



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.20 p.m. – 7.35 p.m.

Gibraltar, Thursday, 27th June 2013

The Gibraltar Parliament

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The Parliament met at 3.20 p.m.

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

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

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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.

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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.

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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.

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Clerk: The Companies (Amendment) Act 2013.

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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.

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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

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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

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.

Clerk: The Mental Health (Amendment) Act 2013.

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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.

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.

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.

275 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.

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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.

360 **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.

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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?

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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.

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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.

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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.

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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?

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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.

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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.

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Clerk: Head 3, Customs, subhead 1, Payroll.
Subhead 2, Other Charges.

Mr Chairman: Head 3, Customs, stands part of the Bill.

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Clerk: Head 4, Broadcasting, subhead 2, Other Charges.

Mr Chairman: Head 4, Broadcasting, stands part of the Bill.

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Clerk: Head 5, Income Tax, subhead 1, Payroll.
Subhead 2, Other Charges.

Mr Chairman: Head 5, Income Tax, stands part of the Bill.

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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.

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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.

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Hon. S M Figueras: I am grateful.

Mr Chairman: Head 7, Human Resources, stands part of the Bill.

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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.

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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.

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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?

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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.

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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.

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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.

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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.
Subhead 2, Other Charges. 550

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.

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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.

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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.

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Hon. S M Figueras: Sorry, Mr Chairman, there was one more item, actually, that I wanted to draw the Minister's attention to.

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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?

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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.

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980 **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?

985 **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.

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?

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1000 **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.

1005 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.

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.

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.

1715 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.

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?

1730 **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.

1735 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.

1740 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.

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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.

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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.

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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.

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.

2390 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.

2395 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.

2400 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.

2405 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.