, is to adhere to basic principles of open Government you expect in any western democracy.

430 It is clear that the Hon. Minister for Employment does not share the Hon. the Deputy Chief Minister's apparent love of openness and transparency and is determined to do things his own way. I will give examples; he refuses to answer which companies have entered into agreements with his Department, guaranteeing employment to FJS trainees. This is a legitimate question which, if answered, would at one level simply provide more information on the workings of one of the central policies of this Government and, at another level, establish whether the concern out there, which is that many of these companies are in receipt of Government work in exchange for taking on trainees, is justified or not.

435 Let me have the audacity, Mr Speaker, to advise the Hon. Minister of one thing, that his refusal to provide this basic information only lends credence to and fuels these concerns even further. Opaqueness is also prevalent in relation to the so-called start-up companies; started up at No. 6 or the Hon. Minister's office at Town Range. Any objective analysis surrounding these companies will show that what has happened is that the Opposition has been successful in uncovering what the Government was clearly trying to hide. We expose the existence of a company – unimaginatively called ETB 1 Limited, it cannot get any better than that, Mr Speaker (*Laughter*) – with a registered office in none other than No. 6 Convent Place, with Gibraltar Government employees as its shareholders and its Director, one of the most vocal supporters of the governing party. One would need to analyse, Mr Speaker, whether there have been ETBs 2s, 3s and 4s and so on.

440 The Government then explained that this company was a beneficiary of its start-up nurture scheme policy. But of course, the press release and answers to Parliamentary questions on the subject raise more questions than they answer. Despite asking questions in this House, and despite the fact that some 12 companies have enjoyed the benefits of this scheme, we and the public are still none the wiser as to what the detail of the policy is. Who is eligible? Is it means tested? Is there any age qualification? Is it restricted to the unemployed or to the self-employed? Is there a limit as to how long you can enjoy the services before you are obliged to look for another service provider and so forth?

450 Interesting, Mr Speaker, that the Hon. Minister for Commercial Affairs only this morning, in the context of his proposals to assist businesses, failed, as far as I can recall, once to mention his Government start-up and nurture scheme policy. (*Laughter*)

455 I must say that we are finding it very difficult indeed to accept that a Government which has shown a propensity for publicity: press releases on every conceivable subject; the photo opportunity; and proclaims, with pride, the completion of its manifesto commitments, however insignificant; only yesterday in their pathetic box-ticking exercise, the Hon. the Deputy Chief Minister referred to having complied with, and I quote, 'a record number of manifesto commitments'. It is in these circumstances that it is very peculiar indeed that they should miss the chance to announce the start of one of these very same commitments.

460 Our view of this development is that it says a sad story of the Hon. Minister's FJS which so reaped his party electoral success at the last General Election. (*Banging on desks*) He has said himself in this House, that, in effect, he trades the setup of these companies in exchange for the company taking on FJS trainees; a cost to the Government exchequer all round. Of course, money now seems to be no object.

470 The Government is clearly nervous and shaken at the prospect that they may lose the next by-election. They know that from word go they started off as an unpopular Government – not the norm in our political history, which shows that first-time Governments are normally swept in with a sizeable proportion of the votes, but not this one. This is why they have no alternative but to leave no stone unturned and announce

475 as many capital projects and attractive initiatives that they can think of. The Budget that we heard yesterday is no doubt part of that same strategy.

480 One of these initiatives has, however, already fallen flat on its face. They know, as we do, that their employment policy is fast becoming the noose which is getting tighter and tighter around the Member's neck. For this reason, they try to spin the story pre-Budget that there was a high number of Gibraltarians at work and we have only just heard it from the Hon. Minister; much higher than the 15 years of GSD rule. They said this reflected the measure and unprecedented success of its employment practices; nothing could be further from the truth. As I told the Hon. Minister last week, he and I have clearly very different views of the real effect of his employment practices.

485 What the Government rather carelessly – if I can put it mildly – failed to mention is that we have also seen the highest annual average of numbers of unemployed Gibraltarians in just one year of GSLP Government that there has been in 15 years of four GSD Governments. And to rob, Mr Speaker, from the *Gibraltar Chronicle* headline of last Friday, what the Government hails as a record number of locals in jobs, has to be analysed more closely.

490 The basic fact is that we can see that most of the jobs have been provided by the public sector, amounting to a 9% increase and that there has been an almost identical decrease in the private sector and the MOD. This, on its own, creates a very dangerous precedent which is that an ever-growing public sector, which in one year alone has grown by 417, will only give rise to higher expenditure, which in turn can only be serviced by the engine of any modern western economy – the private sector, a sector which in Gibraltar is now shrinking.

495 The Hon. the Chief Minister himself yesterday attributed the reduction in the tax yield to less activity in the construction industry. Much of the increase in Gibraltarian employment must be on account of the fact that trainees are now employed and recorded as such. This creates an artificial and distortionary effect on the numbers, which allows the Government to say, 'Look at the figures, more Gibraltarians in employment' – the 'Hey presto!' effect that they are so fond of.

500 The further distortionary effect, Mr Speaker, is that the overall numbers employed, which has dropped by 3.3% – by comparison last year we saw an increase of 6.1% – would have been considerably higher had there not been an increase in public sector employment, and that is the point, Mr Speaker.

505 But just to drive the point further, as to the artificial effect of the Government's employment policy, I will make a comparison between two sets of figures. The numbers of Gibraltarians in full-time jobs in wholly owned Government companies is 111, in the public administration category; whilst the corresponding figure for October 2011 was one – 100 more employees in just one year. The total number of Gibraltarians – yes, he can check it – the total number of Gibraltarians in the public sector has grown by 442.

510 Mr Speaker, we are on record as having stated that we are in favour of Gibraltarians obtaining jobs but we object to a system which puts people in never ending placements in the public sector or artificially shoehorns them in Government owned companies, companies which rely on work or those which have been created at Government expense for the benefit of its supporters. (**A Member:** Hear, hear).

515 The fact is, that trainees are not receiving quality, or any training, because the scheme is in the nature of a job placement with no real training; it therefore does not prepare our young or unemployed for the challenges that they will face in a very competitive environment.

The scheme is nothing other than a considerably more expensive version – at £12 million a year, £48 million over the four years of the term, without taking into account the minimum wage increases – of the VTS; our scheme.

520 The cost to this community will not only be the annual £12 million and rising fee, but also the expansion of an ever increasing public sector. We are missing an opportunity to properly invest in our young people and unemployed by delivering good quality training, which delivers a skilled workforce which is able to work in real jobs. Hard work and entrepreneurship are the cornerstone and the best features of our community.

525 We therefore need to make sure that a properly targeted investment scheme delivers training schemes which gives the whole community the competitive edge in areas such as telecommunication, gaming, the hotel industry and construction. Parking people in the FJS for the effect it may have on the numbers – which as I know is the Hon. the Minister for Employment's pet subject – has no place in modern Gibraltar, Mr Speaker. This is the reality which the Hon. Minister fails to see.

530 There are also other areas I would like to touch upon, in relation to the Hon. Minister's responsibilities, which I shadow, which give rise to concern and I will deal with them briefly.

Firstly, we have seen in the area of construction training how no new trainees have been taken on since December 2011. We all wait with bated breath for the unveiling of his new plans in September of this year. But in the meantime, Mr Speaker, we are seeing how no new opportunities are being given to our young people to better themselves in the one area where proper NVQ qualification training is being provided.

535 Secondly, we have seen how the numbers of registered employers in the construction industry have gone up very substantially from 466 in March 2011 to 593 in December 2012; a total of 127, or by 74 during 2012. But yet, in a Bermuda Triangle moment, (*Laughter*) all the construction work appears, in fact, to be disappearing. We are also seeing construction jobs going down by 1,426. The burning question to ask, Mr Speaker, is whether these companies are being set up to artificially create jobs for FJS trainees, in exchange for Government work. (*Banging on desks*)

540 Thirdly, we have been at the receiving end of complaints – and the hon. Member knows this – from constituents who claim that they are not being shown vacancies at the ETB, on the grounds that they are currently in employment. The hon. Member, I know, denies that this is happening but the complaints keep coming in. If it is happening, it can only be to ensure that the vacancies go to the trainees on their books and thereby reduce the numbers. This would be reprehensible behaviour if it were true, Mr Speaker, because it would be denying people in employment, the opportunity to better themselves.

545 Fourthly, we have also seen how the Minister for Inward Investment is, despite his leader's claims, in May 2011, that the party had investors knocking on their door, only to come to Gibraltar on the condition, it seemed, that there was a GSLP victory on 8th December 2011; very much *à la* secret economic plan. But the fact is that none of that has in any significant way materialised, as can be seen from questions we have been asking in this House. The fact is, Mr Speaker, that the Hon. Minister, in his tunnel vision of life, is only interested in the figures without realising the potential damage he is inflicting on our young and the future prospects of the economy, and therefore our community as a whole.

550 Mr Speaker, some of my other areas of responsibility include tourism and the port, where I shadow the Hon. Minister Costa. As I have said in the past, these areas are those which go to the heart of our economic well-being and therefore prosperity as a community. The Hon. Minister is, for example, on record as having described the vitally critical economic activity represented by cruise lines and cruise passengers disembarking at Gibraltar's port, which is one area, of course, of tourist and port activity.

555 Mr Speaker, I would simply wish to remind this House what I said in my first Budget address last year, I said this:

560 'I feel very comfortable, indeed, standing in this House representing the GSD record and will now seek to make a case by reference to some statistical information, which shows why the GSD's four consecutive terms in office proved to be such a huge success in the tourism sphere. The Hon. Minister for Tourism knows deep down inside that he has a very hard act to follow...'

I went on to say –

570 'On any perusal of the Tourism Survey Report of 2011, the only conclusion that any reasonable observer can come to, is that Gibraltar has done very well indeed.'

– I then ended saying –

575 'Success has to be built on strong foundations and the statistics I have been through show what can be done if this area of Government policy is handled carefully and intelligently.'

580 That was then, whilst this is where we are now. The analysis of the figures, as shown in this year's Tourist Survey Report, which was laid in the House only last Thursday, indicates that the Hon. Minister has, indeed, found his predecessor a very difficult act to follow.

I sincerely wish the Minister well over the remaining two years of this term and that we will see a positive trend emerging because, as matters stand, the trend is pointing quite frankly in a different direction. As the Leader of the Opposition pointed out yesterday, that golden economic legacy, which we left, should not be lost.

585 Visitor arrivals by sea are down by 33,253 from last year. In one month, i.e. March, we have witnessed a rather depressing drop of 34.7%, and in July, an eye watering 41.1% – less than 9% shy of half of the amount in the previous July of 2012. If he wants to raise – as in fact because I premeditated the defence he was going to deploy this morning – the rather spurious defence that these figures have nothing to do with him and they represent a lag from the previous Administration – and I will explain later, Mr Speaker, why that is not available to him in any event – let me tell him that the number of passengers on the figures, as we can see them up to May of this year, when compared to the same period in 2011 and 2012, represents less, not more than what arrived in those years I have just referred to. In 2011, we saw 100,915 passengers arriving in our shores; and, in 2012, a slight increase of 101,545; whilst this year, we are seeing 5,101 passengers less than in the previous year.

590 In terms of cruise liner arrivals, one of the Hon. Minister's obsessions... and I have told him in the past, both in this House and in a TV debate, that he should fret less about cruise call numbers and more on numbers of passengers arriving. For example, in March 2012, we saw one of those eye watering figures representing a 35% reduction on the same number of calls, i.e. two calls.

600 But going back to the Minister's obsession on cruise liner calls, here too, we also saw a reduction, by
 14 between 2011 and 2012; from 187 to 173. Yet, although the figure has risen slightly in terms of
 anticipated bookings for 2013 to 187 – interestingly, Mr Speaker, that is the equivalent level of the last
 GSD year in 2011 – if one does a comparison between the respective positions of the years 2011, 2012
 and 2013, on the latest statistics which takes us up to May 2013, we see another depressing story. At this
 point in 2011, we had seen 67 calls; whilst in 2012 we saw 69; and this year, 50. We seem to have done
 605 considerably better in March, with an increase from two to eight but reductions in all other months,
 notably last month which went from 32 to 21 – the lowest it has been in 11 years. But even if the
 expected higher number of calls materialise for 2013, 300,000-odd passengers will be visiting. Yet, with
 almost the same number of calls – at 187 – 325,000 passengers came to our shores in 2011, with 303,000
 passengers brought by considerably less calls – at 175 – in 2009.

610 You see, the Hon. Minister cannot shy away from the responsibility which he has for what is a
 slowing down area of... this area of our economy and only attribute positive results to himself. It was in
 last year's Budget, Mr Speaker, when he very confidently stated that the figure for cruise calls for 2012
 had gone *up* by seven; in fact, the number turned out to be higher than that – 13; and claimed that this was
 on account on the Government's policy and I quote, 'of pursuing personal contacts and structuring
 615 continuous and fluid communication with the decision makers in the industry.' I have told him in this
 House and outside of it, that he had not discovered America and that I was sceptical that his discovery
 would reap results beyond what had already been achieved by the GSD. But I was, of course, willing to
 give him the benefit of the doubt, given that he was so enthusiastic with his new found approach.

620 The fact is that the figures speak for themselves. In the months following his address, every single
 month showed a reduction in the number of cruise calls, other than in September where there was a slight
 increase of three, and in October an even slighter increase of one. Who or what does he blame for this?

625 Visitor numbers to the Upper Rock are also down. As at March 2013, we have seen 87,306 visitors,
 yet the figures for the same period in 2010, 2011 and 2012 are 91,000, 98,000 and 107,000, respectively.
 The 2013 numbers are down by a staggering 19,896 from the previous year. All of this, despite the much
 publicised £1 million investment in our tourist attractions and with a further £1 million allocated for this
 financial year. Let us hope that the figures pick up in the future.

630 Total – and I appreciate the distinction which the Hon. Minister made this morning, but the fact is that
 – total land visitor arrivals are also down by 113,000, from 2011 to 2012, as are coach arrivals by 122
 over the same years. 2013 is, as at May, seeing a similar downward trend in equivalent periods in 2012,
 with a reduction of 585 coach calls. Tourist expenditure, which is the most worrying figure I can quote
 this afternoon, is also down by £34.72 million, at £244.69 million – the lowest it has been for the past six
 years.

635 All told, the fact is that, other than in air arrivals where we have seen a marginal increase, we have
 seen reductions in all areas of tourist activity. As I have said previously, this is a trend which I sincerely
 hope the Government can redress and that the substantial monetary investment, which it is making in this
 area, reaps benefits and reaps them soon.

Mr Speaker, the Leader of the Opposition has asked me to address some of the points made in
 Members' contributions before me, on the Government side, and I think they have all contributed other
 than the Hon. the Minister for Culture. I will deal with some of the points made.

640 Firstly, in the area of e-government, Mr Speaker, let me welcome the Government's initiative to – I
 think it was announced by the Hon. the Chief Minister – to set up an online service for the submission of
 forms to the ETB, given that that is one of my areas of responsibility. I am sure that this is an initiative
 that will find favour by users of the service, in particular the business community.

645 Secondly, let me assure the Hon. the Deputy Chief Minister that he will find the Opposition
 supportive in respect of the Government's efforts in relation to the continuing inclusion of Gibraltar in
 EU aviation measures. This is something which – I know he is a historian and we have discussed it on
 many occasions before – which was denied us for many years, as a result of political pressure from Spain,
 following our rejection, as a matter of principle, of the infamous Airport Agreement of 1987 and it is a
 right which we ought to enjoy as EU citizens.

650 Thirdly, I would want to pick up on some things which have come through after hearing the hon.
 Gentleman and Lady opposite. That is that they are clearly all on a veritable spending spree, Mr Speaker.
 These are Ministers whose political leader spoke of a – the Hon. the Leader of the Opposition quoted it
 only yesterday – 'serious public finance problem'. This was only a year and a half ago. He painted a very
 'bleak economic picture'. How is it possible, Mr Speaker, that they have managed to turn the tide of
 economic doom and gloom to a situation where they can spend as if there is no tomorrow?

655 The answer is clear, and that is that what Gibraltar witnessed in 2011 was indeed a big lie election.
 (Several Members: Hear, hear.) I could understand if, following their accession into office, they had
 said, 'Well, we now have to change direction. We have no money. Let us wait and see what our new and
 wonderful economic policies will bring,' and then perhaps, in their last Budget in their last year in office,
 say, 'Here we are, look at all the new investments which we have brought in and we are now going to

660 spend, spend and spend'. No, that is not the position, Mr Speaker. They started spending from word go – in a monumental U-turn from the first GSLP Government's time in office, which believed in saving money. That was a matter of principle that the Hon. Minister for Employment kept on saying: he believed in saving money for a rainy day and that was a matter of principle which one could respect, it has obviously had a real reaction, Mr Speaker.

665 They have now become the spendthrift Government *par excellence*. We have heard of money being spent on refurbishment of estates; on new posts in the Health Service; increasing allowances here and there; an astronomical increase, as my Hon. Lady Friend Mrs Ellul-Hammond mentioned this morning, on GHA spending, where the Hon. Minister for Health rather disingenuously stated that this is the first time that the Health expenditure has come within budget. But of course, that may be true but he fails to mention that there has been a humungous increase in expenditure; from an originally estimated expenditure for 2011-12 of £78.9 million to an estimate for this coming year of £90.5 million. Talk about spin or, as he would put it, gyration! £4,000 extra for the Education Budget, is the Hon. Minister for Education and most of the other areas of Government responsibility; a doubling of Finance Centre staff; more resources in marketing; a further EO post in the Gambling Unit; new, I think it was, 16 bicycles for the RGP; new expensive vessels; a further £1 million on tourist items; the list goes on and on and on.

670 All of this simply reinforces our charge: an accusation that 2013 was a big lie or, as I would put it, the big deception election; and the electorate know that this is the case and will not be duped by them again. (Several Members: Hear, hear.) (*Banging on desks*).

675 The Hon. Minister for Housing, Mr Speaker, moving on, refers to the 'research' which his party carried out in Opposition, the result of which, he claims, has allowed them to address Gibraltar's housing needs. That is really careless use of language, if I can put it in those terms. Does he really expect us to believe what he says?

680 They kept on saying time after time, when in Opposition, that there was a collective of Gibraltarians which had been exiled from Gibraltar into Spain because of lack of housing here. Yet, when we asked them to state how many of those poor people there were, they said there were only a few. (A Member: Two.) Two or three. This can only suggest that either they were not candid in making the political points before or their research is faulty. He really has to learn to be a bit more persuasive.

685 I will now pick up on a point made by the Hon. the Deputy Chief Minister, that we are a nit-picking Opposition. It is a bit rich coming from the hon. Gentleman (*Laughter*) given his propensity for issuing press releases when he was in Opposition. He knows that this is not the case; he knows it, Mr Speaker. We have welcomed Government initiatives. We have worked together – as the Hon. the Minister for Tourism has publicly acknowledged, and I am grateful for that – on legislative initiatives. We have taken initiatives such as the motion on the EU vote, which sought and obtained a cross-party position on an important issue which affects us all. The criticism, Mr Speaker, more accurately describes the previous Opposition's behaviour but not this one. Nit picking is, in fact, an activity which they rather remarkably continue to indulge in as if *they*, not us, were still in Opposition.

690 Eighteen months in and they are still in Opposition mode or, as I would describe it, GSD bashing mode. (*Banging on desks*) The Hon. Minister for Health is quite blatant, when he expressly said in words yesterday afternoon, 'I will continue to blame them'. If you heard his speech, and that of many of the other Ministers, you would be forgiven for thinking that the Leader of the four-term Government, which had inflicted so much harm on the community, should be the recipient of a knighthood, which attracted praise from both sides of the House.

700
705 **A Member:** I am shocked.

Hon. D J Bossino: This is an inherent... He says that he is shocked, well... This is an inherent contradiction in their position. But you see, Mr Speaker –

710 **Another Member:** 'I am shocked', he said.

Hon. D J Bossino: Yes, he said that.

715 I am really concerned for the Members opposite because they are starting to believe their own propaganda. The Hon. the Minister for Housing refers to 'the forgotten estates'; the Hon. Minister for Health now refers to 'the illegal fishing agreement', as if they were universally accepted definitions of these things. They are none of these things.

720 If the Hon. Minister for Health is going to pray in aid the electoral result as vindication for his careless announcement on Facebook, he must know that he is treading on thin ice, because more than half, i.e. the majority of the people of Gibraltar, did not agree that that was an illegal agreement which required tearing up or that the estates, which they themselves lived in, were forgotten. The great blunder, if I can use the Hon. the Minister for Health's words, was not the agreement – the co-author of which was the Hon. Sir Peter Caruana; yes, the one they heaped praise on so lavishly yesterday – but *his* for perpetrating nothing

other than a diplomatic disaster. To suggest that it only seems that there are more incursions, because there is a camera on everyone's iPhone or phone, really takes the biscuit. Why don't they have the humility to accept this, that this was Picardo's Bay of Pigs moment?

725

Mr Speaker, just as an aside comment, I must say that I am concerned more for the Hon. Minister for Health's heart than for his weight, as I saw him rather worked up yesterday. I must say, Mr Speaker, I know that he is a good actor so maybe he did not mean much of what he said, or at least the way he said it. This advice, I also impart on the Hon. the Minister for Employment and all the other areas of Government responsibility, who in his continuous Jack-in-the-Box interruptions of my Learned Friend and Hon. Friend Mr Figueras' contribution this morning – and I impart the same advice to the Hon. Minister for Social Services and Tourism – was really rather remarkable and unbecoming, I think, of behaviour that one normally sees in this House.

730

But you see, Mr Speaker, the only explanation that I can find for their lamentable behaviour this morning, is that it betrays a nervousness at their electoral prospects in the next 10 days. The listening and now viewing public will note that the Opposition, Mr Speaker, has not interrupted one of the Government's interventions, and have courteously sat through many of the barbed and pointed criticisms which have been made by them, of us. All we ask them to do is to treat us in the same manner. This is called freedom of speech, which they say they believed in at the time of the last election when they expressed the desire – and this is set out in, I think it is, page 12 of their manifesto – to ensure that no-one in Gibraltar should be afraid to speak their mind. Well, let me tell them one thing, this Opposition is not afraid to speak its mind. (*Banging on desks*)

735

740

Just, Mr Speaker, to touch upon the Government's spending programme once again. People need to ask themselves this, do they see that new investment that was promised coming in, which affords the Government the opportunity to spend at the pace that they are spending? If the answer is no, they need to ask themselves, where will our public finances be in two, three or four years time? I trust that no-one on this side of the House will have to make the sort of arguments which the Hon. the Chief Minister made as to the state of our finances, but this time with justification. The Chief Minister said, in his Budget address, and is quoted in today's *Chronicle*, that, 'Everything which should go up, is going up and everything that should go down, is going down'. I am not sure what he was referring to because clearly unemployment is certainly going up, Mr Speaker. Or is he referring to coach arrivals, land arrivals, Upper Rock visitors and hotel room occupancy? Because they are all definitely, Mr Speaker, going down.

745

750

For all these reasons, when people are given the opportunity to have their say as to this Government's performance... although there will not be a change of Government on 4th July, I am confident that they will be sending a very clear and unequivocal message to this Government that they are not happy with the way things are going and that the Government should change course and change it now.

755

Thank you, Mr Speaker. (*Banging on desks*)

Mr Speaker: The Hon. Mr Steven Linares.

760

Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares): Mr Speaker, this is my 14th Budget speech and from all the other Members, except Peter – Mr Caruana – and Mr Netto, I, from that side, have done more Budget speeches than any of you. It is my second as a Minister. I am not going to go on about the behaviour in this House of either side because it is *nothing* compared to the behaviour that I had to endure when I was sitting on that side for 11 years, from people sitting on this side – nothing compared. This is Mickey Mouse.

765

Mr Speaker, I am glad that the Chief Minister is going to round up with the Budget speech because I would have had a field day to try and answer all the issues that have been brought up in this House. So, I will just refrain myself to just carrying on with my Budget speech.

770

Mr Speaker, I cover a number of Ministries that are more high-profile, like culture and sport, as well as others that generally receive less publicity. I will, therefore, start with the ones not usually mentioned but which are also very important to our community, in respect of the function that they perform. In fact, I feel honoured that these have been entrusted to me.

As Minister for Utilities... I cover both water and electricity, as the Chairman of AquaGib and the Gibraltar Electricity Authority.

775

In relation to water, we are seeking to continue a good relationship with our partners AquaGib. As we all know, this is a private company that has, for years, delivered water to our homes in a very efficient manner. They pride themselves on customer service that is second to none.

780

The company is currently looking at how we will include into their system all the ex-MOD properties that have been handed over under the 2011 lands deal. The aim is to reduce costs without affecting the workforce and the quality of the service that is delivered. This is coupled with the fact that we have a manifesto commitment of not increasing water tariffs during this term of office. The company is investigating how to produce cheaper water than we are doing currently. RO plants that were

commissioned by that side are very expensive to run, since they run on electricity and producing electricity in itself is very expensive.

785 The Government is also looking at how we will deal with our waste and we are actively examining how we can use our waste in order to produce energy. As a member of the inter-ministerial group, which is looking at energy sources, I am interested in seeing all kinds of systems that can produce energy, cut down on our carbon footprint and, at the same time, save on costs. I will later on explain how we have been able to do this at the swimming pool.

790 In relation to electricity, it is already public knowledge that our Government is going through the tender process to procure a new power station. When one thinks of the plan that the previous Administration had for the future generation of power, people would be right to question where the logic in such a project lies; diesel-powered engines that would have trapped us for 30 years, costing £140 million and also involved an increase in tariffs for 20 years at 5% per annum. We did not find out about this – talk about deception – proposed increase until *after* the General Election.

795 We are now looking at different options with environmental considerations uppermost in our decision-making. Our aim, obviously, is also that the cost of producing electricity is reduced. We have had to contract Energy International to provide Gibraltar with enough capacity for the supply of electricity until we have the new power station.

800 I understand that Mr Netto might not be interested because he is the Minister for Utilities and he is not listening, so never mind, I will carry on. (*Laughter*)

Any problems are generally caused by the ageing infrastructure, which we have inherited which should have been tackled in the last 10 to 15 years. Be that as it may, I am happy that the power station, which will be in place sooner rather than later, will be the type that our community deserves.

805 Mr Speaker, I now move on to the Postal Services. We had a situation in our Postal Services where at least three SOGs – Signal Operative Grade – basic staff had been on the ‘*supply*’ list – ‘supply’ meaning that they were permanent for four years. These officers have now been employed on a full-time basis. One cannot understand how somebody can be employed on a supply basis for four years and not needed.

810 A long-standing claim that the postmen and women have had was that of ‘finish and go’. We can say that last summer they went on the ‘finish and go’ and that this could continue. In turn, they have agreed to maintain an efficient service to the public. Further, the Government have reviewed the contract with Change Management Ltd and we have contracted the services of three of their four employees of Change Management Ltd on an individual basis.

815 Refuse collection is another Ministry area that I cover. I can say that when we came into office, the men’s depot could have been better. The men’s depot was in a *shameful* state. ‘Golden legacy’. I can now say that we have developed a good working relationship with the men, and the union and my office. Issues which arise are quickly dealt with to the satisfaction of all. Sometimes it only takes listening to their concerns. This is a *listening* Government, Mr Speaker.

820 The Fire Service – a review has now been conducted, completed and a copy has been made available to interested parties. The Government, through the Chief Minister, as the Minister responsible for Industrial Relations, and myself as Minister for the Fire Brigade, intend to engage on the report with interested parties.

825 It is important to note that minor issues that the men have had for years have now been resolved. As to the lady’s comment, I am proud to say that I visit the Fire Station regularly. I meet with the City Fire Brigade officers at least once a month and my doors are always open to both committee and the unions; a far cry from the past – the Minister hardly ever visited the station, only probably when she was a young girl and allowed to go to the Christmas party.

830 We are currently engaged with the unions to implement reforms to the dispatch system and this will be one that will be prioritised and implemented within the next few months. I am confident that we can achieve this with the goodwill on all sides.

835 Civil contingency is another of my roles and I see that all the essential services need to be well co-ordinated to deal with any eventuality. There is still on-going co-ordination to establish what equipment is held by different services. This shows that not much had been done previously because the people who are experts and professionals in the field were not allowed to function as they should.

The new Government found that the bunker, i.e. the boardroom at No. 6’s cellar, which had been projected as being state of the art, and in which the Chief Minister and the then Civil Contingency Minister would liaise centrally with all heads in the C3 committee, was simply not fit for purpose. To give an example, there are no independent generators placed there or nearby, so a simple power cut would cut communications with the outside world. All this is being looked at now.

840 The Government are now looking at having a mobile control vehicle that can easily be deployed anywhere and where the Command Centre can be situated. Furthermore, we have employed a Civil Contingency Press Officer who can deal with communicating to the general public, through the media, in order to be able to inform people on the impact of any possible disaster. Mr Speaker, people panicking and not knowing what to do in these circumstances has to be prevented at all costs.

845 As to the hon. Lady's comment that I have met three times in one and a half years, again I think I would put it as disingenuous, or whatever, but that is not true, Mr Speaker; she asked the question way back in February, therefore, I have met more times since then.

850 She should have actually asked the question maybe in this last House and then she would have been correct. The fact is that I have met with them four times in the full C3 meetings, three times in the sub-meetings which are in between, and that I meet very, very regularly... In fact, I met with Mr Edmonds, who co-ordinates the Civil Contingency, in June 2012, December 2012 twice, in January 2013, in February 2013, in March twice, and in June, only 10 days ago, once. Much more than the Civil Contingency Minister did in *16 years*. So there you are, Mr Speaker, that speaks for itself.

855 I will now move on to other Ministries for which I am responsible – I guess the most glamorous ones.

Mr Speaker, on 1st June 2006, the previous Administration decided that the GASA swimming pool should be part of the GSLA and that the pool would be opened for the public to enjoy. Very welcomed, but no consideration was given to the increased number of users that the pool would have.

860 The consequence was that the pool deteriorated and hardly any maintenance was carried out. In fact, there was total neglect. This was reflected in the incident of February 2012, where the ducts from the air treatment system collapsed. I am pleased to announce that a major refurbishment programme is well under way which will transform the pool for the users to enjoy.

865 The most exciting part of this project is that the pool water, the hot water in the changing rooms and the air treatment of the whole pool will be powered by the sun. Solar panels will be placed on the roof to achieve this. In fact, the most important aspect of this reform is that the system will pay for itself within four to five years, with a saving on electricity bills which we all know are heavily subsidised by Government. After this period the investment will have been paid for and the savings will be considerable. This is a win-win for all: the taxpayer; the users of the pool; and most importantly for the environment.

870 We have also taken over the employees who were employed by GASA and the management of the pool is now under the GSLA, as it should have been from the very beginning.

875 Mr Speaker, the Bayside Complex will also be going through minor and major refurbishment work. The Hon. Member Mr Reyes has asked a number of questions which relate to whether the stadium is up to standard for international competitions. The fact is that many parts of the stadium, and the complex in general, have been neglected over many years. Take for instance the east stand of the stadium where the toilets and changing rooms were; these have been left to rot to such an extent that they have been closed for years. With a small budget and using the small companies of local workers, I am pleased to say that the whole of the east stand will be refurbished; all toilets and amenities will be improved for the use of spectators.

880 Continuing with the east side, it was shameful to see the state that the changing rooms on what is commonly known as the CEPESA area had degenerated to. Mr Speaker, that was constructed by the GSLP and it was still there only months ago. It was a Health and Safety hazard in the extreme, where many young boys and girls actually acquaint.

885 So, we took advantage of the fact that contractors were on site placing the magnificent turf on pitch No. 2; we knocked it down and for the time being, as a temporary measure, we have placed portacabins for use as toilets and changing rooms.

Further works in the area will include a cover on the stands where parents sit to watch their children play and where there will be cafeteria facilities in the same area. With some of the turf which was removed from the main pitch, which was deemed to be in a good state, we have improved the areas west of pitch No. 2. Now these areas can be allocated for training purposes.

890 Mr Speaker, the Government will continue with the refurbishment of all the facilities that have deteriorated due to years of lack of maintenance. The golden legacy. This includes the changing rooms which serve the old sports hall. A total refurbishment programme is also underway and will result in, not only the day to day users being able to enjoy the facilities, but the change will also give a good image to the many travelling teams who come to Gibraltar to compete in many competitions and have had to use these deplorable facilities.

895 Another innovation, in the Bayside Complex, has been to facilitate the use of what was the waste ground in the western most part of the Bayside Complex, where the slipway was constructed. Now, not only can canoeists enjoy this area but also those with jet skis. The area concerned was resurfaced, water meters placed, and parking areas marked with a separate entrance provided. Another fraternity, who were largely ignored, are now very happy. Within the Bayside Complex, the GFA have been housed on a temporary basis until the new stadium is built.

900 Mr Speaker, one last but important improvement which will be in place at the Bayside Complex by the beginning of the new season, and which the hockey fraternity have been asking for many years, is that of having floodlights at the hockey pitch. One cannot understand how we can have stands, first class turf for the playing of hockey and no floodlights. This has meant that having tournaments or visiting teams competing with our hockey players and training for hockey during the winter period could only extend

until sunset, which is around 6.30 p.m.. Now the hockey teams will be able to enjoy the playing of hockey until at least 11 p.m., which is the time at which the whole of the complex usually closes.

910 As the demand for more sporting allocation increases, we have to look at other facilities. The community use of schools, which was introduced by the GSLP in the 1990s, we will now be aiming to extend to continue during the weekends, and I am in discussion with my Hon. Friend the Minister for Education to see how we can work around that.

915 We are also trying to find ways in which these facilities can be used during the summer period. All playgrounds around Gibraltar, such as Hargraves, the Laguna, the Dolphins Youth Club playground, the Edinburgh Estate playgrounds, will be going through a refurbishment programme, which will not only improve facilities for the youngsters in the estates but will also allow them to be allocated to sports in general.

920 We have also spoken to GABBA, the basketball association, which manages the Garrison Gym, to see how we can maximise the use of this venue and I am pleased to say that we aim to have this place used throughout the week and weekends, not only for Basketball but also for other sports and maybe even as a cultural facility.

925 Though the Retrenchment Block at Lathbury Barracks had been refurbished, the allocation process was regrettably a shambles. The system of allocating premises was not done via LPS who had associations and groups on a list waiting for their turn. These allocations were often made simply at the whim of No. 6. Some were coincidentally on the list but the majority were not. This created a totally unfair situation in which groups and associations, which had been waiting for years for premises, were left out in the lurch.

930 In coming into office, we realised that there were some areas that were abandoned and could easily be used for sporting clubs and associations. This was the case with Town Range rooms where many premises have now been refurbished and have been allocated, using the system of applying via LPS.

935 I move on to Heritage matters, Mr Speaker. Harding's Battery, which is situated at Europa Point and was part of the refurbishment of the whole area, had been closed since it was inaugurated by the previous Government in 2011. As soon as the entire fanfare – talk about propaganda – was over, the place was shut. A few months after I became Minister, it was brought to my attention that the Battery which had been discovered underneath the mound where tourists viewed the Straits, an interpretation centre had been constructed and fitted out with glass panels and models of soldiers of the period.

940 We set about trying to find the keys and I was astonished at the fact that the contractor still had possession of the site since no one had bothered to take responsibility for this place. When we looked at the Battery, my office immediately organised for the centre to be opened to the public.

945 Mr Speaker, talk about spendthrift; one cannot understand how more than £300,000 had been spent on this project, and a whole media fanfare – talk about propaganda – had taken place months before the election, yet only for the place to be shut hours later.

950 Now, during the last month or so, and with the help of a private company Casais and Mr Richard Labrador and my office, a carriage was constructed and a 45-tonne gun placed on its original position. The cost was shared between Casais and the Ministry for Heritage.

955 The relationship with the Gibraltar Heritage Trust continues to improve – that is one of our manifesto commitments – and not only with the Gibraltar Heritage Trust but with other groups. The fact that the DPC is now an open, public forum has been welcomed by the Heritage Trust.

960 Further, we have introduced a Heritage Filter, similar to the Environmental Filter across Government. For people to understand what is meant by the filter, I would like to use the example of the new St Bernard's School. When plans were originally put to the Minister for Education, the proposal included knocking down what was the old Sisters' Quarters. The documents went through the filter which meant that it was assessed by the Ministry for the Environment and, in turn, the Ministry for Heritage.

965 Concerns were expressed by the Heritage Trust and, after a number of site visits by all parties, instructions were given to architects as to what was permissible. The magnificent plans now protect many of the heritage aspects of what was the old Colonial Hospital. That is democracy at work.

At this stage, I would like to quote from the media last week, where it was stated:

960 'The Heritage Trust welcomes the ex-Colonial Hospital Redevelopment and the Urban Regeneration Scheme. The Trust has welcomed the recent announcement by the Government of the redevelopment of the Old St Bernard's Hospital into a school and the new impetus given to the Urban regeneration of Gibraltar's Old Town'.

965 It carries on and says, the Trust says that these developments are very significant in terms of the conservation of the old town, and I quote:

'The hospital buildings at the site have a magnificent heritage value...'

If we are going to talk about people not being in the Chamber, it is unfortunate that Mr Figueras is not in the Chamber, but never mind, I took the point that Mr Speaker made before that some people have to

970 go, but it is just the point that he made on the development issue... and the Trust is really happy with the way it works and not how he wanted it to work, or how it used to work before, which was in a closed office. And it says:

975 'The hospital buildings at the site have a significant heritage value, both historically and visually and the project as proposed we felt will preserve and enhance many features of this beautiful building in the heart of our old town.'

980 The next part is where the filter has worked: the Trust is also pleased that it has been able to work with Government towards avoiding the demolition of the Sisters Quarters at the southern end of the site, as originally proposed in the initial draft scheme for the school, and that the building will now survive and be made use of for future generations to enjoy. And it looks forward to continuing its work with Government on the details of this project.

It is very satisfying for me to see that this magnificent project goes ahead as the Minister for Culture which includes the preservation of this place and the protection of its heritage significance.

985 Mr Speaker, the refurbishment of the Main Guard is another project that we are working on with the Gibraltar Heritage Trust. It came to me as a great surprise to hear the Hon. former Leader of the Opposition, and now backbencher, to say that he would like to see the Main Guard as offices for Members of Parliament. He was the one who, in previous Budget speeches, had announced that moneys had been allocated for the refurbishment of the Main Guard as the headquarters of the Trust. I wonder why he has suddenly changed his mind.

990 Wellington Front is currently going through an extensive programme of infrastructure works that will eliminate the historical flooding problems that it has always encountered. We will also refurbish the vaults and will be allocating them to clubs and associations that have been on the list and we will honour those that were allocated months before the General Election, and are obviously now entitled to have the place but were not entitled before.

995 Some of the buildings that were constructed after the period of the original building will be demolished. We will be working together with all interested parties to see how we can improve the whole of the Northern Defences, including the whole of what is known as the 'jungle area'. This will be co-ordinated together with the Heritage Trust, the Heritage Division of the Ministry, with the Youth Services and all other groups interested in Heritage. This is a project that will be driven by the Heritage Action Committee.

1000 Southport Gates suffered deterioration to the extent that we have had to employ experts who are working with locals to restore parts of the wall. In order to save on costs, we have extended the works to restore the St Jago's Arch, which has been a project which has been on the cards for many years and which was not tackled.

1005 We have also plans to use the Ragged Staff Magazine as a venue for events and also to be able to expose vintage cars during the year, in order to attract tourists to the area.

1010 One of the areas that we are working hard at is the application of Gorham's Cave and Vanguard Cave to be a World Heritage Site. As we all know, this has been a longstanding project that has been led by the Museum Team. As we speak, I know that Prof. Clive Finlayson, Dr Fa, and Dr Gerry Finlayson and their team of archaeologists are carrying out considerable work at these caves. The Ministry for Heritage will continue to support the bid for the World Heritage status of the caves that will bring benefits to Gibraltar.

1015 Another of our manifesto commitments is to digitise all archive documents. Together with the Kusuma Trust and the Garrison Library Trust, all newspapers and archive documents will be digitised. This exercise will give some of the staff at the Garrison Library the opportunity to acquire the knowledge and skill of using the equipment for the future. This is a long term project that will soon be starting.

As is already publicly known, the King's Bastion Leisure Centre has a huge deficit that could have been avoided had it been organised and managed in a different way. Contracts were awarded that did not encourage the operators to run the place in a purely commercial manner.

1020 My task is to try to lower this deficit and for it to continue to serve the community and make it a place which people of all ages can enjoy. I am pleased to say that Boyd's is now becoming a place which many corporations are using for their functions. We are trying to see how we can cut costs without affecting the service. We are looking at ways in which the huge electricity bill can be lowered by having alternatives other than being linked to the main grid.

1025 It is incredible that the current air conditioning is not fit for purpose, despite it having cost £750,000. One wonders why? The initial explanation is that the system was not one for the size of the centre but for offices or a smaller commercial area. Further, the entrance did not have double doors in order to prevent the outside temperature from impacting on the interior. All in all useless; yet £750,000 was paid towards it by the Members opposite.

1030 One other major issue is the fact that the ice rink is currently costing an average of £7,500 in electricity per month. Again we are looking at alternatives in order to lower the costs. I am sad to say that at present the only part of the centre that is self-sufficient, and unfortunately is closed, is that of the

gymnasium. We are working hard with Technical Services to see how soon the sewers can be repaired, because it is a question of the sewers going wrong outside, and therefore, the gym has had to be closed and we are hoping that we will get this up and running as soon as possible.

1035 Another of my ministerial responsibilities is that of youth. I am happy to announce that the Gibraltar Youth Service will be reformed. We aim to increase the complement by 100. This will not happen at additional costs.

1040 What we intend to do is to take on the administration role elsewhere and allow the professionals, with volunteers and part-time workers, to be in a position to open the youth clubs during weekends. This is one of our manifesto commitments which will be fulfilled well before our four-year tenure expires.

Our youth play an important part in our society. It is not good enough to have youth clubs open during the weekend; but they also need to be properly resourced, with programmes that will empower the young to be fully part of our society.

1045 A formal youth policy is being drawn up in consultation with the youth workers themselves. The proposal is that the new structure will have a principal youth and community officer, who will replace the youth team leader; two senior youth and community workers; and five youth and community workers. All will be working as a team in order to be in the front line of youth and community work, primarily at the youth clubs. They will also act in close liaison with schools and with the voluntary sector, such as the scouts, guides, St John Ambulance, the Duke of Edinburgh and, indeed, also with Social Services itself.

1050 We are glad to say that the youth clubs have also seen an improvement in resources by way of refurbishment and more will be done during the next financial year. We have plans, in close consultation with all parties, to improve the premises in the Upper Rock for the guides and to make this camp disabled-friendly. It is unfortunate that the Minister was not listening.

1055 This has been well overdue and we will continue to see how we can do the same with other premises also used by voluntary partners. It is important to realise that some youth work is being done on a voluntary basis, in fact quite a lot, by many people. I would like to take this opportunity to thank them for all the hard work that they do.

1060 Though sports is associated with leisure, it is also true that culture also teams up with leisure. When we came into Government we found the mess that was left by the previous Administration, in relation to the Gibraltar Culture and Heritage Agency. I am glad to say that, although it has taken time to sort things out, we are now closer to correcting the situation that we inherited. Without delving too much into the problems, I can say that the staff who were in that situation have responded in an exemplary way.

1065 We have seen how the Mackintosh Hall has had a major facelift. The library is now a place which many people choose to visit and the membership has increased immensely. It is now opening on Saturdays and has increased the service to the public. These facilities and others are now being maintained on a regular basis. This includes the Central Hall, the Retreat Centre and the Town Range facilities for clubs, among others.

1070 The staff employed in Culture have worked hard in order to deliver events, such as the celebration when the GFA obtained full membership of UEFA, as well as helping the SDGG to organise National Day and other events. This includes the New Year's celebrations, the visit by the Duke and Duchess of Cambridge, providing assistance during Vice-President Al Gore's visit, and the Miss Gibraltar Show. This last event was a great success, despite the critics saying that the Mackintosh Hall was not a good venue.

1075 I can say that, together with my colleague the Minister for Tourism Mr Costa and his staff, we have also assisted with the Literary Festival which is taking place in Gibraltar. This will hopefully be an annual event that will attract many literary lovers to Gibraltar on a regular basis.

1080 The Strongman competition that was held in Gibraltar in October last year will, this time, come to our shores at the end of September. After the success of last year, in which we saw our very own Daniel Gracia competing and matching the best in the competition, we are actively looking for a bigger venue, or to see how we can maximise the current one, in order to be able to fit in more people.

1085 The Strongman competition was beamed via Eurosport in which we all saw a one-hour programme on this event. This not only showed the competition but also captured Gibraltar as an attractive tourist destination. The Strongman contest this year will do the same. We are also marketing it so that people who like this sport spend two or three days here in our hotels and go to spend money in our bars and restaurants.

1090 Another competition, which we have managed to bring to Gibraltar, is that of the Darts European Trophy. This is a three-day event in which we will see the best in the world, that is Phil 'The Power' Taylor, Michael Van Gerwen, James Wade, Adrian Lewis and many others. This competition is this weekend so I invite all Members to go to the Tercentenary and have a good time in shouting '180' when players score that. We anticipate that there will be a very good turnout for the six sessions, especially on the final day. A one-hour programme on this competition will be shown on Sky Sports soon afterwards. This will again prove invaluable to Gibraltar.

1095 The Drama Festival this year has shown an increase in participation and has included groups that have competed and others who have just participated for the fun of it. We will work together with all concerned, including GADA, in order to see how we can improve the Drama Festival even further in years to come.

1100 Other innovations on the cultural scene are that of Gibraltar's participation in the Little Constellation project. We are currently working at hosting the contemporary art exhibition in Gibraltar next year. This will give us all an opportunity to see and value what is going on out there in the world of art. It will also give us an opportunity to export our art and see how we feature in relation to the rest of Europe within the Little Constellation countries.

1105 Last weekend saw the Calentita event. It was a huge success so much so that Casemates is fast becoming too small. This year we extended the venue to the bus stops at the Market Place and even that was packed with people. For next year we will be looking at making it bigger and better, as we said in our manifesto.

Another two of our manifesto commitments, are those of promoting an annual jazz festival and having a Mega concert, are well on the way.

1110 Now in its second year, the Gibraltar Jazz Festival, in October, will see none other than Jools Holland and his Blues Orchestra, featuring Gilson Lavis with guest star Melanie C and guest vocalists Ruby Turner and Louise Marshall. Further, we will have again Kirsty Almeida with her band, Elie Massias, George Posso with his friends, the London Jump band and, from the States, Dan Moretti. We will be using different venues this year. It is already an annual feature on the cultural calendar and I hope it will continue for years to come.

1115 As to the Mega concert, last year's huge success now needs to be matched and I am confident that, this year, people will enjoy the festival even more than they did last year. The Mega concert has already developed into a Gibraltar Music Festival. It will go on for longer this year and the festival feel we created last year will be experienced again this year. Unfortunately, until we sign up contracts with artists, we are not in a position to say who the artists will be. This will soon happen.

1120 Mr Speaker, I would like to take this opportunity to thank all my staff and all the men and women who work in my Ministries, Departments, agencies and even private companies, for which I am responsible. I know that with their collaboration and assistance, everything has worked more smoothly.

Therefore, thank you, Mr Speaker. (*Banging on desks*)

1125 **Mr Speaker:** The Hon. Mr Edwin Reyes.

Hon. E J Reyes: Thank you, Mr Speaker, sir.

1130 I wish to commence my contribution this year by reiterating our collective congratulations to the Gibraltar Football Association on the success of their application to become the 54th member of UEFA. Gibraltar as a whole rejoiced spontaneously upon hearing the excellent news of attainment of full membership of UEFA and, therefore, I sincerely hope that Gibraltarians, in even bigger numbers than in the past, will support our team in all their future competitions.

1135 I am glad to note that Government continues with the already existing GSD policy to assist all local sporting bodies to overcome any foreign Government's politically inspired attempts to block our membership of international sporting bodies. This policy will certainly continue to receive the Opposition's support and I wish all other sporting associations, especially those like rugby, tennis and even the local branch of the IOC, all the very best in their continuing battles to obtain their respective international memberships, which we all know are rightfully and legally theirs.

1140 The Government, Mr Speaker, is presently working closely with the Gibraltar Football Association towards the provision of further football pitches and related facilities. In fact, quite large sums will be spent on projects which will be of direct benefit to the local football fraternity. These extensions of facilities carry our 'in principle' support, but I must also take this opportunity to remind Government that facilities for other sporting associations, once again examples like rugby and cricket, cannot be sacrificed in the process of enhancing only football.

1145 I urge Government to be ever-mindful that a level playing field must be provided for *all* sporting associations, more so, Mr Speaker, as it is a manifesto commitment of theirs, and I quote, 'To monitor the demand for additional facilities for all other sports, to ensure that existing facilities are developed further in line with our community demands'. I continue quoting, Mr Speaker, because they also said, 'The Government is committed through its election promises to provide renewed facilities for the playing, teaching and development of both cricket and rugby at Europa Point'.

1150 If, however, circumstances have changed over the past 18 months then the affected sporting bodies should be fully informed directly by the Minister and not left in a state of limbo. I would respectfully like to remind the Minister for Sport, of Government's commitment to provide separate premises for martial arts and other associations in what they promised would be one large martial arts centre.

1155 Mr Speaker, I wish to make a quick reference in a cordial manner so that the Minister for Sport can check it up; in his address a few moments ago, if I am not mistaken, he said that the allocation of premises within the Retrenchment Block was done without any consultation with Land Property Services Ltd, which actually holds the register of applicants.

1160 I can personally testify, Mr Speaker, that that is not correct. I believe the Minister may have been misled and, therefore, I am willing to discuss with him behind the Speaker's Chair and even provide names of the individual, or individuals, within Land Property Services Ltd who did provide the list of all registered applicants. That is a very different matter to what they can legitimately say they wish to criticise the policy and the selection procedure that was gone through in order to allocate those premises. But certainly, for the record, I wish to state that every applicant who had registered through the process that was in place at the time... that was through Land Property Services Ltd, were considered. Some were 1165 successful and others were not, but such is life, Mr Speaker.

To continue, Mr Speaker, although I am also a firm believer that individual sports governing bodies should be allowed to manage their own affairs without political interference, I urge Government to take a particular interest – perhaps the correct place is through the Sports and Leisure Authority – to ensure that publicly owned facilities are used in a fair manner for the benefit of all sports lovers.

1170 A case that immediately comes to mind is the discontent that is presently brewing in respect of usage of the 25-metre swimming pool and which ultimately falls under the auspices of the Gibraltar Sports and Leisure Authority. There is both a duty and moral obligation, in my opinion, for the sports opinion to ensure that, whatever is desired by a citizen, membership in individual clubs, and even their respective governing body, is open to all in an equal and fair manner.

1175 Therefore, I again urge the Minister, this time in his capacity as Chairman of the Sports Authority, to look into these discontents which exist in respect of some governing bodies – in particular matters pertaining to swimming and boxing. I believe it is possible to resolve these with proper guidance and monitoring and therefore provide fair membership accessibility for all sports lovers.

1180 Mr Speaker, through the collective celebration of social events, participating Gibraltarians contribute towards reinforcing our identity, our culture and history, as a people and as a community. Both the performing and fine arts fraternities always prove themselves to be very proactive within their own specialised area and I take this opportunity to congratulate all the groups and individuals who have done Gibraltar proud through their international participations, and in some cases even through the top awards gained.

1185 Mr Speaker, through its manifesto, the GSLP / Liberals adopted the slogan which said, 'Culture needs to be nurtured,' Now that they are in office Gibraltar hopes that this promise will be delivered and, therefore, I take this opportunity to remind Government that it committed itself to provide things such as: facilities for teaching of music and instruments to young people; establishment and funding for a Gibraltar Philharmonic Orchestra; run a 'learn an instrument' campaign amongst young people; the 1190 establishment of an academy of the performing arts, administered by an Arts Council; the refurbishment of the Inces Hall area, and through which they would enclose the patio in a modern way to allow its use even in winter; and also to seek to establish Gibraltar as part of the touring circuit for UK and Spanish theatre productions.

1195 I therefore have to ask, Mr Speaker, when will these projects become a reality alongside their pledge to move the Housing Department out of the City Hall, and which building would then be exclusively used for cultural and historical events?

Mr Speaker, the GSD still continues to recommend that the Government archives be transferred into a refurbished *ex-Chronicle* printing works building next and adjacent to the Garrison Library, so that together they may operate as a modern, well-resourced Gibraltar archives and reference/research facility, including digitalised searchable data. I know the Minister has just made some reference to the future digitalisation of data and I hope that he will take on board my recommendation and give serious consideration to its location alongside the Garrison Library.

1200 Updated legislation for the management and preservation of our heritage, and the listing and preservation of buildings, still needs to be completed. In this respect, work was already at a rather advanced stage, whilst the GSD were in Government, and drafting had been undertaken in close consultation with relevant experts and, of course, the Gibraltar Heritage Trust. It is now up to the present Government to complete drafting this legislation and this is something which the community hopes will be undertaken as soon as possible.

1210 The present Government, in my opinion, has acted rather responsibly in continuing to pursue UNESCO World Heritage status for Gorham's Cave, Vanguard Cave and the adjacent sites. Indeed, Mr Speaker, work in this respect had seriously commenced via the Museum Team during my own tenure as Minister for Heritage. Therefore, it is an honour for me to continue wishing the Museum Team all the best for the future in their ongoing excavations, which they do over the long, hot summer months at Gorham's and Vanguard Caves.

1215 Mr Speaker, there is widespread consensus across society and political parties in Gibraltar that our educational system is both our most important investment as a community and also a justifiable source of pride for a community of our size. Given this, the GSD believes that any significant changes to our education system and to our schools should only be made after a wide process of consultation between Government, teachers and parents.

1220 Therefore, the Opposition welcomes Government's recently announced plans to transfer both St Bernard's First and Sacred Heart Middle Schools into newly purposely refurbished buildings, which were once part of the old St Bernard's Hospital. This project, as announced, is extremely similar to that which the GSD had developed to an advanced planning stage and which would have seen the light of day had we been returned into office.

1225 There had already been a high level of consultation between we in Government and the Gibraltar Teachers' Association, in respect of this project, and the only major deviation to what will finally see the light of day seems to be that, whilst we would have also transferred St Bernard's Nursery into the new site, Government has confirmed that the nursery will remain in its present location – albeit continuing to fall under the direction of St Bernard's First School Head Teacher. Projects which help to enhance educational services, will always be supported in principle by the Opposition and, therefore, we wish teachers and pupils alike all the very best for the future in the move to the new school.

1230 I wish to take this opportunity to recommend to Government that it looks into, again through a consultation process with teachers and parents, the possible desirability of the following: (1) the establishment of a co-educational sixth form college, in order to best offer as a wide a range of Advance Level subjects to both sexes and also as a further means of preparation towards co-educational university life; (2) a review of the geographical distribution of our first and middle schools to better suit our changed and future changes to catchment areas. It is, Mr Speaker, important that we plan ahead whilst still in the design and construction phases of new housing estates. The review should include updated assessments of the optimum locations and/or relocations of schools, even the College of Further Education and, my just mentioned possible creation of a sixth form co-educational college.

1240 (3) We believe the teaching profession would welcome the establishment of an independent unit to assess educational standards and school performances; (4) a detailed programme should be embarked upon to ensure that our less academic children, who may not necessarily follow a full range of GCSE examinations, obtain as good as possible and relevant education programme to prepare them for future adult working life; and (5) greater inclusion of Gibraltar history and other aspects of Gibraltar in our schools' national curriculum.

1245 Given that substantial sums of money have already been paid in respect of consultancy fees, Gibraltar patiently awaits to hear of the concrete plans for the establishment of a university in Gibraltar and, of course, this should include the range of curriculum and costs. The Minister for Education has recently said that he hopes to make announcements, in this respect, during the course of the year, so I shall wait until then before making any further comments in this area.

1250 We welcome the announcement by the Minister of Education that, as from this coming September, students at Bayside School will be able to receive further tuition so as to re-sit public examinations they may not have successfully passed upon completion of Year 11. This will put them in a position just as their counterparts at Westside School. However, we would also welcome the implementation of Government's pledge to provide a Second Chance Education Programme through the establishment of their promised National Institute of Adult Continuing Education as soon as possible.

1255 Mr Speaker, at last year's Budget session, the then Minister for Housing announced that among his priorities Government would be reforming the Housing Works Agency, inclusive of how its services were discharged and directed. Although I have asked for details of progress in this respect during the course of the past year, Government has still not signified, in a meaningful shape or form, how it intends to reform said Agency. All that has happened so far is that an ever-increasing number of home refurbishments are contracted out to private companies without going through any type of accountable tender process. Staff members employed at the Housing Works Agency continue to be reduced, so does this mean that what the future holds is that all refurbishment works will simply be allocated to private contractors, without being subject to an adequate competitive tender process?

1260 Will the Housing Works Agency be simply run down through natural retirements, despite the existence of an agreement with Unite the Union, to the effect that staff levels would be replaced in future with one new employee employed by the Agency for every two who retire?

1270 The GSD worked hard in consultation with Unite to reform the old Building and Works Department and its transfer into the Housing Works Agency. This project provided brand new workshops and depots, and, from its origins, delivered vastly improved services to Government tenants. Therefore, Mr Speaker, the question now is, what plans does Government have for the Housing Works Agency and its employees?

1275 Like the Opposition, Government, I believe, knows there are many excellent craftsmen and professionals within the Housing Works Agency. So I must stress that it is important to ensure that the

1280 correct and proper administration procedures and resources are in place for housing maintenance and repairs to be carried out properly and in a timely manner. Therefore, it is regrettable to see that not only was the Agency's workforce reduced last year from a total of 160 employees to 146, but that again this year there are further cuts which will see the 146 now reduced to 139. Given the annual reduction in employees we must ask for clear answers, in respect of how will the Agency be expected to carry out its duties, more so with a promised increase in housing rental stock, if the Agency is not given the human resources required to meet workloads and targets?

1285 At last year's Budget session, Government announced that one of its major priorities was, 'Commencing the construction of co-ownership and rental housing schemes'. We know from answers given at Question Time that consultancy fees have been paid for projects pertaining to the building of new homes but, regrettably, no actual construction of any type of home has commenced. So far we simply know that some 1,000 homes are planned to be built and sold mainly on a co-ownership basis.

1290 In this respect, I urge Government to ensure that any new homes eventually built do not suffer from numerous defects, as history shows was the case in the construction of co-ownership homes when the GSLP were last in office. Quality in construction of homes should not be compromised under any circumstances.

1295 Under their section dedicated to Youth, the GSLP/Liberal manifesto states that young people who are entitled to housing will not wait more than three years for a home. Given that there are presently a large number of young persons registered as applicants seeking their own homes, I must ask on their behalf for a firm date of when Government will deliver on this promise.

1300 The Opposition is glad to note that Government is committed to the refurbishment of existing Housing Estates. The GSD, whilst in office, carried out a major refurbishment of Varyl Begg Estate, which included re-roofing and lift installation, and even commenced refurbishments at Alameda Estate. Our manifesto commitment also indeed included further refurbishments at Moorish Castle, Glacis and Laguna Estates. Therefore, we are pleased to note that Government did eventually listen to tenants concerned and modified their respective refurbishment plans so as to abandon the building of additional floors on these last mentioned estates. Again, I stress my advice to Government that monitoring of the quality of refurbishment works becomes a priority; after all existing tenants in rental estates deserve nothing less.

1305 At the last Question Session in Parliament, the Minister for Housing gave a brief rundown of measures that will be taken to ensure house rules are adhered to in Mid Harbours Estate. The Opposition will always be supportive of sensible action taken by pertinent authorities in this respect and highly recommends that house rules be revised and updated where needed in respect of all Estates. I strongly urge this as the vast majority of tenants are decent law abiding citizens and deserve all the support they can get to ensure that their homes and surrounding areas are decent and worthy places of abode. We are willing to work together to ensure that anti-social behaviour is stamped out and it does not become the norm within any housing estate.

1310 Once again, Mr Speaker, I stress the importance of close workings with tenants' associations before any projects are finalised. As Members of Parliament, I consider it our collective duty to listen to what our electorate wishes for and I hope that this really becomes a reality in respect of all housing matters.

1315 Mr Speaker, given all Government has said and promised in relation to the provision of new homes, I wish to end my contribution today by simply saying enough has been said by both sides of this House: now let's deliver the housing project. *(Banging on desks)*

1320 **Mr Speaker:** We will now recess for 20 minutes.

The House recessed at 5.30 p.m. and resumed its sitting at 5.45 p.m.

1325

**Photograph taken in Chamber without permission
Ruling by the Speaker**

1330 **Mr Speaker:** Hon. Members, my attention has been drawn to the fact that a member of the public in the Strangers' Gallery has taken a photograph of this Chamber using a mobile phone, and has in fact taken that photograph at four minutes past five o'clock, when the Hon. Steven Linares was speaking. The photograph was taken at an angle which appeared to show that he was the only Minister on the Government benches, when in fact behind him were both the Hon. John Cortes and the Hon. Samantha Sacramento.

1335 Apart from putting that photograph in the public domain, the person concerned tweeted a question, 'Where are the Government Ministers?' The Government Ministers were in the Antechamber, which is very often the case. Members on both sides of the House are sometimes required to attend to business –

Government business in particular – because the world does not stand still while we are meeting here in the House.

1340 I wish to make it clear that photographs taken from the Strangers' Gallery are not permitted without the permission of myself, the Speaker, and that, in fact, what has happened could be perceived as being a breach of privilege of Parliament. Therefore, it is not to be repeated. Because if it is repeated, any person concerned could be brought before the bar of this House.

1345 There are notices that are going to be put immediately in the Public Gallery, making it clear that those who are here as our guests, who attend in the Gallery as our guests, are expected to switch off their mobile phones; and that tweeting from the Strangers' Gallery, as I say, could be perceived as a breach of privilege. I hope that I make the position clear and that there will be no repetition.

Needless to say, no action will be taken on this occasion.

1350 The Hon. Mr Netto.

Chief Minister (Hon. F R Picardo): Mr Speaker, could I just come back...

Mr Speaker: Yes, the Hon. the Chief Minister.

1355 **Hon. Chief Minister:** Mr Speaker, I am very grateful. I think I speak for the whole House when I say that strangers are very welcome here and that, if we are not sufficiently setting out what the Rules of this place are, then we must in a way that people understand what it is that they can and cannot do in this place.

1360 But that they should not be deterred from coming here simply asked to abide by the Rules that apply to... in fact, to all of us, because, similarly, we are not able to photograph each other across the floor of the House, or tweet photographs. Although, I think it would be an issue for perhaps the Committee on Reform to consider whether tweeting from the Chamber and even from the Strangers' Gallery, so long as one does not tweet a photograph of the proceedings, is within or without the Rules.

1365 But I am grateful to you, Mr Speaker, for having set out clearly what the Rules are for the benefit of anyone who may be watching, listening, or who may be in the Chamber in the future.

**Appropriation Bill 2013
For Second Reading
Debate continued**

1370

Mr Speaker: The Hon. Mr James Netto.

1375

Hon. J J Netto: Thank you, Mr Speaker.

It is with great pleasure that I stand to deliver my 18th Budget address – this time with a different portfolio to the one I had last year. On this occasion, I will be covering the subjects of environment, utilities, and Health and Safety.

1380 Commencing with environment, my first observation is that I would like to highlight some of the good work that has been done during the last 18 months or so, since the Government has been in office.

My congratulations to the Minister for continuing to recruit more staff at the Department of Environment, in order to continue the GSD policy of developing existing services, and indeed to be able to move into new ones as well.

1385 The good thing is that he has not had to start a Department from nothing, which is what the GSD inherited from the GSLP Government; also the fact that there is more money available this financial year to the Ministry, thereby enabling them to develop further. Here too, the Minister should again be grateful to the GSD Government for the fact that the actual expenditure in the last full financial year of the GSD Government, during 2010-11, was £14,089,026; something that did not exist with the GSLP Government before; quite extraordinary, given the constant rubbishing of Members opposite to the legacy inherited.

1390 It is heartening too, that some good lessons have been learned by the current Government from the GSD to ensure that the Department continues to be properly resourced and from which to grow, particularly when the economy is so good, thanks to the stewardship of successive GSD Governments.

1395 One such example of continuation of policy of the current Government from the GSD, is the updating of the Environmental Action Management Plan, which from time to time should be kept abreast of constant changes in society. This is a document that I will certainly take the time to study and, if necessary, raise any question during the new financial year that may be necessary.

I would also like to congratulate the Minister for having commenced with a programme to install the solar thermal panels in Government buildings. This is something to be welcomed and encouraged; the more renewable energy we can harness the better for everyone. I do hope that, further to my question on

1400 this matter at our previous session in Parliament, we do see a more structured rolling programme for the installation of renewable energy technology on public buildings where this is feasible to do so.

Also to be welcomed is the measure announced yesterday by the Chief Minister in relation to the availability of soft loans to the residential estate for the funding of projects powered by solar energy. Equally too, the various participation of staff members of the Department in conferences abroad, which
1405 provide an excellent opportunity to our staff to engage with other colleagues in discussing and developing a more holistic approach to the environment globally, is to be welcomed.

Mr Speaker, at last year's Budget speech, the Hon. Minister for the Environment said, and I quote, 'There is now scarcely a Government activity of significance that does not go through an Environmental Filter,' he then went on to say, 'how things have changed'. Indeed, Mr Speaker, things have changed. I do recall when the Minister, in his previous capacity as Government adviser, brought to the attention of the GSD Government various concerns with projects, due to the fact that there were birds nesting within the vicinity of the project. As was the case in the coach park and the stabilisation works on the cliff face by Little Bay and by the new crematorium. On all those occasions, due to the Hon. Mr Cortes' advice to the GSD Government, the work stopped for months until the chicks were old enough to leave the nest and
1410 move on, and rightly so.

Today, thankfully the new Government has ticked the box and we have an Environmental Filter to ensure that Government activity is scrutinised through the filter. The problem with the new filter is that, when it comes to Government projects, the filter gets clogged up and does not work. This is what happened with ancillary works to facilitate the floating hotel at Ocean Village. Here, instead of using the filter before the work started, he ploughed ahead regardless. *Hansard* will show that when I raised various direct questions to the Environment Minister at Question Time, it was the Chief Minister who responded with evasive answers, in order to provide cover for his Minister. It is a shame the Minister did not adopt the same attitude on these projects as he frequently used to when he was the Government Adviser to the GSD Government, without having the filter.
1420

Today, despite the fact that there is supposed to be an Environmental Filter, inter-ministerial meetings and open meetings of the DPC, the Environment Minister has been ducking and diving on this issue because he knows that his silence on this matter has been to the detriment of the environment and especially to the endangered species in the vicinity of the works. Mr Speaker, it is incredible how things have changed in such a short period of time. (A Member: Hear, hear.)
1425

In a recent exchange of correspondence on the issue of the two protected species in the vicinity of Marina Bay, where the floating hotel is to be housed, the Minister's response has been evasive. Firstly, he does not address the issue that work commenced before the screening report was done, less still made public. In his latest correspondence, the Minister has informed me that town planners, after having assessed the details of the project, determined that this was not an EIA project.
1430

I would challenge the Hon. Minister to demonstrate on what grounds the Town Planners have decided for this to be so. The current civil engineering works at Ocean Village Marina should either be classed as a List 1, in which case a full EIA should have been commissioned, or a List 2 development under the Town Planning (Environmental Impact Assessment) Regulation 2000. I would therefore ask the Minister to provide me with the relevant documentation regarding the Town Planners screening opinion and also ask for the relevant environmental statement that should have been produced for the application of planning permission, as stated by part 2, section 8, of the Town Planning (Environmental Impact Assessment) Regulation 2000.
1435

Even at the meeting of the DPC of 25th April, the Members of the Council did not know then that this was a Government project and when a Member of the Council asked the inconvenient question to the Minister, if there had been discussion between the Government and the owners of the floating hotel, a most annoyed Environmental Minister responded by saying, 'This is not the place to discuss such a matter. If you need to know what has been said, we will discuss it in another place.'
1440

I know the Minister might be getting a bit hot under the collar, but this is what happened.
1445

Secondly, the Minister is not willing to provide me with copies of the Nature Conservancy Council where this issue is supposed to have been discussed. I would also point out that, even though in his correspondence dated 20th June, the Hon. Minister states, and I quote, 'All the necessary studies and assessments that have been undertaken to date, have not highlighted any issues that would prevent the project from being realised', the public and the Opposition have yet to see any single documented study or assessment backing up these claims, despite my repeated attempts to obtain them.
1450

I need not remind the Hon. Minister that under the Freedom of Access to Information on the Environment Regulations 2005, this should be provided on request. In any case, what has the Minister got to hide? Also, given the Government mantra of the precautionary principle on the environment, why has this not been applied to the EIA?
1455

Thirdly, in his letter he implies we should trust his assumptions without hesitation. However, we, as the Opposition, must insist that all relevant documented records relating to the wellbeing of critically endangered species are made public, to ensure accountability in the event of any unforeseen negative
1460

impacts. We must also question what the long-term implications are of having a cruise liner docked in a small boat marina where there might have to be regular dredging of a navigational channel, in the event of emergencies, which lead us to further question what environmental impact this will have. Will a silt curtain be permanently employed and who will pay for all of this? The taxpayer? The Minister has to understand that the Government has not behaved in an environmentally friendly way and the Minister appears to have given into the pressure of his Government colleagues to the detriment of the environment.

Mr Speaker, last year I did not have the shadow responsibility that I have today. That said, there were a number of important statements made by the Minister for the Environment that need to be monitored during the course of the current financial year. This refers to how the Government has taken forward the consideration of the Epidemiological Study Report and if so, how, in any material way, this has shown any new data that might affect negatively the quality of the air we breathe; also, what specific local action plans and forecast there will be for the meeting of European targets for renewable energy by 2020. Also clarification as to whether the Department has now concluded the detailed requirement of a purpose built environment park and, if so, where will this be and what different waste streams will be disposed by the public?

In relation to air quality, I would be interested to know if the Environmental Agency has commenced measuring black carbon and radon levels within Gibraltar and, if so, what results this is possibly having on public health? Another important topic in this area is the modelling results from the monitoring station on trichloroethylene and tetrachloroethylene, given the risk of cancer types and whether this information would be used in conjunction to the development of the Epidemiological Study the Minister alluded to in his last year's speech.

Mr Speaker, turning to the important subject of fishing in our territorial waters, it should be pointed out that we find ourselves in this situation because of the cavalier way of the Minister of the Environment, when he stated on Facebook that the Government was tearing up the 1999 Agreement. It should be noted that the idea for a fishing report was not originally initiated as a result of looking into the conservation of fish stocks in the bay and its consequent management, but rather as a tool to fish out the Minister from the hole he had submerged Gibraltar in, as a consequence of his Facebook blunder. (**A Member:** Hear, hear.)

Yet, be that as it may, it will be recalled that the Government has had a copy of the Report since December last year. During parliamentary questions and answers, the Minister of the Environment said that the Government could not provide the Opposition with a copy of the Report, because it needed to be formatted, but that it would be published shortly. Six months passed and it was as a result of the ridiculous position adopted by the Government that eventually they had to publish the Report, given that the public opinion was dismayed by the fact that the Government was acting so secretly on this issue.

Whilst the Report appears to represent a detailed analysis of matters as wide ranging as, for example, fishing stock, information relating to this, the relevant history and EU and International Convention, the important and 'elephant in the room' issue for the public, is whether they intend to allow Spanish fishermen to fish with nets. It should be said that on three times the Minister was asked by GBC reporter Stephen Neish whether the Government will change the law to allow fishing with nets and on three times, the Minister refused to answer. (**A Member:** Shame.)

The GSD's main and immediate concern now, as Gibraltar's elected Opposition, is that Gibraltar's interests are fully safeguarded. In this connection, it is imperative that a quick solution to the uncertainty, which currently prevails, is resolved without further delay.

There is nothing in the Report, the Government statement or the Minister for the Environment GBC interview in the immediate aftermath of the publishing of the Report, that leads the Opposition to believe that a permanent solution is to be found soon, unless the Government is waiting until after the by-election. This matter requires a prompt solution because, as previously stated by the GSD, there are issues much wider than the environment, at stake. We have no fishing industry, but what we do have, which is worth protecting, is a stable political environment which will allow our community to prosper economically for the benefit of our citizens. (**A Member:** Hear, hear.)

The GSD, therefore, takes this opportunity to restate its position that the Government will therefore count on the Opposition's full support if it makes sensible proposals to resolve this matter once and for all.

Mr Speaker, in relation to the increase of incidents of conflict between macaques and humans, what we have had from the Minister for the Environment is more of the same tired rhetoric that has now become the norm. On the one hand, always blame the GSD for any problem; this, despite the Hon. Minister being directly involved with the management of macaques for the last 20 years or so.

The other standard tactic is to hide behind science; one would have thought that given the Minister's qualification, the fact that he has written about macaques in some books, and the fact that he has been the previous Government's adviser, that by now he would be in a position to know what to do, and most importantly, do it for the benefit of everyone whose life is being blighted with the nuisance of this saga, without having to hide behind expert advice.

1525 The predicament the Minister faces today is that, in his previous position he agreed for the culling to take place as a method of last resort, but this is no longer available to him because of the utterings of the Chief Minister when he was in the Opposition, who described the culling of macaques as murder – much to the delight of animal rights organisations abroad, which threatened to target our tourist product if any culling continued.

1530 **Chief Minister (Hon. F R Picardo):** Killing... I used to call it killing.

Hon. J J Netto: Mr Speaker, the reality is that culling is a necessary measure of last resort and, for many of the people whose daily lives have been blighted by this problem, it is a measure which the Government should consider implementing very soon indeed.

1535 If this is accepted, as in the case of seagulls and in the UK with deer where the culling is in the order of three quarters of a million, then it should be accepted here. Unfortunately, exportation has failed for the last 18 months of the Government and all we have is the hope that the new method of contraception, to be introduced, will reduce the population of macaques.

1540 In 12 months from now, we will see if the new methods are successful in reducing the number of monkeys and if they are, then I will be the first to congratulate the Minister. *(Laughter)* But if the problem persists, then... Well Mr Speaker, I do not know why the Chief Minister laughs, I mean I have congratulated... I know he is getting very nervous and he needs to relax and calm himself down and listen to the rest of the speech without having to get so uptight about it *(Interjection)* and perhaps show some respect to people who are giving a speech. *(Interjection)*

1545 As I was saying before I was so rudely interrupted, Mr Speaker, in 12 months from now, we will see whether the new methods are successful in reducing the number of monkeys and if they are, then I will be the first to congratulate the Minister. But, if the problem persists, then the Minister would certainly have run out of excuses. Worse than that, it will mean that through his unwillingness to tackle the problem, he will be responsible for the misery brought to the many people whose lives are being wrecked, not to mention any serious incident that may happen due to his inaction.

1550 Mr Speaker, in relation to the proposed new permanent power station, clearly the Opposition still needs to have access to the EIA documents, in order to raise comments with a measure of knowledge of the subject and with some authority. Notwithstanding that, and the fact that this new process comes 18 months too late, we still have some concerns with the location of the site. We believe that to place a power station adjacent to housing estates and the airport runway is not an ideal location. The inconvenience and the potential for accidents would always be greater if anything were to go wrong. The Opposition still needs to know how the Government intends to transport the gas and store it within the vicinity of populated housing estates. The logical and sensible thing would have been to move the proposed station to another place less dense, within an urban environment. There was certainly no reason to move away from our plans to locate it in Lathbury Barracks.

1555 Mr Speaker, on the issue of hybrid alternative energy vehicles, the Government should be congratulated for the policy introduced last year on the reduction of levels of duty placed on the purchase of new environmentally friendly vehicles. This was a good initiative that needs to be welcomed and one where we hope that, with the passage of time, more and more people will be incentivised to buy this type of vehicle for the good of our environment.

1565 Mr Speaker, in my speech last year on Health and Safety, I criticised Minister Balban for not developing policies on Health and Safety. This responsibility has now been passed to Minister Bossano, who I note is neither in the Chamber nor in the Anteroom to listen to my address. *(Interjection)*

1570 Judging from the two sessions *(Laughter)*... Judging from the two sessions of parliamentary questions so far, he has adopted his habitual tactics of ambiguous, long-winded and meaningless answers to the subject matter of Health and Safety, often playing to the Gallery rather than attempting to provide Parliament with reasonable answers to reasonable questions. It is a scandal that the Minister for Employment, Training and Health and Safety, does not know, or care for the fact that trainees from his flagship scheme, the Future Job Strategy, while placed with so-called training providers, what their training is, or whether such trainees do get basic awareness on Health and Safety courses when placed in a firm. His answers to Parliament are riddled with evasive statements, which is surprising, given he has a duty of care to young trainees within the working environment he has placed them.

1575 At last week's Question Time, the Minister contradicted himself. On the one hand, he stated that the training centre at Landport Ditch was closed by him when he was the Chief Minister because all it did was produce boy labourers. This is not the case; what the training centre produced for decades was fully fledged, four-year City and Guilds apprenticeships in plumbing, carpentry, painting and masonry.

1580 Secondly, he contradicted himself because, on another question, he said that having analysed the skill needs of employers in the construction industry with regard to work trades, what the employer wants is the all-rounder trainee who is able to do plastering, tiling and bricklaying. Well, if it has taken the Minister more than 20 years to know such a basic need of employers, why did he then close the training

centre and move them to the Vocation Cadet Training Scheme, which the Minister for Employment introduced when he was the Chief Minister.

1590 Mr Speaker, neither with the previous Minister for Health and Safety or the present one, is there any semblance of a coherent policy, structure, or programme for the development of Health and Safety. Indeed, after having heard the Minister for Health and Safety, Mr Bossano, he has not even uttered a single word on this subject at all in his Budget contribution today.

1595 When I have asked for details of statistics or audits conducted, the answer given is, 'No, we will not give you the information'. When I have asked if they will provide the names of the companies that have breached the Health and Safety legislation, the answer is, 'No, we will not provide you with the information', despite the fact that this is available in the UK by searching the Health and Safety Executive website for UK employers.

1600 When asked if all Government Departments, Authorities, Agencies and Government-owned companies have available an accident book, the answer is, 'The answer is the same as it was when we got into Government'. The Minister here is not even prepared to tell his officials to send an e-mail to all Heads of Departments and Chief Executives, requesting to know what the situation is; a clear example of the attitude that he could not care less.

1605 When I have asked the previous Minister for Health and Safety to introduce courses on Health and Safety for young trainees moving from schools into the world of work, I was told that it was not necessary to do so. When I have asked the current Minister for Health and Safety how many Health and Safety committees exist in Government Departments, Authorities, Agencies and Government-owned companies, the answer was, 'None, as was the case with the previous Government'. Once again, the Minister does not know what he is talking about; given that in the Health Authority there is one which was constituted in the previous GSD Government.

1610 When I have asked how many codes of practice have been done since getting into Government, the answer is, 'None'. When I have asked why the Factory Inspectors and the two seconded Health and Safety officers spend most of their time within the construction industry group, the answer is, 'Because new sites appear continuously every day'. The irony is that such a response is not supported by the new statistics within the Employment Survey for October 2012. It should be noted that, between October 2011 and October 2012, Gibraltar has lost a total of 1,426 jobs in the construction industry. Everybody acknowledges that the industry is in difficulty and the Hon. Minister for Employment Mr Bossano seems to be the only person in Gibraltar who is not aware of this.

1615 But it gets worse. When I have asked the Minister for a breakdown of the hours spent by industry group and office work by the Factory Inspector and the two seconded Health and Safety officers, the Minister, in his usual way responded that he will not provide me with the information requested.

1620 Mr Speaker, at the last Workers' Memorial Day celebrated in the Lobby of Parliament downstairs, the trade union official, in his speech, stated among other things, the lack of annual reports and statistics in Health and Safety. While this was being said, the Minister for Health and Safety, Mr Bossano, kept nodding his head in agreement with the words of the union representative. Yet, when I have asked the Government if they intend to re-introduce annual reports, firstly to the previous Minister, he used to say that they had to buy a suitable computer software programme in order to do so. It took the previous Minister some 15 months to find out that the software programme is unable to do what it was envisaged it would, as a result of my request. Today, with the new Minister for Health and Safety when asked if the annual report is likely to resume this year, he stated, 'No', with great laughter.

1630 Mr Speaker, if this is the new dawn that was promised to the electorate at the last General Election, then what we have had is a continuous thick cloud of clammy levanter afflicting Government Ministers dealing with Health and Safety, paralysing them from any positive progress on Health and Safety for the benefit of employers and employees. What I will not do again is repeat my last year's address, where I stated what is required to do for the benefit of Health and Safety. If the Government is interested in what I said, they can look it up in *Hansard*. What I will have to say to the Chief Minister though is for him to show leadership, remove the current Minister from the Health and Safety portfolio and put there someone who is keen, enthusiastic and able to advance Health and Safety in Gibraltar.

1635 Mr Speaker, as always in my Budget addresses, I would like to give my thanks to the staff in Parliament for their guidance and help throughout the year. Thank you very much, Mr Speaker. (*Banging on desks*)

1640

ADJOURNMENT

1645 **Mr Speaker:** I now invite the Chief Minister to exercise his right to reply.

Chief Minister (Hon. F R Picardo): Mr Speaker, I move that the House adjourn now until Thursday 27th June at 10.00 a.m.

1650 **Mr Speaker:** I now put the question, which is that the House will now adjourn until Thursday 27th June at 10.00 a.m.

Those in favour? (**Members:** Aye.) Those against? Passed.
The House will now adjourn until Thursday at 10.00 a.m.

1655

The House adjourned at 6.17 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.00 a.m. – 1.05 p.m.

Gibraltar, Thursday, 27th June 2013

The Gibraltar Parliament

The Parliament met at 10.00 a.m.

[MR SPEAKER: Hon. A J Canepa GMH OBE *in the Chair*]

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

Order of the Day

BILLS FIRST AND SECOND READINGS

Appropriation Bill 2013 For Second Reading Debate continued

Clerk: Sitting of Parliament, Thursday, 27th June.
The Second Reading of the Appropriation Bill continues.

Mr Speaker: The Hon. the Chief Minister.

5
10
Chief Minister (Hon. F R Picardo): Well, Mr Speaker, after well nigh on two whole days of speeches on the Appropriation Bill, six of them from front bench Opposition Members and one from the hon. the backbencher, I think I and everybody else in the community can tell that the palpable desperation of Members opposite, which was evident in the days before the last General Election, is still far from dissipated, and days before the coming By-election is becoming more and more evident again.

And I can understand why, Mr Speaker.

You see, Mr Speaker, there is a well known notion in military parlance, that attack is the best form of defence, and we have seen a whole lot of attacking from the Opposition benches. Some of it was not even elegant attacking; some of it was just name calling of the worst sort – people being called petty. That is

15 the sort of level to which the debate was allowed to descend by the Leader of the Opposition in marshalling his troops for this debate.

So in applying that military maxim, if attack is the best form of defence, if this was a defensive strategy, then it is because obviously Members opposite have a whole lot of defending that they needed to do. Let me tell you and the public, Mr Speaker, why it is that they had to do so much obvious defending.

20 It is obvious, Mr Speaker, that Members opposite have wanted to turn this debate on the By-election, this debate on the Second Reading of the Appropriation Bill, into the same arguments that we ran at the time of the General Election, with a second theme which is that any success, any economic success of this Government must reflect economic success of the Government of Gibraltar up to 8th December 2011, and any health of public finances today must reflect health of public finances as at 8th December 2011.

25 And the theme is developed, Mr Speaker, by talking about a 'Big Lie'. Now, of course, lying is not something that one talks about in this House. It is not parliamentary language, but hon. Members have been deploying the concept of the Big Lie during the course of their campaign and referring to it in the context of their speeches, but not calling us liars; simply referring to the Big Lie. So fair enough, that is the sort of language which is now acceptable, as long as we are not calling each other liars and I think that is absolutely appropriate.

So, the whole argument is the Big Lie was developed by the now Chief Minister, when Leader of the Opposition, in telling people that debt was too high, and that public finances were not sound. *They* say, as part of their theme, public finances were healthy when the GSD left power and that, therefore, is the Big Lie. And they say that the evidence that this was a Big Lie is the health of public finances today.

35 Okay, well, they would say that, wouldn't they? They have got no arguments left!

They said it last year during the course of this debate. In fact, the whole debate last year was based on that premise as far as they were concerned. They said it again this year and although it is boring and repetitive and our people deserve better, that is about all that the GSD can dish up these days, trying to re-run the argument that they lost in December 2011.

40 Well, I am surprised that they wanted to run that argument for a second year running and on the eve of a By-election. It might have been the easy way out of writing speeches, to challenge what is *undoubtedly* the best Budget in Gibraltar's history, and if you have nothing left to say, attack is the best form of defence. But now that they know the reality of the health of public finances today, and the powerless state of public finances on 8th December 2011, I am surprised that they were lazy enough to go for that tactic and not be a little bit more imaginative. At least they made my job easier, when deciding how to reply to their remarks.

You see, Mr Speaker, even the Members opposite who were not in Government up to the 8th December 2011, and did not make it through the glorious new dawn of the morning after, even those, even the rookies, even the new boys, they now know the reality because I took them through it step by step last year; because it is black upon white in the Estimates Book that they tried to ignore.

50 They have seen the transformation of the figures – if they have looked at the figures, because as I will say when I come to deal with Mr Figueras's intervention, he did not mention one number! He did not talk about one figure in the context of a speech on the Appropriation Bill. So look, it may be that he did not look at the Book, he did not look at the schedule to the Bill that we are discussing. But the others I assume did. At least the Leader of the Opposition did us the courtesy of doing an analysis, however flawed I may believe it was, of the figures.

55 So they cannot pretend, Mr Speaker, that they do not know what the numbers are and that they have given their speeches in ignorance. They cannot pretend that they trusted Sir Peter Caruana to tell them what the figures were, because they have got an obligation as Members of this House to look at the schedule to the Bill, which is the Estimates Book. And if they have got memory, they will remember what I told them last time. Even if they want to disregard everything I said during the General Election campaign, they must have heard what I said in my speech last year when I introduced the Bill; in my speech last year when I replied to them; in my speech this year when I introduced the Bill – although of course, as the Leader of the Opposition said, nothing I said was going to change what he had to say. Of course not, he came with a prepared text and I could have said, Mr Speaker, that Gibraltar had staked £1 on the Texan lottery and we had won \$2 billion and all our problems were solved; the Leader of the Opposition was going to give the same speech that he turned up with in his prepared text.

60 But they have all heard the arguments, and so one has to assume that knowing the arguments, they had to somehow find a way around this brilliant Budget. And the only way that they could do that was to concoct a ruse, a ruse that gives them a way around the brilliant Budget, something of a deceptive narrative that is going to be enough to paper over the cracks and not result in a complete demolition of support for them at the next General Election.

70 This is an exercise in simply trying to stay alive on Polling Day next week. It is no more than that. It is not trying to win; it is simply trying to stay alive.

75 Well, Mr Speaker, because with the figures available, the general public – not that many would be interested – but the general public if they are interested in looking at the numbers – will see that this is just a ruse, a deception. Well, their game is up, Mr Speaker. This is the end of the ruse.

You see, Mr Speaker in the context of the speeches that we heard, Mr Feetham said that he was going to demonstrate things, but he did nothing of the sort. He just argued his way around figures.

80 Then Mr Bossino said that he was going to prove things. I did not see him prove anything. I heard him try and develop an argument around very difficult figures that were a poison chalice obviously. How can you deal with the largest ever increase in Gibraltar's unemployment in history, when you are representing the party that only brought 22 new jobs for Gibraltarians a year into our economy, when one of the giants of Gibraltar politics has managed to create 524 in one year? It did not prove anything. It did not demonstrate anything in their arguments.

85 But as usual, Mr Speaker, I will be different. I *will* demonstrate things during the course of this reply to their arguments and I will demonstrate it with documentary evidence. I will put things beyond argument. Not just with the Estimates Book that they have chosen to ignore, because few people will look at it and they have banked on that Mr Speaker. They have banked on the fact that members of our community are not going to look at the Estimates Book – although I am going to try and take them to one particular figure there now – so that they could argue whatever they liked.

90 But I am now going to demonstrate, prove, evidence, using evidence from the Treasury and from the Ministry of Finance, that the GSD left Gibraltar and its public finances in the most *parlous* situation imaginable. I will not make an argument. I will not try to persuade them. I will demonstrate the position to this House and to the general public, so that they know what they are dealing with. And when I do that, Mr Speaker, I will not have debunked the argument that the Election was a Big Lie; I will have demonstrated *who told the lie*.

95 Now, Mr Speaker, because there is very little original thought on the benches opposite, the concept of the Big Lie, as you know better than us, is one that comes from the early 1970s in an election held then, the 1972 election – an election which will become relevant again when I reply to Mr Figueras – but it was actually the winning side that demonstrated that a lie had been told about them – a winning side with which Mr Speaker will have a great affinity, I believe it was his first entry into Parliament.

And that is what I am going to demonstrate today: that the Big Lie has been told about us by them, Mr Speaker.

105 So, without further ado, let us do the debunking of the demonstrating, the proving and the evidencing.

So okay, we said during the General Election campaign – I started saying it here through the Budget debates of 2011 – that Gibraltar's net debt was too high and we said that gross debt was too high. The Hon. the then Chief Minister, now the backbencher's argument was that the measure of debt was such that it was not too high as a ratio of GDP and that was his argument. People could take it or leave it, they had a choice, this is a democracy. Up to there, arguments based on published numbers.

110 Then we are elected and I find myself in a situation where I have to make an address to the nation, a Ministerial Statement to the nation, in early January 2012. Mr Speaker, they mocked that Ministerial Statement as *much* as they could. They talk about me putting on a solemn face, they do everything possible to try and make people think that what I said there should not be relied on.

115 And Mr Speaker, sometimes it is apposite to remind hon. Members that I do some things as Leader of the GSLP and I do some things as Chief Minister of Gibraltar. I did that Ministerial Statement as Chief Minister of Gibraltar, not as Leader of the GSLP. I was talking to *all* our citizens and for *all* our citizens.

I told our people then, to illustrate the state of public finances when we took over, that the notion of a golden legacy left by the GSD is just completely *untrue*.

120 I am going to do an analysis of the legacy that the GSD left Gibraltar on 8th December 2011, when I deal with Mr Bossino's intervention, because he is the one that seems still so much in the thrall of Sir Peter, that he still feels he needs to talk about what a great job he did, despite the obvious betrayal at the Leadership election time.

125 So anyway, how is it that I can demonstrate that the economic legacy, the public finance legacy, was not a golden legacy; that there was not enough available cash reserve to meet outgoings for that financial year without more borrowing?

Hon. Members will no doubt have had their spies, as we had ours, following us round the estates to hear what it was that we had to say, and I said during the course of the 2011 General Election Campaign, that if hon. Members opposite were elected, they could not carry out anything in their manifesto, other than by increasing debt.

130 I used to put it very succinctly Mr Speaker, I used to say the way that they are going to finance their manifesto is D-E-B-T – *debt*. I used to spell it out, Mr Speaker, in case people still did not manage to grasp it. My goodness, Mr Speaker, was I right or was I right!

135 But how can I demonstrate it, Mr Speaker, beyond peradventure – not by making arguments as they do on numbers? How can I prove it in a way that puts it *beyond doubt completely*?

Well, it is very simple, Mr Speaker: I am today publishing memoranda from the Treasury that demonstrate the position as at that moment in time. Members of our community will no longer have to decide if they think Picardo is right or Feetham is right. They will not have to try and work out which side is dissembling or trying to distort figures. No longer will people have to think about whether they trust the GSD or the GSLP Liberals to have told the truth on this argument. It is too unfair on our people not to clarify the position beyond doubt. We have gone beyond that now. It is too important, Mr Speaker, because they have made this the central issue in the public debate, and their attempt to weave a web of deceit around this issue *must be now dealt with*.

So I have sought the consent, Mr Speaker, of the Financial Secretary and I am therefore taking the unprecedented step of immediately putting into the public domain two memoranda from the Treasury.

The first is a note prepared by the Financial Secretary himself, and dated 8th December 2011. The Chief Minister on that day, the day of the Election, was the Hon. Peter Caruana as he then was. It was not, as people might think, a day when there is not a Chief Minister; there is a Chief Minister on the day of the Election. In fact, even after the votes are counted, there is a Chief Minister until the new Chief Minister is sworn in. And the first memorandum that I am putting into the public domain, is dated *8th December 2011*.

The note sets out the exact position of public finances on that date. It is a snapshot of Gibraltar's public finances on that date, which the Financial Secretary has made available to me and which he puts on a file, I think very wisely, so that it is beyond argument that the position on that day, on the day of the Election, the day before potential takeover by a new Government, is set by him in effect in stone, and put beyond discussion.

A copy of it will be circulated to all the media in Gibraltar and made available on the Government's website so that the whole of our community can look at it. It is a one page document, Mr Speaker, and it reflects the Financial Secretary's calculations and his conclusions on that day, on the day that Gibraltar was voting, on the day that they were hoping to have persuaded Gibraltar that its public finances were stronger than ever, on the day that they were boasting of the health of our public finances, and this snapshot tells the real picture: a very, very, bleak picture indeed.

Because this document, Mr Speaker, reflects £20 million *only* on 8th December of available cash reserves.

Mr Speaker, in 1988, £20 million might have taken you a long way, between December and March, the end of the financial year. In 2011, £20 million in December, in mid-December, with the December payroll to go, and three more to go, with capital expenditure commitments of £87 million, rising to £100 million before the end of the financial year, on a Budget of £450 million, even Members opposite will be able to work out, £20 million would not have got us to the end of the financial year on 31st March.

Exhibit A: the Financial Secretary's note of 8th December.

Well, Mr Speaker, the second document is dated 13th December, five days later. It is a document, Mr Speaker, that I will remember for the rest of my life. I call it, Mr Speaker, the 'doomsday memo'. I do not think we had the opportunity of enjoying our first Christmas as Ministers, Mr Speaker, relaxing after an arduous election campaign, and settling in with our families for what might have been a celebration after 16 years of being in Opposition. Because this document, addressed to me, Mr Speaker, barely four days after I was sworn in as Chief Minister, less than 24 hours after the Deputy Chief Minister and I had assigned Portfolios to hon. Members on this side of the House, less than 24 hours after the first Cabinet Meeting of the new GSLP/Liberal Government, I receive the 'doomsday memo' from the Financial Secretary.

Of course, at that stage, I do not know about the memo that he has put on the file on 8th December.

And so Mr Speaker, I was not used, at that time, to receiving correspondence addressed to the Chief Minister. I almost felt as if I should send it to the Hon. Sir Peter Caruana at Irish Town. It is peculiar when you are first elected to receive letters addressed to the Chief Minister. For a moment, Mr Speaker, I wish it *had* been addressed to the Hon. Sir Peter Caruana, rather than to me. I wish I had not been the recipient of this memorandum.

The document in question, Mr Speaker, as I have said, also from the Financial Secretary, sets out the calculations done by Mr Dayaram Tirathdas on that day, 13th December – five days after 8th December. I do not stop telling them the numbers, Mr Speaker, because they obviously have an issue with numerology. *Five days later*.

He tells me, Mr Speaker, in that 'doomsday memo', that the *actual* figure of gross debt is £520 million – not the published figure estimated of £480 million, which is where the GSD had told us we were going to be in March 31st 2012; not that figure of £480 million which was anticipated, but *£520 million*.

And I recall, Mr Speaker, the Hon. Mr Keith Azopardi's face – I do not know whether they caught us on camera or not – during the course of the Leader's debate on the night of 7th December. Hon. Members will know that is the one Leaders' debate which they did not object to Mr Azopardi attending. They talk about being so democratic but they did not like people interfering with their Leaders' debates and in

2007, they prevented Mr Azopardi from attending that debate. In 2011 he was there, the hon. the now backbencher, the then Chief Minister was there and of course I was there.

200 And, during the course of that debate, hours before the polls opened, the Hon. the then Chief Minister said, ‘Oh and by the way, of course the gross debt is £518 million.’ I do not know what my face looked like, but I will always remember what Mr Azopardi’s face looked like, because both our faces fell.

205 There was a book published, that told the general public in an election year that the gross debt was going to go up to a *maximum* of £480 million by 31st March 2012, and it had gone up to £520 million on the day of the election – still four months away. Talk about spending being out of control!

210 Anyway, when one receives the ‘doomsday memo’ – I had been quite enjoying being Chief Minister for those 72 hours between the swearing-in and receipt of this! – there is one thing that just *lurches* out of the page. I did not know about the memo of 8th December, but in the memo of 13th December: ‘total available cash reserves, Chief Minister, to get you to the end of the financial year, Chief Minister, are £16 million.’ In five days, between 8th December and 13th December, useable cash reserves had gone down by £4 million. We had not even, at that stage, spent money on more wine gums for No. 6 Convent Place. (*Banging on desks*)

215 And there it is, Mr Speaker, black upon white, no room for doubt, no room for argument. The debate is no longer about which politician you can trust. This is the unadulterated reality of public finances on 13th December 2011 – the unimpeachable truth of public finances on 13th December 2011.

220 I can see that the Hon. the Leader of the Opposition is laughing nervously. I wondered why Mr Caruana might have favoured one or the other, and I do not know whether it is that he thought he was giving Mr Bossino the poison chalice of the Employment Portfolio or whether it was Mr Caruana who was giving Mr Feetham the poison chalice of having to defend this. There is always, usually, Mr Speaker, an interim leader that loses the next one, before the favoured leader comes through. We have seen it everywhere else.

So look, I understand entirely and I forgive them completely for their nervous laughter at this difficult juncture.

225 On the eve of a By-election campaign, to see the whole thrust of your argument *shattered* with evidence must be harsh. I do not feel for them, but I understand how nervous they must feel.

Because you see, Mr Speaker, the state of public finances of Gibraltar when the GSD left office was very, very precarious indeed – probably more precarious than ever. And let me do a basic calculation for the general public and for Members opposite.

230 When we took over, assuming that on 9th in the morning, when we were sworn in at 10 o’clock – I was sworn in as Chief Minister, other Members were sworn in as Ministers not yet with Portfolios – let us assume that it is still £20 million, the same as on the 8th. So the day we take over it is £20 million available cash reserve. That means, Mr Speaker – and they have got to understand this – that we were £20 million away from breaching the statutory limit prescribed under something called the ‘Borrowing Powers Act’ for the financial year 2011-12 – the Public Finance (Borrowing Powers) Act.

235 Four days later, the useable cash is reduced to £16 million. I do not know if the hon. Members opposite have the Estimate Book with them – it appears that they do not, although this is what the debate is about! I am not surprised Mr Speaker given that we have not heard much analysis of the numbers, other than of course, I accept from the Leader of the Opposition, who did an analysis, which I think is flawed, but he did an analysis – and he is now showing me he has his Book. I think he is going to wish he did not have it.

240 If I take him to page 3 of the book, Mr Speaker, the actual position of net public debt on 31st March 2012 – it is the extreme right column, on the second row, headed ‘Public Debt’ – is £303.4 million. The ceiling of net public debt for that year was £306 million.

245 Do they understand, Mr Speaker, that therefore the position in which we inherited the public finances of Gibraltar saw us find ourselves, as at that date, with £2.1 million of available cash reserve? *Thank goodness* that there was a new dawn on 8th December and that from a position, a record low that we inherited from the GSD, available cash reserves now are *up to £85 million!* (*Banging on desks*) (**Several Members:** Hear, hear!) £35 million given to community care, which they had brought down to *zero!*

250 Mr Speaker, the second part of the ‘doomsday memorandum’ of 13th December is that the Financial Secretary recommends that I should come to this House and seek an urgent resolution from the House, in order to enable the further drawing on cash reserves, to meet ongoing capital expenditure commitments and ensure that there is sufficient cash to meet day-to-day Government business. That is the effect of the low available cash reserve: that you have not got the money to meet day-to-day Government business commitments and capital expenditure commitments. That is the situation in which they put us.

255 There is no point in pretending, Mr Speaker, if they are now foolishly going to go down that route again, without waiting a year for people to forget the argument that they had this time, that they did not know that this was the case, although they seem to be pouring over the numbers now thinking ‘Oh my goodness, is this actually true?’

Perhaps now that Sir Peter is not there and they are doing their own calculations for themselves, they are thinking to themselves ‘Oh damn it, he is right!’

260 But they cannot pretend that they did not know, because they campaigned on the basis of the health of the economy and the health of public finances during the General Election, and they have done it again this time. ‘Everything you are achieving, the health of public finances today, oh GSLP/Liberals, you are achieving because of the golden legacy that we left you.’ (A Member: Hear, hear.) ‘The golden legacy that we left you’ – if he is stupid enough to ‘Hear, hear’ that, Mr Speaker, after I have shown him what
265 depths they took Gibraltar to in terms of public finances, then perhaps the rest of what I am going to say is flawed, because they must have been lobotomised. (*Laughter*)

They know, Mr Speaker, because the £520 million of public debt was disclosed by the Hon. the then Chief Minister on television on the Leader’s Debate the night before the election. And I assume, that
270 unless they had other agenda, they were all watching their then glorious leader in glorious Technicolor, on analogue GBC as it then was, with their popcorn, and enjoying every minute of it, so they must have heard him say £520 million.

The second, Mr Speaker, was that in a fairly fiery and combative speech at a state occasion like the ceremonial opening of the Parliament, the hon. Gentleman who was then the Leader of the Opposition, did not simply concede the point; he insisted – perhaps like a Pied Piper that wants to keep his fans
275 happy, or a David Koresh that has managed to convince people of his messianic qualities – that everything was alright. But, there was a sting in the tail of his argument on public finances. He said, ‘And if you need a resolution of this House, if you need any instrument of this House in respect of public finances, we will of course support you.’ Well, that might have passed me by at a different time, but in receipt of the ‘doomsday memo’ I knew exactly what he was talking about and he knew exactly what the
280 position was – *exactly* what the position was. ‘Whatever parliamentary approval you may require as a Government, for additional borrowing, we will be happy to provide.’

And then after I do my Ministerial Statement, in his reply – artfully done because he admits everything I say, but then says that what I am saying is not true – artfully done – he said explicitly this: ‘If
285 I had been elected I would have sought a resolution of the House to extend the borrowing limit we took beyond the £20 million available on 8th December.’ So they must have known, Mr Speaker, what the position was, because their then glorious Leader was telling them.

So Mr Speaker, with all of that evidence – and it takes a few minutes for them to see that their Budget the year before was for £450 million for the year 2011-12 – they *must* now realise that to find Gibraltar’s public finances in a state where there is only £16 million available or 3.5% of the Budget for the year on
290 the day that you are elected, was a matter of very grave concern indeed.

Public sector salaries cost more than £16 million between December and the end of March, Mr Speaker. And of course the position was inconsistent with the Estimates. The Estimates that had been presented in this House, on which the election was fought, with only one figure difference on the last
295 night, 12 hours or nine hours before the poll opened – which was when the Hon. the then Leader of the Party opposite, dropped the clanger of the £520 million – the Estimates showed an end of year gross public debt of £480 million and *useable* cash reserves of £90 million. That is what their Estimates showed.

So imagine in that context, Mr Speaker, receiving the ‘doomsday memo’.

300 On 9th December, Mr Speaker, one of the things that the Financial Secretary said to me, which he then put in this memo, just as a briefing so that one is aware of what is happening, was that the advance to wholly owned Government companies stood at £87 million and by the end of the financial year would be £100 million. Mr Caruana himself accepts that that is the case, but says this would have been covered, as we sold assets to cover this £100 million.

305 Well look, Mr Speaker, if you owe somebody £100 million and you say you are going to pay it by 31st March and you do not pay it by 31st March, and you turn up in the office of the person who lent you the money and you say, ‘Well you know, Peter, don’t worry, I’m going to sell stuff to be able to pay you’, the response would likely be, ‘Hang on Paul, the whole point of me lending you the money was that you would have sold all of those assets or paid me otherwise by today’s date. If you can’t pay me, you have
310 got a £100 million hole in your balance sheet.’ And that is exactly what we found, Mr Speaker.

And that is also reflected in the ‘doomsday memo’, and in the information provided to the Government, because of course, how can one repay £100 million, if all you have got is £16 million available – and that is the companies? But you cannot even give the companies the further advance that they need, because they are going to have to spend that £100 million before 31st March. You have only
315 got £16 million left, if you give them £13 million to take them up to the £100 million that they need, you have got £3 million left for everything else!

So, Mr Caruana said ‘Oh’ – and I salute his style. How he was able to admit everything in his response and then say that it was not true, and then simply say in respect of the £100 million, ‘Oh, it’s just a cash flow issue’...! Well look, Mr Speaker, I would like to see any politician explain to the hard

320 working public servants of Gibraltar on pay day that there is not enough money to pay them, because of a cash flow issue. That would be fun!

But that is where they put us, Mr Speaker. They put us almost in La Línea territory.

325 Or perhaps to our contractors Mr Speaker, who were doing the capital projects and say to them, 'Well, you've done all the work, but I can't pay you. But don't worry, it's just a cash flow issue.' Well, is it not always just a cash flow issue? 'I don't have the cash, because it is not flowing' – is that not the debtors' usual refrain, Mr Speaker?

330 So if they want to go out campaigning, saying that there was not this black hole, if their candidate in this by election campaign says that there was no such hole in our public finances and that we told a Big Lie, after she sees the 'doomsday memo' and the memo of 8th December 2011, and after she sees this page of the Estimates, which I am personally going to send her, with a copy of my reply, because I think she deserves it, I think she deserves to have the facts and not be led up the garden path by hon. Members opposite, then I daresay she may want to stand as an Independent this time round, rather than as a GSD member. (*Banging on desks*) She may well go back to being an Independent and not have to defend the indefensible which they are lumbered with. I am going to send her this material, because she has still got time to say to people that she will not take their whip if elected, because what they have done is so disgraceful in the attempt to pull the wool over people's eyes that she will have no part of it.

335 Mr Speaker, when we were elected we decided we did *not* want to take the advice of the Financial Secretary and come to the House for a resolution to increase our borrowing. Our manifesto was about reducing gross debt and net debt. We were not going to increase gross debt further, so we did not come here to seek the resolution.

340 It is also a priority of our Government, nonetheless, to have increased available, usable cash reserves to a more prudent level as we set out in our manifesto. So what did we do? What have we done? How did we make it to the end of the year?

345 Very simple. As hon. Members know and as the general public knows, we had to stop the capital projects. If you have not got the money, you stop spending: it is the only answer. I said to the general public that we would do that in my Ministerial Statement, 'this is the state of our finances, this is what we have to do, we have to stop spending.'

350 I would love a tunnel under the runway and so much more. I would love a runway that extends into the Mediterranean and can take the Airbus A380. But Mr Speaker, you have to spend within your limits and not allow yourself to do what hon. Members did. And you have to spend on things which produce income or which have a social benefit for the community, not on vanity projects.

355 So I immediately said, with the support of my Cabinet, we are stopping these capital projects. We did not buy any more lavish public toilets. We did not invest any more in a new theatre at the Theatre Royal Park as it had become. We stopped all of the waste, Mr Speaker. We started to recalibrate what Gibraltar spends hard earned taxpayers' money on.

360 So when hon. Members opposite talk about the public finances that we inherited not needing curing, and I saw that we got that, Mr Speaker, from the Hon. Sir Peter Caruana who is defending his record, from the Hon. the now Leader of the Opposition who is trying to make a go of it, and from the hon. putative other Leader of the Opposition, Mr Bossino, who is just positioning himself to say that he also defended the glory of the GSD, when the time for the next Leadership election comes, when they say that there was nothing to cure, they know now, Mr Speaker, that what they are saying was not accurate.

365 They must have known it before if they had given it a cursory look in the Book. They must have known it before if they read between the lines of what the Hon. the then Leader of the Opposition said in reply to my Ministerial Statement. But now Mr Speaker, even they will be able to understand, see and appreciate exactly what the position was, demonstrated in black upon white, in the two memoranda of the Financial Secretary that we will be publishing today.

They will see that there was a serious public debt problem – a serious problem, where the Government elected found itself with very little cash in hand to continue the day-to-day business of Government, let alone fund many of the ongoing capital projects.

370 They will see, if they want to see, Mr Speaker – the blind sometimes do not want to see – that there was a £100 million spending in Government-owned companies which the companies did not have the ability to repay to the Government: an uncontrolled level of capital expenditure incurred by the previous Administration in the year leading up to the General Election. Look they know it, Mr Speaker, because I told them last year that they had managed to spend more – the figure may be right in the last two years before the General Election – than they had spent in the previous 13 on capital projects. That smells like desperation – desperation to hang on.

375 But Mr Speaker, the important thing to tell the general public, apart from the fact that the case is now put beyond doubt in the documentation issued, is that the matter has been dealt with. The matter has been dealt with to such an extent that they can have *absolute confidence* in the *excellent* state now, of Gibraltar's public finances and that they are only getting better.

380 Usable cash reserves are restored. We now have – as I told the House earlier – £85 million. Both gross and public debts are on the way down. Hon. Members say that the gross debt is not the measure that is relevant, well we say it is in part relevant, and it is down by 27.5%. But if net debt is the relevant measure, net debt will be down by 10% on the numbers given to them in this Estimate Book by the end of this financial year.

385 Public finances are now, 18 months later, well enough to be able for us to embark full steam ahead with the implementation of our manifesto commitments, and to target spending where we said we would target it for the benefit of our community. And we have achieved a record budget surplus, in spite of the increases in recurrent expenditure, because of course there has been increases in the recurrent expenditure in the public service – they did not employ people to fill vacancies for years. When you get people to fill the vacancies in the Civil Service, of course your payroll goes up, but the alternative is for them to be honest and say, ‘Look, we are not going to fill the vacancies.’

390 We have increased spending on health, on education, 47 more teachers. The hon. Gentleman likes to get up and say recurrent expenditure is up in the public sector, but what he does not like to do is to stand up in this House with the courage of his convictions, if he has got them, and say, ‘And therefore, because we do not agree with recurrent expenditure being up in the public sector, we will once again get rid of those 47 new teachers’, that Gilbert Licudi was true to his word and employed as permanent and pensionable, as soon as we were elected, under the new public sector arrangements.

395 Because of course they want to hunt with the hares and run with the hounds. They want to say to the Chamber of Commerce, ‘We are your angels of vigilance on the increase in recurrent public spending’, and they want to say to the people who are getting the jobs, ‘We support you getting the jobs’, even though Sir Peter did not open any vacancies in the Civil Service for the past four, five or eight years. ‘We do not want to be going through the Public Services Commission when it is so much easier to do things *a dedo*’, as I will demonstrate later, when I am dealing with the foolish remarks about cronyism that opened at that flank by Mr Figueras.

400 But recurrent expenditure, Mr Speaker, is restored to affordable levels and is in line with our manifesto commitments to keep recurrent expenditure growth below the growth in the economy and limited to an increase of 40% in our first term of office. Hon. Members can see that the growth of departmental expenditure for 2013-14 is expected to be about 5% over the previous year’s figures, which is significantly less than the growth in the economy. So I do not know why it is that they feel that they can go around talking about things being unaffordable.

405 I know they do not like to listen and they would rather read messages from their sycophants that say, ‘Don’t worry, don’t worry, you’re still alive, you’ll find something to say, you’ll be able to talk your way out of it!’ But if they bothered to listen, they might not make the same mistake again. It may be worth them listening, it may be worth them trying to come to terms with the fact that they have been outed, that the truth is not just out there, it is out here and available to all our citizens now, for them to see; that this proves the serious problem that Gibraltar had and it proves in these estimates how we have cured it; and, of course, it proves that they cannot be trusted.

410 This, Mr Speaker, is a political *slam dunk* of evidence that demonstrates that the only credible version of the state of Gibraltar’s public finances, at the time of the election, was the one that we were telling before the election, from our analysis, and have been telling since. The *facts* have betrayed the deceit in their arguments outside of this House.

425 The numbers, Mr Speaker, in the Estimates Book demonstrate that their words are totally and entirely unreliable and the public must know now that they can never again be trusted and their candidate for this by election will want to think again about whether she defends the indefensible record of the GSD or goes back to independent thought.

430 So we have saved now, Mr Speaker, in 18 months, a huge amount of money by not continuing with the projects that hon. Members were embarked upon. We have continued spending on some capital projects and of course the recurrent expenditure, although the Hon. the Leader of the Opposition sometimes has difficulty understanding the difference between the two; but there has been no spending on vanity projects, Mr Speaker. We have spent wisely in 18 months and we have *saved* wisely in 18 months and that is what has delivered these excellent results. There is no magic to it.

435 I know that they cannot quite work out how we are going to afford our manifesto, but look, it is pretty simple and I hope that today, by having told them what I have told them, they will start to be able to realise that continuing to argue that we cannot afford our manifesto and we are going to let a lot of people down may be an easy way of getting round a Question Time that is looming, or an argument that is looming, but it may be an argument that comes back to bite them in their political posteriors at the time of the next General Election, if we have delivered and if we have afforded.

440 So it is a high stakes game that they are playing. I can tell him, and I can tell them all, that we know how we are going to deliver, we know when we are going to deliver and we are going to know exactly where the money is coming from.

So they may want – although I am loathe to give them advice, it is not my job to do so – to recalibrate their arguments like we had to recalibrate spending, because they may find themselves in a very difficult position at the time of the next General Election. The Leader of the Opposition may find himself in a very difficult position at the time of the next General Election. In fact, the Leader of the Opposition may find himself in a very difficult position the day after the By-election, but never mind that!

But anyway, Mr Speaker, he said himself, through the course of his early intervention, that nothing I said was going to change what he thought of the numbers and what he was going to say to the general public, so I guess he is probably not listening to this. Because if it was hard to listen to me give a speech explaining what a brilliant Budget Gibraltar was going to benefit from, it must be even harder to hear me de-construct and demonstrate that the whole basis of the arguments that they have put to date are really no longer sustainable.

I recognise, Mr Speaker, that – and I have some sympathy with the Leader of the Opposition, because answering the debate on an Appropriation Bill in a Second Reading is the hardest job in parliamentary politics, not just in this Parliament but in all parliaments. Everybody has more time to prepare. The Leader of the Opposition needs to get up and respond. He needs to respond almost on the hoof, in a moment, he needs to assimilate the arguments put by the Leader of the House and reply.

The Standing Orders say that we cannot read speeches, but Mr Speaker is very liberal in this debate in particular, to allow Members to read speeches of course, and it is normal, even for Leaders of the Opposition, to turn up with some prepared arguments. That is why Leaders of the Opposition and Members opposite are given, on a confidential basis, the schedule to the Bill to allow them to prepare.

But there are some things that are in the gift of the Chief Minister to say ‘only in this House on the day of the Bill’ and there has to be a reaction to that. Therefore, a Leader of the Opposition cannot rely entirely on his prepared remarks. He has to really show that spark in answering the recalibration of taxation and import duties and of benefits that the Chief Minister does, here, on the day of the debate. But he did none of that, Mr Speaker. He gave us his prepared text, relatively flat.

I do not think Mr Figueras said anything worth people listening to, but his speech was anything but flat – it was so riddled with factual inconsistencies, which I will go through one by one, that at least it created a stir.

The Hon. the Leader of the Opposition’s speech was probably as flat as the coke one drinks when one has got a tummy problem, and one is aged three! At least you would have thought that in his maiden speech as Leader of the Opposition, he would have gone for some big punch. There was not even that. Just this ‘Big Lie’ election thing.

Well look, Mr Speaker, he was not intending to listen to reason, he was not going to deal with anything we said, he was not going to say anything about the fact that the numbers are exactly as we predicted in our manifesto they would be, that the tax cuts were as we predicted they would be. He was not going to say anything about us having reduced the debt, or about having reduced net debt. He could at least say, ‘Although I do not think they are relevant, I recognise that debt is down 27.5% in gross and is going to be down 10% in net.’ He could say *something*. He could say, ‘Look, I recognise you have given £35 million to Community Care, that is not a bad thing.’ He did not even say that, Mr Speaker.

He said, Mr Speaker, before the election, that our manifesto was the longest suicide note in history. Well look, let me just pause there on the phrase. The hon. Member is not known for his original thought, but for a man who purports to be of the left, to enjoy quoting Margaret Thatcher’s remarks of Michael Foot’s Labour manifesto of 1982 is a bit rich! But he takes it even further than that because the new mantra of this culture of entitlement, where ‘this is for working families, for people who wake up in the morning.’ I could not believe when I heard him the other day on GBC saying, ‘This is for people who wake up in the morning and go to work, while others, curtains are still down.’ Because the absence of original thought first manifested in repeating Thatcher, which, like Sir Peter used to do when he was Leader of the Opposition and he used to copy almost word for word, Sir Paddy Ashdown, is now manifesting itself again in the Hon. the Leader of the Opposition, quoting George Osborne! *Every single word* that he used in that particular interview with GBC was word for word George Osborne on Radio 4 a month before!

Let us assume, Mr Speaker, that it just swept into his subconscious as he was walking past a radio that somebody else was listening to; but if he still wants to pretend to be a man of the left, can he at some stage please do me the pleasure of quoting someone from the left? Even if it is no original thought – actually it is probably better if there is not any original thought... The last time the hon. Gentleman came up with any original thoughts, he was going to introduce capital gains tax to Gibraltar and abolish Category 2 status. So better no original thought and keep quoting what he reads in the newspapers, Mr Speaker!

But anyway, apart from what he called our ‘suicide note’, which turned out to be the successful manifesto which our discerning electorate decided should be the one that forms Government, the best manifesto ever presented to the people of Gibraltar, the suicide note has now become ‘dangerous and undeliverable’. That is why that tactic, I am telling him, is going to be short term.

505 What is he going to do, Mr Speaker, in the next General Election? Will he at least commit himself, if he is still Leader of the GSD then, to say on the Leaders' Debate, 'Fabian, I want to start this debate by acknowledging that you have completed what I described as the most ambitious manifesto in the history of Gibraltar, completely; that you have delivered what I said could not be delivered; that you have afforded what I said was not affordable and that your credibility in this debate is much higher than mine. Let us now get on to the issues going forward.'

510 Well, 'going forward' – he likes to say, *pa'lante*. He does not like to say, 'going forward'. Okay, let us look at the arguments going *pa'lante*. But will he at least accept all of that?

515 He has called the increase in the public sector, in the recurrent cost to the public sector, ruinous. Fair enough, if that is his position, it is his position. I think it was his Deputy's position – oh, I am sorry, did I say Deputy, when I was referring to the Hon. Mr Bossino? I should not have had. I understand he still has no Deputy, although he was Deputy. There is still no Deputy. He has not appointed a Deputy Leader. I know that the competition is fierce – competition is good for the soul – and that it is a bit, at the moment, the law of the jungle on the other side.

520 So his 'not Deputy' – his first putative Deputy or his first putative alternative leader, Mr Bossino, agrees with him in expressing this concern over the increased cost of public sector employment. Okay, fair enough, it is fine that he should say that and it shows original thought; but let us work through that original thought. Let us take it to its natural consequence.

525 Let me say for them, because they obviously do not have the courage to say it, let me say to every member of the GGCA and Unite: this Government remains committed to pay reviews in Gibraltar which reflect in their salaries the performance, always positive, of the Gibraltar economy. This Government remains committed to the Public Service Review and we remain committed to the manning levels of the Civil Service and to providing a more efficient service to the public and to the business community.

530 But let us extrapolate from the Member's arguments what they believe: 'dear members of Unite and GGCA – and of course because we have the issue of the 47 teachers, dear members of the Teachers' Union as well – Mr Feetham, the current Leader of the Opposition' – apparently Mr Caruana used to hate being called the 'current Chief Minister', but we all have to accept that we are current – 'the current Leader of the Opposition, Mr Feetham, and Mr Bossino, the putative Leader of the Opposition, both think that we are already employing too many people and paying you all far too much this year, because the recurring cost of the public sector has gone up.' At least members of the public sector in Gibraltar will know what their position is in respect of employment and remuneration.

535 In terms of, if I may, just as an aside, say, where is the GSD going? The increase in the recurrent cost of the public sector, of course, includes the 2.9% increase in salary paid to public servants. They are obviously – by saying that the recurrent expenditure has gone up – necessarily against that. But I did not agree it; Sir Peter agreed it, in the three year review which *he* left me. I was fine with it. I was fine with the fact that he left me those pay increases that our hard working public servants deserved. I just was not fine with the fact that he did not leave me any money to pay for it! (*Laughter*)

540 But they are now saying that the cost of the public sector is going up too much. Well look, it is going up 5%: 2.9% of that goes to salaries and it is an increase that they agreed, so where is the GSD? Is the GSD where it was, agreeing these increases or is that another one of the repositioning moves that Mr Feetham is doing of the party? I will come to some of the others later.

545 Well, what they should have done on recurring expenditure is recognise that overall recurrent expenditure has been controlled like never before. We have brought it in on budget.

550 But he then went on to talk about the increased cost of legal advice from the private sector. Well, Mr Speaker, I am not going to refer him to which firms receive what amounts. But let me tell him, let me tell them all, that they need to understand that a culture of compliance, which is a badge of honour for Gibraltar, and enables us to achieve the things that we have achieved which eluded them, like the Code Group and the ECOFIN approval, costs money.

555 We have recruited more people to the EUID and to the LSU: of course recurrent expenditure is up. But we also need to send work out to experts because we cannot recruit an expert in everything. And when we do, we choose the right expert – we go to whatever firm is necessary, regardless of who may be in politics or not in that firm. That is irrelevant to us. A man's expertise is a man's expertise whatever his politics may be. But we spent it for the good of Gibraltar plc and we can show the results. And for every piece of work that we brief out, there is a piece of work that comes in.

560 What we have not done, Mr Speaker, is pay a supporter of ours, for very little demonstrable work, for any benefit whatsoever to Gibraltar plc, a huge amount of money in order just to simply keep them industriously writing articles in a rag that we fund to bring down the reputation of Members opposite – as was the case of course when a certain Mr Benzaquen, a member of their Executive Committee, was paid approximately £¼ million in one year, without £¼ million of work to show for it. But lots of articles scribbled in a rag from No. 6 denigrating everything that the then Opposition used to do.

A quarter of a million pounds in legal fees: that is the sort of expenditure that we will not engage in. (Interjection) A quarter of a million pounds down the drain, says the Minister for Justice who has responsibilities for these matters. He should know.

Look, Mr Speaker, without £¼ million down the drain, we have got better usable cash reserves, less debt in gross and net terms *and* we have got something to show for the £1.4 million we spend on private sector legal fees, and we have got something to show for our investment in the EUID – every Directive bang up to date and ECOFIN and Code Group approval.

And then, Mr Speaker, one of the things that he talks about, the Hon. the Leader of the Opposition, is that we are not going to reach the £1.65 billion target. He is right, Mr Speaker, we do not think we are going to reach the £1.65 billion target by the time of the next election. We think we are going to exceed it, we are going to go beyond the £1.65 billion target.

But if we just meet it, again in the same way as he talks about the commitments not being deliverable, what is he going to say if he is still the Leader of the Opposition in the Budget debate before the General Election, if the numbers are reflected in the Book. It is going to be woefully embarrassing for him if it does reflect the £1.65 billion GDP.

I think the problem is that they just cannot come to terms with it. They cannot come to terms with the fact that the public finances were in such a parlous state. They cannot come to terms with the fact that we are on target. They had to deliver the speeches that they had written probably over the weekend before they heard what I had to say, and of course having spent three active weeks making these arguments in a By-election campaign, Monday was the proverbial *jarro de agua fría*, a jug of cold water. I could almost hear, amplified, what it was that they were whispering to each other: '*¡Picardo se ha cargado la campaña!*' 'Picardo has ruined our campaign!' '*¡Que no se entere nadie!*' 'Just give the speeches that we were going to give, at least they will be reported in the papers and some people might miss what he said about this being the best, most brilliant Budget in the history of Gibraltar' – because otherwise, what would they do?

And he does not tire of saying to me, 'Where were the European investors that you said were coming?' and I do not tire of saying to him, they are very advanced in their investment and when the investments are finalised, they will make an announcement. And he says it so cynically, as if to suggest that they were not there when I made the statements. Mr Speaker, I am going to tell him, as I have told him before, all he does is ensure that I take *huge* pleasure, perhaps more than one should be entitled to, when I do make the announcement that I know is coming about these investors, and of course they have nothing to do with the Sunborn – nothing to do with the Sunborn.

And then, Mr Speaker, they move on to this business of the Savings Bank in their 'Think' leaflet. Talk about something coming back to bite you in the political posterior! That 'Think' leaflet may come back to bite them very hard indeed.

Was it wise to talk about a savings bank, given the parlous state of international banking, the expanding of its services into a national bank? Well look, it is as wise now as it was when we all put it in all our manifestos, at a time when the banking crisis was at its *highest*, or is it that he does not know that in December 2011, things economically were far worse than they are now?

But if what he is trying to do... because even when he is attempting to be politically clever, the hon. Gentleman is so *transparent* that he is like a white sheet. If what he is trying to do is suggest that somehow the Government is responsible for the Barclays Review, the Government is the problem and that is why Barclays is leaving, if that is the game that he is trying to play – which nobody would for one moment believe to be true, who knew *anything* about the issue – does he not know, Mr Speaker, because everybody else does, that one of the biggest issues that Barclays have had – one just needs to be working in financial services to know what the issue is – one of the biggest issues is, the *huge* impairment on loans granted by Barclays on *their* affordable housing schemes which the previous Chief Minister said he was going to make good in a payment, and then on 7th December *resiled* from?

They know that. But the hon. the back-bencher can tell them that, and I am almost sure that he does not want the GSD to disappear, so he must be telling them all this. And in the same way that they do not listen to me, they must not be listening to him, because otherwise they would not be opening themselves up on these issues.

Talking about the Savings Bank as he did, the ones who removed the solvency ratio requirement in the Savings Bank were them. Did he not hear that part of my speech, when I told him that we were keeping in the Savings Bank the surpluses of the Savings Bank? Would it not require a piece of legislation to tell us to do it? We *decided* to do it and we have done it for the second year running – without it being a legal requirement.

In any event, when he talks about the amendment that I made to the Savings Bank Act, what he did not say in the course of his remarks about it – probably the flattest part of what he said, I must tell him, as a sort of critique if he is interested – is that everything that he said about investments ignored the fact that the person who is making the investment decisions is exactly the same person who was making them

625 before, the Financial Secretary, with the same appetite for risk as he had the day before the election! Did he not think that was worthy of a mention?

All he wanted to do, Mr Speaker, was raise spectres that are not there. Try and make people think that there is an issue where this is not one. I think that has a name. It has a first name and a second name: it is called scare mongering.

630 So anyway, Mr Speaker, I think that that maiden speech which was more of a damp squib than it was a Leader of Opposition's reaction to a Budget speech. It is dealt with now in everything I have said, but I do think that he does have a problem and there are... I hear already, quite quickly within 48 hours, that there are members of his Executive Committee who are very concerned indeed and regretting their decision in that now infamous in the annals of Gibraltar political history, that infamous secret ballot that delivered him the Chair of Leader of the Party.

635 In fact, Mr Speaker, I think it is not lost on many of us that a lot of things have changed in the GSD since he took over. He has already said that the decision of the hon. the backbencher and the handling by the hon. backbencher of the Theatre Royal issue was not appropriate. He has already distanced the Party from that. 'Take it on the chin', in an interview in GBC '*y que no me lo hechen mas en cara*' 'and therefore nobody should have the opportunity of rubbing this in my face again.' So already he has decried him once on that.

We have seen of course that his position on the fishing dispute in 2003 was different to what Sir Peter's was in 1999, so he is already trying to find an angle on that.

645 After today, I daresay that he will be even distancing himself from all of Sir Peter's remarks on public finances. It has not been five months, Mr Speaker, and the Hon. Leader of the Opposition has denied Sir Peter more times than Peter denied Christ! What a palaver!

It is also not lost on anyone I think, Mr Speaker, that the remarks that we have made, in recognising Her Majesty's recognition of the hon. the bankbencher's service, have almost been more fulsome from this side of the House than they have been from his side of the House. I do not know whether that is an attempt to try and get at some of my supporters.

650 Perhaps as part of that wider plan, perhaps he is not so transparent after all. Perhaps this is all about something buried even deeper, and doing completely away with the political life of the hon. the backbencher – not just getting rid of him as Chief Minister. Maybe we did not understand him when he said those words to us. Maybe it is about getting rid of him from Gibraltar's political life completely. Maybe, Mr Speaker, it is going to be a bit like the issue with Lenin and Trotsky. Perhaps when we look now at pictures of the GSD taken last year, Sir Peter may not be there, he may have been cut out, as was done in the early part of the last century by Lenin to his ex-friend Trotsky.

655 Even things like the de-selection of candidates at the time of the General Election in the GSD, the de-selection of the Hon. and popular Mr Vinet had his fingerprints all over it. The way that they are starting to shift party policy – *even*, Mr Speaker, the permission granted for Mr Netto to make the statement that he made on the Prayer. I do not think I have ever seen the hon. the backbencher as red in the face as when he turned up here and found out that the Hon. the new Leader of the Opposition had allowed that to happen.

665 I have seen him quite red, because I have said things that have upset him, and I must be seen by people today as a complete and utter pussycat compared to what replies were like in the 16 years that he was here, and I trust that I am not red. I did take the blood pressure tablet this morning, but I have never seen Sir Peter so red as when he found out what had been allowed to go on here by the new Leader of the GSD.

Or the proactive change in half of the party to this pro-equality approach on civil partnerships with the hon. Lady urging us on the civil partnerships legislation, whilst Mr Bossino tries to pull the reins.

670 Well, look, Mr Speaker, I think that that is a very good thing. I must tell him I think it is a very good thing, because it demonstrates that our winning the General Election did not just trounce Mr Caruana; it trounced the arguments that the GSD were putting for so many years that were wrong.

675 So I salute the fact that he is repositioning his party and accepting all the things that were wrong. But then of course, the reality will be that the GSD is no more. That GSD which stood for something is no more.

I would like to say it is a lurch to the left, because it would be nice that everybody here were of the left, but I think it is exactly what I said last year it would be. I told him that I thought that this is what he would do and he has not let me down. It is a lurch to the left on equality, but a lurch to the right on public sector spending. Exactly what I thought it would be – left, right, left, right, exactly when it is in his interests.

680 Perhaps he is as transparent as I thought he was, but no big secret though. The hon. Gentleman has made no secret of it, because he told us on GBC, in an interview, when they held their first ever annual general meeting – I do not think you can call it 'annual general meeting' unless you hold one every single year – that the GSD is such a broad church that it includes people from the right, people from the centre, and people from the left.

685

Well, Mr Speaker, look that sounds like a party, but it does not sound like a political party. It sounds like a party I would quite like to go to, to exchange opinions with different people and have a drink; but if it is a political party, it is a party of opportunists, it is not a party of ideology, because you cannot have people of the right, the centre and the left describe themselves as a political party with an ideology, other than an ideology to stand for whatever may be best at a particular time in their view and in an electoral sense.

So when you analyse it in that way, Mr Speaker, I suppose that this new mantra of '*Pa'lante*' which is the hon. Gentleman's new slogan – I am surprised that he has decided to use a Spanish word as a slogan for his political party in Gibraltar – is more like '*un pasito pa'lante, dos pasitos pa'trá.*' I almost expect to see him not singing Tom Jones but dancing Maria: *un pasito pa'lante y dos pasitos pa'trá.* And I have got to wonder, why is it that the hon. the backbencher has inflicted this on his party?

You see the hon. the backbencher was very honest in his political views, very honest. Some years ago he told Mr Bruzon, during the course of *this* debate, at *this* part of the debate that he – Mr Bruzon, may he rest in peace – was too good for politics, as what was needed in politics to succeed was *mala leche* – he used those Spanish words, bad milk. I guess 'bad milk' is a bit too literal so 'guile and bad ideas', I suppose.

So when we look at hon. Members opposite today and we hear what they have said in the context of this Second Reading, we see how they have opened themselves up in this campaign to have themselves completely shot down by the evidence that I gave at the beginning of this reply.

Given what the others have said, and the repositioning that they have done, I can see exactly where the GSD is today. The GSD today is all of the *mala leche* of the GSD before, and none of the brains. That is the new GSD: all of the *mala leche* and none of the brains, very well repositioned.

Let me move from there, Mr Speaker, to the brains in the outfit and to the much more lucid, if equally disagreeable intervention of the hon. the backbencher, who told us that he would not be here during the course of the debate because he has other matters on, so he will excuse me that I continue to make my reply to him. I am sure that he will have an opportunity to read it, but I of course accept he has other responsibilities now. Having been here for 20-odd debates in the past, I absolutely understand that he is not here today.

His contribution was disagreeable, because of the things he said about public finances, which I have now dealt with. But it was to an extent much more convivial than the others, because although of course he has said that a lot of work had been done on repositioning – they were there for 16 years: we cannot pretend to have done the Income Tax Act; it was drafted when they were here, we supported a lot of that work from Opposition – he was wrong to say that I had criticised him for notifying the new Tax Act to the Code Group. I had not criticised him for that. What I *did* criticise him for was for the opposite: for *not* notifying the Income Tax Act for State Aid clearance – something which as hon. Members know is now something we are having to deal with.

And he said, and he was right, Mr Speaker, that the culture of compliance that we have ushered in enables us not just to seek and demand fair treatment from the international community; it enables us to seek and demand fair treatment from the United Kingdom on matters where the United Kingdom can assist us in taking us off black lists and other such issues.

I think it was right that he made the intervention that he made, in the tone that he made it, because in doing so, he disclosed some affinity with the Government's position, contrary to some of the things we have heard from other Members, as he did during the course of the parliamentary reform debate, where it will not have been lost on anyone, much less Members on the opposite benches, that there were parts of the debate on parliamentary reform, where the Hon. Sir Peter Caruana agreed with the Government and not with the Opposition.

Mr Speaker, this was true of his intervention also on the Sunborn Hotel, where he said, 'Look, I understand the thinking there and it may be that hon. Members are right, but I reserve judgement as to the location and other issues. If this has put other hotels off, that is a bad thing', and I am quite happy to tell him, it has *not* put other hotels off. The people they were negotiating with, we are still negotiating with, but there were no commitments tied up before the election, as has been pretended.

Even on the Savings Bank, although we disagree on the detail, he was confirming his view that there should be some Government involvement in a Gibraltar Bank. He at least is not decrying that part of the manifesto that is not yet 18 months old.

But of course, Mr Speaker, the one thing that is clear is that to an extent, I am helping the Hon. the Leader of the Opposition do the job that he wants to do: the publication of these memoranda of 8th December and the doomsday memorandum of 13th December is the final nail in the political coffin of Sir Peter Caruana, because it demonstrates the state of public finances on the last day that he was Chief Minister beyond peradventure.

I want to thank him, Mr speaker, because during the course of the parliamentary reform debate, he was honest to a fault in recognising the work that we had done in 18 months, led by the Deputy Chief

Minister principally, and by me as Leader of the House of course, in calling the meetings, in order to usher in a new parliamentary era for our country.

750 He said, as I sometimes wish they would, because it would make the political argument easier, ‘We could have done it at any time in the past 16 years and we did not, because it obviously was not as much of a priority for us as it has been for them. They have demonstrated that they have done what they set out to do immediately that they were elected and I want to recognise that.’ Then he went on to agree with some things that we said and disagree with others, but that is an honest approach to take in a debate.

755 Mr Speaker, when they, who are what is left of the GSD on the front bench – this group with all of the *mala leche* and none of the brains of the previous GSD – accuse us of not being transparent or democratic in our approach. They really do appeal only to their blindest sycophants because we call 10 meetings of this Parliament a year. This year we are going to call nine because by agreement we did not call one in order to allow the refurbishment. Even if we did not answer any questions – and we answer them all, even though they might not like the answer, we answer every single question – even if we did not answer any questions, they have 10 opportunities a year to embarrass us, because we do not answer a question, and therefore of course we do answer questions and we give information.

760 Unless they think that we are *completely stupid*, if you do not want to answer questions, you do not call a meeting of the House. There is a constitutional obligation to call three in a year when there is not an election, and I call 10. They have got to understand, for politics to mean something to people, there has to be a basis in reality. The Hon. the Deputy Chief Minister and I have been at this game for 21 years. The Hon. Mr Bossano has been at this game for 40 years – 41 coming up at the end of July. *You cannot make it up!* What you say has to be real and relevant, because if you make it up, people know that you make it up. People are wiser than politicians, when it comes to working out who is telling the truth and who is not.

770 That is why with these documents, the arguments are going to be settled for them on public finance. That is why on democracy and on transparency, when people see that we come here every month, and we answer every question, they will have no truck with arguments that we do not.

775 A democracy is not just about Parliament; it is about other instruments, and the Development and Planning Commission being held in the open now demonstrates that commitment to transparency and accountability. These numbers, set out as clearly as they are, demonstrate a commitment to transparency and accountability, but they need to analyse them. They cannot just ignore them. I think the hon. Gentleman and I will at least agree on one thing, there was a candidate last night at the Chamber Dinner who said that there is no transparency in Gibraltar and politicians just spend what they like. We can argue about many things, but he and I will agree no doubt that politicians in Gibraltar need to account for every penny that they spend – and we do that.

780 And at the DPC, every permission that is granted is now open to scrutiny; they just need to turn up. So it is clear to any objective observer – not that there are any on the other side – that there is more openness and transparency than there has ever been before. I want therefore to thank the hon. the backbencher for having made the point himself during his speech on the parliamentary reform motion.

785 I think what worried me the most, Mr Speaker, about the intervention of Sir Peter Caruana, what really concerned me, was something that started during the course of their annual general meeting. He said during the course of their AGM which was shown on television – this meeting that cannot be described as ‘annual’, because it does not happen every year... I think for them the ‘A’ means ‘a’ general meeting because they hold one whenever they like, not necessarily annually! That is what their ‘AGM’ stands for.

790 He said during the course of that meeting that he thought that foreign policy being conducted from No. 6 Convent Place was almost his foreign policy. He thought it was not Picardo doing it, every time he picked up the *Chronicle*; it is like Caruana is doing it. Well, I know a kiss of death when I see one! So I am not going to quickly clasp my lips to his, to avoid that, because my foreign policy is very different to the foreign policy that he pursued.

795 But during the parliamentary reform debate, he said that he agreed with us. At the AGM, he said that the foreign policy was very similar to his, although the Leader of the Opposition suggests that it is not.

800 Then, on the Monday morning, the last thing I needed to hear was the Hon. Sir Peter Caruana saying ‘and his Budget speeches sound like mine too!’ I think he feels so let down by the new Leader of the GSD that he wishes it was me – but I really know a kiss of death when I see it coming. I think it is just an attempt to denigrate me in front of my own supporters.

Let me turn to somebody else who, given the flux that there is on the other side, might yet become leader of the new GSD, which I have described a moment ago. Let me turn to Mr Netto’s contribution.

805 I saw the text being passed of that contribution back and forth between him and Mr Feetham, with *huge* amounts of red ink on it from Mr Feetham’s red hyperactive pen. Well, I do not know whether this particular remark was Mr Netto’s own work or Mr Feetham’s work, but Mr Netto said that a sound environment is as important as a sound economy. It makes sense that John Cortes would agree with that,

and every Member on this side would agree with that, Mr Speaker, because *every* Minister in this Government is a Minister for the environment.

810 How can it be said by anybody on that side of the House? Do they not realise that they went to an election defending a diesel powered station as the only solution to our power generation needs for the next 30 years.

815 Well, I was delighted to hear John Cortes remind us that in the new Gibraltar, the Gibraltar of the new dawn, the environment really matters and where there is action on renewable energy, despite their inaction in the past 16 years, it will not be because the hon. Gentleman asked the question. He said, 'Well, I now hope that given I have asked the question, there is going to be some movement on renewable energy' – excuse me, I cannot quite do the monotone.

820 There *will* be action on renewable energy, because there has been action from the day we were elected, absent the questions. And the environmental filter that they now refer to, they refer to it as if it were a normal thing. Thank goodness, Mr Speaker, because that demonstrates the change that we have ushered in, that everything should go through an environmental filter and that filter is the 10 Ministers, not one.

825 That filter is working, and there is no question of any Minister putting John Cortes under *pressure* to accept anything, and surrender an environmental point of concern. We have got a Minister for the Environment, who was 'Mr Environment' before the election, and we are all Ministers with responsibility to care for our environment.

830 We do not put pressure on each other. That is not how this Government works. It may be how they are used to working in Government or even in Opposition, but look, it really betrays a very interesting point of how it is that Mr Netto appears to have got used to being treated by his colleagues. I suppose there is that bad milk rearing its head again.

The thought of putting John Cortes under pressure to surrender an environmental point – I think I would find him chained to the Cabinet table, rather than the nearest tree!

But Mr Netto need not worry: we are not going to put him under pressure to do anything – although he may find that there is pressure coming from another angle that he might not expect it from.

835 The very unhelpful thing that he said, Mr Speaker, was to say that it was disgraceful that we have not yet – I paraphrase him – we have not yet published some reports or that we took so long to publish the Fishing Report, as something that Mrs Hammond herself says, in the course of her intervention, 'It is disgraceful it has taken so long, maybe it is being formatted' – ha, ha, cynical remark, perhaps it is being formatted, that is why it is taking so long!

840 Well, look, Mr Speaker, it ill behoves them to chastise us because we are working on reports and we have not yet published them, because they should know – or perhaps given that their collective memory has disappeared, when most of the members who were in Government have gone and the hon. the backbencher has disengaged – it ill behoves them to chastise us for not publishing reports within a few days of receiving them, when they *never published reports*. They kept them secret.

845 The King Report into GBC was published by this Government within weeks of being elected. The report into Customs has been given to members of Customs at last, and it is ready for publication - reports that they used taxpayers' money to procure which they never published.

So how can we now be attacked because we take a few months to publish something? This is nonsensical.

850 This is the politics of the world started on 9th December 2011. I am prepared to accept that politics from them, if they accept that the 9th December was a new dawn, where Gibraltar emerged from the darkness of 16 years of non-publication of reports, to a day in which reports are published as soon as possible. But they really do open the flank for me to remind them that they say these things about us not publishing the report within 10 minutes and the King Report took five years to be published. It was published when I was elected.

855 Then of course the incredible interplay between the remarks from Mr Figueras and the remarks from Mr Netto: Figueras saying, 'Go back to the old style DPC, do not subject yourself to it. Just rule, govern, decide, do. And the whole campaign of the Sunborn was a done deal.' Well, actually, if the Hon. Mr Figueras were the Minister for Planning, everything would be a done deal, wouldn't it? And it would not be done in the open.

860 So fascinating and right, by the way – if I may say to Mr Netto, absolutely right – that he should come here and make remarks about what he heard in the DPC. That is why the DPC is open, so that he can turn up there, he can listen he can bring here to the heart of our community's democracy anything that he has heard there, because we opened that up and we come here once a month to hear what he has to say. The remarks he made were nonsensical, but he is entitled to make them.

865 And on the macaques, Mr Speaker: look Mr Netto does not need to even smell the coffee, Mr Speaker. Mr Netto just needs to wake up! (*Laughter*) Who is it that he thinks he is carrying a brief for, when he insists that we should be killing monkeys in Gibraltar? Who? Does he not realise that they are one chromosome away from being human beings? In some instances, perhaps not even one chromosome,

870 because I have seen some very clever monkeys. Does he not realise, Mr Speaker, that the apes are our mickey mice, our biggest draw? Nobody comes to Gibraltar to see him, or me for that matter. They come to see the apes and they come to see the Rock and he is saying that the Management Plan, as far as he is concerned, should still be to put a bullet between their eyes. Come on!

875 One does tire, Mr Speaker, of the debate on environmental issues in this House, one does tire, because committed though we are to the subject and without the need for the hon. Members to raise any issue, we are committed unto it entirely.

880 Now, it started off Cortes *versus* Figueras. It then became in terms of Shadow Portfolios, Cortes *versus* Netto. Mr Speaker, pro *versus* amateur, pro *versus* amateur: it just does not take the debate any further. It is a one-sided debate, where only Dr Cortes knows what he is talking about.

885 And that is why when the hon. the backbencher, when he was Leader of the House and Chief Minister, thought he was insulting the Hon. Dr Cortes by calling him *el jardinero*, the gardener, in an attempt to somehow denigrate him in the eyes of the many before the General Election campaign, what he was doing actually was giving Dr Cortes the badge of honour of recognition by all our community, as the excellent botanist that he also is.

885 But in terms of the political history of Gibraltar, a subject which unfortunately I am going to have to come back to in a few minutes, when I start dealing with what I will charitably call the intervention by Mr Figueras, it is also important for Mr Netto to get his political history right.

890 The first Minister for the Environment in the history of Gibraltar was appointed by the GSLP in 1988. Yes or no? It is a fact, you cannot argue it. You cannot get up in this House and say the first Minister for the Environment was appointed by the GSD. It is not true, the hon. Gentleman is responsible for his remarks in this place, and in the *Chronicle* and in the *Panorama* and on GBC. If he wants to have a genuine debate he should have it on the facts.

895 And then he says you do not give us the minutes of the Nature Conservancy Council – a Council which I never called meetings of, when I was Minister for the Environment. Well, the legal advice that we have I am happy to tell him is that we have no obligation to publish them.

900 ‘You do not monitor black carbon and radium’: actually we do. It is one of the many things that Dr Cortes was not able to talk about in the course of his Budget speech, because otherwise if he took us through the list of things that we have done which are positive for the environment since 8th December, we would still be listening to him! (*Laughter*) Measurement of black carbon is already taking place, and we are going to be among the first EU countries to monitor this pollutant – hats off, Dr Cortes and all your team.

905 Data on radium levels has already been collected, Mr Speaker, been analysed by the Environment Agency, with the Department of the Environment, and the studies and the results will be published shortly.

905 And of course, what Mr Netto did not like to listen to was there is now an Ape Management Plan, but he did not want to talk about that; he wanted to talk about culling, because there is obviously a small constituency about that supports culling, and he is trying his best to have that constituency on his side. I do not know, Mr Speaker, maybe it is the shooting club who have got nothing else that moves to shoot at.

910 I am going to move on now, Mr Speaker, to the intervention by the Hon. Mr Reyes who, if he will allow me, if I may so, was a little bit more constructive in his approach, and I want to recognise that.

915 I am happy to tell him that I am working very closely indeed with Unite, Mr Speaker, on the subject of the Housing Works Agency and the manning levels there, but I do think that his concern about the manning level has to be set in context. He knows, does he not, that it was the Government of which he was a Member that did an agreement of ‘two out, one in’, in the Housing Works Agency, because it was an agreement signed by his previous Leader? So his concern about reduction in manning levels has to be seen in that context.

920 I do not know whether he thinks the agreement was a good thing or a bad thing. He talked about the agreement and his tone in respect of the agreement seemed to be positive, but then he turned to the manning level and seemed to ignore this clause 42 I think it was, of the agreement.

920 Now it appears that he also agrees with our policy of moving the Housing Department out of the City Hall. Thank you for what appears to be tacit approval of that and support for it. It is happening, it is something that will happen. It is an untimed commitment in our manifesto, it will happen before the time of the next General Election.

925 Then he moved to talk about the co-ownership schemes and he gave us a remark in his speech, which in my view turned everything slightly more cynical. He talked about, ‘Oh, you have paid these consultancy fees and a brick has not been laid.’ And then he said, ‘Don’t make the mistakes that were made before in co-ownership.’ Well look, that is why you pay consultants before you lay a brick. But anyway, I would have thought that they know that, given how much they spent on consultants.

930 ‘Well done for eventually listening to the tenants of the housing estates and not adding the floor.’ Well, I am going to take those two points together. We did not eventually listen to the people in the housing estates; we listened to the DPC and we went to the housing... I personally went to every one of

the housing estates involved and spoke to the tenants. So we did not ‘eventually’ listen to them; we set out a consultation and *listened* to them.

935 But the cynical backhander I cannot allow him to get away with. He said ‘the construction problems in the co-ownership schemes under the GSLP’: this is the Party that does not want us to look back. It only wants us to look forward. I guess that is why it is *pa’lante*, as well, Mr Speaker, because they have such problems in what came *atrás*, that they only want us to look *pa’lante*. They only want us to look forward and not back.

940 And yet even in 2013, when dealing with co-ownership, hon. Members feel quite relaxed about going back to 1996, but they do not need to, Mr Speaker, because problems of co-ownership construction, they have been in everything that has been constructed – even Waterport Terraces, which admittedly has the least of the problems, but has problems; even in some parts of the Mid Harbour Estate, where there are considerable problems; and particularly in the OEM co-ownership estates.

945 So if the hon. Member wants to talk about problems in the construction of co-ownership estates, he does not need to go back to 1996. I am quite happy to tell him that for this Government to sort out the mess that they left behind is going to cost about £10 million.

950 And the difference, Mr Speaker, between the bill that we have and the bill for repairing Harbour Views is very simple. Perhaps he is going to rue the moment that he said this backhanded remark, because it is going to allow me to put in the public domain today that it is going to cost us £10 million to fix the co-ownership estates that they left behind; and we will not be able to sue a developer or a construction company to get the money back, as they did and we would have done, in respect of the Harbour Views ‘fiasco’, as they call it, where the money was paid back by the contractor and developer who had been responsible for the mistakes.

955 Because of the collapse of Haymills and OEM, there is no-one to sue. Because the work was finished by GJBS, which is the Government’s own company, which inherited the mess and did its best to complete the works and it is now doing its best to fix the problems. So their £10 million of cost of repair will have to come out of the pockets of the taxpayers of Gibraltar, *their* co-ownership fiasco!

960 Whilst what they thought was the easy play of referring back to Harbour Views, it is something that was paid for by the people who caused the problem.

I acknowledge that he encouraged us to get on with the refurbishment of the estates that they had completely forgotten. They did nothing about it 16 years, to such an extent that campaigning for the GSD at Moorish Castle was not a fun thing to be involved in. And yet now, they urge us to move quickly. Well look, I suppose that is part of the repositioning of the GSD: ‘say what you have to say, do not worry about the consequences. Picardo will slam us because this is completely ridiculous for us to be saying this, when we did nothing about it’ – but all the *mala leche* and none of the brains. Keep it up, boys and girls!

965 Now, let me turn to the intervention by the hon. Lady, Mr Speaker. I found it amusing, to say the least, that she said that a lot of what was happening in respect of the portfolios that she was shadowing was that there were a lot of photo opportunities and not enough work.

970 Mr Speaker, the hon. Lady ends her intervention by saying that certain people are petty, one thing and the other. That is how she ends, but she starts by saying, ‘Oh, the Ministers are taking more photographs than they are doing work.’ Anybody who knows any Minister on this side, anyone who bothers to look, knows how many hours all Ministers are working, each of them in charge of their portfolios. But the hon. Lady should know and if people do not tell her, look it is my obligation to tell her here.

975 She is known throughout the community now, as somebody who jumps into the shot as soon as somebody takes out a camera! I almost dare say, it is what the Leader of the Opposition has told her to do: ‘Isobel, make sure you are at everything and that you get into every shot’, and that is fine, Mr Speaker. She wants to show the community that she is at events, that is absolutely fine, but do not attack Ministers for being in photographs when they are doing the work that they are paid to do. She does it, Mr Speaker, with such dexterity. I am sure that she is in the photograph albums of more than one Gibraltar tourist who she has mistaken for a journalist, as they were taking a shot of some particular part of our geography that they particularly liked. You never know, she may have a fan club in Japan.

980 But this is the tenor of the remarks that she was making in the context of a serious debate on Estimates. I do not think I have ever been in a debate on the Appropriation Bill where less attention was paid to the appropriation. It was just ‘what can I say to embarrass the Government, what can I say that sounds good, what can I put in the newspapers tomorrow?’ The numbers were just completely ignored.

985 Then she goes on to say, it is remarkable that we have now got somebody at the GHA who is going to be CEO and who is permanent and pensionable, and that should not be the case. Everybody who has remarked to me about the choice of CEO for the Gibraltar Health Authority, a person who I do not know, has told me that they believe that this is an excellent choice made by the relevant board; but she is taking a technical point namely that he should not be a permanent and pensionable member of the establishment. This is completely unacceptable.

990

Again this is part of the loss of the collective brain of the GSD because whilst they were in Government, the CEO of the Care Agency or the Elderly Care Agency, whatever it was called then, was a P&P civil servant. How can she make the point and not seem nonsensical?

995

It is just as nonsensical and lacking in depth – and it has come back to this point about people opposite not knowing the political history of Gibraltar – as the point she made last year that at last... You were not here, Mr Speaker, it is important for you to know: last year she said, ‘*At last*, there are women on both sides of the House, for the first time in history.’ It is a simple factual point, Mr Speaker: Miss Marie Montegriffo was in the House on the Opposition benches at the same time as Mrs Del Agua. If you cannot get that right, Mr Speaker, I suppose you cannot be expected to do an in depth analysis of the numbers.

1000

I often say that Members’ mouths on the other side engage before their brains, but in her case, Mr Speaker, sometimes it is her fingers engaging before her brains when she tweets things. ‘What are they doing to Catalan Bay?’, she tweeted, when some works started there at the end of May – ‘What are they doing to our beach?’

1005

People know what we were doing to the beach, Mr Speaker. We are making it accessible, at last. It will be even more accessible when the bits left to get people to the shore arrive, which have not arrived. But well done, Minister Costa; well done, Minister Sacramento; well done, Minister Linares for delivering at last an accessible beach there and elsewhere in Gibraltar!

1010

I suppose that the answer to ‘What are they doing to our beaches? What are they doing to Catalan Bay?’ is now writ so large, it is such the right thing to do, that she must really be disappointed with herself for engaging fingers and thumbs before brain.

1015

Like this criticism, Mr Speaker, that she makes of the percentage of women on boards: but I know that she does not like to talk about the board of GBC. I think she has actually said to people do not mention the GBC board, because there are more women on the board of GBC than there have ever been. I think it is up to 40% or 50% of the board of GBC are women, but not that that matters because what matters is who is right for the job – not a percentage of people. That is not equality. That is the sort of number crunching she should be doing about the estimates.

1020

On issues relating to Moroccan nationals, does she not know, did she not hear the bit that I spoke about in terms of the number of people who have been naturalised? She just ignored that. I suppose that is just another one of the parts of the speech that was written that just had to be delivered.

She talks about 52 breakdowns of ambulances. If she bothered to check, 47 of those relate to the ambulances that we inherited from them and have had to replace! (*Laughter and banging on desks*)

1025

Then what looked at first blush as a huge and justified criticism: the GHA should not be called to start the party political exchanges with the Opposition and denigrate Opposition Members. It sounds good, must have sounded good when she was typing it or writing it. But of course, it ignores an important part of the political history of Gibraltar as well, which is that for the 16 years that they were in power, all engagement in respect of health matters was done by the GHA on the letterhead of the GHA, and there are some pretty tough ones attacking Mr Costa, who was then a young man, new into Parliament, the blue-eyed boy of the Opposition benches, being savaged on the letterhead of the GHA.

1030

What is worse, Mr Speaker, the CEO of the GHA was rolled out to do party politics for the Members opposite when they were in Government (**Several Members:** Hear, hear.) (*Interjection*) – not that he got very far, because if measured with Mr Costa’s credibility, his was absolutely on the floor. But I guess if she is saying that, there is another one of those things where the GSD is being repositioned: the old GSD did one thing; the new GSD does another.

1035

There is nothing of substance. It is not something to say, ‘Oh I did not vote GSD before because they were in favour of the GHA answering press releases. Now that they are not going to allow the GHA to answer press releases and they will themselves, I am going to vote GSD.’ It is not a repositioning of any substance, Mr Speaker; something which is just irrelevant.

1040

Then she criticises, Mr Speaker, the board of the GHA, of which she was a member, for not being open enough. She was a member before the election. Now it is completely open. People can turn up and listen to what was going on. When she was a member of the Board, she did not say, ‘Hey chaps, let’s open up!’ But now she criticises that there is not enough openness.

1045

Does she not realise that people can now put things on the agenda of the GHA board for discussion? Before it all used to be done through the Minister or the CEO. What is going on? Should she not at least give the Chief Executive a chance, he is in his probationary year?

1050

Then she talks about John Langan and criticises him for the work that he did. Well, I think everybody who knows John Langan and who knows what is going on in the GHA has very much welcomed what he did, and the fact that he and... well, he in particular has been working for much less pay than the former Chief Executive, Dr McCutcheon, ably assisted by Mr Lima, I must say – very ably assisted by Mr Lima.

Then she criticises the increase in the budget of the GHA, but says that the GHA must do more. So let us be clear, if they were to win an election tomorrow, they would cut the budget of the GHA again – the GHA that has come in on budget, well done, John Cortes, for the first time in history (*Banging on desks*)

1055 they would cut the budget – (**Several Members:** Hear, hear.) – but they would offer more services. This is the twilight zone world in which Members opposite live.

The spending on locums she said is an issue. Well, it is down from £3.5 million in 2010-11 when they were in power, to £1.9 million when they were in power for two thirds of the year, to £1.58 million when we have been in power for the whole of a financial year. So her analysis is just completely incorrect.

1060 On Social Services, she says, ‘I have reviewed the press releases and not much is happening.’ Does she think that work is reflected in press releases?

1065 They say that we issue too many press releases, and then when they do a review of a Department, when they have a reshuffle, all they do is look at the press releases. And if there are not enough press releases, you have not done enough. They have got to make up their minds! Do they want us to issue a press release every day saying what we have done? There is much more going on than press releases in the Social Services Agency.

1070 There is a whole list of things that the Hon. Member, Miss Sacramento has set out. We have not continued the GSD approach to training; we have changed it and improved it considerably. Generic core training is enhanced, 65 sessions delivered last year. Staff development training is a new thing involving the staff in how to change core training, sharing training with the GHA because this is one Government, as my Ministers constantly remind them.

1075 Social workers going to the UK for training, something that had been suspended for many years; and the big, big change: domiciliary care. Yes, they offered some, but that is where the similarity ends. No-one used to get domiciliary care before, when they needed it. They used to go on the waiting list, until somebody who was getting it died, and then they would get domiciliary care. Now there are two providers instead of one; the budget is increased to £550,000; and we get a better deal so we get more domiciliary care.

1080 There is no historic waiting list for domiciliary care now. Did she hear me? There is no historic waiting list for domiciliary care now. That is over, finished, as a result of the sterling work done by Samantha Sacramento after 9th December. A *huge* improvement: there is the current waiting list, but there is not a historic waiting list.

1085 Assessments as to need for community care are done by people who know, by social workers, not by clerks. This is just... The changes... ‘The Calpe Ward is the only thing you have done in the 18 months.’ Well, we did the Calpe Ward in four months – three in fact. ‘And you still have not been able to stop cancellation of operations.’ There were no cancellations of operations due to bed shortages; there was almost zero for most of 2012; and in early 2013, they were due to the annual winter surge.

But she says she is happy there has been an increase in social workers. Well, at least I am pleased to share some happiness.

1090 The Clubhouse Project, ‘the Toc H is not the right place for them’; well, you gave it to them. The temporary place is even better than the final place that they will have.

1095 Then the most *pathetic* of the arguments put: this welcoming of the Care Agency parity with GHA for the grades that used to have the analogue. Does she not know that this is a problem that they created in 2009? Does she not know that they kept people waiting until the election 2011 and still had not sorted it out? How can she make that a point that she says she welcomes, when her Party when it was in Government did not deal with it? This is just re-positioning of the GSD, but re-positioning using only *mala leche* and no brain.

1100 I want to turn now, Mr Speaker, to a man I have always considered a friend, and continue to consider a friend, in evidence of the fact that politics does not need to get in the way of friendship. So Mr Speaker, Mr Bossino obviously started his intervention, devastated by the fact that the Employment Survey publication on Friday had really done for their argument on the Future Job Strategy, and still licking the wounds of the loss of the leadership of the party in February. I guess that is why most of his intervention was given through gritted teeth, because of the problem with the numbers in the Employment Survey, and the fact that he was not sitting closer to the centre of the semi-circle.

1105 But I have to recognise that the Hon. the Leader the Opposition has done an interesting political job on him, by giving him this poisoned chalice of having to shadow the great Joe Bossano. It is a poisoned chalice, not just because Joe Bossano is going to do what he says he is going to do in politics on every occasion in every Portfolio, but obviously for him in particular, because his new beloved leader has made him shadow his former beloved leader and idol. That is actually... I mean hats off to the Leader of the Opposition, it is a slightly wily political move there!

1110 Well, obviously the first strategy in the By-election was rubbish the Job Strategy. Employment Survey is published: ‘Oh doo-doo, what do we do now?’ Because you see on Friday of last week Gibraltar saw for the first time the *huge* success that Joe Bossano has brought to the Employment Ministry: 524 jobs for Gibraltarians in one year, compared to the average growth of 22 Gibraltarian jobs in one year under the GSD for 16 years.

1115 And the unemployment at 522, reduced from the 1,000 that the Hon. the Leader of the Opposition disclosed by a Freudian slip of the tongue during the course of the General Election campaign must be the

unemployment, given the calculation that he did as to the cost of the Future Job Strategy as he understood it to be.

1120 So Mr Bossino is wrong footed at the General Election because he joins the Party that loses. He is wrong footed at the leadership election, because he is not elected as a result of this nefarious secret ballot that snares him at the last minute, and then he is wrong footed on the Employment Survey in the middle of the By-election campaign. My dear friend Mr Bossino's political career really seems to be going down in the doldrums.

1125 When I said that everything that was going up that should go up and everything that was going down that should go down, I did not mean him. He knows I am a fan of his.

I guess there is a lesson in that, though, for the hon. Gentleman he started his intervention by saying... by *attacking*, not saying; attacking, because he used it as an attack – Joe Bossano is a leopard that does not change his spots. (*Interjection*) But he was wrong to attack Joe Bossano on that basis. That is Mr Bossano's strength; it is not his weakness.

1130 Mr Bossano has been making the same points in Government as he was making as Leader of the Opposition and as Opposition Member for 15 years, and as Chief Minister for eight before then. He is sure of his position, he is sure of his ideology, and that is why he has seen it through into this massive success in the Employment Survey, and that is why he enjoys a massive respect amongst the population, even amongst people who do not vote for him.

1135 But, the Hon. Mr Bossino keeps changing his spots at just the wrong time. That is the problem. He went from admiring Joe to joining the GNP Liberal Party, to leaving us because we had merged with the GSLP in this electoral alliance that we do, because Mr Bossano remained leader, to then taking the final step to the dark side by joining the GSD, and then to arguing, finally as he emerged in the GSD, to say that Joe Bossano is the danger for Gibraltar, a problem. So from idolatry to saying that Mr Bossano is the danger.

1140 I will allow Mr Bossino to, of course, take his own counsel. I will only say this and it is not something I would say to everybody on the other side. I will say it to him privately, I say to him publicly now: it is a two-way road, you can come back. Because if you are going to change your spots again, change them at the right time, otherwise that political career is just going to keep going in the same direction.

1145 You see the hon. Gentleman has not just changed his spots: he has not got spots any more; he has got stripes. It is a complete transformation for Mr Bossino.

1150 Then he quotes me, when I was Leader of the Opposition, Mr Speaker, talking about the figures and what I said about people who are unemployed. Of course I was dealing with the published figures then, not with the real figure that Mr Feetham disclosed during the General Election campaign. I was talking about the 400-odd, when in fact the number was, we were told later, about 1,000. About people being fed up: I thought there were 420 people fed up; there were 1,000 people fed up. Half of those already, more than half, Mr Bossano has dealt with.

1155 Some people were so fed up, they did not even bother to turn up and sign on as unemployed, because all the Minister used to do was, if he turned up to the office, smoke his way through the day or perhaps not turn up at the office and go down to a particular café in town to avoid being in the office. But now that there is a Minister there working for our unemployed, people are coming back and registering themselves, and if you look at how long people have been unemployed for, the hon. Gentleman might find that some of the people who he is complaining are now on that list and that unemployment has gone up have been unemployed from the time when they were in power.

1160 So unemployment is down, and therefore, Mr Speaker, for him to then say that we are not being transparent and democratic in the way that we approach our obligations as parliamentarians... As I told others before, people are never going to believe that. They are going to compare what you say about unemployment and what you say about democracy, look at what Mr Feetham said during the election campaign about the 1,000 unemployed, look at the fact that the GSD called one meeting – *one meeting* – of the House in 2001 or 2002, a maximum of two before the election and that we call 10 and that we cut unemployment by half, and they are going to say Damon Bossino is not a man to be believed.

1165 So my advice to him is do not do that, because that speech from which he quotes – I suppose he does not like to hear this – the speech from which he quotes me, that speech I gave as Leader of the Opposition. I do not like to blow my own trumpet, but the Hon. Dr Bernard Linares, when he was in this House, and are used to complain that he used to blow his own trumpet, used to say to me, 'Look, Fabian if you do not blow your own trumpet, nobody will.' So I am going to just take a leaf out of his book for a moment, and I am going to say to him that speech that he quotes me from, that Leader of the Opposition speech, is undoubtedly, when you look at the facts, the most successful Budget speech ever delivered by any Leader of the Opposition, because within months, I was occupying this chair, not that one; and the person who has held the post as Leader of Opposition for the shortest period of time – although I do not know whether Mr Feetham is about to beat me the day after the By-election!

1175 So I understand why it is that he quotes from the speech. But to extrapolate from that this Bermuda Triangle that he talked about, (*Interjection*) well look, I think there is a Bermuda Triangle in Gibraltar and

1180 I am trying to find it, because if the Bermuda Triangle that he talked about, which does not contain any jobs, there must be £10 million for where the Theatre Royal used to be and when I get my hands on it, I will put it back into Government coffers. There must be many millions more pounds that were wasted during the time that hon. Members were in power. That is the Bermuda Triangle that has afflicted Gibraltar for the past few years.

1185 He says that we will not be silenced, Mr Speaker, we will exercise our freedom of speech. Mr Speaker, I am giving the hon. Gentleman advice to make better points; I am not saying he should not make points. This Government does not want to silence them. In fact, given the tenor of what they say, we are actually quite happy that they should continue to be the Opposition and continue to make the arguments that they are making, as loud as they can, because it is so easy to discredit them that we are guaranteed Government whilst they continue to make these *mala leche*, no brain points. They should not have to worry about us wanting to silence them. I positively encourage them to continue engaging mouth before brain as they have done in the course of this debate.

1190 He replied to Mr Costa only on one point, and one knows the points that the GSD are going to make in this place, Mr Speaker, because one sees them tweeted a couple of days before, either by them or by some of their sycophantic supporters. 'Ah, call this progress, the number of cruise calls for 2012 was down', hell and brimstone, fingers engaged before brain by whoever tweeted that one!

1195 But I expected better from him because he engaged mouth before brain, when he repeated it. Does he not know that cruise calls are booked a year, sometimes two years in advance and that the numbers for 2012 are the numbers which reflect the bookings when they were in Government until December 2011? Does he not know that? Does he not accept it? It is very simple and straightforward. Does he not realise that what he has done is raise a criticism of the Government whose record he is trying to defend.

1200 Mr Speaker, I would like to have a meaningful debate. I too would like to have to engage brain in order to reply to them; but it is just too easy! They give us the argument on the one hand that bookings are done two years in advance through Mr Holliday, and then they give us the argument from Mr Bossino that the bookings for 2012 are down and this is awful. Join the two together and you have the answer. I am almost bored in having to reply. I really expected so much more, Mr Speaker. (*Laughter*) The 'Class of 84' expects so much more, Mr Speaker.

1205 This betrays, Mr Speaker, another failure of the GSD in the last year in office, and putative Leaders of the Opposition who want to be putative Chief Ministers cannot make mistakes like that, because we will be reminding you, year after year, Mr Speaker, in this place.

1210 The final thing I want to say to the Hon. Mr Bossino is to ask him to consider an inverse proposition. I will explain that: I mean the opposite of something he has said, alright? (*Laughter*) He said he was so confident that the result of the By-election will be that their candidate will emerge as the winner – that is if after today she does not decide that she is not their candidate any more, she goes back to being an independent, as she was a couple of weeks ago – he said he is so confident that their candidate was going to win, that if the Government lost the election, I should immediately call a General Election. I bet that line sounded good when he wrote it.

1215 I am going to ask him a question and he does not have to answer, because in this House in this debate he does not have to answer. But what happens if the opposite is true and their candidate does not emerge victorious in the By-election – if she is still their candidate by the date of the By-election. What happens if our candidate emerges victorious from the By-election and I do not believe polls, good or bad. What the people will do, the people will do: they will decide, they will determine who fills Charles Bruzon's seat in this Parliament. But the inverse proposition of what he put to me is that I should put to him that they should all resign on the day after the By-election, if their candidate does not win and ask the people for a mandate to renew them in Opposition. We can quite happily do so, without having to have a General Election. We can have seven new By-elections and we have a new Opposition – a PDP Opposition, a Bryan Zammit and six other independents' party Opposition; or they might be renewed and Sir Peter may go and Marlene may come in or somebody else, but if he said to me with such gusto, 'If you lose the By-election you must call a General Election, Chief Minister', well, what happens if you lose the By-election? Why do *you* not put your seat where your mouth is? That is why it is important to also engage brain before pen.

1230 Mr Speaker, talking about resigning, perhaps it is something that Mr Figueras may want to start considering immediately, because frankly, in a stable of lack-lustre speeches, his was really lacking any meaningful analysis. All it had was partisan bent. Some of the others were flat, particularly the Leader of the Opposition's. Their facts were skewed. But Mr Figueras took the absolute biscuit. When he uttered his first sentence, he got it wrong. His *first sentence* – fiasco. He said, 'I am the Minister with Shadow responsibility for Justice and Home Affairs'. I do not know whether that means that he is in charge of the cooking at home, Mr Speaker, but there is no portfolio of Home Affairs in Gibraltar. There is a Minister for Justice and he shadows the Minister for Justice. I do not know what Mr Licudi's arrangements at home are. (*Laughter*)

1240 He does not even know how to describe himself, Mr Speaker! There is no Minister for Justice and Home Affairs, so he could not even get the name of his shadow responsibilities right. But what did he say? He went on to talk about how we should not have made the reforms to the DPC. I know it is incredible Mr Speaker, but he said it. You were in the Chair, you heard him.

1245 'You should not have made the reforms to the DPC; you should make decisions; you should rule; you should decide; you should determine.' I suppose that is from the right wing of the GSD. That is not the centre left or the left. This 'the Government rules' must be from the jackboot part of the party.

1250 And then he says, with a straight face, 'It is absolutely incredible that you are not yet subjecting yourselves to the open planning procedures of the DPC for Government projects.' For goodness' sake, Mr Speaker! A or B? Should we subject ourselves to the planning process or should we rule and determine? Was the Sunborn a done deal or should it in fact always have been a done deal, because we should never have gone to planning, even for guidance and advice? Which is it? You cannot have them both.

1255 I do not know whether it is in fact just political schizophrenia of the worst sort: 'I am going to say both things. There might be people out there that want to hear one of them and who are stupid enough not to see that I have said both, the thing they like and the thing they do not like.' What sort of politics is this, Mr Speaker?

Then they tell us, at the same time as they say you should rule, you should determine, 'But you have to consult'; and then when you consult, they say, 'You did not have any plans that you had thought out because you changed as a result of the consultation process.' Mr Speaker, what is this, the Twilight Zone?

1260 The hon. Gentleman can play all of these games, of course he can. He can say what he likes, but he is only going to convince the permanently lobotomised that he is a serious politician. This is not a serious way to do business in this House.

1265 On the issue of the tank farm, he does not even have the courtesy to tell the House that that is in respect of a client of his. But there is one clear thread in his speech, and I am grateful for the clarity of it, because I am now going to amplify it for the whole community. The GSD continues to believe – this is not an issue on which they have repositioned themselves – that the Government should not subject itself to the process of planning and that we must shut the doors on the process again as soon as possible. *At last*, in that speech, at last, it sounded like the same old GSD. I was almost nostalgic for it.

1270 So with that honesty we will amplify during the course of the next few days, in the context of the By-election campaign, that the GSD policy continues to be to reverse all progress in respect of the DPC. He actually said that the DPC gets in the way of things. I suppose that consultation also gets in the way of things. Publicity gets in the way of things. Unless of course, consultation means today in the GSD what it meant before in the GSD: 'Rosia Tanks, we are going to demolish them.' 'Oh, please don't, that's where Nelson victualled the *Victory*... Oh, they're gone!' Consultation à la GSD.

1275 And then he reached new heights of political ridicule. I almost wish, Mr Speaker, that the hon. Gentleman had picked up a red nose and put it on, when he said, with a straight face, that one of the problems with getting office developments going is the impositions of the DPC, although he acknowledged the measure that I had brought in. He can check *Hansard* if he cannot remember. The impositions of the DPC are stopping office developments.

1280 Mr Speaker, if Sir Peter Caruana had been here to hear that, I think he would have gone redder than he went the day that Mr Netto said what he said about the prayer. Because you see, it was the hon. the backbencher who was very clear here in saying that the only thing stopping office developments in Gibraltar was that banks were not lending, and that is why he was making the equity investment in the Mid Town development which we criticised.

1285 Things just get curiously and curiously. Is he not supposed to be involved in the financial services industry in our community? Does he not know these things? Because everybody I talk to knows these things, and talk to the Government, as the Deputy Chief Minister has said repeatedly, about the banks, the lenders that will not lend, for issues unrelated to Gibraltar and Gibraltar property, but they will not lend because of constraints on them from outside. And that was the position of the previous Chief Minister as well.

1290 But then when the ridicule was just getting impossible to bear, and I was feeling almost ashamed for him, because I still have some affection for him, he took the whole thing to a different height. I thought I had misheard him. But the *Chronicle* today very kindly set out what he said in black and white and I am sure the *Panorama* and other newspapers will pick it up and reflect it. He said: 'When Gibraltar delivers the change in the shape of Gibraltar's first one-term Government, and returns the GSD to office in 2015...' I bet that sounded good when he was writing it, Mr Speaker – right sort of tone, take on the new Government.

1300 Anyone with the most minor interest in local politics will know that Gibraltar's first one-term Government, if he wants to call it that, at least in the time that we have had Chief Ministers, was led by Sir Robert Peliza from 1969 to 1972. The AACR lost in 1969 and came back in 1972. If a 14-year-old had told me what the hon. Gentleman had told me, I would forgive him. But this community needs to know the lack of basic political knowledge that the hon. Gentleman has about the history of Gibraltar, the

modern history of Gibraltar, when they listen to him pontificating about what the future of Gibraltar should be.

1305 I am going to give him some advice. Before he was undoubtedly one of the best Ministers Gibraltar has ever seen, the Hon. Dr Garcia was one of the best historians Gibraltar has ever seen and he has written what is known, even in diplomatic circles, as the definitive modern political history of Gibraltar. He should read *Gibraltar: The Making of a People*, because then he would not be making these basic mistakes.

1310 But then again, I guess this is what we are in for: all of the *mala leche* and none of the brains, (*Laughter*) the new GSD, repositioned. And I was worried that young people in school did not know about the political history of Gibraltar! It is like ‘the first time in history that there are two women in the House’ – from parliamentarians, who should know better.

1315 Then on to the Proceeds of Crime Act: he was really on a roll, he would not give way. Look, the only point that we wanted to make to him in respect of the Proceeds of Crime Act is that it is not a criminal matter; it is a *civil* matter in the Proceeds of Crime Act.

1320 And then, if he had bothered to check – but if he does not know the big facts, how is he going to know the little facts? – the Proceeds of Crime Act is something that I had been raising in this House when I was in Opposition and something that we are already looking at. But this new found concern for the rule of law, and law and order, must be something completely new found. Because look, the Hon. Mr Feetham in 2003 was saying in the *Panorama* that the Fishing Agreement was bad for Gibraltar because it was a ‘coach and horses through the rule of law’ and now he has forgotten that.

But when the hon. Gentleman says, as very helpfully set out in today’s newspaper – and this is really so serious it bears analysis –

1325 ‘Gibraltar is falling off the wagon or veering from the course set by the GSD Government back in 1996, a course away from criminality, a course away from the easy come, easy go criminal lifestyle.’

1330 He is saying, that under this Chief Minister, Gibraltar is veering towards criminality, easy come, easy go criminal lifestyles. That is what he is saying. He is saying, and I will repeat it because he is saying he did not say it:

‘Gibraltar is falling off the wagon or veering from the course set by the GSD back in 1996, a course away from criminality, a course away from the easy come, easy go criminal lifestyle.’

1335 If we are veering away from that course, we are veering towards it. That is what he is saying.

Well look, whatever our position is in respect of the Fishing Agreement, I have made very clear in Gibraltar and internationally, the importance of adherence to the rule of law, even if it has resulted in diplomatic incidents. That is the importance of the rule of law in Gibraltar today. Since 1999, the rule of law was something which had a massive crack in it.

1340 But what is it that makes the hon. Gentleman think that we are veering off course? Is it that we have spent more money in employing police officers than they ever did? Is it that we have given more resources to the Police than they ever did? Is it that we have bought them more assets for their marine section than they ever did? Is it that we are talking about the Customs Department becoming a Law Enforcement Agency or recognised as being a Law Enforcement Agency; that we are buying them vehicles for once so that they do not have to rely on confiscated vehicles; that we are buying them four vessels? Is that what makes him think?

1345 He does not realise the importance of what he is saying. What is an international investor going to say if he reads Mr Figueras’ speech? ‘Hang on a minute, Gibraltar is falling off the wagon! It is not going where the GSD was taking it, we are now going towards criminality, easy come, easy go criminal lifestyles.’

1350 Anybody who reads today’s *Gibraltar Chronicle* would take that to be the meaning of what he said. I have never heard anything more irresponsible or ridiculous uttered in this place by anyone! He should consider his position and resign his seat, *now*. He should not wait for the morning of after the By-election. *Nobody* in our community is going to accept that that is something that a parliamentarian should have said in this place today, especially given the massive investment in the forces of law and order in our community which goes beyond *anything ever invested by any Government, the huge commitment, the unimpeachable commitment in the rule of law*, which they have criticised.

1355 So frankly Mr Speaker, although he can pretend not to care and joke, the rest of his speech was just like the white noise that one gets when you are not able to tune a channel in on the television – until he got to the accusation of cronyism. This is a common GSD theme and it has to be exposed. It is a common GSD tactic: throw as much mud as possible, even if it is untrue, some of it may stick.

1360

But, Mr Speaker, this is the Parliament of Gibraltar on the Second Reading of the Bill on the appropriation of money for the use of the year. It is not the Comedy Club. This is not 'Live at the Apollo', Mr Speaker. So I am going to have to deal with the allegation, even though it is ridiculous.

1365 He said we were creating jobs for the boys. Well, it is not true, Mr Speaker, it is not happening. We are creating jobs for Gibraltarians, regardless of their political colour. But they do not care, he just said it. He engaged mouth before brain.

1370 But of course, I cannot prove a negative. It is impossible to prove a negative, but I can debunk the examples that he gave of it. He talked about the Sardeña matter. Well, Mr Speaker, the Sardeña matter is not a piece of evidence of cronyism; it is the best possible evidence of abuse of power for the time that they were in administration, using the whole of the power of the Chief Minister of Gibraltar from No. 6 Convent Place to victimise an individual.

1375 But what happened? He has not had an award from the Industrial Tribunal, he has not had a job. Where is the cronyism? That we withdrew a defence, a defence that cost more, *much more* than the maximum the man would have got from the Industrial Tribunal. It has not happened yet, but it does not stop Mr Figueras.

I am going to do the research he should have done. I have got the definition from the Oxford Dictionary of what 'cronyism' means. It is this:

1380 'The appointment of friends to Government posts without proper regard to their qualifications.'

1385 Ay, ay, ay! Does he not remember, because he was here, the Question Time debate – although Mr Speaker would rightly say we should not have them at Question Time – about the Culture Agency, when the hon. the backbencher took away the list of people I gave him that he employed *a dedo* without interview and said he was going to come back and dismiss and debunk all of that suggestion that I had made – and we are still waiting?

1390 I will tell you what I have done, Mr Speaker. I have asked the Chief Secretary to produce a list of people who were employed without interview at the time that they were in Government, (*Laughter*) in the Civil Service and in the public sector more generally. It is taking so long to compile, it is not yet ready. There are so many people on that list. Now, if somebody is employed without interview because somebody says so, then I put it to him, Mr Speaker, that that is cronyism.

1395 But if they think that that is not cronyism, something which has not happened since 9th December 2011, but was rife before that date, I will give them another few examples of cronyism *à la* GSD. What about the *Seven Days*, giving somebody who was not a journalist, no qualifications, £150,000 to publish a rag every Friday saying how good they were, how bad we were, not one other advert in there that paid its way, wholly funded by the Government of Gibraltar, to attack the Opposition? That is cronyism. In fact, they were probably written *inter alia* by people who are now sitting on that side of the House. That is cronyism of the worst sort: paid to an individual who is related to somebody sitting on that side of the House, £150,000 of taxpayers' money to do their dirty partisan work.

1400 I will tell him something, Mr Speaker, there was a leaflet, a newsletter ready to go out to the residents of Waterport Terraces, of Cumberland, of Bay View, of Nelson's View, telling them about the changes that were happening in their estate as a result of us having to spend £10 million to fix the fracas that they left behind. I have stopped it; it is not going out until after the By-election, because I did not want it to interfere with the democratic process.

1405 You spent, when you were in power, hon. Members, £150,000 on just one publication related to one of your members of the Executive in this House.

1410 Then he says that people who cross us suffer consequences. Well, Mr Speaker, that was true when they were in power. Mr Sardeña is living proof of it. Joanna Hernandez is living proof of it – thank God! So is her daughter. *VOX* is on-line proof of it; no longer print proof of it, because all adverts were withdrawn when the editorial line turned anti-GSD.

1415 I am living and successful proof of it, Mr Speaker. Or is it that he, my erstwhile friend, has forgotten what it was that they tried to do to me, to suffer consequences? As soon as it appeared that I might become Leader of the Opposition and whilst I was, there was a concerted effort, led from No. 6 Convent Place involving I believe, but I cannot prove, the Hon. now the Leader of the Opposition, headed by Mr Rafael Benzaquen – the one who took the £¼ million for legal work that we cannot find – to have me disbarred; to stop me from earning a living; to stop me from being able to pay my family's mortgage; just like they were doing to Sardeña and to Hernandez; just as they did to *VOX*. That is people suffering personal consequences as a result of crossing the GSD! That is the *disgusting* behaviour to which they sank, and that is the flank which he opened, when he made that baseless allegation of those things having happened after 8th December 2008.

1420 I will tell him more, because he is an erstwhile friend, they did not even have the courtesy to grant me an adjournment of the hearing the day after my father had died. The GSD and all members of its

Executive insisted that I turn up to this trumped-up charge by the Bar Council or at the Bar Council by them, by Mr Benzaquen and others in the GSD, the day after my father had died.

1425 So, Mr Speaker, if the hon. Gentleman wants to talk about people suffering consequences for crossing people politically, he is talking about the Party he represents, because the Party I lead will *never* visit consequences on *anybody* because they cross us politically.

1430 So frankly, Mr Speaker, despite our friendship, I was very dismayed that he demonstrated that he does not deserve to hold a seat in this Parliament to represent the good people of Gibraltar. Some people are obviously just elected because of the Party epithet that they carry, and if there is one thing that is true about the Party system, it is that he has demonstrated that if he had to stand on his own two feet and did not have three Party initials behind his name at an election, he would not be here today, if that was the sort of argument he made to the general public.

1435 He did not mention, Mr Speaker, *one figure* in his intervention. In this debate on the Estimates, he did not mention one *number*. You need to come prepared to this House to discuss numbers and figures in a debate on public finances and the economy, and I say to the hon. Gentleman he is actually much better cast in the role he does so well of the bumbling comedian, rather than of the useless rogue armed with broken facts that have no basis in reality.

1440 Like the argument of the golden legacy, Mr Speaker, which was clearly the reality of the poisoned legacy which the public will see today, when I publish the Financial Secretary's memoranda. Of growing debt, of decreasing usable cash reserves, not enough to get us through to the end of the financial year, which we found; or the housing waiting list that we found that had gone up from 400 in 1988 to 1,500 when we took over; to an unemployment that was over 1,000 people in Gibraltar, that is the poisoned legacy that the Party opposite left Gibraltar. They must have alchemist's spectacles if in that poison, they see gold. Because their new less than sophisticated slogan is *pa'lante*, Mr Speaker because they do not want anybody to look back.

1445 I guess things may look golden in this Twilight Zone in which they operate – or perhaps the 'twilight' is that these are the twilight years of the GSD. All that does really help to describe Members opposite as a team: a Twilight Zone of people making facts up, which is what has characterised what we have heard.

1450 Even Mr Bossino's interventions, completely undone by the facts that Mr Feetham gave away during the General Election campaign.

The unemployment figure obviously down by half from that 1,000, given that we have added 524 Gibraltarian jobs and the number is down to 522.

1455 Even in the Finance Centre, which Mr Figueras said is the biggest hostage to Joe Bossano, jobs are *up* 200; gross debt is down 27.5%; net debt will be down by this time next year, 10%; the minimum wage is up; but electricity, social insurance and rates remain static; a bigger reduction in the cost of doing business in Gibraltar, than the percentage rise in the minimum wage; tax liabilities are down on the allowance based system and new deductions are introduced on the gross income based system; allowances for the disabled are up; personal allowances are up; and usable cash reserves are up from £20 million – or dare I say £2.1 million when we finished the year – to £85 million, *25 times the number*.

1460 *Nothing* they have said has taken *any* of the shine off of this brilliant Budget for our community. *None* of the arguments they have put have tarnished the clear benefits for people from across our community.

1465 This Budget, Mr Speaker, of real social justice remains a testament to our continued delivery of our manifesto commitments. That is why the work we are doing here is so welcomed by many in our community. We are rightly seen by objective observers to be not a good Government, Mr Speaker, but an *excellent* Government and that is the work – given that they introduced this into the debate – that is the work that Albert Isola would be adding to, if he is elected on Thursday to join us on the Government benches.

1470 Helping to deliver lower debt, higher usable cash reserves, a larger kitty for Community Care and for the elderly in our community, more homes for our people, more jobs for those that need them, more investment in Gibraltar, Albert Isola is a man proven in business and in politics, Mr Speaker. He is the only candidate at this election with experience of Parliament. He is the only candidate who if he is elected I will make a Minister and will have the chance to work for our community in Government.

1475 But until then, Mr Speaker, our community cannot be without an appropriation and *nothing* I have heard persuades me to do anything other than to continue to commend this Bill to the House. **(Government Members: Hear, hear.) (Banging on desks)**

Can I invite you to recess the House now until 3.15 p.m.?

1480 **Mr Speaker:** Yes. I now put the question which is that a Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2014 be read a second time. Those in favour? **(Members: Aye.)** Those against? Carried.

1485 **Clerk:** The Appropriation Act 2013.

Appropriation Bill 2013
Committee Stage and Third Reading to be taken the same day

1490 **Mr Speaker:** May I ask the Chief Minister now to give notice about the Committee Stage.

1495 **Chief Minister (Hon. F R Picardo):** Mr Speaker, if all hon. Members agree, I would ask that the Committee stage be taken later today.

Mr Speaker: Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

1500 So the House will now recess to 3.00 p.m. for that purpose – (**Several Members:** 3.15.) 3.15? Even better! (*Laughter*)

The House recessed at 1.05 p.m. and resumed its sitting at 3.20 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.20 p.m. – 7.35 p.m.

Gibraltar, Thursday, 27th June 2013

The Gibraltar Parliament

5

The Parliament met at 3.20 p.m.

[MR SPEAKER: Hon. A J Canepa GMH OBE *in the Chair*]

10

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

15

Companies (Amendment) Bill 2013 First Reading approved

Clerk: A Bill for an Act to amend the Companies Act.

The Hon. the Minister for Education, Financial Services, Gaming, Telecommunications and Justice.

20

Minister for Education, Financial Services, Gaming, Telecommunications and Justice (Hon. G H Licudi): Mr Speaker, I have the honour to move that a Bill for an Act to amend the Companies Act be read a first time.

25

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Companies Act be read a first time.

Those in favour? (**Members:** Aye.) Those against? Carried.

30

Clerk: The Companies (Amendment) Act 2013.

35

Companies (Amendment) Bill 2013 Second Reading approved

Minister for Education, Financial Services, Gaming, Telecommunications and Justice (Hon. G H Licudi): Mr Speaker, I have the honour to move that the Bill be now read a second time.

Mr Speaker, this Bill amends the Companies Act to make provision within the main Act itself for the charging of supplementary fees where documents which are required by the Act to be given, delivered, sent or forwarded to the Registrar or lodged by him within a specified time are either given, delivered,

40 sent, forwarded or lodged outside the specified time, or where substitute documents are similarly given, sent and delivered to the Registrar outside the specified time.

The supplementary fees, which are specifically set out in Clause 2(b) of the Bill, are payable in addition to the fee due at the date that the late or substituted document is delivered or sent or forwarded to the Registrar, and that is provided in the table in schedule 8 of the Act.

45 I would just add, Mr Speaker, that this is an amendment to the Companies Act. As I mentioned on a previous occasion, and indeed during the presentation of the Budget debate, we have finalised, in fact, a new Bill to bring in a new Companies Act, as we have already said. So what we are doing is amending the current Companies Act and this amendment will simply be carried through into the new Companies Act when it is presented. I believe it will be presented to Parliament later on this year.

50 Mr Speaker, I commend the Bill to the House.

Mr Speaker: Before I put the question, does any hon. Member wish to speak on the general principles and merits of the Bill?

55 I now put the question, which is that a Bill for an Act to amend the Companies Act be read a second time.

Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Companies (Amendment) Act 2013.

60

Companies (Amendment) Bill 2013
Committee Stage and Third Reading to be taken at this sitting

65 **Minister for Education, Financial Services, Gaming, Telecommunications and Justice (Hon. G H Licudi):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken later on today, if all hon. Members agree.

70 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

Limited Partnerships (Amendment) Bill 2013
First Reading approved

75

Clerk: A Bill for an Act to amend the Limited Partnerships Act.
The Hon. the Minister for Education, Financial Services, Gaming, Telecommunications and Justice.

80 **Minister for Education, Financial Services, Gaming, Telecommunications and Justice (Hon. G H Licudi):** Mr Speaker, I have the honour to move that a Bill for an Act to amend the Limited Partnerships Act be read a first time.

85 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Limited Partnerships Act be read a first time.

Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Limited Partnerships (Amendment) Act 2013.

90

Limited Partnerships (Amendment) Bill 2013
Second Reading approved

95 **Minister for Education, Financial Services, Gaming, Telecommunications and Justice (Hon. G H Licudi):** Mr Speaker, I have the honour to move that the Bill be now read a second time.

Mr Speaker, I shall explain, first of all, the context in which this Bill is presented, and that is in the context of the efforts that the Government is making to boost and to reactivate the funds industry in Gibraltar.

100 As the House well knows, and as has been well publicised and we have clearly shown, the Government and the Finance Centre Department are making great efforts in this regard. The number of

employees in the Finance Centre Department is now double what it was last year: it is now up to nine. We have Senior Executives engaged and we have increased the funding for the marketing of Gibraltar and specifically in relation to the funds industry.

105 Specifically on funds, we have already attended, last year and this year, a number of events, a number of conferences, where the Finance Centre Department has exhibited in those conferences. In particular, last week there was one in Monaco in which we spoke and exhibited in the same way as we did last year. We have also been to another one and exhibited in Zurich, specifically on funds. We have travelled in relation to the activities of promoting Gibraltar as a funds jurisdiction to various places. Again, as has been publicised already, I have spoken to investors in Brazil at a conference there, I have spoken to fund managers in Switzerland, I have spoken and addressed professionals in London, and all of this has been done in collaboration with the industry.

110 It is very gratifying to see that the Government and the industry – the funds industry in particular – are working so well together in promoting Gibraltar as a funds jurisdiction. In this regard, let me say, for example, in the conference in Brazil, the Chairman of the Gibraltar Funds and Investments Association was there supporting the Government, as have been other industry practitioners in the events that we have been to in London and in Switzerland.

115 The industry itself has also organised events which have, in turn, been supported by Government. An example of this: last year, there was a breakfast meeting for journalists, which I attended and which led to... or part of that event was an interview that I carried out with the *Mail on Sunday* and also on Bloomberg Television, and then that same day there was an evening event with funds professionals in London, which was attended by the Chief Minister and he addressed them.

120 As the hon. Members know, there are various ways in which a fund can be established in Gibraltar and different mechanisms that can be sought. We are already seeing some of the fruits of the efforts that the Government is making – not just in marketing, but hon. Members will recall that last year we brought in new regulations in relation to Experienced Investor Funds. One of the matters that those regulations did was to remove a constraint in relation to the administrator that could be used. There was a restriction that a Gibraltar fund had to use a Gibraltar-based administrator, and that created difficulties in the establishment of a large fund that required the administration expertise that was simply not available in Gibraltar. There was that inhibiting factor in the expansion of the funds industry in Gibraltar.

125 We are particularly keen in attracting those sort of funds and we are going to see and we are seeing already some interest in the context of the new directive which is about to be published, or transposed, next month – the Alternative Investment Fund Managers Directive – where one of the effects of the Directive will be to allow fund managers in Gibraltar to market – to passport, essentially – throughout Europe to 500 million investors, and that creates interest in being in Gibraltar, being established in Gibraltar to be able to take advantage of the facilities that the Directive will provide.

130 One of the things that will arise from that is the possibility of a redomiciliation of funds. For example, funds which are established in, say, the Caribbean may want to have a European presence and may therefore want to redomicile and create a new structure in Gibraltar.

135 There will also be the possibility of funds which are established and want to remain in their location outside Europe but they want to have a mirror or a parallel structure for European investors, and that mechanism will be available through the directive.

140 But we need to have the mechanisms and the resources available in Gibraltar for different types of funding arrangements, different types of arrangements for the establishment of funds. As the hon. Members know, one of the most common types of arrangement is simply through a corporate structure, but that is not the exclusive way in which a fund can be structured. There is also the possibility of using limited partnerships. At the moment, the legislation we have – the Limited Partnerships Act – has a restriction on 20 limited partners – the maximum number of partners that there can be would be 20 – and in the context of funds business it is possible that you may have more than 20 investors who choose a limited partnership structure and who would themselves become partners of the limited partnership, and therefore it is not possible at the moment to have that sort of structure with more than 20 investors, given the restriction on 20 partners that exists.

145 Curiously, in the UK the position under the Limited Partnerships Act 1907 is that there was a limit on 20 partners, and in 2002, by what was called the Regulatory Reform (Removal of 20 Member Limit in Partnerships etc.) Order 2002, that cap of 20 partners was removed. So a consequence of what we are doing today with this Bill is to align ourselves with the UK with regard to limited partnerships, but that is not the reason why we are doing it. We are not doing it simply because that is the position in the UK. We are doing it because representations have been made to the Government by the industry, specifically through GibFIA, which represents the funds industry in Gibraltar. The Government has considered the matter and has agreed that it is a good idea to open up the possibility of limited partnerships being available for fund structures of this kind.

150 Therefore, it is one other avenue which we want to make available to the funds industry to help the Government and for the Government to be able to help them to boost and reactivate, as I mentioned

165 earlier, the funds industry, because the stated aim of the Government... and as we have already mentioned, we are positioning ourselves as a truly viable and good regulated alternative jurisdiction for funds within Europe, as an alternative to the traditional jurisdictions of Dublin and Luxembourg, and the aim of the Government... It will not happen overnight, but the aim of the Government is for Gibraltar to become the jurisdiction of choice within Europe for the funds industry. This is just one other avenue which will help us get there.

170 On that basis, Mr Speaker, I commend the Bill to the House.

Mr Speaker: Before I put the question, does any hon. Member wish to speak on the general principles and merits of the Bill?

175 The Hon. Selwyn Figueras.

Hon. S M Figueras: Mr Speaker, yes.

I am grateful for the Hon. Minister's contribution on this Bill, which we will be supporting.

180 I am happy to associate myself with the Minister's remarks in respect of the work that is going into promoting Gibraltar as a European funds domicile of choice. In the professional context, I do travel and have travelled to Switzerland recently in that specific context, in terms of attracting asset managers to Gibraltar, and can report that it is certainly looking very good for Gibraltar in that context, particularly given the rapidly changing regulatory environment in Switzerland, which is having its positive effect on our attractiveness in that context.

185 I also note the Minister's comments in respect of the change in regulations to allow foreign administrators to administer funds in Gibraltar and I would just ask the Minister if he would be so kind as to point out whether there have, in fact, been any instances where administrators have already taken the initiative to do that.

190 And say no more than that this initiative is certainly one that has full support from the Opposition benches, and on that basis I have nothing more to say. I am grateful.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend –

A Member: The mover of the Bill.

195 **Mr Speaker:** The Hon. Mr Gilbert Licudi.

Hon. G H Licudi: Mr Speaker, I am grateful.

200 I am *very very* grateful, in fact, for the words from my Hon. Friend, Mr Selwyn Figueras, of support for what the Government is doing. It is not just support for... clearly not support for the Government; it is support for the industry it is support for Gibraltar.

It is true, as the hon. Member has said, that things are changing in Switzerland and we are seeing interest, and that is why Switzerland has been specifically targeted, because there are fund managers and professionals in Switzerland who are looking at Gibraltar.

205 The hon. Member asks about the opening up of the possibility of foreign administrators. It is, in fact, something that I had intended to mention earlier and I am very grateful that the hon. Member has reminded me. We have seen some interest from foreign administrators who have already applied to Gibraltar for approval. I have already approved, quite recently, three foreign administrators of very substantial calibre: two of them based in Ireland and one of them based in Luxembourg, I seem to recall.

210 So the opening up of the market, the opening up of the jurisdiction is already bearing fruit and we are seeing interest – not just in an increasing number of funds, but an interest by foreign administrators who want to be associated with a jurisdiction and who want to have the Gibraltar approval so that they are able to take on the administration of Gibraltar-established funds.

215 The advantage of that is not just that funds that are established in Gibraltar will have access to those administrators, but these administrators are clearly in the industry, dealing with fund managers, dealing with professionals, dealing with structuring, and if they have an interest in Gibraltar it is because business will come our way, possibly through those avenues, and they will retain the administration of those funds.

So it is *very very* positive news and I am very happy to announce today that three foreign fund administrators have already been approved by me.

220 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Limited Partnerships Act be read a second time.

Those in favour? (**Members:** Aye.) Those against? Carried.

225 **Clerk:** The Limited Partnerships (Amendment) Act 2013.

230 **Limited Partnerships (Amendment) Bill 2013**
Committee Stage and Third Reading to be taken at this sitting

Minister for Education, Financial Services, Gaming, Telecommunications and Justice (Hon. G H Licudi): Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill will be taken today, if all hon. Members agree.

235 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

240 **Mental Health (Amendment) Act 2013**
First Reading approved

245 **Clerk:** A Bill for an Act to amend the Mental Health Act.
The Hon. the Minister for Health and the Environment.

Minister for Health and the Environment (Hon. Dr J E Cortes): Mr Speaker, I have the honour to move that a Bill for an Act to amend the Mental Health Act be read a first time.

250 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Mental Health Act be read a first time.
Those in favour? (**Members:** Aye.) Those against? Carried.

255 **Clerk:** The Mental Health (Amendment) Act 2013.

Mental Health (Amendment) Act 2013
Second Reading approved

260 **Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, I have the honour to move that the Bill now be read a second time.

265 Mr Speaker, the Mental Health Act 1968 is in the process of being extensively amended in order to bring it up to date with current legislation, particularly that in the UK. This is a lengthy process which involves a great deal of consultation, particularly with the professionals, both within and outside the Health Service, who deal with mental patients.

In the meantime, what this Bill sets out to do is to... Without amending the main aspects of the Act, but as an interim measure it is updated in the sense that it would allow the Minister and the Government, in place of the Governor, to be empowered under the Act.

270 One example which I may mention, Mr Speaker, is the need for the Mental Health Tribunal to be renewed shortly. This is currently something that the Minister cannot do – the Governor does – and this amendment will allow the Minister to appoint the new Mental Health Review Tribunal. This is just one example.

275 We are taking the opportunity also to update some other aspects: for example, changing referral to the Criminal Offences Act to the Crimes Act 2011.

To summarise, this is an interim measure to be able to allow the current Mental Health Act to be used more effectively and be more consistent with other legislation. I expect to be bringing an amendment to the Act in full, hopefully within the next six months or so.

I therefore commend the Bill to the House.

280 **Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of the Bill?

I now put the question, which is that a Bill for an Act to amend the Mental Health Act be read a second time.

Those in favour? (**Members:** Aye.) Those against? Carried.

285 **Clerk:** The Mental Health (Amendment) Act 2013.

290 **Mental Health (Amendment) Act 2013**
Committee Stage and Third Reading to be taken at this sitting

Minister for Health and the Environment (Hon. Dr J E Cortes): I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

295 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

300 **COMMITTEE STAGE**

Appropriation Bill 2013
Mental Health (Amendment) Bill 2013
Companies (Amendment) Bill 2013
305 **Limited Partnerships (Amendment) Bill 2013**

Clerk: Committee Stage and Third Reading, the Hon. the Chief Minister.

310 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that the House now resolve itself into Committee and look at each item clause by clause.

In Committee of the whole Parliament

315

Appropriation Bill 2013
Clauses considered and approved

320 **Clerk:** A Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2014.
Clause 1.

325 **Mr Chairman:** Stands part of the Bill.

Clerk: Clause 2, Consolidated Fund Expenditure – Head 1, Treasury, subhead 1, Payroll. No.

Mr Chairman: Do any hon. Members have any questions on payroll?

330 **Clerk:** Subhead 2, Other Charges.

Mr Chairman: Proceed then.

335 **Clerk:** Head 2, No. 6 Convent Place, subhead 1, Payroll.

Hon. D A Feetham: Mr Speaker – (**A Member:** Mr Chairman.) Mr Chairman – I beg your pardon – Mr Chairman, we see... if one looks at discretionary payroll, discretionary, and we see that the estimate for discretionary was £180,000 and the actual forecast was £330,000, can the Chief Minister explain and account for that increase in that particular head?

340 **Chief Minister (Hon. F R Picardo):** Mr Speaker, that seems to be an overtime issue, as he can see from the head, of course, as he said, and it is just an increase in overtime relating to work done. It is not something that I tend to get involved with. I assume it is all the work done in preparing answers to Questions etc.

345

Clerk: Subhead 2, Other Charges.

350 **Hon. Mrs I M Ellul-Hammond:** Mr Chairman, with respect to subhead (12), Grants and Other Grants, could we have a breakdown of what the £610,000 was for and what the £530,000 estimated is also for?

355 **Hon. Chief Minister:** Mr Chairman, things like Commonwealth Fund for Technical Co-operation; Gibraltar Branch of the British Red Cross; there is a grant to the GGCA, which is made annually and which increases with the cost of living; the Gibraltar Squadron for Air Training Corps; there is a grant to the Equality Rights Group (GGR); the Multiple Sclerosis Therapy Centre; the Ecclesiastical Society; the GSPCA; the GSVI; the Diabetic Association; the Gibraltar Society League for Cancer Relief; another Gibraltar Society for Cancer Relief; the Hospice; the League of Hospital Friends; the Society for Disabled Children; the St John's Ambulance; the Christian Mission Trust; the South District Senior Citizens' Club; the Catholic Community Centre; Gibraltar in Europe, formerly known as the European Movement; the Learning from Auschwitz Fund; and the Commonwealth Institute. That is what makes that up.

Hon. D A Feetham: Mr Chairman, rather than confine myself on these two pages just to one query, I would like to just outline a number of them so that you can deal with all of them, rather than have an exchange – if that is okay with you, Mr Chairman.

365 Mr Chairman, if one looks at Other Charges, (5)(g), there is an increase in Electronic Data Communication Gibtelecom from £380,000 to £615,000 – if he could explain that.

Then, Other Charges (14), Research, Development Studies and Professional Fees, there is an increase from £34,000 to £200,000. Again, I would ask for an explanation in relation to that.

370 Advertising Notices, at (21), there is an increase from zero to £450,000 and Media Monitoring Services from zero to £120,000. I think probably the Advertising and Official Notices, perhaps that has been transferred from another head onto here, but certainly Media Monitoring Services... I have not seen it, but I will be corrected if I am wrong in relation to Media Monitoring Services, and I wonder what that relates to.

375 **Hon. Chief Minister:** Mr Chairman, starting with the Media Monitoring Services, that is the service that we are now providing in Spain, which is monitoring and setting out of Gibraltar press releases on a daily basis in Spanish, as he knows. This is the announcement that we made recently that we were starting this service.

380 The Advertising and Official Notices, he is right, has just come from somewhere else in the Book and that is why it is zero going up to £450,000.

And on the Electronic Data Communications, I am just going to get the information for him.

Mr Chairman: Any other questions?

385 **Hon. Chief Minister:** Mr Chairman, in relation to 5(g) I am told this is an increase in the number of lines and an increase in the number of licences used as the intranet expands, and it is charged here.

390 **Hon. D A Feetham:** Mr Chairman, can the Chief Minister also deal with 2(14) – Other Charges (14), Research, Development Studies and Professional Fees – where there has been an increase from £34,000 to £200,000?

395 **Hon. Chief Minister:** This includes things like the power station study, something which was done by the University of Gloucester; a study of the slope stability at Sir Herbert Miles Road; something to do with Community Care; the fishing expert's report is also charged here. That is what makes up these amounts.

400 **Hon. D A Feetham:** Mr Chairman, if I may just go back to number (22), Media Monitoring Services. So that I understand it, this is nothing to do with press releases issued from Gibraltar that are published in Spain; this is to do with effectively monitoring the Spanish press for Spanish news media stories in relation to Gibraltar?

405 **Hon. Chief Minister:** No, the service does both. The service monitors the Spanish press and translates press releases which are not of a local nature, press releases which are of an international nature, and ensures that they are available on the Spanish news wires, if you want to call them that, on Agencia EFE, Europa Press etc. So it is a two-way street: we receive information from them on what is mentioning Gibraltar in the international press, principally the international press distributed in Spain; and we use that mechanism to put the Gibraltar press releases that have an international element as well.

Hon. D A Feetham: Mr Chairman, thank you very much.

410 And is this service provided... The payment is made to whom? Who provides this service? Is it partly people here in Gibraltar who are doing it; or is it being done by an agency in Spain, or elsewhere?

415 **Hon. Chief Minister:** It is as per the announcement that was made. I think that there were actually interviews granted to GBC on this issue by a group called Grupo Albi3n, who are the ones providing the service.

Hon. S M Figueras: Mr Chairman, on (17)(b), Staff Services, it has gone from zero to 130,000. Perhaps the Chief Minister can shed some light on that.

420 **Minister for Enterprise, Training and Employment (Hon. J J Bossano):** That is the services where the employees are shown in the appendix under the GDC and charged to this head of the Government. It is in every Department there is an element of staff that is GDC as opposed to Civil Service.

425 **Hon. Chief Minister:** If he looks at the number, Mr Chairman, before – the forecast outturn for 2012-13 – he will see it is actually split up as 130,000 and 33,000. What is being done at the moment, I am advised – and the year before it is 33,000 and 85,000 – is that the figure is now being given as a round figure because it is the GDC figure of 191,000.

430 **Hon. J J Netto:** Mr Chairman, if I may, under subhead (11), Protocol, Travel and Entertainment, there is a forecast outturn there of 180,000. Is it possible to have a breakdown of the forecast outturn in terms of how much has been spent on protocol, how much has been spent on travel and how much has been spent on entertainment?

435 **Hon. Chief Minister:** Mr Chairman, yes, if he is asking for the breakdown between protocol and entertainment. The travel is the line below, so he has got travel. He wants to know what is protocol and what is entertainment, yes?

Hon. J J Netto: Correct.

440 **Hon. Chief Minister:** I am told it is not available, Mr Chairman, but we can get No. 6 to break it down. So, if he writes to me and just reminds me of that... As I have told him before, I will not give him detail of it but I will give him what he has asked me for, which is what is protocol and what is entertainment.

445 **Hon. J J Netto:** I am grateful.

Mr Chairman: Any other questions?
Head 2, No. 6 Convent Place stands part of the Bill.

450 **Clerk:** Head 3, Customs, subhead 1, Payroll.
Subhead 2, Other Charges.

Mr Chairman: Head 3, Customs, stands part of the Bill.

455 **Clerk:** Head 4, Broadcasting, subhead 2, Other Charges.

Mr Chairman: Head 4, Broadcasting, stands part of the Bill.

460 **Clerk:** Head 5, Income Tax, subhead 1, Payroll.
Subhead 2, Other Charges.

Mr Chairman: Head 5, Income Tax, stands part of the Bill.

465 **Clerk:** Head 6, Parliament, subhead 1, Payroll.
Subhead 2, Other Charges.

Mr Chairman: Head 6, Parliament, stands part of the Bill.

Clerk: Head 7, Human Resources, subhead 1, Payroll.

470 Subhead 2, Other Charges.

Hon. S M Figueras: Mr Chairman, yes. Subhead 2(5), Early Exit Schemes, had an estimate of £100,000 and a forecast outturn of £463,000. Perhaps some information can be provided in respect of that.

475

Hon. Chief Minister: Mr Chairman, I am going to [*inaudible*] I assume all of the Early Exit Schemes are booked here, so this is likely housing etc. but I will just... the garage as well.

The sorts of things that we have here are principally Housing Works Agency's payments etc, making up all the Early Exit Schemes throughout the GOG.

480

Hon. S M Figueras: I am grateful.

Mr Chairman: Head 7, Human Resources, stands part of the Bill.

485

Clerk: Head 8, Immigration and Civil Status, subhead 1, Payroll.
Subhead 2, Other Charges.

Mr Chairman: Head 8, Immigration and Civil Status, stands part of the Bill.

490

Clerk: Head 9, Financial Secretary's Office, subhead 1, Payroll.
Subhead 2, Other Charges.

Mr Chairman: Head 9, Financial Secretary's Office, stands part of the Bill.

495

Clerk: Head 10, Procurement Office, subhead 1, Payroll.
Subhead 2, Other Charges.

Mr Chairman: Head 10, Procurement Office, stands part of the Bill.

500

Clerk: Head 11, Civil Aviation, subhead 1, Payroll.
Subhead 2, Other Charges.

Hon. D J Bossino: Yes, Mr Chairman. If I could take the Minister to 2(1)(a), where we see a forecast outturn figure of £2.7 million and then that goes down to £2 million – can he explain why that is?

505

Deputy Chief Minister (Hon. Dr J J Garcia): Yes, Mr Chairman. This is the Commercial Use Agreement with the Ministry of Defence. The sum is fixed. The payment has been fixed for a number of years. We are now in discussions with them for a new agreement, and that figure reflects the expectation that we will be paying less.

510

Mr Chairman: Any other questions?
Head 11, Civil Aviation, stands part of the Bill.

515

Clerk: Head 12, Town Planning and Building Control, subhead 1, Payroll.
Subhead 2, Other Charges.

Hon S M Figueras: Mr Chairman, yes. If I could take the Minister to subhead 2(2) the total amount has gone from £26,000 to £51,000, and now is estimated at £133,000 perhaps. I would be keen to hear from the Minister what initiative this is... This is obviously as a development of the Department... whether he has any idea of what initiatives that includes.

520

Hon. Deputy Chief Minister: Yes. The increase from £51,000 to £133,000 is made up of two... essentially two components. One is the land and property management vote. We found increasingly many repairs to buildings and properties, and even plots of land that need to be secured, are being funded through this vote, and we found last time that there was actually a considerable amount of work in different places was being charged to it. That is why we expect to have more work in the coming year which we need to pay for.

525

The other one is the Town Planning Geographical Information System, which is being led by the Town Planning Department and which is spread across all the Government. That reflects the anticipated expenditure in that subhead.

530

Sorry – was the question to do with the underspending or with the difference in... with increase?

Hon. S M Figueras: Yes, Mr Chairman, I am grateful for that.

535 Is the Minister able to say what this Town Planning Geographical Information System does, Mr Chairman?

Hon. Chief Minister: Mr Chairman, the hon. Gentleman and I were having a discussion about this the other day in the Antechamber, I think, about being able to photograph something and show it outside of social media but in something that would be accessible to citizens, for them to see where things are happening on the map of Gibraltar. It is a system that was commenced... the work was commenced on 540 this about three and a half years ago, I think. It is a very technical system.

Apart from that, it also contains data as to, for example, where pipes and services are; it contains information on what is happening in a particular part of the geography, and it is all... The hon. Gentleman will understand it is a little bit like layers on Google Earth. So there is a Google Earth-style picture of Gibraltar with different layers, which are put on by each Department. 545

Mr Chairman: Head 12, Town Planning and Building Control, stands part of the Bill.

Clerk: Head 13, Health, subhead 1, Payroll. 550 Subhead 2, Other Charges.

Mr Chairman: Head 13, Health, stands part of the Bill.

Clerk: Head 14, Environment, subhead 1, Payroll.

555 **Hon. J J Netto:** Yes, Mr Chairman, if I may.

In relation to Payroll, either the money allocated for the estimate 2013-14 for the complement either for the Ministerial Office or indeed the Department of the Environment, which we are talking about in two and 24, does the estimate for this financial year represent everyone who is already in post, or are we talking about... that there may be room there for new posts that will be emerging during the course of the financial year, or perhaps even posts that are there from the past and, for whatever reason – retirement – need to be recruited during the course of this financial year? 560

Minister for Health and the Environment (Hon. Dr J E Cortes): Mr Chairman, at the moment there may be one or two vacancies. I think there is one, possibly two vacancies, maybe three. But other than that, it reflects the complement as is. 565

Clerk: Subhead 2, Other Charges.

Hon. J J Netto: Yes, Mr Chairman. If I can draw the Minister's attention to 3(e), Wildlife Ltd, in relation to the running of the Alameda Gardens, we see a higher increase in terms of the estimate for this new financial year over the forecast outturn of the last financial year. 570

Could perhaps the Minister explain why this is so?

Hon. Dr J E Cortes: Yes, Mr Chairman. It is in relation to the increase in the areas that are being restored in the gardens and bears particular reference to the Wildlife Park, which has been recently refurbished, and also to increased irrigation and water. As more areas are done up, irrigation has to be put in and obviously there are more water bills to pay. 575

There is a substantial increase in the areas that are being done by the Alameda Gardens and most of that is expected to be what is reflected in this. 580

Hon. J J Netto: I am grateful, Mr Chairman.

Can I also ask the Minister, in relation to (h), Control of Seagulls, GONHS, we see there were more than double for the expenditure in this financial year to the forecast outturn.

585 Can the Minister explain why this is so?

Hon. Dr J E Cortes: Yes. It is actually not like that because, Mr Chairman, you have to add the other contract which is underneath, which is a contract which, in the first year, was I think about £190,000. Last year, I reduced it considerably.

590 So, what is happening there is that the work on gull culling, that used to be done partly locally but also partly by a contractor brought in from the UK, will now all be done locally. Therefore, it is not that there has been a doubling overall; it is just that it is not another contract – it will now all be done by the same local unit rather than partly done by FERA, which used to come over from the UK. That contract is not proceeding beyond last year.

595 **Hon. J J Netto:** Could I, for the sake of clarification and informing myself... Does it mean, or does it follow, that the increase... even though I take your point that it is not double, but the increase is because there will be an increase in the personnel employed under GONHS that will undertake such duties?

600 **Hon. Dr J E Cortes:** That is a possibility that is being discussed currently by way of extending the contract to take on the duties that were carried out by FERA.

Hon. J J Netto: So I take it, then, that these new extra services have not started already.

605 **Hon. Dr J E Cortes:** No. They are in the process of being discussed and finalised.

Hon. J J Netto: Mr Speaker, can I also draw the Minister's attention to the question of Surveillance, Monitoring and Other Compliance with Environmental Directives? There is an estimate here of £417,000 in this financial year. Could the Minister perhaps give us a breakdown in terms of how much of that money is allotted to things like surveillance or monitoring or other compliances under environmental Directives?

610 **Hon. Dr J E Cortes:** The vast majority. In fact, as far as I recall, the increase is certainly all in relation to EU environmental Directives. Most of the monitoring that we do is, in fact, in order to comply with EU Directives, so it is work that has to be done; otherwise, we would be in breach of the Directive and obviously subject to whatever action the EU would take, and that is why we have to do that. And as more Directives come in, obviously there has been an increase in the amount of surveillance and monitoring that we are obliged to do.

620 **Hon. J J Netto:** So, in conclusion, we can say that all the surveillance and all the monitoring stems from the fact of complying with environmental Directives?

Hon. Dr J E Cortes: Mr Chairman, I have not said 'all'; I have said the large majority of it, but not all.

625 We have to have the ability to do other monitoring and other surveillance in connection with our own needs in Gibraltar, and we have our own requirements for monitoring and surveillance; but the majority, particularly... A lot of the surveillance that is done for the EU is very technical and therefore requires a lot of equipment, equipment maintenance, spares and reagents and so on. So the majority yes, but not the full amount.

630 **Hon. J J Netto:** Could the Minister perhaps give a flavour as to what are the other ones that need to be surveyed and monitored?

635 **Hon. Dr J E Cortes:** Yes, I can certainly give a flavour. For example, the monitoring of marine activities, particularly with the imminent implementation of the new regulations to control diving and onshore fishing, spear fishing and so on – that requires monitoring. There will be other monitoring, for example, for endangered species, for populations of species.

Those are two that immediately come to mind, but during the course of the year, if ever we are, for example, considering taking on any particular project, then clearly the Department of the Environment will have to carry out surveys and monitor in order to ensure that there is little or no impact on the environment.

640 So, basically, it is to allow us to perform the functions of the Government, which likes to be informed in its decisions and therefore we have to invest in monitoring and surveillance.

645 **Hon. J J Netto:** Mr Chairman, without necessarily pressing too much on this question, will it be perfectly alright perhaps if I write to the Minister to get a more precise answer in relation to the breakdown as to how much money is allocated to EU compliance with Directives and how much is through local necessities as the Minister may deem necessary here in Gibraltar?

650 **Hon. Dr J E Cortes:** Mr Chairman, I do not think that the hon. Member requires my permission in order to write to me. He is obviously very welcome to do so.

I have more details which have very kindly been put to me, but it would be going through a rather long list, going through maybe eight or nine pages, so I think it would be best if we dealt with it outside, if there are no in-principle objections.

655 **Hon. J J Netto:** Mr Chairman, may I perhaps pose another question to the Hon. Minister, or shall I wait?

In relation to Other Charges, 2(6), Services provided by Gibraltar Cleansing Services Ltd; there is an increase in the estimate for this financial year over the forecast outturn. Is this necessarily perhaps because of an increase of other areas in cleansing throughout Gibraltar?

660

Hon. Dr J E Cortes: I have got it here. It is possible. We are constantly reviewing the areas that we clean and also want to increase the efficiency and want to have flexibility in order to be able to respond to some of the problems that we have inherited in relation to the rubbish that is found in different areas, so we want to have the flexibility to be able to do that.

665

Mr Chairman: Head 14, Environment stands part of the Bill.

Clerk: Head 15, Housing Administration, subhead 1, Payroll.
Subhead 2, Other Charges.

670

Mr Chairman: Head 15, Housing Administration stands part of the Bill.

Clerk: Head 16, Equality and Social Services, subhead 1, Payroll.

675

Hon. Mrs I M Ellul-Hammond: Mr Chairman, in relation to Overtime and Discretionary, there is an increase from the estimate of £5,000 to the outturn of £54,000. Could the Hon. Minister explain the reason for this?

680

Minister for Equality, Social Services and the Elderly (Hon. Miss S J Sacramento): Mr Chairman, the reason for that is very simple. It is that I work very late, and on many occasions so do my staff, and that is what accounts for the amount of overtime.

Clerk: Subhead 2, Other Charges.

685

Mr Chairman: Head 16, Equality and Social Services stands part of the Bill.

Clerk: Head 17, Education, subhead 1, Payroll.

690

Hon. E J Reyes: Mr Chairman on (d)(iv), under Temporary Cover for Other Absences, given that the maternity or paternity cover is covered under another head, can I ask the Minister can he give me an indication of what falls under the category of Other Absences, of which there is almost £150,000 projected increase from the actual outturn of last year? Can he give me an indication of what type of cover that is?

695

Minister for Education, Financial Services, Gaming, Telecommunications and Justice (Hon. G H Licudi): Mr Chairman, this is just for supply workers. There may be different reasons why we need temporary cover, not just on paternity or maternity leave. There might be sick leave, there might be long-term sick leave and there will be a need for supply cover in respect of absences.

700

As the hon. Member knows, particularly in Education, when there have been absences, there is every effort made to make sure that we have supply teachers in particular, but also supply cleaners and supply classroom aids available in order to make sure that the complement remains the same.

Hon. E J Reyes: Yes, I understand that, Mr Chairman. Perhaps I can explain myself better.

705

The estimate last year was £500,000, the forecast outturn is £450,000, so it is relatively close – what was actually spent to what is estimated. What has prompted the Minister, in this case, to now make... although he underspent £50,000 last year, he even now projects an additional £100,000 on top of what was the estimate last year, which was not needed. Therefore, he should, I think, have something in mind that would lead, or justify a bit why we are aiming for that higher figure. And it is not even a round number, £591,000 – it just attracts attention.

710

Hon. G H Licudi: The higher number for absences is explained in very simple terms: we have a higher number of teachers, therefore we expect to have a greater need for supply work.

715

Why specifically the £591,000? That is something that I will have to find out. I do not have the specific information on the £1,000. I can understand the hon. Member saying, 'Well, if the estimate was a rounded figure £600,000 or £580,000 or £590,000...' I can get the information for the hon. Member.

Hon. E J Reyes: I am grateful if he can find the information.
Thank you, Mr Chairman.

- 720 **Clerk:** Subhead 2, Other Charges.
- Mr Chairman:** Head 17, Education, stands part of the Bill.
- 725 **Clerk:** Head 18, Policing, subhead 1, Payroll.
- Hon. G H Licudi:** Mr Chairman, is it possible to go back to the previous query, just for clarification and for the purposes of *Hansard*? I have been given the information that the hon. Member seeks.
- 730 The calculation has been made on the basis of a projection of the number of teachers that would be needed to provide that supply cover. The number of teachers is estimated at 23 multiplied by the salary, which comes out to £591,077. That is why the figure is specifically £591,000, based on the projected number of teachers that will be needed.
- Mr Chairman:** We are back to Head 18, Policing.
- 735 **Clerk:** Subhead 2, Other Charges.
- Hon. S M Figueras:** Mr Chairman, yes.
- 740 It is not the largest sum of money in the world, but it is subhead 2(2)(j), Dog Section Costs. I note that there was nothing estimated and a forecast outturn of £18,000 and now an estimate moving forward.
- I was certain that there had been a Dog Section in the RGP for longer than this time. Is that not the case?
- Hon. G H Licudi:** Mr Chairman, no, the Dog Section is a new section to the RGP. It arose during the course of last year and there is clearly going to be a projected expense going forward.
- 745 **Mr Chairman:** Any other questions on Other Charges? No.
Head 18, Policing, stands part of the Bill.
- Clerk:** Head 19, Financial Services, subhead 1, Payroll.
Subhead 2, Other Charges.
- 750 **Hon. S M Figueras:** Yes, Mr Chairman, in relation to subhead 2(4), Contract Officers – Ministry, £134,000 estimated and 2(9), Contract Officers – Finance Centre, £300,000, I am aware that the Finance Centre has taken on more additional staff onto the complement, as well as the additional... Jimmy's. Is this the provision for those contracts?
- 755 **Hon. G H Licudi:** Mr Chairman, the first one, under the Ministry, reflects the engagement in the Ministry of Mr Christopher Riddell, whom we have mentioned in the House previously.
- 760 The other, under the Financial Services... or the Finance Centre, reflects the engagement of Finance Centre staff who are contract workers.
- Mr Chairman:** Head 19, Financial Services stands part of the Bill.
- 765 **Clerk:** Head 20, Prison, subhead 1, Payroll.
Subhead 2, Other Charges.
- Mr Chairman:** Head 20, Prison, stands part of the Bill.
- 770 **Clerk:** Head 21, Gibraltar Law Courts, subhead 1, Payroll.
Subhead 2, Other Charges.
- Hon. D J Bossino:** Mr Chairman, 2(2)(b) – the item is Law Books and there is an estimated expenditure of £20,000 and an increase on the forecast outturn of £16,000. Can an explanation be given for that increase?
- 775 **Hon. G H Licudi:** Yes, Mr Chairman. There are now more courtrooms being used, as the hon. Member knows, and therefore there is a need for a greater amount of law books available for the different courtrooms.
- 780 **Mr Chairman:** Head 21, Gibraltar Law Courts, stands part of the Bill.

Clerk: Head 22, Gibraltar Regulatory Authority, subhead 2, Other Charges.

785 **Mr Chairman:** Head 22, Gibraltar Regulatory Authority, stands part of the Bill.

Clerk: Head 23, Attorney General's Chambers, subhead 1, Payroll.
Subhead 2, Other Charges.

790 **Hon. S M Figueras:** Yes, Mr Chairman, subhead 2(3), Briefing Out – Specialist Matters. I now note, looking at it, that the estimate is actually lower than it was for this year, which explains it, so I do not need any information on that, thanks.

795 **Mr Chairman:** Any other question on Other Charges? No.
Head 23, Attorney General's Chambers, stands part of the Bill.

Clerk: Head 24, Legislation Support Unit, subhead 1, Payroll.
Subhead 2, Other Charges.

800 **Mr Chairman:** Head 24, Legislation Support Unit, stands part of the Bill.

Clerk: Head 25, Gambling Division, subhead 1, Payroll.
Subhead 2, Other Charges.

805 **Mr Chairman:** Head 25, Gambling Division, stands part of the Bill.

Clerk: Head 26, Social Security, subhead 1, Payroll.

810 **Hon. D J Bossino:** Mr Chairman, I have got a note here... Oh, I see it suggests... because basically in the salaries... Yes, I think I have answered my own question.

815 Mr Chairman, the estimated figure is exactly the same estimated figure for the previous year, although it is likely increased from the forecast outturn for 2012-13. The question I was going to ask was why the increase, given that you have the same staff complement at the Department? You are simply making provision for the same estimated figure that you made provision for in the last financial year – is that a correct understanding?

820 **Hon. J J Bossano:** The provision is for the 35 bodies in the complement. Where, at the beginning of the financial year, it is expected that all the jobs will be filled, we make provision for the whole year, but sometimes the process of recruiting and filling vacancies does not take place at the beginning of the year, so, effectively, it is not until the end of the year that you get the results. So, the fact that it was £800,000 instead of £850,000 is because during the year there were vacancies that were filled later in the year, as opposed to being full the whole year.

The Clerk: Subhead 2, Other Charges.

825 **Mr Chairman:** Head 26, Social Security, stands part of the Bill.

Clerk: Head 27, Employment and Labour, subhead 1, Payroll.

830 **Hon D J Bossino:** Mr Chairman, I see that under the establishment figure there is an increase of administrative assistants and I think the Hon. the Minister addressed that point during the course of his Budget address, and it has been increased to 25. My first question is to confirm that these have been taken from the new complement of 40 AAs which were taken in by the Government.

835 I think he also said, during the course of his Budget speech, that at some point he would be making a decision as to where they would be placed within different Departments within the Government, and whether he has any idea as to when this is going to happen and where they are going to be placed? I am grateful.

840 **Hon. J J Bossano:** As I explained, I think, when I made my contribution on the general principles of the Bill, the 25 were put there simply to ensure that the money was available in the Estimates to pay the people who were recruited, and they are part of the 40 people that were recruited at AA level.

In fact, none of them are needed in the Employment Service and none of them are working in the Employment Service. The process that we are applying now is that where people get moved from one Department to the other during the year, they continue to be paid from the Personal Emoluments that

845 Parliament has voted; and then, at the close of the year, when they are putting in for next year's Estimates, they will be shown in the places where they have actually been working during this year.

I think there was a question addressed to the Chief Minister where he promised to provide, in writing, where they are now. My Department has not been involved in that distribution because that has been a matter effectively negotiated between the Human Resources and the Heads of Departments. We just provided a holding place so that we would be able to pay people from when they started on 1st July.

850 **Hon D J Bossino:** Presumably, Mr Chairman, that accounts for the increase in provision under the Salaries section from forecast... well, an estimated figure of £410,000 last year and now it has gone up to £700,000.

855 **Hon. J J Bossano:** That is part of the increase. The other part of the increase... What I have just said to the hon. Member about what is happening with the money here which will disappear at the end of the year happened in the opposite direction during the year, in that people were moved to this Department and there is a footnote showing where they were being charged last year.

860 For example, the hon. Member will see that there is a post that used to be in the Postal Services for a Higher Executive Officer. That Higher Executive Officer has, in fact, been working in this Department and been paid by the Postal Services until 31st March. From 1st April, which is when we are providing the money here, the money is being here and there is a corresponding decline in Head 39, and the same is true of other posts that are being made where there will be footnotes in the other pages.

865 For example, there was an officer in the Housing Department, who is the Head... Dr Coram who is the Head of the Training Unit. Although he was there last year, his salary still came from the Housing Department last year but now is being charged here, so that accounts for the changes.

870 But there is very little net real increase, because part of it is something that is going to disappear and part of it is something that has been deducted from other heads; so that, in fact, on the total emoluments of the Government as a whole, the difference is very little.

Clerk: Subhead 2, Other Charges.

Mr Chairman: Head 27, Employment and Labour, stands part of the Bill.

875 **Hon. D J Bossino:** Mr Chairman, just by way of confirmation, if I can take the Hon. Minister to 2(3), entitled Gibraltar Development Corporation, there is a sum of around about £11.7 million, with staff services at £1.4 million. The total is £14 million. Can he confirm what that relates to? Is that in relation to the Future Job Strategy?

880 **Hon. J J Bossano:** That is correct. It is the same provision as there was last year. There is no provision for the increase in the minimum wage, but that will come through because there is a global figure which provides for pay increases for the whole of the expenditure of the whole of the Government. When that happens, which will be when the pay rises take place.

885 **Mr Chairman:** Head 27, Employment and Labour, stands part of the Bill.

Clerk: Head 28, Statistics Office, subhead 1, Payroll.
Subhead 2, Other Charges.

890 **Mr Chairman:** Head 28, Statistics Office, stands part of the Bill.

Clerk: Head 29, Port and Shipping, subhead 1, Payroll.

895 **Hon. D J Bossino:** Yes, Mr Chairman. The estimate figure increases from the forecast outturn by £101,000, which is a substantial sum in the context of an establishment figure which remains the same. Can the Minister give me an explanation as to why that is?

900 **Minister for Tourism, Commercial Affairs, Public Transport and the Port (Hon. N F Costa):** Mr Chairman, could the hon. Gentleman take me to the figure he is actually citing? He mentions the figure, but not the actual... (1)(a), yes, thank you.

Yes, Mr Chairman, last year there were six vacancies, as opposed to two vacancies this year. As I mentioned to the hon. Gentleman during the course of my Budget address in respect of the Gibraltar Maritime Administration, we were able to fill those vacancies; hence the increase.

905 **Clerk:** Subhead 2, Other Charges.

Mr Chairman: Head 29, Port and Shipping, stands part of the Bill.

Clerk: Head 30, Tourism, subhead 1, Payroll.
Subhead 2, Other Charges.

910

Hon. S M Figueras: Yes, Mr Chairman, subhead 2...(e), Office Rent and Service Charges – there is no estimate or forecast outturn, and there is now an estimate, moving forward, of £8,000. I wonder whether perhaps the Minister can shed some light as to whether that is now required?

915

Hon. N F Costa: Sorry, Mr Chairman, 2... Which sub-number – (e)?

Hon S M Figueras: 2(1)(e).

920

Hon. N F Costa: Yes, Mr Chairman.
It has been explained to me that the introduction of... rents are being introduced throughout the Book, and the reason why they did not appear in previous years is because it did not feature in the Book, and now they are.

925

Hon. S M Figueras: I am grateful. Is the Minister able to explain why it is that rents are now being introduced throughout the Book? Because I have seen it elsewhere, certainly.

930

Hon. N F Costa: Mr Chairman, unless any other hon. Member corrects me, it is my recollection that the former Hon. Chief Minister, Mr Caruana, introduced that measure in his last Budget address. I was not privy to his thinking or the reasons why.

Mr Chairman: Head 30, Tourism, stands part of the Bill.

Clerk: Head 31.

935

Hon. S M Figueras: Sorry, Mr Chairman, there was one more item, actually, that I wanted to draw the Minister's attention to.

940

It is Head 2, subhead (3)(a). The estimate was £712,000 and the forecast outturn was about £200,000 extra. I now note that the estimate is in that ballpark too. Would the Minister be able to provide some detail as to what was the additional expense of £200,000 that was not anticipated? That is subhead 2(3)(a), Gibraltar Tourist Board.

945

Hon. N F Costa: Yes, Mr Chairman. I have just been reminded that the reason for the increase relates to when we are placing adverts in different publications and they may have a touristic but also perhaps a port slant, and of course, because I am Minister for the Port and Tourism, I have ultimately taken the decision to advertise. We have included the cost in this subhead.

Also, it was further explained there are times when there are supplements, like with *The Times*, and it has been a publication which has interviewed various Ministers. My part of it will also be included here.

950

Hon. D J Bossino: Mr Chairman, under Other Charges I have got a query, which is (12). The entry there is Advertising Management Services, and it is a new entry of £88,000. Previously there was not any estimate or provision made for this particular activity. Can the Minister explain what it is?

955

Hon. N F Costa: Yes, Mr Chairman. As the hon. Gentleman knows, the Air Terminal has a whole series of LED screens, which had – and still have, some of them – very lovely pictures of different parts of Gibraltar, and part of the way that we have been trying to raise revenue in order to cover at least some of the costs of the Air Terminal is by generating revenue. As a result, we have obtained the services of a company to be able to obtain companies that wish to advertise at the Gibraltar Air Terminal, and work has very much progressed, actually, so you will soon be able to see... In fact, there are already some adverts which are up and running.

960

Hon. D J Bossino: Does the Minister have this information? Does he know which company this is?

965

Hon. N F Costa: Mr Chairman, perhaps if the hon. Gentleman could write to me or ask me at the next session of the House, I will be able to provide him with the answer.

Hon. D J Bossino: Mr Chairman, finally, the final entry, which is described as ‘Relief Cover’, and a standard provision of £1,000 has been made for it – can the Minister give me details in relation to that particular entry?

970 **Hon. J J Bossano:** Mr Chairman, this is something we are introducing in every head this year in order to cover for things like maternity and long-term sickness absences, which previously existed in some and not in others; and there was a discrepancy. So the hon. Members will find that there are larger amounts of money where it has been traditional to have this, like in the Education, for example, and a token figure where it has not appeared before, and the token is £1,000.

975 **Hon. E J Reyes:** Yes but, Mr Chairman, out of sheer curiosity should that not be under Payroll instead of Other Charges? What I exchanged before with the Minister for Education was rightly under the Payroll, and if this Relief Cover is to cover a physical employee, then why place it under Other Charges and not under the Payroll expenses?

980 **Hon. J J Bossano:** Because in the case, for example, of the Education, where it has existed for a very long time, what you have are people who are supply teachers... whereas in these other cases, the cover is provided usually by agencies that provide clerical support and provide it for *x*-number of weeks. Therefore, it is treated as an Other Charge because it is paid to a contractor.

985 **Mr Chairman:** Any other question on Tourism?
Head 30, Tourism, stands part of the Bill.

990 **Clerk:** Head 31, Public Transport and Commercial Affairs, subhead 1, Payroll.

Hon. S M Figueras: Mr Chairman, yes.
Under Payroll (1)(e)... (*Interjection*) Oh, I see. Yes, indeed.
Mr Chairman, perhaps the Minister can provide a little more information in respect of the increase in complement, which is obviously provided for under the Payroll as well?

995 **Hon. N F Costa:** Yes, Mr Chairman.
The answer lies in half of the financial year last year, and of course this financial year. The House will recall that on taking office, the distribution of responsibilities – the relevant ones – were shared between the Hon. Minister Bossano and I, and the new office of... my personal Ministry was created and at the time there was a particular complement. Subsequent to that, and as I said during the course of my Budget address this year, the responsibility for the Department of Consumer Affairs was transferred to my Commercial Affairs portfolio, so that there has been an increase there.

1000 The hon. Gentleman should also bear in mind that – and I also referred to that in my last Budget address, last year – was that we have created [*inaudible*] in the course of resourcing the Business Support Unit. Also, part of my office is the Trade Licensing, so between the Business Support Unit, the Consumer Affairs being transferred under Commercial Affairs, and the Trade Licensing, that makes up the numbers.

1005 **Clerk:** Subhead 2, Other Charges.

1010 **Mr Chairman:** Head 31, Public Transport and Commercial Affairs, stands part of the Bill.

Clerk: Head 32, Technical Services, subhead 1, Payroll.

1015 **Hon. J J Netto:** Yes, Mr Chairman.
If I can draw the Minister for Technical Services’ attention to (1)(k) – that is the salaries for the Engineering and Design personnel – we tend to see, across the columns there, quite a... figures going up and down from an actual of 2011-12 of £674,751 to an estimate for 2012-13 of £782,000, then the forecast outturn is £640,000, and now an estimate for this new financial year of £711,000.

1020 However, when I turn to look at the complement, which is shown in page 109, it is exactly the same in this new financial year as it was in the last financial year and, to my memory, the previous financial year. Can the Minister perhaps explain as to why the ups and downs of these figures?

1025 **Minister for Traffic, Housing and Technical Services (Hon. P J Balban):** Mr Chairman, the under-expenditure is due to a number of unfilled vacancies at HPTO and PTO levels during the course of the year. Some have now either been filled or are in the process of being filled, and the estimate for this year reflects pay increases.

Clerk: Subhead 2, Other Charges.

1030 **Hon. S M Figueras:** Yes, Mr Chairman.

1035 If I could draw the Minister's attention to subhead 2(5) on page 113 – Traffic, Transport and Parking Plan Survey – I was wondering whether the Minister could clarify that this is an estimate of expenses that Technical Services will be incurring over and above the payment that will be being made to Mott MacDonald in respect of the contract which is provided for under the Improvement and Development Fund at page 147? I can direct him to that subhead too, if it is helpful.

Hon. P J Balban: Mr Chairman, these are the operational costs of actually carrying out the survey.

1040 **Hon. S M Figueras:** Mr Chairman, just one final question on that point. I note that there is no forecast outturn in respect of that head, despite the fact that the survey has already been carried out. Did that not incur expense, or is that to come by way of a supplementary?

1045 **Hon. P J Balban:** As far as I am aware, this is actually to do with the extra staff that were needed to carry out the survey *per se* – so people that are actually out there conducting the surveys – and these were drawing overtime payments and extra wages, for that purpose.

Sorry, the question... You asked why it was not there previously?

1050 **Hon. S M Figueras:** Mr Chairman, it may well be a matter of chronology, really, in that the estimate is for, obviously, this financial year and I am not certain when the survey took place. It has just finished now, has it? (*Interjection*) Of course, in which case it makes absolute sense, certainly, Mr Chairman, yes; I have no problem with that.

1055 **Hon. D A Feetham:** Mr Chairman, if I may? Is the Minister certain this is to do with overtime of public servants needed to actually conduct this survey; or is it to do... Because, you see, Mr Bossano gave a different explanation in relation to something different, but I am just drawing, by way of analogy... It may well be that this is not to do with public servants; that it is to do with perhaps young people or others who are not public servants, who have been contracted in order to help out with this survey. Otherwise it would have appeared in Payroll on overtime.

1060 **Hon. P J Balban:** Mr Chairman, the actuals... Yes, you are right, this would not be to do with overtime because that would actually appear under the Personal Emoluments. So this is to do, I am told, with things like stationery, which is purchased for the survey itself – clipboards, things that protect... visible jackets and all the things that were needed to be able to conduct the survey. Okay.

1065 **Mr Chairman:** Head 32, Technical Services, stands part of the Bill.

Clerk: Head 33, Driver and Vehicle Licensing, subhead 1, Payroll.

1070 **Hon. J J Netto:** Mr Chairman, could I ask the Hon. Minister, in Payroll, (1)(a), Salaries, we tend to have more money for the estimate in this financial year than was the forecast outturn of last financial year, but when I look at the complement figures it has gone down from 30 to 23 in this financial year. Could the Minister provide an explanation?

1075 **Hon. P J Balban:** Mr Chairman, the question being asked was actually answered last year. The reason for that was there was an under... it was an administrative error.

1080 **Hon. D J Bossino:** By way of confirmation, I think the explanation is on the face of the Establishment section, where there is an endorsement at the bottom of the footnotes which says that they were erroneously accounted for as Civil Servants, as opposed to GDC employees. Is that, just by way of confirmation, can the Minister confirm that that is the correct explanation?

Hon. P J Balban: Mr Chairman, that is correct.

1085 **Clerk:** Subhead 2, Other Charges.

Hon. S M Figueras: Mr Chairman, yes, two points. The first one, under subhead (2), Operational Expenses, (c) Driving Licences, could the Minister confirm that the estimate of £115,000 is more or less in the region of what the ongoing expenses of providing the new, more modern licences, is?

1090 And secondly, the new estimate... (*Interjection*) Yes, because it has gone up from £3,000, and then...
(A Member: to £115) Yes. And subhead (6), on Tachograph Cards, could he perhaps provide us with some explanation as to that expense of £85,000 from zero forecast outturn?

1095 **Hon. P J Balban:** Mr Chairman, the money for these two laser engravers was actually taken out of an advance account last year and that now has actually been transferred to the I&DF account. There are actually two laser engravers to produce the photocard driving licences.

Hon. S M Figueras: So it is not for ongoing expenses of production of these licences? Right, that is fine, I am grateful.

1100 The second point, obviously, was in respect of the tachograph cards – the estimate of £85,000, where there was no forecast outturn for this year.

1105 **Hon. P J Balban:** Mr Chairman, the cards which will form the tachograph cards, they are actually provided by DVLA and they are actually adapted for Gibraltar's needs, so these cards are actually ordered directly from DVLA.

Mr Chairman: Head 33, Driver and Vehicle Licensing, stands part of the Bill.

Clerk: Head 34, Utilities, subhead 2, Other Charges.

1110 **Hon. J J Netto:** Mr Chairman, could I ask the Minister for Utilities, in relation to 2(3), Water - Contribution in Lieu of Water Tariff Increases, AquaGib Ltd, we had an estimate for the financial year 2012-13 of £560,000 and a forecast outturn of £1,050,000. Can the Minister provide an explanation for the movement of those figures?

1115 **Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Mr Chairman, this is in relation to the MSF and the old distiller, and it was transferred... now we are producing through RO plants. When the RO plants were constructed... There are two private companies which are running the RO plants, and until we get the workforce from MSF to transfer to run the RO plants... We are hoping that by then we can finish the contracts with the two companies that run the two RO plants – one is Curtains, and Uni-Flo – therefore, that is why the increase is substantial, but we are hoping that, by next year, or at least this current financial year, we will not have to pay those two companies to run the RO plants.

1125 **Mr Chairman:** Head 34, Utilities, stands part of the Bill.

Clerk: Head 35, Collection and Disposal of Refuse, subhead 2, Other Charges.

1130 **Hon. J J Netto:** Mr Chairman, in relation to 2(b)(ii), Disposal of Other Items, it has gone from a forecast outturn... Well, in fact, if you actually go to the estimate, in 2012-13 it was £1,300,000; then we have a forecast outturn of £910,000; and now it has gone back to the £1,300,000. Could the Minister perhaps explain the drop in the forecast outturn in relation to these items?

Hon. S E Linares: Mr Chairman, it is to do with the fact that we are collecting more items.

1135 **Hon. J J Bossano:** The same as last year.

Hon. S E Linares: It is not. The estimate is the same.

1140 **Hon. J J Bossano:** There was less collected in the year.

Hon. S E Linares: That is what I am saying, that because this year we... (*Interjections*) Because of the recycling that we are doing.

1145 **Hon. J J Netto:** Mr Chairman, that seems to be a bit of a broad-brush answer. Could the Minister perhaps specify, in clearer terms, what he means? Okay?

1150 **Hon. S E Linares:** Mr Chairman, the only explanation is that we estimated that there was £1.3 million that was going to cost the collection of all these items that we are talking about. (*Interjection*) Disposal, because I am the Minister for collection, not the Minister for disposal. The explanation should be... Therefore, we estimated that we were going to collect £1.3 million-worth, we

only collected £910,000-worth, and we are estimating this year that we are going to go back to what we estimated last year that we were going to collect.

1155 **Hon. J J Netto:** What is it that you did not collect in the last financial year, which you are going to collect now?

Hon. S E Linares: It is to do with the volume that you collect, the quantity that you collect.

1160 **Hon. J J Bossano:** Mr Chairman, the estimate is made at the beginning of the year, but it may or may not materialise. If people throw 200 bedsteads and you expect them to throw another 200 but they do not this year, they may spend less money and throw less bedsteads. At the end of the day, we are making a provision on the assumption that last year's estimated amount of stuff that needed to be carted away will materialise this year, even though, in fact, the results for last year was that there were less piles of stuff to move which had to be disposed of. But the Department still felt that the prudent thing to do was to provide for the same volume, and the same volume has been provided. Clearly, if the volume does not happen, you do not spend the money.

1170 **Hon. J J Netto:** Mr Chairman, I do accept the fact that the estimate may come down in terms of the forecast outturn, but the example he has given of bedsteads – you are talking about he is going to collect £400,000 more bedsteads. That surely cannot be the case.

1175 **Hon. J J Bossano:** Clearly, the bedsteads, Mr Chairman, is an example of the kind of other items involved. When the Department that contracts out the disposal of this stuff produces a bid for the funding... the bid for the funding that was done last year actually was not all used up, and because it was not all used up the outturn is less than estimated.

The volume that they put a bid for this year is the same as last year and the Treasury, when it came to this... I suppose, having cut everything else so far, when they came to page 121, must have been in a more generous mood, so they let them go through.

1180 **Mr Chairman:** Head 35, Collection and Disposal of Refuse, stands part of the Bill.

Clerk: Head 36, Sport and Leisure, subhead 1, Payroll.

1185 **Hon. E J Reyes:** Yes, Mr Chairman, if I may.

I note from the Payroll here we are still making provisions for three members of the industrial staff and so on, but what I do notice is different to the past is that on the previous page, on page 122, the Controlling Officer for this head is now named as the Chief Executive Officer of the Gibraltar Sports and Leisure Authority, where in the past – at least in my days – it was never the Chief Executive Officer because he is not a civil servant. In fact, if I am not mistaken, it used to fall under the Financial Secretary.

1190 Is there some change in policy or perhaps legislation that allows a non-civil servant to be Controlling Officer of the part that is accountable in this Parliament?

1195 **(Hon. S E Linares:** Mr Chairman, I am informed that this is the same as last year. It is exactly the same as last year, Mr Chairman, so there is not any change, as such.

1200 **Hon. E J Reyes:** Mr Chairman, I think I said it but I did not make it clear: it is a change at least to the time when I used to be the Minister with responsibility for this charge, and I remember that the Financial Secretary at the time told me that the Controlling Officer was required to be a civil servant – hence why, on paper, we had the Financial Secretary as the Controlling Officer. Given that the Financial Secretary sits close by the Chief Minister, perhaps he can enlighten us now or he might want to look into it. I am just technically, on why is it, on a technicality, that this is a non-civil servant, as opposed to all the other heads. It seems to be the only non-civil servant responding to moneys assigned for civil servant industrial wages.

1205 **Hon. Chief Minister:** Mr Chairman, I understand that the hon. Gentleman is talking about an individual who is, apart from being CEO, also a civil servant, and therefore that, I am told by the Financial Secretary, does not arise. That is the information I have.

1210 So we do not recognise this idea that somebody cannot be a Controlling Officer if he is not a civil servant. At least that is what the Financial Secretary is saying to me, but I am quite happy to look into it and just confirm the position.

Hon. E J Reyes: I am happy with the explanation. I will let the Chief Minister look into it in his own time.

1215 **Clerk:** Subhead 2, Other Charges.

Mr Chairman: Head 36, Sport and Leisure, stands part of the Bill.

1220 **Clerk:** Head 37, Fire Service, subhead 1, Payroll

Hon. Mrs I M Ellul-Hammond: Mr Chairman, with regard to the establishment, there is a reduction of two in the complement. Is this a permanent reduction in the complement of firefighters?

1225 **Hon. S E Linares:** Mr Chairman, as I understand it, the vacancies have come out subsequent, so it could well be that, after this, the manning level will go up to 83; but as far as I am concerned there were two less when the book was done, so...

1230 **Hon. Chief Minister:** If I can just come back to the point made by the hon. Gentleman, the point appears to be this: that these are not departments that we are talking about. If they were departments, then the head, the controlling officer, would have to be a civil servant, but because we are dealing with statutory authorities, then the statutory authority can have a controlling officer who is not a civil servant.

1235 **Hon. E J Reyes:** Yes, Mr Speaker, but my understanding is that these three individuals are not part of the authority. The authority's salaries and so on come later on in the green pages of the book.

Hon. Chief Minister: The point about the three who are still in the Department – oh, right.

1240 **Hon. Mrs I M Ellul-Hammond:** Mr Chairman, if I can just go back to the Fire Service, the establishment figures – for the sake of clarification, can the Hon. Minister say if these two vacancies that have opened up, are they for the new figure of 81 or the old figure of 83?

1245 **Hon. S E Linares:** Mr Chairman, as I explained just a minute ago, it is to do with the complement. When the Book was done there were two less, and therefore it has been estimated with two less. The two vacancies have come out subsequently. I think they have already been recruited. I think it was a couple of weeks ago that they were recruited.

1250 **Hon. Mrs I M Ellul-Hammond:** But, Mr Chairman, these are the establishment figures. The 45 firefighters for the year 2013-14 – does that mean the Fire Service will only require 45 firefighters for that financial year?

Hon. Chief Minister: Mr Speaker, the position is that last year there were two supernumerary.

Clerk: Subhead 2, Other Charges.

1255 **Mr Chairman:** Head 37, Fire Service, stands part of the Bill.

Clerk: Head 38, Culture and Heritage, subhead 1, Payroll.
Subhead 2, Other Charges.

1260 **Hon. E J Reyes:** Yes, Mr Chairman.

1265 Can the Minister offer me a little bit of guidance here? Under 2(1)(b), Electricity and Water, there is a provision, once again, for £4,000, whereas the forecast outturn is zero; and if one looks at other expenses that come on page 192, there is Electricity and Water there, and again a provision for £8,000. So is this £4,000 over and above the £8,000 on the other side, which means that that makes it £12,000, and yet last year the forecast outturn is only £8,000? Why are we then expecting an additional £4,000, which is a 50% increase, in water and electricity charges?

1270 **Hon. S E Linares:** Mr Chairman, that is to do with the fact that the Ministry is being separated from what is the Agency. We have also taken over a lot of other premises at the Ince's Hall, which is to do with the separation, and therefore there is a separation. If you look at how the Ministry for Culture and Heritage has now got the general expenses list and other operations as the Ministry, and then the Agency will be separate from the Ministry and will have a separate general expenses.

1275 What we have done, basically, this year... It is difficult to estimate exactly how the separation will be, but it is also to do with the extension of offices.

Mr Chairman: Head 38, Culture and Heritage, stands part of the Bill.

1280 **Clerk:** Head 39, Postal Services, subhead 1, Payroll.
Subhead 2, Other Charges.

Mr Chairman: Head 39, Postal Services, stands part of the Bill.

1285 **Clerk:** Head 40, Civil Contingency, subhead 1, Payroll.
Subhead 2, Other Charges.

Hon. D A Feetham: Mr Chairman, in relation to this we have, in fact, an ever-decreasing Civil Contingency Planning in Other Charges. It is subhead 2. It goes down from £½ million actual in 2011-12 to £140,000 estimate, then the forecast is £97,000, and now the estimate is £30,000.

1290 Can he account for this drop in relation to this particular head?

Hon. S E Linares: Yes, Mr Chairman.

1295 When you see the actual of 2011-12, it includes a great amount of money and it was to do with the disaster at the port. All the expenses of the disaster at the port are charged to that head. Therefore, what we did last year was we said, 'Well, we will put £140,000.' It went down to £97,000 because there has been little to account for that, and therefore we have gone down to £30,000.

It could well be that if we had, unfortunately, a disaster here, it would rise up. So that would fluctuate depending on whether there is any disaster or not.

1300 **Hon. Chief Minister:** Mr Chairman, perhaps another way to put it is that the *capital* costs have been taken out of here. The capital expenditure – which should never have been in the Book, here on the white pages, because it is capital expenditure and needs to be somewhere else – has been taken out of here. This is only the recurrent cost of the issue.

1305 **Hon. D A Feetham:** That makes sense, because of course we are talking about planning. Planning presupposes that you are planning ahead for something that might happen in the future.

Mr Chairman: Head 40, Civil Contingency, stands part of the Bill.

1310 **Clerk:** Head 41, Youth, subhead 1, Payroll.

Hon. J J Netto: Yes, Mr Chairman, if I may.

1315 I think I heard the Minister, in his Budget address, say that he was going to double the complement in relation to youth work, but when I look at the complement it has not changed – it is 10 and 10, so the likely explanation for this is that it is going to be increased by way of part-time and perhaps working after normal working hours or perhaps working at the weekend.

If not, why do we have the increase between the forecast outturn and the new estimate?

1320 **Hon. S E Linares:** Well, the first part, where he has given the explanation with part-timers is partly the answer; and the second part is that if he looks at the establishment, when I said there was going to be 100% increase, it is to do with... If you look at 2012-13, we had a team leader, one; we had a senior youth and community worker, one, which was never covered, so we are actually fulfilling that by putting two; and therefore we have also... from four it increases to five, so on the ground we actually had a team leader who was not on the ground, who was in the office, and we had four youth workers on the ground.

1325 What I intend to do, and I said in my Budget speech, is by decreasing – if you look – the Administrative Officer from three to two – we are taking one – and we have the Executive Officer, which we are not going to have, so we are taking it away from the administration in order to increase the complement of people on the ground by covering down. Therefore, the complement is exactly the same – it is 10 and 10 – but we are restructuring it by taking away admin work and having it concentrated on youth community workers.

1330 **Hon. J J Netto:** Yes, Mr Chairman, I do take on board what the Hon. Minister has said in terms of restructuring, but it is somewhat confusing to see that you have some increases on one side, in terms of the complement of youth work, and a diminution, if you like, on others, like the AO and the EO.

1335 So you have a rebalancing there between more people and less people, and then you have an increase of part-timers, and perhaps, if you look at the amount of increase, it gives the impression that we are talking about full-timers, when we are talking about two different categories. We are talking about full-timers and part-timers. I do not know whether this is a question of the way it has been placed on the Book, which does not make it very clear to someone looking at it.

1340 **Hon. S E Linares:** Well, Mr Chairman, the first part of the increase has to be the officer who was never covered, so we have another officer, which was never covered but is in the complement, is in the establishment, was never there, so there should be an increase in the salaries and also to do with the part-timers. Therefore, the increase... because there were not the officers there, we are now putting the officers there who were originally supposed to have been there – if that explains.

1345 **Hon. E J Reyes:** Yes, Mr Chairman, if I may.
I do follow and understand what the Minister is saying, but what he is saying is we are going to fill in the vacancies that were still empty. But in the 2012-13 provision there was provision for a total of 10 people, leading to a salary of £240,000. For this year, there is a provision still for 10 people, some of whom have changed from Administrative Officer into more on-the-ground youth workers and so on, but the basic salary bill has increased by £138,000. It does sound quite a lot of money, Mr Chairman, from one grade to another.

Does the Minister have any further enlightenment on why £138,000 more is required in salary?

1355 **Hon. S E Linares:** Well, first of all, a youth and community worker will cost more than an AO; that is the first thing. *(Interruption)* Hold on. We are replacing an EO and an AO as well, so there is the replacement of two officers there, of which the increase has to be the wages of the youth and community workers.

1360 On top of that, it is to do with what the hon. Gentleman said before: we are hoping that we will cover more with part-time workers as well, so it will come from there as well. It could well be that, because there is a discretionary of £1,000 that they will have to be in the payroll and there is a discretionary of £1,000, and as I understood it there was a time in which some of those moneys, and also from temporary assistance, from where the part-timers were paid.

1365 **Hon. Chief Minister:** Mr Chairman, perhaps I can be of assistance. I am told by Treasury staff that last year the Department was carrying a lot of vacancies and that therefore they took out of the outturn what the cost of the filling of those vacancies would have been. So you are not just seeing the increase because of the numbers included, but you are also seeing the absence of that salary there. And when you have, for example, a typist replaced by somebody who is a youth worker, an administrative officer replaced by somebody who is a youth worker, the salaries do go up.

I think that might help the hon. Gentleman understand the difference.

1370 **Hon. J J Netto:** Could I ask the Hon. Minister whether he knows how many part-timers he is going to employ in this financial year?

1375 **Hon. S E Linares:** No, I have not got those figures with me here but I will try and get them for him.

Hon. J J Netto: You have not got the figures but the money is reflected here – is that correct?

1380 **Hon. S E Linares:** Mr Speaker, the explanation is that last year... When the Estimates are done, they then take six months off if you do not cover the post. Is that correct? *(Interjection)* The provision is made for six months and then the other six months is taken away, and this year we are expecting to fill up all the posts, so therefore it increases up to the whole year, and I have got them...

1385 **Hon. E J Reyes:** I can more or less start to imagine. Having sat on that side of the House, I know sometimes those of us who are not accountants take a few minutes to be able to click on to how the accounts are done, so we will not argue on areas where I am not entirely safe.

1390 I know that the Hon. Minister will certainly be willing to exchange greater views with me in very layman's terms behind the Speaker's Chair if we ever need to expand on this. I will not waste anymore of the Committee's time on this matter, Mr Chairman.

Hon. S E Linares: I welcome that.

1395 **Hon. J J Netto:** However, Mr Chairman, another thing, although I am grateful to the hon. Gentleman for the explanation he has given but he has not answered, I think, my question, which is how many extra

part-timers are going to be employed and (b) whether the payment, the money to pay for those part-timers is coming from the new estimates which we are seeing here?

1400 **Hon. S E Linares:** The actual fact is, like I told you before, it is to do with the whole of the restructure, and therefore, once we have the policy and the restructure, they will give me the whole figures, because it is to do with probably the £1,000 discretionary.

1405 **Hon. J J Netto:** But do I take it then, when the restructure is finalised and the Minister decides to employ *x*-number of part-timers, that he will be asking for more money than the one in the estimate here, or will it come from the total amount of money here?

Hon. S E Linares: No, Mr Chairman.

1410 **Hon. J J Netto:** No, that this is the – (*Interjection*) So, no extra money.

Clerk: Subhead 2, Other Charges.

1415 **Hon. E J Reyes:** Just a small one, can the Minister confirm to me, Mr Chairman, that... I see there is an increase in the estimate for Office Cleaning, but he did hint before that there was going to be a physical expansion of premises and so on. Is that why, from an outturn of £3,000, the increase to £16,000? That is on 2(2)(c), Mr Chairman, on the cleaning. Does that account, that increase of an additional... I think it is just over £1,000 a month for cleaning?

1420 **Hon. S E Linares:** Yes, it is to do with the increase.

Mr Chairman: Head 41, Youth, stands part of the Bill.

1425 **Clerk:** Head 42, Gibraltar Audit Office, subhead 1, Payroll.
Subhead 2, Other Charges.

Mr Chairman: Head 42, Gibraltar Audit Office, stands part of the Bill.

Clerk: Head 43, Supplementary Provision, subhead 1(a) and (b).

1430 **Mr Chairman:** Head 43, Supplementary Provision, stands part of the Bill.

Clerk: That concludes Clause 2.

1435 **Mr Chairman:** Clause 2 stands part of the Bill.

Clerk: Clause 3.
Head 44, Contribution to Government-owned Companies, subhead 1.

1440 **Hon. D A Feetham:** Mr Chairman, under analysis, we see a reference to a company called Gibraltar Investment (Holdings) Ltd, and there is a forecast outturn of £3.4 million and an estimate of £3.9 million for 2013-14, and indeed I will ask, but perhaps he can... If he wants to volunteer the answer now, I will not have to ask it later, but at page 148, which is Improvement and Development Fund, there is a contribution of actual £72 million for 2011-12, and then 2012-13 there is another £40 million that is going to be paid into this company.

1445 Can he give me some information about what the company does, and also why these two contributions, plus also the payments here under this particular analysis?

Hon. J J Bossano: Yes, Mr Chairman.

1450 Whether the amount that is contributed to the company appears in the I&DF or appears in the recurrent is related to whether the expenditure that the companies have incurred has been capital or recurrent expenditure.

1455 For example, property companies that have been paying for things have been funded previously by a purchase of equity in the holding company, which is Gibraltar Investment (Holdings) Ltd, which eventually might have been expenditure incurred, say, by the residential property or the commercial property company, and where that expenditure has been in... The expenditure sometimes is, for example, in the refurbishment of a building or the improvement of a building, which then goes onto the books of the building as an increase in its value and is eventually reflected back in the Government's accounts as

an increase in the equity, so that the shareholding is higher and the asset value is higher, and that asset has been increased in value by spending money on the property.

1460 Where it is money that the running costs of a company has incurred, then that is if there is insufficient revenue for the company to cover the recurrent costs then it comes through out of the Consolidated Fund Head, where initially the £28 million was, the recurrent costs that had been financed by advances from the Consolidated Fund, which were cleared.

1465 Last year, the estimated recurrent costs were expected to be £10 million, they have turned out to be £17 million and therefore the amount that has been put as an estimate this year is on the assumption that, in the current financial year, the difference between income and expenditure in the different companies will be no higher than they were in the year that has just finished. But it is really impossible to know because sometimes you find expenses during the year you did not expect, or you collect money you did not expect.

1470 **Hon. D A Feetham:** But what does this company, Gibraltar (Holdings) Limited... what does it do? Is it a company for which the Government is channelling investments – sorry, payment of capital projects, or...? What is it that it is doing exactly? Because there is a substantial amount of money later on, when we come to it – £72 million and £42 million – that is being paid to it.

1475 **Hon. J J Bossano:** The Gibraltar Investment (Holdings) is the parent company of all the other companies. It has been there since 1996 and the practice of doing the equity funding through the I&DF was introduced by the previous administration, after 1996.

1480 Therefore, what happens is, for example, if there was a... Members will recall there was a point when the car parks were being done by the car park company instead of being done by the I&DF and the previous Government decided at one stage to remove the funding from the car parks from the I&DF, do it by the car park company, and instead have in the I&DF equity funding, buying shares in Gibraltar Investment (Holdings), which in turn financed Gibraltar Car Parks Ltd, which in turn paid for the building of the car parks.

1485 Now the building of the car parks is supposed to produce revenue which was going to meet the servicing of the finance provided by the Royal Bank of Scotland when there is a gap between the servicing of that payment to the Bank of Scotland and the rental from the car parks that can no longer be met by equity funding from the I&DF, so then it becomes a charge on the recurrent revenue.

1490 So, essentially, the division between the two is the same as the division we have in the public service, and where there is a gap, for example here... It is a very good example, this one, because the car park company is a mixture of money being spent on building car parks, like the ones for the Park and Ride that was being done from the I&DF and then finished up being done by the car company and the money being reflected in the Government estimates as equity funding.

1495 When, in fact, the part of the funding that had been money that was advanced by the Royal Bank of Scotland on the basis that they were, in effect, funding it but it was going to be serviced by the rental income... when the rental income did not materialise, it then finished up as an operating loss. The operating loss is then reflected in what is now the £17 million.

1500 **Hon. D A Feetham:** So, effectively the... No, I understand that. So, in relation to the other figures, the figures at page 148, what we are talking about there is the funding for Government companies in terms of any capital projects that, for example, those companies may be undertaking. So the provision at page 148 is for capital projects executed via Government owned companies.

1505 **Hon. J J Bossano:** For example, this is following the practice that was already in place and it is a question of whether, as a matter of policy... For example, if we want to have the Air Terminal financed directly by the I&DF or the Air Terminal financed by the company that technically is owning the Air Terminal; in which case, if it is a capital cost it finishes up in the I&DF, and if it is a recurrent cost it finishes up in the Consolidated Fund.

1510 **Mr Chairman:** Head 44, Contribution to Government-owned Companies, stands part of the Bill.

Clerk: Head 45, Transfer of Government Surplus, subhead 1.

1515 **Mr Chairman:** Head 45, Transfer of Government Surplus, stands part of the Bill.

Clerk: Head 46, Contribution to the Improvement and Development Fund, subhead 1.

Hon. Chief Minister: Mr Chairman, if I can just take him back a minute whilst we look at this – that £17.7 million was the £28 million last year, he might recall. So that £17.7 million he should also add to

1520 my surplus to this year to see how much of a record it is, given that he wanted to add it last year to the other surplus as well.

I have done the calculations with that and the money from the Savings Bank: my surplus is still higher and more of a record.

1525 **Hon. D A Feetham:** Does he want to debate the point?

Hon. Chief Minister: I am just taking him back to where we were last year.

1530 **Mr Chairman:** Head 46, Contribution to the Improvement and Development Fund, stands part of the Bill.

Clerk: That concludes Clause 3.

1535 **Mr Chairman:** Clause 3 stands part of the Bill.

Clerk: Clause 4, Improvement and Development Fund, Head 101, Works and Equipment, subhead 1.

Hon. J J Netto: Yes, Mr Chairman, if I may.

1540 If I can draw the attention of the Minister for the Environment to 1(p)(ii), Rock Safety, Coastal Protection, Retaining Walls & Demolition Works, we had an estimate for the last financial year, 2012-13, of £1 million, and the forecast outturn is £170,000. Why the drop, the huge difference between the estimate and the forecast outturn? Do we have an explanation for that?

I beg your pardon, I directed it to the wrong Minister.

1545 **Hon. Dr J E Cortes:** Mr Chairman, it does mention the words 'environment' and 'roads', but this particular aspect is under Technical Services, so I will let my colleague reply.

1550 **Hon. P J Balban:** Mr Chairman, the £1 million was not spent because the work was not done. This work has, in fact, been started very recently. The actual works is to do with the Catalan Bay rock protection bund clearance, so it is clearing the rubble that fell and has accumulated within the bund. That rubble has had to be removed just in case there is another rockfall in the near future.

1555 **Hon. J J Netto:** So, Mr Chairman, as I understand it, we are talking about one sole project which was estimated for £1 million. That seems to be the impression that the Minister is giving, and he seems to be saying that delays... because there were delays where – in the procuring process, or delays in the actual works, or delays in the tender process? What was the delay in that single project?

1560 **Hon. P J Balban:** Mr Chairman, this is one head for rock safety, coastal protection and retaining walls in demolition, so hence various projects are included within this head, but the one which has seen the delay was actually the one I have just mentioned, which was the delay in starting the rock bund clearance project.

1565 **Hon. J J Netto:** Mr Chairman, I do find the Minister's answer very confusing. Can I ask a slightly different question? Perhaps that could help me.

He has put an estimate for the new financial year of £1 million, which is exactly the same estimate for 2012-13. Can the Minister provide me with a breakdown of the £1 million for – how much will be for rock safety, how much for coastal protection, how much for retaining walls and how much for demolition works?

1570 **Hon. J J Bossano:** If the hon. Member looks at the actual amount spent in 2011-12, which was £1¼ million, basically – £1,230,000 – the amount that has been provided and approved by the Treasury is an amount of the expectation of what is the likelihood that is going to be the maximum that is going to be spent. The people in Technical Services, during the course of year, then decide where the priorities are and whether they spend more or less on another one.

1575 It is perfectly normal for the results of the I&DF not to be spot-on in every single item with what is put in at the beginning of the year when we approve it. Basically, there is an overall level of spending of about £40 million or £50 million in the year, which is running at about £1 million a week, but given that sometimes things happen which require emergency treatment, that takes a higher priority. In this case, the money that was going to be spent there was not spent to the same volume, and therefore some of the work
1580 that it was intended to do there has now been repeated in this year's estimate, but there is no particular significance in the sense that there is a project that is valued at £1 million and is expected to cost £1

1585 million. It is the amount that is considered to be the likely amount that is likely to be needed for all the things that are covered by rock safety, coastal protection, retaining walls and demolition works. So the head is all those things. Within that, tomorrow you might find that one single one of those items requires big expenditure and may take most of it.

1590 **Hon. J J Netto:** Indeed, Mr Speaker, I do take on board what the Minister for Employment has said and that the forecast outturn will never be spot-on, but the difference here... we are talking about more than £800,000 between the estimate and the forecast outturn.

1595 Be that as it may – and I take on board the fact that some of the projects have not been done and are being passed on to the new financial year – that takes me to the second part of my question in terms of can the Minister provide me with a breakdown – because we are talking about quite a number of different categories: we are talking about rock safety, we are talking about coastal protection, we are talking about retaining walls and demolition work – can the Minister provide me with a flavour of the breakdown of how much works will be done under each various categories?

1600 **Hon. J J Bossano:** I am telling the hon. Member that the figure is not arrived at by adding up how much is going to be done on rock safety, how much is going to be done on coastal protection, how much is going to be done on retaining walls and how much... What he can have is how much was done in the past. That is he can get a breakdown of what was the amount in 2011-12, when he was there, that was spent by the previous Government in each one of those.

1605 But if I had asked, from that side, the question he is asking me now, nobody on this side would have been able to give it because you do not know ahead. It is not a figure that is arrived at by saying, 'Well, we know that we are going to have £¼ million for rock safety, £½ million for coastal protection, £100,000 for retaining walls and £200,000 for demolition.' The figure is not calculated like that. The figure is calculated as an order of costs.

1610 Now, at the end of the year, the actual amount that is spent may have been spent much more on one thing than on another, depending on what, during the year, was estimated to be more important or more urgent to do in those categories. But the £1 million is not something that has been arrived at by adding, as if it were, a number of subheads within that head. That is not the case, and therefore it is not that the money has been earmarked in bits which are a breakdown of £1 million. It was not done a year ago and it has not been done this year.

1615 The fact that £170,000 was spent instead of £1 million means that, in all probability, within the works and equipment some of the money that would have been intended to be spent here finished up being spent under one of the other subheads because it was more important to get something else done.

1620 **Hon. Mrs I M Ellul-Hammond:** Mr Chairman, with reference to section (h), Contribution to Gibraltar Health Authority, can the Hon. Minister say what the £4 million is earmarked for?

1625 **Hon. Dr J E Cortes:** Mr Chairman, the £4 million includes about £600,000 or so which is for payment of the ambulances which are arriving later on in the year. The rest is for various works and equipment. There is a very, very long list of equipment.

1630 Works will include, for example, works to the A&E department, works to the ambulance area. It will include works which will be... Part of this will go towards works to re-site the kitchen in St Bernard's Hospital. That is as far as the works are concerned.

1635 Equipment – as I say, there is a long list of equipment which I have, running through several pages, ranging from... Well, one of the major items, which has to be replaced this year because it is at the end of its life, is the CT scanner. So those are, I think, the major items that would come out of this.

1640 **Mr Chairman:** Any other questions on Works and Equipment?

1645 **Hon. Mrs I M Ellul-Hammond:** Mr Chairman, the same question again for 1(j), Contribution to Care Agency – if the Hon. Minister could say what the £300,000 is for?

1650 **Hon. Miss S J Sacramento:** Mr Chairman, this will include works to the Mount Alvernia balconies and other general works that need to be undertaken.

1655 **Mr Chairman:** Head 101, Works and Equipment, stands part of the Bill.

1660 **Clerk:** Head 102, subhead 1, Beautification Projects.
Subhead 2, Roads and Parking Projects.
Subhead 3, Relocation Costs.
Subhead 4, Reclamation Projects.

1645 **Hon. S M Figueras:** Mr Chairman, perhaps the Chief Minister could provide us with information about MOD Project Euston, heading (b), on Relocation Costs?

Hon. Chief Minister: Yes, Mr Chairman, Project Euston is the building of relocated facilities for the MOD.

1650 **Clerk:** Subhead 4, Reclamation Projects.
Subhead 5, Other Projects.

1655 **Hon. S M Figueras:** Mr Chairman, under Other Projects, heading (zi), Swimming Pool Complex, the forecast outturn for this year is £190,000 and there is only a token amount of £1,000 estimated for the coming financial year. Could the Minister for Sport provide any information in respect of that?

Hon. Chief Minister: It has got nothing to do with sport, Mr Chairman. It is a swimming pool complex relating to one of the manifesto commitments for a swimming pool on the east side.

1660 **Hon. S M Figueras:** Yes, Mr Chairman, I am grateful for the contribution.
I understand that the swimming pool complex... There were some studies carried out and some work done, but then that was put on hold and now that token amount of £1,000 is there. Is it the Government's intention to proceed with that? Has there been any development since we last raised it in the House?

1665 **Hon. Chief Minister:** Yes, Mr Chairman, it is the Government's intention to proceed with that in time to deliver on it as a manifesto commitment. It is not timed in our manifesto and will be delivered during the course of the four years. Some of it may be done this year, or it may not proceed during the course of this financial year until the next one.

1670 **Hon. D A Feetham:** Mr Chairman, (zf) – it is the Cladding and Other Improvements to Housing Estates – is £3.5 million, the estimate for next year. This is a project that the Chief Minister said would cost about £50 million in answer to Questions earlier on this year, and I think that he said to me, and my recollection is, that it would be undertaken through GJBS.

1675 Is GJBS not included within the companies that are funded via Gibraltar Investment (Holdings) Ltd at all?

Hon. J J Bossano: It is.

1680 **Hon. D A Feetham:** It is?

Hon. J J Bossano: It is, yes.

1685 **Hon. D A Feetham:** Yes, but what I do not understand is why the £3.5 million extra there, when you have already got provision of the £40 million via Gibraltar Investment (Holdings) Ltd.

1690 **Hon. J J Bossano:** Mr Chairman, as I explained to him, the option that the Government used to have, and we have continued to have, is that in some instances the provision of capital expenditure is undertaken by a company, and then, if the company is unable to finance this from its own resources it gets equity funding, which is usually brought in at the end of the financial year.

1695 The figure changes quite dramatically up or down between the beginning and the end, if he looks back. Or the Government says, 'We are going to do it as a Government project,' in which case GJBS is working as a contractor. If GJBS was funding something itself, it would be likely to be equity funded. If GJBS is actually contracted to build something for the Government, then the I&DF pays GJBS. Therefore, in this case, GJBS is getting a direct allocation of work, as opposed to, for example, the car park company funding the building of car parks and paying a contractor, which in the case of the car park company was Casais (Gibraltar) Ltd. Essentially, the funding is done when it is direct spending by the company, as opposed to the company being a contractor for the Government.

1700 **Clerk:** Subhead 6, Equity Funding, Gibraltar Investment (Holdings) Ltd.

Mr Chairman: Head 102, Projects, stands part of the Bill.

Clerk: That concludes Clause 4.

1705 **Mr Chairman:** Clause 4 stands part of the Bill.

Clerk: Clause 5.

Mr Chairman: Clause 5 stands part of the Bill.

1710 **Clerk:** Clauses 6 and 7, which relate to appendices B to K.
Gibraltar Development Corporation, appendix B.

1715 **Hon. D J Bossino:** Mr Chairman, I would be grateful for the Minister's explanation in relation to some of the items under appendix B.
The first one relates to receipts, and it says: 'Contribution from Consolidated Fund – Head 27 Employment', and then 'Contribution from Consolidated Fund in respect of Revenues Received', and 'Additional Contribution.' The Additional Contribution is almost more or less a consistent figure of about just under £12 million. Does that relate again to the Future Job Strategy?

1720 **Hon. J J Bossano:** Yes, this is the money we have already voted in the Employment Service, because in fact in all the appendices there are really... It is money coming in and now it is money going out. It is the same money.

1725 **Hon. D J Bossino:** Mr Chairman, now that we are on the theme of £11 million, there is another item further down, which... I may be jumping the gun, because that is under Payments, which you have not called yet, or do we deal with...? It is the whole. I am grateful.

1730 So, going back to what I was saying – the £11 million – there was a further sum of that amount of money under (21). Can he explain what that relates to and how that marries with the £11 million figure – just under £12 million figure – we have just been looking at?

1735 **Hon. J J Bossano:** The money is contributed from the Employment Service and we have already voted it. Effectively, what we are doing now is voting the contribution from the GDC to the companies that are spending the money in paying the trainees. Therefore, essentially we are voting again the same money out of the GDC to the trainees.

1740 In the rest of the GDC, in effect it is the opposite way round, in the sense that the GDC spends the money and then sends the bill for the services because the GDC is acting as if it were an employment agency, supplying officers to the Civil Service Departments. So all the other payments that are coming in, other than the one from Employment, is payment to the GDC for services provided to the Departments by GDC employees.

1745 In this case, essentially it is the GDC employing people in the companies where they are effectively the responsibility of the Employment Service that is using the GDC to run the companies in the Future Job Strategy, which are the companies that have been identified, but it is the parent company, which really employs nobody; it is just the holding company for the others, which are the Graduate Company; the Employment Training Company; the Construction Training Company and the Supported Employment Company, which is the one which has got indefinite contracts for persons with disabilities, where Members will recall initially – I think it was in July of last year – we moved them out of the ETCL to give them the security of permanent employment.

1750 **Hon. D A Feetham:** Mr Chairman, I think we looked at this last time round, because I think I asked a question last time round, but when you look at planned... That is the European Structural Funds, isn't it?

Just to remind me, is it the intention of the Government to effectively apply for some form of grant that might contribute in relation to the... that might contribute to funding of the Future Job Strategy?

1755 **Hon. J J Bossano:** Yes, there are categories of some of the recipients which are capable of being partly funded from EU funding – for example, people who have been over a certain period of unemployed, persons who may have problems which make them difficult to find employment for. For those categories, there are opportunities to access the European Social Fund and get some money. That is initially shown in the revenue of the Employment Service. We have a figure there which is an estimate of what we think we can get – whether we get it or not remains to be seen.

1760 **Mr Chairman:** The Gibraltar Development Corporation, appendix B, stands part of the Bill.

Clerk: Gibraltar Regulatory Authority, appendix C.

1765 **Mr Chairman:** Do hon. Members have any questions?
Gibraltar Regulatory Authority, appendix C, stands part of the Bill.

Clerk: Borders and Coastguard Agency, appendix D.

1770 **Mr Chairman:** Borders and Coastguard Agency, appendix D, stands part of the Bill.

Clerk: Gibraltar Health Authority, appendix E.

1775 **Mr Chairman:** Gibraltar Health Authority, appendix E, stands part of the Bill.

Clerk: Housing Works Agency, appendix F.

Mr Chairman: Housing Works Agency, appendix F, stands part of the Bill.

1780 **Clerk:** Care Agency, appendix G.

Mr Chairman: Care Agency, appendix G, stands part of the Bill.

1785 **Hon. J J Netto:** Mr Chairman, can I ask a question about the Care Agency to the hon. Lady?
In relation to item (16), Special Care Abroad, can she provide the House with the number of individuals to whom care has been provided in the UK?

Hon. Miss S J Sacramento: Mr Chairman, there are seven.

1790 **Mr Chairman:** Any other question on the Care Agency?
Care Agency, appendix G, stands part of the Bill.

Clerk: Gibraltar Port Authority, appendix H.

1795 **Hon. D J Bossino:** Mr Chairman, under Bunkering Superintendent, I do not recall whether the Minister referred to this in his speech, but is provision made for this coming year for another Bunkering Superintendent? Is that vacancy filled?

1800 **Hon N F Costa:** Mr Chairman, it is still vacant.

Hon. D J Bossino: Mr Chairman, in that regard, can he offer an explanation? It may just be because it is rate of inflation increase or as a result of the pay review. There is an increase, I think, of something to the tune of £158,000 in Salaries; can he give an explanation for that, given that the complement of employees is exactly the same? Are you possibly also making provision for the extra post as well?

1805 **Hon. N F Costa:** Mr Chairman, yes, both things. As the hon. Gentleman, I think, remembered whilst he asked the question, the post of an Environmental Health and Safety Advisor has been filled and we are making, of course, provision for the second post of a Bunkering Superintendent.

1810 **Mr Chairman:** Gibraltar Port Authority, appendix H, stands part of the Bill.

Clerk: Gibraltar Electricity Authority, appendix I.

1815 **Hon. J J Netto:** Yes, Mr Chairman, could I ask, in relation to item (21), Health & Safety Advisors, is this something which is being outsourced outside the Government?

Mr Chairman: Is it possible to carry on with the other appendices, and then we will come back to this one?

1820 **Hon. J J Netto:** Yes, Mr Chairman. There is no problem. We can come back, as you rightly say.
But moving on perhaps to item (28), the Gibraltar Mechanical & Electrical Services Ltd, we see a substantial increase, so perhaps the Minister could provide some ideas for this figure?

1825 **Clerk:** Gibraltar Sports and Leisure Authority, appendix J.

Hon. E J Reyes: Yes, Mr Chairman, may I ask... The Payments under subsection (14) show that for this year, the same as last year, we are making only a provision of £14,000 for the Stay and Play Programme, yet in 2011-12 and in 2012-13 it has surpassed that amount; so would it not have been prudent to have increased and not just left it at £14,000?

1830 **Hon. S E Linares:** Mr Chairman, as to the first question, it is under contracted services, so therefore it is outsourced and the expenditure is here. It is definitely outsourced.

As to the second one, the GMES, is that electricity is now bought by the MOD from GMES and therefore there is –

1835 **A Member:** GEA.

Hon. S E Linares: From GEA, sorry.

1840 **A Member:** No, by the GEA. It is different to the MOD.

Hon. S E Linares: Right, from GMES. It is the ISGS. The old ISGS. Does that explain? Sorry.

1845 **Hon. J J Netto:** So, do I take it, on the second one first – because I will come back to the first one – that the increase is wholly due to the payments now to GMES, what used to be produced by the MOD, the difference between one and the other?

1850 **Hon. S E Linares:** It has been explained to me that it is either the variances of the production and the amount that it costs to produce; also that, before, it used to be the MOD's power station, which is now taken by GMES itself, and therefore now GEA buys the electricity from GMES.

1855 **Hon. J J Netto:** I am grateful, Mr Chairman, for that clarification, but going back to Health and Safety, I know we are talking about small money here and the Hon. the Minister did say that this is outsourced to someone outside the Electricity Authority, but can I ask whether the money represents one particular aspect – in terms of providing services or assistance to the Chief Executive for some particular aspects of Health and Safety or the broad [*inaudible*] of the health and management, what I would call, the duties of the Chief Executive are for the management of Health and Safety regulations?

1860 **Hon. S E Linares:** I would say it is the latter because the amount is the same; therefore, this year, for example, the amount is £11,000... the forecast outturn, you can see that the amounts are always the same.

Mr Chairman: Any other questions on the Gibraltar Electricity Authority?
Gibraltar Electricity Authority, appendix I, stands part of the Bill.
There was a question on the Gibraltar Sports and Leisure Authority.

1865 **Hon. E J Reyes:** Yes, Mr Chairman, shall I repeat again what I asked before?
I was saying under (14), the Stay and Play Programme, if one looks at the actual expenditure of 2011-12, that was £22,477, the forecast outturn this year is £19,000, and I am asking does it not look prudent enough that we have kept to the estimate of £14,000 as in the previous year, given that in the previous two years there has been an expenditure of at least £5,000 more?

1870 Why are we estimating so low? Are we cutting back on the programme, or are there any other factors involved?

1875 **Hon. S E Linares:** Mr Chairman, I can assure him that it is not a cutback of the programme at all. The fact is that the Chief Executive of the Sports and Leisure Authority has deemed it prudent to put the same amount of money. That is the explanation I can give him. It seems like he would probably have to increase by next year because, as you rightly say, the actual was £22,000... then he budgeted for... £14,000, the forecast was then... outturn was £19,000, and he seems to have budgeted again for £14,000. So...

1880 **Mr Chairman:** Any other question?

1885 **Hon. Mrs I M Ellul-Hammond:** Mr Chairman, item (27), The Sports Injury Clinic/Treatment – there is a provision of £40,000 for that this financial year. Can the Hon. Minister say by whom and where – perhaps a bit more detail on this injury clinic?

1890 **Hon. S E Linares:** No, the fact is that in (26) and (27) the Chief Executive Officer wanted to put... because it is two of our manifesto commitments and it was like a token round-off figure which he thought of putting for both heads. So the heads are open now at £40,000, which he estimated it would be for the start off, but like I said, it is a token figure at this stage and we cannot yet identify how much that is going to cost.

1895 **Hon. Mrs I M Ellul-Hammond:** And as to where this service will be provided from, does he have any further information, or by whom the service...? Will it be given by the GHA or will it be given by a private service provider; or will somebody be employed specifically for the Sports and Leisure Authority?

1900 **Hon. S E Linares:** We are looking at about three or four different options, of which some were the ones that the hon. Lady has mentioned, but we have not come to a conclusion yet as to which one will be the most efficient one and which one would be the most... or at least the least costly, and the best way we would run it. So we are at this stage. I am in discussion with the GHA and people out there who want to contribute to these schemes, and we are working to see how best we can do it at this stage.

Mr Chairman: Gibraltar Sports and Leisure Authority, appendix J, stands part of the Bill.

1905 **Clerk:** Gibraltar Culture and Heritage Agency, appendix K.

1910 **Hon. E J Reyes:** Yes, Mr Chairman, at item (26) there is an estimate been set aside for £26,000 in relation to the Promotion of Cultural Items, which incurred, last year, only a forecast outturn of £11,000. Seeing that this is more than double the amount, can the Minister give me some indication as to what are the items that are being promoted?

1915 **Hon. S E Linares:** Mr Chairman, we are looking around in different places for things like Bacarisas' pictures and other items which the Department thinks it can actually get, and therefore they have increased the amount this year because we are hoping that we will be able to retrieve all these cultural items that we believe belong to Gibraltar.

Hon. E J Reyes: Mr Chairman, is that not more fitting to be charged under (27), which is Purchase of Artworks?

1920 **Hon. S E Linares:** Yes, you could be right, but the Promotion of Cultural Items can also be construed as promoting things that we do from Gibraltar outwards, which costs money as well, and I would think that things... and it is also a head – Little Constellation – so it would be to do with the Little Constellation, although there is a head there as well, so it is in combination to do with cultural items. The three of them are more or less interlinked.

1925 **Hon. E J Reyes:** No, Mr Chairman – perhaps I can enlighten the Minister.

1930 If you look at number (27) Purchase of Artworks, the actual expenditure in 2011-12, for which I was partly responsible, was as high as £48,000, and I believe only a token provision of £1,000 has been set in the estimate because I agree with the Minister – that is an occasion where some of Bacarisas' art work came up on auction, I think it was in that case, and we grabbed it because that painting rightfully should be returned home.

But my original question was that, given that the Little Constellation has a separate estimate of £26,000... my original question was rather simple: can I have some examples, some indication of what is actually being promoted, because it says 'Promotion of Cultural Items'?

1935 **Hon. S E Linares:** Yes, Mr Chairman, and I have got here the explanation, which is the training and educational programmes which we do with Little Constellation and other entities, and this again will include the exchanges that we do with Little Constellation. Therefore, it would be artists exchanging items, and that takes... you have to travel with it, take it there and bring it back, so all these exchanges and training and educational programmes are what is the Promotion of Cultural Items.

1940 **Hon. E J Reyes:** So then, Mr Chairman, what does the £26,000, that simply says 'Little Constellation', cover?

1945 **Hon. S E Linares:** Mr Chairman, the Little Constellation is the actual exhibition which we are hoping to bring next year, which I mentioned in my Budget speech. It is also a continuous with Little Constellation, as in the membership of Little Constellation. It is a network of people, or at least countries who participate in this.

1950 **Hon. E J Reyes:** So, Mr Chairman, am I right in saying that, despite it being under (26) and (30), we are really talking of – in one shape, form or whatever – £52,000 coming under the general nomenclature of Little Constellation? Is that correct?

1955 **Hon. S E Linares:** No, I would not say that, because, for example, we are doing work with an artist from Gibraltar. She is coming to Gibraltar to do some educational programmes and training programmes, and she is bringing items that need to come to Gibraltar outside the Constellation completely.

Mr Chairman: Any other question on this item?

1960 **Hon. E J Reyes:** Yes, Mr Speaker, if I may, just on (50), under Training, there is a provision being made for £10,000, which is double the amount of the forecast outturn for last year. Does the Minister have anything that can shed a bit more light on what the training is about?

1965 **Hon. S E Linares:** Mr Chairman, most of these things, as he well knows, are to do with the Museum team, the Heritage Division, and they envisaged last year to spend £10,000 – and they did not spend £10,000; they spent £5,000 – and they are hoping this year to extend the £10,000, and even more so, because they have got the Gorham’s Cave issue and they are also wanting to promote more the Museum.

1970 **Hon. E J Reyes:** Yes, but Mr Chairman, isn’t the provision made for the Gorham’s Cave excavation and so on covered under (54)? This one says Training, so is it a question that a particular type of training is required in order to carry out work at Gorham’s Cave, or is it a more generic type of training?

1975 **Hon. S E Linares:** A more generic type within the Museum because, as there will be extra staff as well in the Museum, and therefore they will probably have to train people to do the work within the Museum.

Hon. E J Reyes: Mr Chairman, can I take you to number (58), which appears now as a new item – Conservation Services, £20,000. Can I have some light shed upon that please?

1980 **Hon. S E Linares:** Yes, this is to do with the heritage filter that we have implemented, as well as the environment filter. These will be conservation services that will need to be done when projects are submitted, so that they have to identify and look at all the heritage value of different projects. It is a separate item, which again is like a token amount – £20,000. We do not know how much it will be, but it will be on an ongoing basis to look at all projects and to make sure that – what it says – conservation is included.

1985 **Hon. E J Reyes:** Mr Chairman, given that the words say ‘Conservation Services’, am I right in deducing that these are services that are going to be contracted out for someone to carry out the task?

1990 **Hon. S E Linares:** I would suggest it is going to be someone contracted out when specialist advice will have to be procured, yes, specialist advice.

1995 **Hon. E J Reyes:** I think the Minister means well, but I want to be clear on this. He says he would suggest... No, Mr Chairman, I am not looking for suggestions; I am asking what is it being provided for? I can understand that there may be more or less expenditure – more so, being a brand new item – but is it £20,000 that is being set aside so that someone, some consultant services can be contracted? Am I right in that interpretation?

Hon. S E Linares: Yes.

2000 **Mr Chairman:** Gibraltar Culture and Heritage Agency, appendix K, stands part of the Bill.

Clerk: That concludes Clauses 6 and 7.

2005 **Mr Chairman:** Clauses 6 and 7 stand part of the Bill.

Clerk: Clause 8.

Mr Chairman: Clause 8 stands part of the Bill.

2010 **Clerk:** Clause 9.

Mr Chairman: Clause 9 stands part of the Bill.

Clerk: Clause 10.

2015 **Mr Chairman:** Clause 10 stands part of the Bill.

Clerk: Clause 11.

2020 **Mr Chairman:** Clause 11 stands part of the Bill.

Clerk: The schedule, parts 1 to 9.

Mr Chairman: The schedule, part 1 to 9, stands part of the Bill.

2025 **Clerk:** The Long Title.

Mr Chairman: The Long Title stands part of the Bill.

2030

**Mental Health (Amendment) Bill 2013
Clauses considered and approved**

2035 **Clerk:** A Bill for an Act to amend the Mental Health Act.
Clause 1.

Mr Chairman: This is the Bill to amend the Mental Health Act?

2040 **Clerk:** Yes.
Clause 1.

The Chairman: Clause 1 stands part of the Bill.

2045 **Clerk:** Clause 2.

Mr Chairman: Clause 2 stands part of the Bill.

Clerk: The Long Title.

2050 **The Chairman:** The Long Title stands part of the Bill.

2055 **Companies (Amendment) Bill 2013
Clauses considered and approved**

Clerk: A Bill for an Act to amend the Companies Act.
Clause 1.

2060 **The Chairman:** Clause 1 stands part of the Bill.

Clerk: Clause 2.

2065 **Mr Chairman:** Clause 2 stands part of the Bill.

Clerk: The Long Title.

Mr Chairman: The Long Title stands part of the Bill.

2070

**Limited Partnerships (Amendment) Bill 2013
Clauses considered and approved**

2075 **Clerk:** A Bill for an Act to amend the Limited Partnerships Act.

Clause 1.

2080 **Mr Chairman:** Clause 1 stands part of the Bill.

Clerk: Clause 2.

Mr Chairman: Clause 2 stands part of the Bill.

2085 **Clerk:** The Long Title.

Mr Chairman: The Long Title stands part of the Bill.

2090

BILLS FOR THIRD READING

2095

Appropriation Bill 2013
Mental Health (Amendment) Bill 2013
Companies (Amendment) Bill 2013
Limited Partnerships (Amendment) Bill 2013
Third Reading approved: Bills passed

2100

Clerk: The Hon. the Chief Minister.

2105

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to report that the Appropriation Bill 2013; the Mental Health (Amendment) Bill 2013; the Companies (Amendment) Bill 2013; and the Limited Partnerships (Amendment) Bill 2013 have been considered in Committee and agreed to, and I now move that they be read a third time and passed.

2110

Mr Speaker: I now put the question, which is that (1) the Appropriation Bill 2013; (2) the Mental Health (Amendment) Bill 2013; (3) the Companies (Amendment) Bill 2013; and (4) the Limited Partnerships (Amendment) Bill 2013, be read a third time and passed.

Those in favour of the Appropriation Bill 2013? (**Members:** Aye.) Those against? Carried.

Those in favour of the Mental Health (Amendment) Bill 2013? (**Members:** Aye.) Those against? Carried.

Those in favour of the Companies (Amendment) Bill 2013? (**Members:** Aye.) Those against? Carried.

2115

And those in favour of the Limited Partnerships (Amendment) Bill 2013? (**Members:** Aye.) Those against? Carried.

Hon. Chief Minister: Mr Speaker, I now propose that the House recess for 10 minutes.

2120

Mr Speaker: We will now recess for 10 minutes and on return we will deal with the Government motions.

The House recessed at 6.35 p.m. and resumed its sitting at 6.55 p.m.

2125

GOVERNMENT MOTIONS

2130

Suspension of Standing Order 19
Motion carried

Mr Speaker: The Hon. the Chief Minister.

2135

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move the motion standing in my name, which reads as follows:

“That this House approves, pursuant to Standing Order 59, the suspension of Standing Order 19 but only to the extent that at least five days, exclusive of Saturdays, Sundays and public holidays, notice is

2140 *required of the motion which has been notified by the Hon. Chief Minister on 27th June 2013, and circulated by the Clerk on 27th June 2013.*" Today.

Mr Speaker: I now put the question in the terms of the motion proposed by the Hon. the Chief Minister. Those in favour? (**Members:** Aye.) Those against? Carried.

2145

**British Gibraltar Territorial Waters
Guardia Civil attack on pleasure craft
Debate commenced**

2150

Clerk: The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, having suspended Standing Orders in that way, I now have the honour to move the motion standing in my name, which reads as follows:

2155

"This House unanimously and wholly condemns the illegal and irresponsible action of Guardia Civil officers in firing on pleasure craft in British Gibraltar Territorial Waters;

Recognises and welcomes that Minister for Europe the Rt Hon David Lidington has immediately taken the matter up with his Spanish counterpart;

2160

Welcomes the fact that the Prime Minister the Rt Hon David Cameron assured the Chief Minister of his 'staunch support' in respect of the British Sovereignty of British Gibraltar Territorial Waters; and Supports the Chief Minister's decision to write to the Prime Minister in light of the seriousness of the latest incident involving the discharge of weapons in British Gibraltar Territorial Waters, telling him that the people of Gibraltar are deeply concerned not only about the dangerous and wholly unacceptable nature of this particular incident but also about the constant stream of illegal incursions by Spanish state vessels into our sovereign territorial waters; and

2165

Calls unanimously on the Prime Minister to continue his clear and unequivocal support of the people of Gibraltar through the application of firm, diplomatic action at the highest level and, if necessary, reinforcement of the naval presence in Gibraltar so that Spain understands the seriousness of the situation and feels the true weight of British reaction to continuing violations of our sovereignty."

2170

Mr Speaker, I think this motion speaks for itself and it deals with issues that are live in people's consciousness as a result of the events which occurred last Sunday when a Gibraltar in Gibraltar waters was enjoying his particular jet-ski vessel and he came under attack by a Guardia Civil launch.

2175

I have had an opportunity of discussing the terms of this motion with the Hon. the Leader of the Opposition, and I am delighted to inform the House that this motion is put on the basis that it is an agreed motion by both sides of the House.

2180

Mr Speaker, I am conscious that the Hon. the previous Chief Minister, on the 14th October 2010, had cause to make a Ministerial Statement, where he set out the then Government's view of an incident which occurred at sea on 28th November that year within BGTW – which I will use as a shorthand for British Gibraltar Territorial Waters – and involving the Royal Gibraltar Police and the Spanish Guardia Civil.

2185

He traced, in that Ministerial Statement, 18 months of very serious incursions where the Guardia Civil had started to take executive actions in Gibraltar waters and identified the seriousness of it. It is not difficult to understand that the actions that we are talking about – when we are talking about this level of seriousness, this class of incursion and this executive action – can be traced more or less to the same time as the Spanish declaration, or attempted declaration, of a Site of Community Interest, under European law, in British Gibraltar Territorial Waters.

2190

Whatever the reason may have been, whether in 2010 or in 2013, the waters which have been demarcated, under the United Nations Convention of the Law of the Sea, as British are undeniably British for all the reasons that Members in this House know and will agree, and there is absolutely no question of it ever being legal, appropriate, proper or acceptable that a Spanish state vessel should seek to exercise any executive authority in them.

2195

The people of Gibraltar accept the right of innocent passage to a good neighbour, but what we do not accept is that a neighbour who is not so good should attempt to exercise rights in British Gibraltar Territorial Waters which are well outside the right of innocent passage.

The people of Gibraltar expect and encourage that our law enforcement agencies will work jointly with the law enforcement agencies of neighbouring states to ensure that criminality is kept under control and criminals are not able to use borders as hiding places from law enforcement officials of other states.

There is a huge amount of co-operation between the law enforcement agencies of Gibraltar and of Spain. But Mr Speaker, when there are instances where there is not a co-operation, there is actually a

2200 usurpation, or an attempted usurpation of the sovereignty of our waters by the actions that we saw on
 Sunday and the dangers that that can bring with it – in particular when individuals on the Spanish vessel
 discharge weapons in BGTW where they were not fired upon; when the person that they were pursuing
 was not involved in any criminal activity, and even if they were, Mr Speaker, they should always be
 2205 acting with the RGP in support, but worse so when there is absolutely no question of them being fired
 upon or pursuing anybody who is involved in criminal activity – it is completely and wholly unacceptable
 to this House, to every Member of it, to every citizen of Gibraltar, as it should be to every Member of
 Parliament in Westminster – and, I have no doubt, in particular to those Ministers who have responsibility
 for Gibraltar, namely the Foreign Secretary, the Minister for Defence and the Prime Minister himself –
 that this activity should have occurred.

2210 I was happy to be able to report to the people of Gibraltar, when I met the Prime Minister last week in
 London on the fringes of the G8 conference that he was organising, that I raised the issue of British
 Gibraltar Territorial Waters with him and he, once again, instinctively gave me that support that we all
 know that we have in David Cameron, of communicating to me staunch support for the defence of British
 Gibraltar Territorial Waters.

2215 Now that this has occurred, barely seven days later, the time has come for us to see action on an issue
 like this – diplomatic action, Mr Speaker, as we have seen David Lidington pursue, but even further
 because I think it is an issue that requires even the Prime Minister to take the matter up directly – and of
 course, as the motion says in its final paragraph, calling for reinforcement of the naval presence in
 Gibraltar.

2220 I think it is fair to say, Mr Speaker, that the naval assets in Gibraltar are not of the standard that most
 of us in Gibraltar would like to see, but that the naval personnel in Gibraltar are doing the best that they
 can, given the circumstances. These are people who are out on the water in difficult circumstances with
 rules of engagement, which many of us who are civilian may not be aware of, but are very strictly
 controlled through the chain of command.

2225 We are not talking about people being in a vessel able to do what they like and what they instinctively
 feel or what they emotionally might think is what they would like to see happen. We are talking about
 people who are strictly controlled by the rules of engagement under which they operate, and they, as
 much as we, need those reinforcements to be brought to Gibraltar so that the Kingdom of Spain
 2230 understands that neither Gibraltar nor Britain will accept that she continue to ride roughshod over
 international law and make the sort of incursion that we are seeing constantly, and in particular on Sunday
 with the added aggravating feature of the discharge of weapons.

Mr Speaker, in a situation like the one that we have seen develop, I am very pleased to say that I have
 been able to call on the Leader of the Opposition to agree the terms of this motion, so that this is a motion
 from the whole House. He will have an opportunity of telling us himself his views in respect of what
 2235 occurred on that Sunday.

I think it is absolutely incumbent on us, given that Parliament is sitting this week, after the events of
 Sunday, to put in a motion what I have put in a letter to the Prime Minister, so that it is recorded that this
 is the view of the whole of the elected representatives of the people of Gibraltar, meeting in their
 Parliament, considering these issues.

2240 I dare say, Mr Speaker, that there are many in the Westminster Parliament, in the Right Hon. David
 Cameron's own party, who will support the terms of this motion as much as in the Labour Party and in
 the Liberal Party. Mr Speaker, I know that we can count on their support.

2245 But when events like the event of Sunday do occur, then we need more than just support. We actually
 need to see the reinforcements come. We need to see the Prime Minister act in a way that sends a very
 clear and unequivocal message to Spain that obviously diplomatic notes – *notes verbales*, as they are
 known – have not managed to send in the past three and a half years since the incursions commenced and
 the Hon. the then Chief Minister felt it appropriate to make a Ministerial Statement to our nation in terms
 of those incursions.

2250 It is right to say, Mr Speaker, that all of us know Spain's attitude to BGTW. We all understand the
 argument that she puts in respect of, in her view, the absence of territorial waters around Gibraltar. All of
 us also take the view that that argument is completely unsustainable in law – that it is a ruse, Mr Speaker,
 an argument put simply in order to try and make sustainable that which is completely unsustainable.

2255 Chief Ministers of all political complexions have challenged Spain, if she believes that Gibraltar has
 no territorial waters because of the Treaty of Utrecht argument – that completely ridiculous argument that
 she puts – to take that to the International Court on the Law of the Sea in Berlin: never does she accept
 that challenge.

2260 Well, Mr Speaker, sending armed Guardia Civil officers into British Gibraltar Territorial Waters to
 discharge their weapons is no valid alternative for having a proper and peaceful resolution of this issue in
 a tribunal. So, Mr Speaker, I trust that the whole House will want to support this motion, will want to
 show our unity on an issue like this – even on a day as divisive as the day when we consider the

Appropriation Bill and my reply on it – because this issue is much bigger than those party-political issues. This is a Gibraltar issue, and on these Gibraltar issues we must stand together.

2265 **Mr Speaker:** I now propose the question in the terms of the motion moved by the Hon. the Chief Minister.

Hon. D A Feetham: Mr Speaker, thank you very much.

2270 Mr Speaker, the Opposition has absolutely no hesitation in supporting the motion in the name of the Leader of the House, and quite rightly: this is a time and this is an occasion in which we have to set party politics aside for the sake of national unity.

2275 This was a serious incident and it illustrates, in my view and in the view of the Opposition, the seriousness of the situation. He quite rightly points out that there have been other incidents in the past. I think that those incidents have increased in regularity over the last year-and-a-half to two years, but certainly this is something that has been brewing for some time now.

2280 I can tell the hon. Gentleman that during my time as Minister for Justice, during my time as Deputy Leader of the Opposition, during my time as Leader of the Opposition, every single time that I have either met with an official in the Convent or with officials from the United Kingdom, my position has always been that if the United Kingdom did not present a more robust position in relation to these incursions that sooner or later there would be a very serious incident that could possibly lead to serious injury or even loss of life.

2285 In relation to treatment from *bullies*... because although, as a Party, we believe in conducting our relations with Spain in a calm, mature, intelligent way, and we are always prepared to engage Spain in areas that might be of mutual interest, both to Gibraltar and also to Spain, and we have done that and our record in this respect, in our view, is second to none – we were the architects of the tripartite process and the agreements; the Cordoba Agreement that then emanated from the tripartite process – the reality is, that when you are faced with treatment that amounts to bullying you give an inch and somebody will take a mile, and we cannot afford to give an inch on something as important as the jurisdiction, sovereignty and control of Gibraltar waters.

2290 My position, every single time that I have met with those officials has been you have a duty, as the United Kingdom, to treat British Gibraltar Territorial Waters in the same way that you would treat the waters of Plymouth and Southampton, and that if this kind of incident were occurring off the coast of Plymouth and off the coast of Southampton, your reaction and the way that you would deal with this would be far more robust than the way that you are dealing with it at the present moment.

2295 I agree that, of course, as the motion calls, diplomatic action at the highest level is needed, but I believe that the time has come for the United Kingdom Government to finally send a larger asset to British Gibraltar Territorial Waters in order to act as a deterrent against these types of incursions. Therefore, I have absolutely no hesitation in supporting the action that the Hon. the Leader of the House, the Chief Minister has taken in his letter to the Rt. Hon. David Cameron.

2300 But may I say, before I finish my short intervention, that I want to congratulate as well the Royal Gibraltar Police for the very difficult work that it does in very difficult circumstances. The RGP are not there to defend the integrity, the jurisdiction or the control of British Gibraltar Territorial Waters; that is something within the jurisdiction of the Royal Navy. Very often, under very difficult circumstances, the RGP has been a thin blue line in British Gibraltar Territorial Waters, and I wish, on behalf of the entirety of the Opposition – and I am sure that it is something that the Chief Minister will associate himself with – to congratulate the RGP and the Commissioner of Police for the excellent work that both this

2305 Commissioner and indeed the previous Commissioner have done in difficult circumstances.

Thank you very much, Mr Speaker, for allowing my intervention. (*Banging on desks*)

2310 **Mr Speaker:** Does any other hon. Member wish to contribute to the motion?
If no other Member wishes to speak, I will call on the mover to reply.

Hon. Chief Minister: Mr Speaker, I am grateful for the full support of the hon. Gentleman on this important issue. He has heard me congratulate the RGP before on this issue, as I have heard him.

2315 This is an issue that I am sure we all agree on, and I would therefore propose, Mr Speaker, that we amend the motion to add at the end of it that we, as a House, congratulate the Royal Gibraltar Police, the Gibraltar Defence Police and the Royal Navy for the work that they already do in BGTW in these difficult circumstances, and I will circulate a paragraph that says exactly that, Mr Speaker. So, I propose that amendment to the motion.

2320 **Mr Speaker:** On the amendment.

Hon. D A Feetham: Mr Speaker, speaking on the amendment, the Hon. the Chief Minister is absolutely right to recognise also the work of the Boat Squadron, but in particular as well, and it was remiss of me not to mention them, the work of the Gibraltar Defence Police.

2325 I have absolutely no hesitation in agreeing to the amendment.

Hon. Chief Minister: I am grateful, Mr Speaker.

2330 In summary, Mr Speaker, I think that this is not a time for us to be looking at the detail of what we are saying. I think it is important that we all actually agree as much on the substance as we do on the detail of this, expressed one way or another.

I have the Ministerial Statement made by the previous Chief Minister to hand. He said something I think it is just worth reflecting on after something that the hon. Gentleman has said. In the middle of his Statement, he said:

2335 'In summary, over the past 18 months or so,'

– this is in October 2010 –

2340 'Spanish direct action in our waters has passed from the historical simple incursions, first to incursions coupled with the exercise of executive powers by them and now to an incursion aggravated by interference with and the prevention of the exercise by the RGP of their powers and jurisdiction, aggravated further by the threat and use of physical force against our police officers.'

2345 And that, Mr Speaker, the Hon. the then Chief Minister said was one of the key issues in leading to the... Let's just call it the suspension, without going any further, of the tripartite that would have been dealing with some of those issues. That is the importance that we have always put on the subject and I am pleased to see is something that is the position across the floor of the House.

2350 The position that the hon. Gentleman then also put, which is the one I have put... that if Spain wants to make a case in respect of these waters, she will never win it, but the place to do it is in the international court, dealing with issues of international law in a modern and serious way, and not endangering the lives of police officers, her own civil guard or of innocent users of pleasure craft, as was done this weekend.

2355 Mr Speaker, I am very grateful for everything that the hon. Gentleman has said in support of the motion put, as amended. I am grateful for his support on the amendment, and I therefore now move that the House vote – and, for the purposes of the vote, I would ask that we take a division.

Mr Speaker: In the interest of correct procedure. Let us, first of all, vote on the amendment, so that it is officially and properly incorporated into the motion.

2360 I would suggest to the Chief Minister that he might wish to have a very short recess in order to see exactly where that amendment about the Royal Gibraltar Police fits into the motion, because I do not think it fits in at the end of the motion. So may I suggest that we recess for five minutes?

Hon. Chief Minister: I think that would be very useful, Mr Speaker. Thank you.

2365 **Mr Speaker:** The House will recess for five minutes.

The House recessed at 7.15 p.m. and resumed its sitting at 7.20 p.m.

2370 **British Gibraltar Territorial Waters
Guardia Civil attack on pleasure craft
Debate resumed
Amended motion carried**

2375 **Mr Speaker:** The amendment of the Chief Minister is to amend the motion by introducing, as a second paragraph, the following:

2380 *"Congratulates the Royal Gibraltar Police, the Gibraltar Defence Police and the Royal Navy for the work they already do in British Gibraltar Territorial Waters in these difficult circumstances."*

I will put the amendment to a vote.

Those in favour? (**Members:** Aye.) Those against? Carried.

So, what is now before the House is the original motion as amended by the insertion of this new second paragraph, so any hon. Member who has not spoken on the original motion may do so now.

2385 The Hon. Mr Gilbert Licudi.

2390 **Minister for Education, Financial Services, Gaming, Telecommunications and Justice (Hon. G H Licudi):** Mr Speaker, I rise specifically as Minister with responsibility for Justice – because we now have an amended motion before us – simply to say that it is right that this House recognises the work and the contribution of the RGP and the Defence Police, including the Boat Squadron, in, as the hon. Member opposite has said, sometimes difficult circumstances, but always excelling in the protection of law and order in Gibraltar, including in our waters.

2395 They are the ones who are entrusted with the maintenance of law and order in Gibraltar, and what we cannot have is an arm or a vessel of a law enforcement agency of another state coming into Gibraltar, in whichever form – whether it is on land or on the sea in British Gibraltar Territorial Waters – and exercising any kind of jurisdiction whatsoever. That is what *our* law enforcement agencies are there for, and if there is any illicit activity happening at sea, then our law enforcement agencies will deal with them.

2400 Sometimes there will be cross-border issues in relation to any kind of illicit activity, and it is right, as the Chief Minister has said, that in those circumstances there should be proper and full co-operation between the forces. But on this occasion, in relation to the incident that we are discussing, debating today, this did not involve any cross-border issue and therefore there was no right, even if it involved cross-border issues. Law enforcement agencies of another state – the Spanish state – should exercise jurisdiction in *their* waters and in *their* waters alone. There can be no justification whatsoever for a vessel of the Spanish state to come to Gibraltar waters to exercise any kind of jurisdiction; less so to do it in the particular manner that it was done in this particular case.

2405 The Chief Minister referred to the incident as being one where the jet-ski came under attack. Those of us, all of us, who have seen the footage know that that is precisely what has happened. We would have seen a large vessel from the Spanish state weaving and turning in almost a desperate chase, within Gibraltar waters, of a jet-ski. To boot, this was not a jet-ski, quite clearly, that was involved in any kind of illicit activity – not that that would have justified intervention by the Spanish state – but this was a young gentleman enjoying a Sunday afternoon with his family. We have seen reports that, very shortly before the incident, a young girl had been the passenger on the jet-ski itself and this was simply a family affair – the enjoyment of summer around Gibraltar’s beaches, which should not be subjected, under any circumstances whatsoever, to this kind of behaviour by a law enforcement agency of another state.

2415 So it is right that we send out a clear message that this kind of behaviour cannot be permitted under any circumstances whatsoever and cannot be permitted to pass with impunity; and it is right, as we are doing today in this House, that there should be an appropriate level and the fullest level of condemnation in the strongest possible terms.

2420 **Mr Speaker:** Does any other hon. Member wish to contribute?
Does the mover want to exercise his right to reply any further?

Hon. Chief Minister: Mr Speaker, I think that we are all speaking with one voice on this issue.

2425 **Mr Speaker:** I am putting the motion to the vote.
Is a division desired?

Hon. Chief Minister: I think we decided not to.

2430 **Mr Speaker:** Ok, then. Right. I will therefore, the... I now put the question in the terms of the motion as amended, proposed by the Hon. the Chief Minister.
Those in favour? (**Members:** Aye.) Those against? Carried unanimously. (*Banging on desks*)

2435

**Gibraltar Medallion of Honour
Mr Perry Stieglitz**

2440 **Clerk:** The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move the motion standing in my name, which reads as follows:

2445 *“This House bestows the Gibraltar Medallion of Honour upon Mr Perry Stieglitz, who has served and contributed to the interests of Gibraltar and its people in an exceptional manner that is particularly worthy of recognition by this House on behalf of the people of Gibraltar and in particular, for*

services to the development of the relationship between the people of the United States of America and Gibraltar.”

2450 Mr Speaker, I think hon. Members opposite as much as hon. Members on this side of the House will be aware of the role that Mr Stieglitz has played in the development of that relationship which the motion refers to.

2455 I have had cause to know Perry since the time that I started to travel to the United Nations with the then Leader of the Opposition, Mr Joe Bossano, who had been the person who, as Chief Minister between 1988 and 1996, had involved Mr Stieglitz in the relationship of the people of Gibraltar and the United States. Therefore it is a relationship that goes back that far, to the late 1980s.

2460 I know hon. Gentlemen opposite will be aware that, in the time when the hon. backbencher was Chief Minister, he continued to work with Mr Stieglitz and was the point of contact in the United States for many years as the Head of the Gibraltar American Council. He was the person who took Chief Ministers of Gibraltar around the United... New York, in particular, at the time of visits for the United Nations etc, and therefore this year that Mr Stieglitz has retired from the leadership of the Gibraltar American Council I think is an absolutely appropriate time to recognise the work that he has done in the past 25 years by the bestowing on him of this Gibraltar Medallion of Honour in the name of all of the people of Gibraltar whose interests he so ably represented in the United States.

2465 Mr Speaker, I trust that this will be a motion that will enjoy unanimous support to show Mr Stieglitz, who is now of very, very advanced age, how much the people of Gibraltar appreciate the work that he has done.

2470 **Mr Speaker:** I now propose the question in the terms of the motion moved by the Hon. the Chief Minister.

Hon. D A Feetham: Mr Speaker, the Opposition will be supporting the motion.

2475 Perry – and I know that he will not be offended by my using his first name – was somebody who had served Gibraltar for many, many years.

I first met him in... I think it was 1990-91. I was a student at the time, coming back to Gibraltar from the United Kingdom, and I met him here in Gibraltar during the summer holidays. He was somebody who was extremely passionate about Gibraltar.

2480 I had the pleasure of working with him from 2002 to 2005 when I went to the United Nations with the former Chief Minister and Leader of the Opposition. Perry was always extremely conscientious, he was enthusiastic, he was hardworking; but above all, he was an extremely courteous man, a very courteous man, very passionate about Gibraltar.

2485 I know, having known him, perhaps not as well as the Hon. the Father of the House, who... I know that Perry was very fond of him and he was very fond of Perry. But certainly I know, from having worked with him and known him personally, that he would be absolutely delighted, over the moon, at receiving this recognition from the people of Gibraltar and we have absolutely no hesitation in voting in favour of the motion.

2490 **Mr Speaker:** Does any other hon. Member wish to speak on the motion?
The Hon. Mr Bossano.

2495 **Hon. J J Bossano:** Just to add to what has been said perhaps something that not every Member is aware of, which is in fact that the connection dates back from 1986 when the US Government invited me, when I was Leader of the Opposition, to go for a month to the United States as the guest of the US Government, because apparently the CIA had already decided we were going to win – the GSLP was going to win in 1988 –

A Member: They fixed it, then!

2500 **Hon. J J Bossano:** – and Perry, who was then in the State Department, was actually engaged to be my escort in that month, and that is how the relationship started.

So he was supposed to convince me about the merits of American capitalism in that month and I was supposed to convince him about the merits of the Gibraltarian identity and the wonderful place that the Rock was. I think I was more successful than he was, and that is why he fell in love with the Rock at the end of the month.

2505 So it is a great pleasure for me to recall the deep affection that we have for each other, born out of that month that we spent together, and that we are doing something that, in a small way, recognises his commitment to Gibraltar and to the rights of the people of Gibraltar. *(Banging on desks)*

2510 **Mr Speaker:** I call on the mover to reply.

Hon. Chief Minister: Mr Speaker, it is probably annually a feature of this particular session of the Parliament, whether it is June or July, that it becomes very acrimonious but it always ends with this sort of motion – not just on the waters, but bestowing the Medallion or the Freedom – in actually a very convivial way, and therefore I am delighted that this motion will also be supported by hon. Members opposite.

2515 If I can just... If he will allow me to jest with him: when he says that Perry will be over the moon, of course the Hon. the Leader of the Opposition does not mean Princess Moune, who is Perry's wife, as he will recall! (*Laughter*) I am sure she too will be delighted and she too deserves Perry's recognition in this way, because of course she has had to put up with the travelling that representing us has meant.

2520 I am delighted that we, *all* of the Members of this House, are therefore unanimously bestowing this Honour.

Mr Speaker: I now put the question in the terms of the motion proposed by the Hon. the Chief Minister.

2525 Those in favour? (**Members:** Aye.) Those against? Carried.

ADJOURNMENT

2530 **Clerk:** The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that the House do now adjourn *sine die*.

2535 **Mr Speaker:** I now propose the question, which is that the House do now adjourn *sine die*. I now put the question, which is that this House do now adjourn *sine die*.

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

2540 The House will now adjourn *sine die*.

The House adjourned sine die at 7.35 p.m.