



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**AFTERNOON SESSION: 3.00 p.m. – 4.45 p.m.**

**Gibraltar, Wednesday, 25th June 2014**

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# The Gibraltar Parliament

*The Parliament met at 3.00 p.m.*

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

[CLERK TO THE PARLIAMENT: P E Martinez Esq *in attendance*]

## PRAYER

*Mr Speaker*

## Order of the Day

**Clerk:** (i) Oath of Allegiance.

## CONFIRMATION OF MINUTES

**Clerk:** (ii) Confirmation of Minutes – the Minutes of the last meeting of Parliament, which was held on 29<sup>th</sup> and 30<sup>th</sup> May 2014.

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

*Mr Speaker signed the Minutes.*

**Clerk:** (iii) Communications from the Chair; (iv) Petitions; (v) Announcements.

## PAPERS TO BE LAID

**Clerk:** (vi) Papers to be laid – the Hon. the Chief Minister.

10 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to lay on the table the Gibraltar Annual Policing Plan 2014/2015; the Consolidated Fund Pay Settlement – Statement No. 1 of 2012/2013; the Consolidated Fund Supplementary Funding – Statement No. 2 of 2012/2013; the Consolidated Fund Reallocations – Statement No. 3 of 2012/2013; and the Statement of Supplementary Estimates No. 1 of 2012/2013.

15

**Mr Speaker:** Ordered to lie.

**Clerk:** The Hon. the Minister for Education, Telecommunications and Justice.

20

**Minister for Education, Telecommunications and Justice (Hon. G H Licudi):** Mr Speaker, I have the honour to lay on the table the Annual Report of the Gibraltar Prison Board for the year ended December 2013.

**Mr Speaker:** Ordered to lie.

25 The Chief Minister might wish to lay on the table perhaps the Employment Survey Report, which is down for the Minister of Employment.

**Hon. Chief Minister:** Mr Speaker, I have the honour to lay on the table the Employment Survey Report 2013.

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

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

35 **Minister for Tourism, Commercial Affairs, Public Transport and the Port (Hon. N F Costa):** Mr Speaker, I have the honour to lay on the table the Hotel Occupancy Survey Report of 2013 and the Tourist Survey Report of 2013.

**Mr Speaker:** Ordered to lie.

## Questions for Oral Answer

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### TOURISM, COMMERCIAL AFFAIRS, PUBLIC TRANSPORT AND THE PORT

**Q439/2014**

**Tourism and the Port –**

**Details of conferences attended by Departments**

**Clerk:** (vii) Reports of Committees; (viii) Answers to Oral Questions.  
Question 439/2014, the Hon. D J Bossino.

45 **Hon. D J Bossino:** Can the Minister for Tourism and the Port provide details of the conferences that the Departments he is responsible for has attended over the 2013-2014 financial year, with the same level of detail as set out in Table T.2 of the Gibraltar Government website?

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

**Minister for Tourism, Commercial Affairs, Public Transport and the Port (Hon. N F Costa):** Mr Speaker, the information requested by the hon. Gentleman is set out in the schedule that I now hand to him.

**Mr Speaker:** It is quite a lengthy schedule. I suggest that we continue with Question No. 440 and we can always come back to any supplementaries.



**SCHEDULE TO QUESTION NO 439/2014**

Costs with breakdown of The Gibraltar Port Authority's attendance at the Greenport Conference in Antwerp 8-10 Oct 2013 : 2013-2014 (Financial Year)

<b>Year 2013</b>	<b>Cost</b>
Conference Cost	£807.58
Flights	£220.30
Travel Expenses	£120.00
Subsistence	£152.11
Hotel	£414.90
Additional Expenses (CorporateReg IOSH)	£160.00

Costs with breakdown of The Gibraltar Port Authority's attendance at the Cape Verde Bunkering Conference 2013-2014 (Financial Year)

<b>Year 2013</b>	<b>Cost</b>
Conference Cost	£-
Flights	£1174.98
Travel Expenses	£-
Subsistence	£692.02
Hotel	£119.37
Additional Expenses	£-

Cont...

**CONT. SCHEDULE TO QUESTION NO 439/2014**

Costs with breakdown of The Gibraltar Port Authority's attendance at the Platts Bunker Fuel conference Barcelona 4-5 Dec 2013 : 2013-2014 (Financial Year)

<b>Year 2013</b>	<b>Cost</b>
Conference Cost	£675.00
Flights	£776.20
Travel Expenses	£-
Subsistence	£401.83
Hotel	£778.03
Additional Expenses	£-

Costs with breakdown of The Gibraltar Port Authority's attendance at 35<sup>th</sup> Intl Bunkering Conference Copenhagen 1-4 april 2013 : 2013-2014 (Financial Year)

<b>Year 2013</b>	<b>Cost</b>
Conference Cost	£2324.56
Flights	£880.00
Travel Expenses	£-
Subsistence	£-
Hotel	£127.70
Additional Expenses	£-

Costs with breakdown of The Gibraltar Port Authority's attendance at the FEMIP Conference Athens 16-18 April 2013 : 2013-2014 (Financial Year)

<b>Year 2013</b>	<b>Cost</b>
Conference Cost	£-
Flights	£458.00
Travel Expenses	£46.65
Subsistence	£-
Hotel	£587.64
Additional Expenses	£-

Costs with breakdown of The Gibraltar Port Authority's attendance at the Axelrod Energy Projects World Fuel Summit 9-11 May 2013 : 2013-2014 (Financial Year)

<b>Year 2013</b>	<b>Cost</b>
Conference Cost	£2470.22
Flights	£244.30
Travel Expenses	£168.64
Subsistence	£162.96
Hotel	£715.63
Additional Expenses	£-

Cont...

**CONT. SCHEDULE TO QUESTION NO 439/2014**

Costs with breakdown of The Gibraltar Port Authority's attendance at the Miami Management Disaster Seminar 29 Apr-3 May 2013 : 2013-2014 (Financial Year)

<b>Year 2013</b>	<b>Cost</b>
Conference Cost	£-
Flights	£-
Travel Expenses	£-
Subsistence	£112.09
Hotel	£-
Additional Expenses	£-

Costs with breakdown of The Gibraltar Port Authority's attendance at the Med Coastguard Conference 26-28 June 2013 : 2013-2014 (Financial Year)

<b>Year 2013</b>	<b>Cost</b>
Conference Cost	£
Flights	£180.50
Travel Expenses	£110.60
Subsistence	£114.28
Hotel	£192.00
Additional Expenses	£-

Costs with breakdown of The Gibraltar Port Authority's attendance at the Aracon 2-5 October 2013 : 2013 : 2013-2014 (Financial Year)

<b>Year 2013</b>	<b>Cost</b>
Conference Cost	£1520.12
Flights	£596.00
Travel Expenses	£558.90
Subsistence	£365.50
Hotel	£1028.24
Additional Expenses	£-

Costs with breakdown of The Gibraltar Port Authority's attendance at the London Shipping Week 9-13 Sept 2013 : 2013-2014 (Financial Year)

<b>Year 2013</b>	<b>Cost</b>
Conference Cost	£-
Flights	£-
Travel Expenses	£21.10
Subsistence	£374.00
Hotel	£679.00
Additional Expenses (Corporate Dinner)	£205.37

Cont...

**CONT. SCHEDULE TO QUESTION NO 439/2014**

Costs with breakdown of The Gibraltar Port Authority's attendance at the Gibraltar London Day 2013-2014 (Financial Year)

<b>Year 2013</b>	<b>Cost</b>
Conference Cost	£
Flights	£
Travel Expenses	£
Subsistence	£149.64
Hotel	£
Additional Expenses	£

Costs with breakdown of The Gibraltar Port Authority's attendance at the IBIA Singapore Bunkering Conference and visit to Hong Kong 4-7 Nov 2013 : 2013-2014 (Financial Year)

<b>Year 2013</b>	<b>Cost</b>
Conference Cost	£1780.00
Flights	£6037.20
Travel Expenses	£-
Subsistence	£1909.12
Hotel	£1571.82
Additional Expenses (Sponsorship of IBIA Conference)	£5220.00

Costs with breakdown of The Gibraltar Port Authority's attendance at the IBIA Annual Dinner London February 2014 : 2013-2014 (Financial Year)

<b>Year 2013</b>	<b>Cost</b>
Conference Cost	£600.00
Flights	£1023.20
Travel Expenses	£336.41
Subsistence	£283.10
Hotel	£2160.00
Additional Expenses (Intl Bunker Assoc. Annual Fee)	£350.00

Cont...

**CONT. SCHEDULE TO QUESTION NO 439/2014**

Costs with breakdown of The Department of Consumer Affairs attendance at the Trading Standards Institute Conference in 2013-2014 (Financial Year)

<b>Year 2013</b>	<b>Cost</b>
Conference Cost	£513.60
Flights	£564.00
Travel Expenses	£41.50
Subsistence	£146.70
Hotel	£1020.00
Additional Expenses (Bank Charges)	£20.00

Costs with breakdown of Gibraltar's attendance and participation at the Red Ensign Conference from 14<sup>th</sup> to 16h May 2013

	£
Year	Costs:
Flights	4,610.87
Hotels	958.95
Subsistence	601.72
Courier (Bell)	165.17

Costs with breakdown of Gibraltar's attendance and participation at the Gibraltar Superyacht Forum on 6<sup>th</sup> June 2013

	£
Year	Costs:
Attendance, participation and event sponsorship	2,500.00

Costs with breakdown of Gibraltar's attendance and participation at the Future of Superyachts Forum in Palma de Mallorca from 18<sup>th</sup> to 19<sup>th</sup> June 2013

	£
Year	Costs:
Flights	163.00
Hotels	535.50
Subsistence	305.41
Delegate Participation	560.00

Cont...

**CONT. SCHEDULE TO QUESTION NO 439/2014**

Costs with breakdown of Gibraltar's attendance and participation at the 2<sup>nd</sup> Annual World Congress of Ocean 2013 in China from 21<sup>st</sup> to 26<sup>th</sup> September 2013

Year	£ Costs:
Flights (x 2)	2,439.00
Delegate participation & Accommodation (x 2)	2,580.00
Taxis	25.65
Vaccination (x 2)	204.00

Costs with breakdown of Gibraltar's attendance and participation at the Global Superyacht Forum 2013 in Amsterdam from 17<sup>th</sup> to 21<sup>st</sup> November 2013

Year	£ Costs:
Flights	309.00
Hotels	336.00
Subsistence	554.79
Delegate Participation	971.70

Costs with breakdown of Gibraltar's attendance and participation at the German Ship Owners Association in Hamburg from 12<sup>th</sup> to 15<sup>st</sup> February 2014

Year	£ Costs:
Flights	241.57
Hotels	327.50
Subsistence	173.51
Subsistence	22.00

**SPORTS, CULTURE, HERITAGE AND YOUTH**

**Q440/2014**

**City Fire Brigade –  
Waterport Power Station fire; details of foam used**

**Clerk:** Question 440, the Hon. Mrs I M Ellul-Hammond.

55 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, can the Minister with responsibility for the Fire Brigade say how much foam the City Fire Brigade used in the Waterport Power Station fire of Sunday 20th April 2014, whether they had enough and if any extra foam was needed from the Defence Fire Service and if so, how much was used?

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

**Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Mr Speaker, the total foam 'concentrate' (foam liquid before being mixed with water) used by the City Fire Brigade was 450 litres. An additional 1,325 litres were deployed by the Defence Fire Service for their foam appliance at the incident.

65 The City Fire Brigade has a total availability of 73,200 litres of medium expansion foam and an additional 16,250 litres of Hi-Ex foam, giving a total foam stock of 89,450 litres.

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

70 Could the Hon. Minister say why the Defence Fire Service was deployed to use their foam and not the City Fire Brigade, and tap into their stock as he said of 89,450 litres?

**Hon. S E Linares:** Mr Speaker, in an incident like that, what happened was that they needed more foam to be squirted or at least thrown into the incident, and therefore as a resilient measure, what they do is call on the Defence Fire Service who have the appliances.

75 The foam can be supplied by the City Fire Brigade and so they were there to aid the City Fire Brigade in the incident; it does not mean that we went to ask for their stock. We had enough stock, as can be seen from the figures, but they come along because they have got appliances which can be used and deployed in the incident.

**Q441/2014**

**Victoria Stadium –  
Installation of seating in stands; cost**

**Clerk:** Question 441, the Hon. E J Reyes.

80 **Hon. E J Reyes:** Mr Speaker, can the Minister for Sport provide details of the cost to install seats at the stands pertaining to the Victoria Stadium football pitch?

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

85 **Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Mr Speaker, the total cost for the supply and installation of the seats for both spectator stands at the Victoria Stadium main pitch was £29,143.30. This included a number of spare parts to ensure proper and regular upkeep of these seats.

90 **Hon. E J Reyes:** Sorry Mr Speaker, the Minister has just said for both. What does he mean by both? By both, I understand more than one. Can he please enlighten me on that issue?

**Hon. S E Linares:** Yes, Mr Speaker.

95 As he well knows there is the East Stand and the West Stand and so the answer is for both spectator stands. You asked for the total, which is the football pitch, and I am just stating that it is in the east and the west, being both.

**Hon. E J Reyes:** Thank you, Mr Speaker, that does clarify the matter.

100 Then I think the... or, I know that the Minister also said that includes some maintenance. Can he elaborate a bit further on the details of maintenance? What does it actually entail?

**Hon. S E Linares:** Mr Speaker, that is the question he has put in Question 442, which I will answer later on. It is not relevant to this question. I can answer it, but then I will be answering the next question.

**Q442/2014**

**Victoria Stadium –  
Cleaning and upkeep of seats; details**

**Clerk:** Question 442, the Hon. E J Reyes.

105 **Hon. E J Reyes:** Can the Minister for Sport provide details of what maintenance programme is in place for the cleaning and upkeep of seats pertaining to the Victoria Stadium football pitch?

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

110 **Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Mr Speaker, the Gibraltar Sports and Leisure Authority has a contract with a cleaning company that is entrusted with the regular cleaning of all auxiliary facilities, which includes the main pitch spectator stands and seats.

115 General upkeep, whenever possible, is carried out directly by the GSLA staff members, including any necessary replacement of broken seats for which spares were acquired at the time of the initial supply and installation contract.

**Hon. E J Reyes:** So, Mr Speaker, referring back a little bit to Question 441 as well, the supplier, who for £29,143 supplied the seats, and the Minister mentioned that there was something involved as well in the maintenance... given that the GSLA has contracted out for cleaning, and I take it from the answer that the GSLA, where possible from its spares, would repair the seats, what does the supplier actually do in respect of maintenance then?

**Hon. S E Linares:** Mr Speaker, the supplier supplies the seats and therefore what we got was a contractor that puts the seats, and that was the total cost which is the supply of the seats. They placed the seats and that is it. The seats are then maintained by the GSLA, having extra seats to replace, and so there is no maintenance contract with the supplier. The supplier just supplies the seats. We place them and then the GSLA maintains them.

**Hon. E J Reyes:** Mr Speaker, if I may inform the Minister further, one of the reasons for posing this question is as a regular attendee at the Stadium, I noticed, having sat there on the main stand on the western side for a weekday match, that unfortunately some spectators had not been the tidiest of people and had spilled drinks, especially the fizzy drinks that when they dry up tend to leave a very sticky seat and so on. Yet, however, it was three or four days later by the time I went to the next match at the weekend, I noticed, those same seats were still in the same unusable condition.

Would the Minister please take it upon himself to ensure that other than the sweeping up... I know that seems to be done in a rather satisfactory manner because a lot of sunflower seeds, ends and so on are left there and they seem to be cleaned out quite regularly, but the actual seats, a fair number of them, were unusable for a number of days. So can the Minister please give an assurance, not just to me, but all regular spectators in the stadium, that it will be closely monitored for ensuring that the highest level possible of cleanliness is being maintained?

**Hon. S E Linares:** Yes, Mr Speaker, I will go even further. If they are not doing their job properly, they will be called in and asked why they are not doing their job properly.

I completely agree with the hon. Gentleman that if those seats are not maintained, as they should be, that some managers or the facilities manager should make sure that they are. So, yes, I will go back to them and ask why they were not cleaned on the days... if the hon. Member can give me the dates. I will go back and ask them why they were not cleaned on those dates. You are absolutely right, that is what the cleaning company is there for, and if they are not doing their work properly, then the management should take it up with the cleaning company that they do so.

**Hon. E J Reyes:** Thank you, Mr Speaker.

That is good to hear. Whilst we are on the subject, can I also inform the Minister, and I think all spectators will agree, there has been a certain level of improvement now in respect of spectators watching mainly football games because the Gibraltar Football Association is actually now providing what is called a 'match delegate' – you see from his vest that he has got the word 'delegate' written – who has even helped to control the abusive language coming from spectators. The match delegate has taken some action. However, the match delegate has informed me that he is not the landlord and therefore has no authority to try and curtail the...at the moment not very frequent, but I suspect that as time goes by it will increase. There are people who are not being as friendly towards the installation of the seats as possible and they tend to walk on the seats, rather than walk on the path provided and so on.

One of the common comments amongst spectators is that perhaps if GSLA staff have a physical and visible presence of them along the stands, it might help to curtail this. It is the same as a police officer, in that his presence helps to prevent a crime happening rather than just being a detective to try to verify it, because there are very few cases, but some seats are already not in an ideal condition for sitting upon as they have been cracked. They have been badly used and kicked about. So I would like to work together with the Minister in ensuring that we look after our facilities in the best manner possible.

**Hon. S E Linares:** Yes, Mr Speaker, I think we are again singing from the same hymn sheet here. I would ask the hon. Member that whenever he sees or is speaking to the delegate, that he also speaks to the management of the GSLA, like I will, in order for the presence of the employees of the GSLA are there so that the seats and everything is policed as it should be.

So, yes, I am quite happy and I would suggest that whenever the hon. Member sees this, that he approaches one of the managers there and tells them, like I will if I see it or... and I will report then what the hon. Member is just saying.



**Q443/2014**  
**New power station –**  
**Reclaimed site; details**

**Clerk:** Question 443, the Hon. J J Netto.

**Hon. J J Netto:** Mr Speaker, further to the answer to Written Question 79/2014, can the Minister for Utilities please provide the approximate cost for the reclaimed site for the new power station and the name of the company which will be doing this aspect of the works?

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

**Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Mr Speaker, the answer remains the same as that of my answer to Written Question 79/2014.

**Hon. J J Netto:** Mr Speaker, I have not got with me right now my previous question, but I recall – and please correct me if I am mistaken – that what he said before was that the award had not taken place, but I think he gave me a date in which the works would commence, which would be at the end of this particular month. Therefore, if that is correct and work is going to commence at the end of this month, I am sure that by now there must be a company who has been awarded the particular works and what will be the approximate cost. Has anything not changed in relation to that and he cannot provide a figure?

**Chief Minister (Hon. F R Picardo):** Mr Speaker, in order to try and assist the hon. Gentleman, because I think we have been through this issue before and he knows that this is an important project that is dealt with not just by the hon. Member but also by my office, what we have said before is that the reclamation will be dependent on which option is chosen for the power station. We cannot say more obviously, because the issue has not yet been announced publicly.

Therefore by giving details of the reclamation, we would in effect be giving an indication of which options are being chosen for the particular power station; but, as he himself has indicated in his question, we have said that it is likely that there will be an announcement towards the end of this month and then he will have more detail by then.

**Hon. J J Netto:** Mr Speaker, what I do not seem to understand, given that the Minister for Utilities already indicated that works will commence by the end of this month in relation to the reclamation site of the power station, it seems logical to assume therefore that a company has already been awarded at least those aspects of the work, and if a company has been awarded, we should be able to know which particular company it is and what is the approximate cost for those aspects of the reclamation works.

**Hon. Chief Minister:** He is right, Mr Speaker, that he does not seem to understand. He is also right, Mr Speaker, to say that he is making assumptions. He starts his question by prefacing that he assumes, and as I often say to him, when he says that, to assume makes an ass of you and me in many ways, in the lexicon of the English language.

Mr Speaker, what I have said is that by disclosing details of the reclamation, we would perhaps be giving an indication publicly of an award of a tender that is not yet something that can be announced publicly for the reasons he himself has indicated, because the date is likely to be towards the end of this month. So all I am saying to him, Mr Speaker, is he has got to wait a little bit more and then he will have all the information. It is just a question of the Government being able to make the announcement at a particular time.

This is a European tendering process that we are talking about in respect of the power station and the reclamation is linked to it; therefore we have to make sure that we scrupulously follow the rules.

**Hon. D A Feetham:** Mr Speaker, is the Chief Minister saying that they have in fact identified – if not allocated already – the tender in relation to the land reclamation, but that he is not in a position to identify who the successful tenderer is or who has been identified to do that work, because to do so would indirectly identify who is the preferred bidder in relation to the power station because the land reclamation will be influenced by the bid? Is that the position?

**Hon. Chief Minister:** Mr Speaker that is what I have said.

**Mr Speaker:** Next question.

**Q444/2014**  
**New power station –**  
**Imported generators; costs involved**

230 **Clerk:** Question 444, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, further to the answer provided to Question 354/2012, does that figure include... 2014, I beg your pardon – does that figure include the overall cost associated with the temporary generators, including the cost of transport, maintenance and running costs, or is it just the cost of purchasing or hiring those generators?

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

240 **Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Mr Speaker, no sir. The figure provided includes the overall costs *inclusive* of transport and running costs. An additional £49,745.80 will include the maintenance and repair costs.

**HEALTH AND THE ENVIRONMENT**

**Q445/2014**  
**World Health Organisation Report –**  
**La Linea air quality; assessment**

**Clerk:** Question 445, the Hon. J J Netto.

245 **Hon. J J Netto:** Mr Speaker, further to the answer given to Written Question 109/2014, has the Government or the Department of the Environment raised the matter with any European Union officials, and is the Government or the Department of Environment conducting any assessment or assessments as a result of the World Health Organisation Report in relation to the fact that La Linea happens to have the worst air quality in Spain and how this may be affecting the health of Gibraltarians?

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

**Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, the Government has not raised this matter with any European Union official.

255 **Hon. J J Netto:** Mr Speaker, could I ask the Hon. Minister whether he thinks the report of the World Health Organisation is significant in order to arouse an analysis by him or his Department in relation to this matter?

260 **Hon. Dr J E Cortes:** Certainly Mr Speaker, I think that is a perfect legitimate supplementary.  
The Government has raised the matter with its appointed air quality consultants, Ricardo-AEA, who advise that while the WHO Report does show that La Linea has the highest concentrations of PM2.5 within the Spanish cities analysed, these levels are still below the legislative thresholds for human health contained within the EU Air Quality Directive. These are 25 micrograms per metre cubed to be met by 2015 and 20 micrograms per metre cubed as from 2020. La Linea is reported as having a figure of 18.  
265 Gibraltar's annual mean was 15 in 2012 and this figure has always been below the 20 micrograms per metre cubed since monitoring began.

Given that the levels are well within the compliance thresholds, there is nothing to be gained by raising the matter at any other level; nevertheless, Government recognises that PM2.5 is a pollutant and therefore continues to monitor the situation and to work to improve local air quality.

**Q446-447/2014**  
**Eco Wave Power –**  
**Purchase of electricity; tariff rates**

270 **Clerk:** Question 446, the Hon. J J Netto.

**Hon. J J Netto:** Mr Speaker, can the Government state if the cost of \$5 million to build the buoy floaters in order to produce electricity from sea waves, and its corresponding infrastructure (as quoted in the Bloomberg Article of 16th June 2014) will be paid by the Government or the company, and if this is to be paid by the Government, will it come from the consolidated fund or from what other entity?

**Clerk:** Answer the Minister for Health and the Environment.

280 **Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, I will answer this question together with Question 447.

**Clerk:** Question 447, the Hon. J J Netto.

285 **Hon. J J Netto:** Mr Speaker, can the Government provide the tariff rates that will be charged by Eco Wave Ocean Power Plant Company Limited to the Government during the 25-year contract entered, and whether there is a stipulated monthly or otherwise amount of energy that the company needs to produce and sell to the Government?

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

**Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, the costs of building the buoys and associated infrastructure will be met by the company, Eco Wave Power. The tariff rates are commercially sensitive and therefore this information will not be provided in public.

295 **Hon. J J Netto:** Will the Government provide it privately or confidentially?

**Hon. Dr J E Cortes:** Mr Speaker, if the hon. Member requests this, I will provide that information.

**Hon. J J Netto:** I am grateful Mr Speaker.

**Q448/2014**  
**Commonwealth Park –**  
**Maintenance contract**

300 **Clerk:** Question 448, the Hon. J J Netto.

**Hon. J J Netto:** Mr Speaker, can the Minister for the Environment please say which company has obtained the maintenance contract of the new Commonwealth Park and what is the annual cost to the contract?

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

310 **Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, the maintenance contract has been awarded to the management company that runs the Botanic Gardens, Wildlife (Gibraltar). There were three tenders submitted; the other two were non-compliant. The annual cost of the maintenance contract is £160,916.69.

**Hon. J J Netto:** Sorry, could the Hon. Minister mention the figure again? I did not get that.

315 **Hon. Dr J E Cortes:** £169,916.69, Mr Speaker.

**Mr Speaker:** £160 –

**Hon. Dr J E Cortes:** £160... sorry, I beg your pardon – £160,916.69.

320 **Hon. J J Netto:** Mr Speaker, could the Hon. Minister provide the names of the two other companies that actually put in a bid?

325 **Hon. Dr J E Cortes:** Mr Speaker, I cannot provide that in this forum because obviously there will be issues to do with the non-compliance with which I am not familiar and I do not think it would be proper for those two other companies that submitted.

**Hon. S M Figueras:** Mr Speaker, could the Hon. Minister say how the other two companies were non-compliant?

330 **Hon. Dr J E Cortes:** Mr Speaker, no. I was not part of the tender process and therefore I am not aware. I do not even know for certain which those companies are. That is something that we would have to have notice and I am not sure whether we would be able to provide that information. It is a tender process that I have not been involved in personally.

335 **Hon. S M Figueras:** Mr Speaker, I note from some pre-emptive research that the Hon. Minister for the Environment was, until some time ago, a 60% shareholder in Wildlife Gibraltar Limited. Can the Minister now confirm that he no longer has any interest in the company?

340 **Mr Speaker:** I do not see how that arises from the matter that we are dealing with. What has that got to do with the Commonwealth Park? Does it have to do with Commonwealth Park? Yes.

345 **Chief Minister (Hon. F R Picardo):** Mr Speaker, on a Point of Order, if the hon. Member had an interest in that company, the rules require him to disclose that before answering the question. Given that he did not, the House is entitled to believe that he had no such interest given, in particular, the hon. Member's pre-emptive research, as he referred to it – not that most people need to do any pre-emptive research to know that John Cortes was involved with the Alameda Gardens before he was a Minister.

350 **Hon. D A Feetham:** Mr Speaker, I do not think that the House can assume anything of the sort. That the House can just simply assume what the Chief Minister has said, simply because of... it just does not follow. But, Mr Speaker, I do not think it is a proper Point of Order.

355 Mr Speaker, this supplementary – (*Interjection*) It does arise out of it, because the answer is Wildlife... the Hon. the Minister was a shareholder of this particular company until very recently and my understanding is that the question talks about interest, and of course that interest can involve an interest in trust as well as a direct interest if it were a shareholding.

**Hon. Dr J E Cortes:** Mr Speaker, I have no problem in presenting the facts. Even though I was a shareholder of the company for many years through two Administrations, I must point out that I never took any director's fees and only the salary that the Hon. Mr Netto approved for me.

360 I have taken no active part in the running of the company since I was elected. I retired on Election Day on hearing the result of the Election and I resigned some time ago. The paperwork has been completed relatively recently, but I am no longer a shareholder of that company. I thought it was only right that I should point that out, even though I have no –

365 **Mr Speaker:** May I remind hon. Members, of course, that there is such a thing as a Register of Members' Interests and that before raising matters here, they can direct their attention to that particular Register. Then, having regard to the information entered there, they may or may not raise the matter here. That would be the proper procedure to do in the first place.

370 **Hon. Dr J E Cortes:** Mr Speaker, if I may assist, I had declared that interest on election and I have subsequently written to the Clerk to advise him of the fact that I had resigned. The Clerk will have that information. (*Banging on Desks*)

375 **Hon. S M Figueras:** Mr Speaker, in relation to the point that the Chair raises in respect of the Register, the purpose of the question was to elicit confirmation from the Hon. Minister that there was no indirect interest that may not have been present in the Register. I do note that the Register had reflected that interest and take the Minister's confirmation that that is no longer the case given that he has no direct interest in the company any more.

380 Mr Speaker, perhaps I am going to take... I am actually going to take further counsel in relation to the next supplementary if perhaps the Speaker would indulge me just for a moment? Thank you.

**Hon. D A Feetham:** Mr Speaker, I am not prone to pussy-footing around in these things.

Mr Speaker, can I ask the hon. Gentleman directly, does he hold any interest at all in this particular company on trust? He may not be a shareholder – he has said so and of course I accept – but are any of the shares in this particular company held on trust for the hon. Gentleman? That is the question.

**Hon. Dr J E Cortes:** No, Mr Speaker. These are intricate legal points, but, no. I am not sure whether I understand fully the question, but it is not being held for me on trust in any kind of understanding that the day I cease to be a Minister it will be given back to me or anything like that. I resigned them totally, because even though I have had no interest – and I think the hon. Members opposite know me well enough to know that I am above that sort of thing – I did not think that it would be correct for me to continue to be a shareholder with a company that has Government contracts. Therefore I resigned.

**Hon. D A Feetham:** So therefore, Mr Speaker, there are no arrangements in place at all – I think he has said this, but I just want him to confirm this – for the hon. Gentleman to resume being a shareholder of this particular company upon him ceasing to be a Government Minister.

**Hon. Dr J E Cortes:** No, Mr Speaker. That was my instruction to my lawyers. If they have not carried them out, I can categorically tell the House now that I have no intention of assuming that role in the future.

**Q449/2014**  
**Care Agency staff –**  
**TUPE transfer; details**

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

**Hon. Mrs I M Ellul-Hammond:** Mr Speaker, further to Written Question 120 can the Minister for Health explain the set-up of the clinical Care Agency personnel who became GHA staff after a TUPE transfer on 11th November 2013, and which establishment of the Estimates Book they will be reflected in and where their salaries will come from?

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

**Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, the transferred staff are Gibraltar Health Authority employees under the Medical (Gibraltar Health Authority) Act 1987, deployed to the Elderly Residential Services of the Care Agency. During the period while they are deployed, the employees are subject to the management and direction of Elderly Residential Services of the Care Agency.

The staff are reflected in the Care Agency appendix of the Estimates Book which is where their salaries are reflected, and before anybody asks, Mr Speaker, I have no shares in the Care Agency. (*Banging on Desks*)

**EQUALITY, SOCIAL SERVICES AND THE ELDERLY**

**Q450/2014**  
**Social Services –**  
**Vacancies for senior care workers**

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

**Hon. Mrs I M Ellul-Hammond:** Mr Speaker, can the Minister for Social Services say when the senior care worker vacancies will be filled on a permanent basis?

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

**Minister for Equality, Social Services and the Elderly (Hon. Miss S J Sacramento):** Mr Speaker, as the hon. Lady is already aware, there is a review of the Residential Services and until the review is completed, current vacancies will continue to be covered as present.

**Hon. Mrs I M Ellul-Hammond:** Mr Speaker, can the Minister confirm is this the review that started from when she took office and does she have an idea of when the review will end?

430 **Hon. S J Sacramento:** Mr Speaker, it is a continuous review. It is somewhat different to an initial review that was undertaken because initially there was a review for particular purposes and now there is a review in relation to staff and staffing structures.

435 This review is very in-depth. Every single member of staff of the Residential Services is being spoken to. I understand that we are not yet 50% of the way in relation to speaking to the staff now with the summer break with lots of people being on leave. I envisage that this will probably be ready by the autumn, but I cannot categorically state. It all depends on how quickly the team can get to speaking to the staff.

**Q451/2014**  
**Dr Giraldi Home –**  
**Plans to relocate to the Mount**

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

440 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, can the Minister for Social Services say if there are plans to move the Dr Giraldi Home from its present location to the Mount?

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

445 **Minister for Equality, Social Services and the Elderly (Miss S J Sacramento):** Mr Speaker, the matter is being discussed generally, but there are no specific plans.

**Hon. Mrs I M Ellul Hammond:** Mr Speaker, can the Hon. Minister say if it is being looked at to move the Dr Giraldi Home at all from its present location?

**Hon. S J Sacramento:** Mr Speaker, as I have just said, it is being looked at generally.

**Q452/2014**  
**Care Agency –**  
**Subcontracted care workers; details**

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

455 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, can the Minister for Social Services state what the terms and conditions are for care workers subcontracted from private care providers, such as ADA Company Ltd and Grand Home Care, who undertake work for the Care Agency in terms of contract length, rates of pay and facilities?

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

460 **Minister for Equality, Social Services and the Elderly (Miss S J Sacramento):** Mr Speaker, these contractors are private companies and they are required to conform with the statutory employment conditions that apply to all employers.

465 **Hon. Mrs I M Ellul-Hammond:** Mr Speaker, can the Hon. Minister confirm if it is the Care Agency that actually sets up these contracts for the individuals?

**Hon. Miss S J Sacramento:** Mr Speaker, I think I have already answered that question. This is something that is subcontracted and care workers are employed by their employer – their employer being the subcontractor.

**TRAFFIC, HOUSING AND TECHNICAL SERVICES**

**Q453/2014**

**George Jeger House and Portmore House –  
Provision of an additional lift**

**Clerk:** Question 453, the Hon. E J Reyes.

**Hon. E J Reyes:** Mr Speaker, can the Minister for Housing confirm if his Ministry has any plans to provide an additional lift to service George Jeger House and Portmore House at Glacis Estate?

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

**Minister for Traffic, Housing and Technical Services (Hon. P J Balban):** Mr Speaker, the matter remains under review with technical issues being the reason why a further lift has not been added to these blocks. The original works were undertaken by the GSD Administration, who are the ones responsible for only one lift being installed in each block at the time.

**Hon. E J Reyes:** Mr Speaker, can I simply add a personal appeal to the Minister? Given that this lift has to service 85 flats, of which unfortunately the residents there are getting older by the day and not younger, would he please take a personal interest and do everything possible to try and alleviate the situation, because unfortunately as the Minister provides me monthly details, the lift breakdowns and so on are unfortunately a rather common occurrence?

It does mean that some elderly tenants end up being housebound for quite a while and some have even had to cancel doctor's appointments because of the non-mobility and lack of lift at that time. So a second lift, if at all possible, would greatly enhance the quality of life for our residents there. Irrespective of any political allegiance, I am making this personal appeal.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I am grateful for that from the hon. Gentleman. If I may say so and inform the House, the Hon. the Minister for Housing has been an advocate for the addition of these lifts for some time and we are in fact in the process of trying to ensure that none of the technical issues that have been raised will prevent us from being able to deliver on this issue for the people of both Portmore House and George Jeger House.

Can I just ask him – I know that he is not here to answer questions – but why is it that they did not install two lifts in that area at the time that they were in Government, because frankly it would have made sense to do so at the time it seems to us? He can answer, if he wishes, or not.

**Hon. E J Reyes:** Mr Speaker, yes, if I had been Minister for Housing at the time, perhaps I would have had some information. *(Laughter)* I do not have it with me. *(Interjections)* So, it is not that I am trying to shy away from answering, but I would need notice of that question. *(Laughter)*

**Hon. Chief Minister:** I am extraordinarily grateful to the hon. Gentleman for that candid response and given that the man who was Minister for Housing is sitting to his right, I am surprised *(Laughter)* that he is not able to obtain the information.

But I will write to him so that he can then, I hope, confirm to us why it was that they made the decision at the time, which they appear to be so against now, given that the problems that he is raising are problems which arise from their decision making. They are problems which arise from the fact that they only installed one lift. They are problems that we are going to resolve and they are problems that may cost more now than if they had done them. But he shall have my letter asking him for a full and frank answer to one of the things he appears to have changed his mind about now. **(A Member: Hear, hear.)** *(Banging on desks)*

**FINANCIAL SERVICES AND GAMING**

**Q454/2014**

**Minister's travelling expenses –  
Trips undertaken; details**

**Clerk:** Question 454, the Hon. D J Bossino.

515 **Hon. D J Bossino:** Mr Speaker, further to Question 398 of 2014, can the Minister for Financial Services confirm that the information sought in this question is now fully set out in the Government website, as he alleged was the case when he provided his answer in Parliament?

**Clerk:** Answer, the Hon. the Minister for Financial Services and Gaming.

520 **Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, yes, sir.

**Hon. D J Bossino:** Mr Speaker, the hon. Member will recall that on the last occasion that I asked this question, which was in the last sitting, he said that the information was in the website at the time.

525 When I carried out... and I dutifully sat down and did not ask any supplementaries, following the Rules of the House, which is that information which is publicly available ought not to be the subject of a question in the House, and I thought that the relevant page on the website had been updated with the information which I sought. But in fact when I did, during the course of the lunch break, have a look at what was available on line, it in fact did not contain the information. Can the Minister confirm that this is in fact the case?

530 **Hon. A J Isola:** No, Mr Speaker. When the hon. Member asked the question last time, I was informed by those in the office who deal with posting the information on the website that it was in fact on the website, and hence the answer given.

535 When I checked the website myself, as he did, I discovered that some elements of it had not been updated and some had. Therefore, the answer would be, to be accurate, that part of it was and part of it was not.

540 **Hon. D J Bossino:** Mr Speaker, it was not just a question of updating information. It was a specific question which I asked which related to who attended with him – that information was not on the website. It is not a question of updating. It is a question of that information not being publicly available as he in fact told me at the last sitting of the House. So maybe he should have a word with his chums at the *New People* and tell them that it was not such an absurd question after all as was reported in the press.

545 Mr Speaker, going to the matter of the information, which is now updated – and I note that the website suggests that it was updated only on Monday 23rd June 2014 – that information which is now publicly available states that the hon. Member attended, between 24th and 28th March, various cities – Amsterdam, Rotterdam and Casablanca. In relation to Amsterdam and Rotterdam, he was accompanied by a Mr Paul Astengo. Whilst in relation to Casablanca only, he was accompanied, I think, by one of the Chief Minister's private secretaries, Gareth Flower. Why is it the case that Mr Flower attended with him to Casablanca?

550 **Hon. A J Isola:** Mr Speaker, the hon. Member has made about six or seven questions within the same one and a number of statements to boot.

555 Firstly, the information that was on the website at the time, as I mentioned in my previous answer, was that it was partly there and partly not there. The part that was not there are the names of the people that he has mentioned and so I stand by the answer that I gave him to the previous question.

Secondly, with regard to whether the question was an absurd question or not, irrespective of whatever the *People* may say, some may take the view that it still is and was an absurd question.

560 In relation to Mr Gareth Flower, Mr Speaker, Mr Gareth Flower had arranged a number of important meetings formally in Casablanca through a number of introductions he had made with banks and financial institutions, including the Stock Exchange in Casablanca, Casablanca Finance City and a number of banks in Casablanca, all of which form a part of what Gibraltar Finance and this Government is trying to do in extolling the virtues of our community and our jurisdiction as a jurisdiction of choice in financial services, Mr Speaker.

565 **Hon. D J Bossino:** Mr Speaker, what involvement has Mr Flower, as a private secretary of the Chief Minister, with matters in relation to financial services? I mean the matter just does not stack up. I simply do not understand. If he could answer that particular question and clarify the position in relation to that.

570 Secondly, Mr Speaker, the hon. Member is again mistaken. He is wrong. The information which was not there was not simply related to who attended with him, but also a question which I asked in the question on the Order Paper, which are the costs. The costs in relation to accommodation for his meetings in London in May and for accommodation for his meetings in Bermuda were not there. Can he confirm that is the case because that information was not there when I looked at it at lunchtime?



**Hon. A J Isola:** Mr Speaker, the information in relation to the visit to Bermuda definitely was not there because he asked me the question in May and I went to Bermuda in June. *(Laughter)* So I do not quite understand how he can say that I am incorrect when he is asking me to confirm that the information was on the website. How could it have been there in May if I travelled in June? Of course, it was not there. It may have been an estimate of what it may have cost, but certainly the visit had not happened.

In relation as to why Mr Gareth Flower was there, I would have thought that the hon. Members opposite would welcome the fact that different Departments of the Government are involved in promoting Gibraltar and indeed in promoting the use of Gibraltar in jurisdictions irrespective of who that person may be. The fact that the Chief Minister's Office has representation in facilitating meetings through people he had met in a previous visit, I would have thought would be welcome. It seems not to be.

**Hon. D J Bossino:** Mr Speaker, it seems that the Member ought to check the website before answering the question in the manner that he has answered, because in fact, Mr Speaker, unless he is suggesting that I am being mendacious in the way I am posing the questions, the fact of the matter is that I did check the website information during the course of the lunch hour and the Bermuda trip was already there. If he checks the position, Mr Speaker, it shows that it was updated on 8th May 2014; yet the information in relation to the 2nd to the 9th June Bermuda visit was there and that is the position.

But, nevertheless, Mr Speaker, there is still information which he has not provided in the question which I sought back on 29th May and that relates to the costs of those who attended with him. All I have are the attendees. But I do not yet have – and the Parliament therefore does not yet have – the costs of those who attended with him. Is he in a position to provide that information now?

**Hon. A J Isola:** Mr Speaker, it is really quite remarkable that when you are trying to be transparent and updating information onto the website with the frequency that we do, that we should be criticised for it. I can understand why, because obviously the Members opposite did not have that philosophy when they were in Government **(A Member: Hear, hear.)** *(Banging on desks)* although they seem to be very keen to adopt it now in Opposition.

The information in respect of Bermuda was a provision for what visit was about to happen within the following 10 days/two weeks after the question. So it was actually advanced information of what was going to happen, which I thought the hon. Member would actually welcome.

In respect of the costs on Bermuda of the people accompanying, then obviously, Mr Speaker, that question is a separate question on the Order Paper which is in fact Question 456 as to what the costs are of the delegation that went, and I will give him that when we get there.

In respect of the other costs of other individuals, those have not been provided, the Member is absolutely right. If he requests those, I will obtain that information for him and write to him separately, Mr Speaker, as I do not have that information available to me.

**Hon. D J Bossino:** Just to point out, Mr Speaker, that in fact the information was requested in the question. The fact is that the Minister very smugly, and I think ungentlemanly on the last occasion, simply sat down and said, 'No, the information is on the website', when it has been proved, I think beyond any reasonable doubt, Mr Speaker, that the information was not on the website and maybe he should reconsider next time he answers questions in the way he has.

**Mr Speaker:** Perhaps the jury should now return a verdict of guilty. *(Laughter)*

**A Member:** Unanimous!

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I would say to the hon. Gentleman, with respect, it ill behoves Members of the Opposition, who represent the Party that was in Government for 16 years that did not provide information on any website and had to be asked to provide information, to accuse any Member of this side of the House of being gentlemanly or not less gentlemanly. I do not think that is what we come here for and I do not think it advances our possibility of getting through a Question Time that is about information. And I would ask that we simply try and address issues as to information during Question Time.

**Hon. D A Feetham:** Mr Speaker, I agree with the Hon. the Chief Minister, and of course we want to progress matters, but this is not an isolated incident. I raise it because I think it does concern... Mr Speaker, we have been asking questions on this side of the House and on more than one occasion we have received an answer, 'the information is on the website'. We have then gone to the website and the information has not been on the website.

Or alternatively, actually I asked questions of the Chief Minister last month and the month before where I asked a question, and he said, 'the information is *going to be* uploaded onto the website'. I could have stuck my ground, I could have said, 'No, no. I have asked the question in Parliament now. You have got to provide me with the answer'. But he said, 'Look, it is going to be on the website and quite frankly my interest is in getting the information'.

But I give notice to the Chair, Mr Speaker, that this is Question and Answer, and of course they have their own transparency agenda of putting information on websites and elsewhere. But at the end of the day, if we ask a question and then the answer is, 'it is on the website', they have got to make themselves responsible for the answer. That is all. I think that is a perfectly reasonable point, Mr Speaker.

**Mr Speaker:** I agree with the Hon. the Leader of the Opposition, because Members of the Opposition are entitled to ask a question seeking information. If they are seeking information and they are being told that that information is in the public domain, Hon. Ministers of the Government and their civil servants should ensure that it is on the website.

**Hon. Chief Minister:** Absolutely, Mr Speaker. And as the hon. Gentleman says, he can stand his ground and insist on the answer. Mr Speaker, the answer from now on will be, 'the information is on the website or will shortly be on the website'.

**Hon. D A Feetham:** Mr Speaker, I give the Chair notice that if the answer next time round is 'it will be shortly on the website', there will be a Point of Order on this side of the House, because that is a wholly unacceptable answer. I have accepted it in the past in order for Parliamentary proceedings to flow, but if it becomes a matter of course on the part of the Government, we will stand our ground, because that is not a proper way of answering a question.

**Mr Speaker:** What is not proper to do is to say something to the effect of, 'I have the information. I know what the information is, but I am going to be giving it in two or three days' time'. (*Interjections*) That is not correct under the rules of questions.

If the information is available and it is not going to be provided here in Parliament at the time when the question is asked, then it ought to be on the website. It should not be a case that it is going to be on the website tomorrow or the day after. It should be then on the website because the hon. Member of the Opposition is perfectly entitled to seek the information on the day that the question is being asked, provided that it is available.

**Hon. Chief Minister:** Mr Speaker, you will recall from your time in Parliament on this side of the House and on the other and from your understanding of Erskine May, that the Chair has control over questions, but not over answers. The position of the Government is, Mr Speaker, that if we have information we give it.

Now, the whole purpose of putting things on the website is actually to prevent Members opposite being in the position in which we were, which was of constantly having to come here – and I hesitate to say it, but, Mr Speaker, twice or three times a year maximum – to extract this information. The whole idea is that they... principally it is going to be them that have access to this information, but the whole of the community as well if they wish, to see that information and it should be updated regularly. Now Mr Speaker, there is no desire on the part of the Government to delay that – absolutely none whatsoever; but, it is a process of updating, getting invoices, ensuring that the information is right and then uploading it onto the website.

Now, if the Government has the information when we are asked the question, if it is not on the website then there is usually a very good reason and it may be that the relevant civil servant with responsibility will say, 'Well, we have not put it on the website yet because we have not reconciled it yet'.

Now, do you have the information? Well, Mr Speaker you may have the information that is subject to reconciliation and if you give information which is not subject to reconciliation and it is then a penny out, then Members opposite will come here the following month and say, 'the information on the website is three pence out of the information that you gave the House'. And then we will have to give the information as to reconciliation.

So the whole purpose, Mr Speaker, of what we are doing, is to ensure that when hon. Members ask questions they can ask questions about substance, not simply to seek statistical information. That is the whole purpose of the Government's openness and transparency agenda and that is why I have said that that is the attitude we will take in order to ensure that we get this right for the whole of the community. I hope, Mr Speaker, that their attitude, should they ever be elected, would be to continue to provide that information, which they previously did not provide, openly and publicly on the website, which is exactly what a modern Government should be doing. It should not lead to anybody being accused of being anything

695 other than a gentleman, because I think the rules provide that we should not be calling each other that sort of thing.

700 **Mr Speaker:** May I also add that it is of course perfectly proper for Government Ministers to say, at any given point of time, 'that information is not readily available at the moment'. It is a lengthy process. It is a difficult process and it takes time to compile. That is a proper answer also to a question and therefore it will be provided in due course.

**Q455/2014**

**AmCham trade mission –  
New investments; details**

**Clerk:** Question 455, the Hon. D J Bossino.

705 **Hon. D J Bossino:** Can the Minister for Financial Services state the areas of business with the number and value of new businesses which allegedly resulted in new investments following the AmCham mission?

**Clerk:** Answer, the Hon. the Minister for Financial Services and Gaming.

710 **Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, the question refers to a body, the Gibraltar American Chamber of Commerce, that is not within or a part of the Government. It is therefore unable to provide the information required.

However, it is certainly true that the Government was delighted to welcome and support the first trade mission to the Rock by this Chamber of Commerce and we are confident that business opportunities will flow as a result.

715 Government will continue to support private sector initiatives, like AmCham, to attract business and investment to Gibraltar.

720 **Hon. D J Bossino:** But, Mr Speaker, was the press report, which appeared in the *Gibraltar Chronicle*, of 2nd June not based on information provided by the Government? Was it not the Government's press release which said that at least nine Memorandums of Understanding were signed as a result of this mission?

725 **Hon. A J Isola:** Mr Speaker, it is not for me, as the Minister for Financial Services and Gaming, to answer in this Chamber for private sector activity. We welcome it. We are entitled to welcome it.

As the answer says, Government will continue to support private sector initiatives to attract business and investment to Gibraltar. So in this Parliament certainly, my position is, Mr Speaker, that the activity of private sector initiatives like AmCham, like the Swiss Invest Group that came to Gibraltar, is not to answer to the Opposition on agreements reached, of whatever nature, between private sector bodies.

730 **Hon. D J Bossino:** Mr Speaker, he is saying he is not answering to the Opposition in this Parliament, but the Government itself is saying in a press release to the outside world, to the press locally and beyond, no doubt, and I quote from the article, which says:

735 'The Gibraltar Government...'

I assume that the figure of nine MOUs came from the Government itself and no other source, but I may be wrong on that. But certainly what the *Chronicle* says in relation to more MOUs being completed in the near future, the source of that information is the Gibraltar Government. It says:

740 'The Gibraltar Government said it is likely that more MOUs will be completed in the near future...'

So how is it that he is able to provide this information to the public, but is yet unable or unwilling to provide this information, this very important information in this House? (**A Member:** Hear, hear.) (*Banging on desks*)

745 **Chief Minister (Hon. F R Picardo):** For a very simply reason, Mr Speaker, and the hon. Gentleman should perhaps be less angry and think a little bit more (*Interjection*) because the information... I am sorry, Mr Speaker, the hon. Gentleman's cat seems to have died. He seems to want to feel a little bit of sadness

this afternoon. Perhaps if there were less performance, Mr Speaker, and more thinking we would not have this.

What the hon. Gentleman has said is that AmCham is a third party private entity. That press release, Mr Speaker, comes not from the hon. Gentleman's office, because the AmCham is not to do exclusively with Financial Services or Gaming, but from No. 6 Convent Place, which is the Government's Press Office, which relying on information given to us by the AmCham issued that press release.

That does not mean that we can give more details, unless the hon. Gentleman is saying that we should not rely on the information we are given as to what number of Memoranda etc. are signed. It is very simple. The Government is told by the organisers of the AmCham they have signed nine Memoranda of Understanding and there may be more in the future, and that is what the press release is based on. It does not mean that we can give more information for something for which we are not responsible.

**Hon. D J Bossino:** Mr Speaker, it is based on information which the Government has. The first sentence of its press release says:

'Resulting from last week's AmCham Trade Mission, at least nine MOUs have already been signed between American firms [etc...] and Gibraltarian counterparts'

So can he at least tell me, Mr Speaker, can the Minister or the Chief Minister tell me what further information has come to their ears which they can share with this Parliament?

Are there more MOUs which have been signed? Does he know what the MOUs relate to in relation to what areas of business and in relation to which companies? I assume that is information which he may not want to provide.

But certainly, in relation to which businesses, which is the premise on which I have asked the question, the *areas* of business with the number and the value, is that information which at least he has, which he can share with this House, or is it not information which he has available?

**Hon. Chief Minister:** No, Mr Speaker, it is not information that I have available, but he could check. I assume that the reason that he is... how he says... Well, very simply, by contacting the AmCham, which is exactly what we were doing at the time. We were in contact with the AmCham.

When he asks us for information, we give the information that we have. If we do not have further information, if we have not had the information provided to us, we do not go out to third parties to seek that information. But I assume, Mr Speaker, that all of this angst that I see developing in him is because he is delighted with the work that the Government is doing in the United States, delighted with the fact that there is now an AmCham here and he wants to know more, Mr Speaker, about how successful all of this is and how fantastic it is for the Gibraltar economy.

It is not, I hope, the opposite – in other words that he is actually very disappointed to see the Government is leading in working with the United States, that there is now a private sector body that has picked up the cudgel, that they are saying that they have had of the AmCham visit already nine Memoranda of Understanding and probably more, and actually he is very angry that the Government is in this, as in so many other things, doing so well. That might also represent the angst that I see in him.

I know, Mr Speaker, that despite the fact that I think he and the Leader of the Opposition were invited to the dinner that the Government organised, something which did not happen at the time that they were in Government for the AmCham, they will not have had the opportunity then of seeing a member of Mr Obama's Cabinet, who recently resigned from public life, leading the trade mission, which was part of what the AmCham was organising. This is a huge step forward for Gibraltar and the commercial relationship with the United States, something that I hope I detect in behind all that anger and behind all that angst is what they really want to be welcoming. (*Banging on desks*)

**Hon. D A Feetham:** Mr Speaker, yes, thank you very much for the kind invitation extended to me and to the Deputy Leader of the GSD, less than a week's notice from the event. Unfortunately we had to decline because – as was public knowledge at the time – we had a GSD activist event on the night and that is simply why we had to decline.

But, Mr Speaker, what he is saying is this. We came out with a press release where we said that there were nine agreements in the private sector between Gibraltarian companies and American companies. That is information that was provided to us by the private sector.

Is he really suggesting that no one in his Office actually bothered to say, 'Well, in what areas are these agreements being signed?' because I would have expected any competent Government that is interested in anything beyond the photo opportunity and the spin, for which the hon. Gentleman is famous for (*Banging on a desks*) that he would have at least... or his office would have at least obtained that information.

810 **Hon. Chief Minister:** I will tell him what competent Governments do, Mr Speaker. Competent Governments ensure that Gibraltar's message is spread around the world. Competent Governments do not stick their heads in the sand and pretend that our only potential and commercial partner is our neighbour to the north. Competent Governments get themselves and the Deputy Chief Minister invited to the White House for meetings in relation to what is happening in Gibraltar. *(Interjections)* Competent Governments...  
815 I know it hurts, Mr Speaker. I know it hurts *(Interjections)* I know it hurts and I am really putting my finger in the wound – *(Interjections)*

**Mr Speaker:** Order.

820 **Hon. Chief Minister:** And I know it hurts *(Interjections)*

**Mr Speaker:** Order.

825 **Hon. Chief Minister:** I know it hurts, Mr Speaker. *(Interjections)*

**Mr Speaker:** I insist...order.

Hon. Members are now beginning to debate and if they carry on like this, within two or three minutes I will be moving on to the next question.

830 **Hon. Chief Minister:** Thank you, Mr Speaker.

Competent Governments are able to organise dinners at short notice and competent guests are able to accept, even if they have less than a week's notice, Mr Speaker.

835 But what is clear – and I thank the hon. Gentleman for it because it is now abundantly clear – was that they preferred to attend a party event, rather than support Gibraltar business in its relationship with the United States. *Party before country, as usual. (Banging on desks)*

**Hon. D A Feetham:** Mr Speaker, may I bring the Hon. the Chief Minister down to earth, because he really does need to be brought down to earth. He has not answered my question.

840 I have asked him... I understand that the information comes from the private sector –

**Mr Speaker:** Ask the question. There is no need for the preamble. I have already heard the preamble, and there is no need for it. Ask the question again, please.

845 **Hon. D A Feetham:** I understand it comes from the private sector, but did your office, or somebody in the office of the Hon. Minister, not bother to enquire what areas of business these Memorandums of Understandings relate to? It is a very simple question, which I would have expected a competent Chief Minister to have the answer to.

850 **Hon. Chief Minister:** Mr Speaker, you see the hon. Gentleman appears on television saying that he wants less Punch and Judy politics. Well, I guess what he means, Mr Speaker, by that, is that he and his deputy should not be fighting as much as they are, because when he comes here, Mr Speaker, all he wants is Punch and Judy politics. ...*Dale un abrazo, el de Judas.* All he wants is Punch and Judy politics, Mr Speaker, because he prefaces his question by saying 'a competent Government' and 'a competent Chief Minister' to clearly imply the opposite.

855 Mr Speaker, people will have to make a choice as they made last time as to who they consider competent or not competent, fit or unfit, Mr Speaker, because I was, three years ago, unfit to govern according to those who were then in Government, and today, according to the same people in the way that he has prefaced his question, more or less competent – clearly, less competent in his eyes.

860 Mr Speaker, I have often told him that he will never defeat a foe by disrespecting him. He obviously disrespects me completely. I have given the answer that we do not have the information. If for him that makes us incompetent, thank goodness, Mr Speaker, it is principally just to him.

**Mr Speaker:** Next question.

**Q456/2014**  
**Minister's visit to Bermuda –**  
**Details**

865 **Clerk:** Question 456, the Hon. D J Bossino.

**Hon. D J Bossino:** Mr Speaker, can the Minister for Financial Services provide details of the cost of the recent visit to Bermuda, together with who attended with him as part of the Government's delegation or at its expense, or as part of the wider Gibraltar delegation?

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**Clerk:** Answer, the Hon. the Minister for Financial Services and Gaming.

**Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, the cost of the recent visit to Bermuda by Ministry officials and myself and the names of those who attended together with me, as part of a wider Gibraltar Government delegation, is as follows: cost of flights, £11,370.58; cost of hotel, £5,689.31. I was accompanied by Mr James Tipping, Mr Michael Ashton and Mr Michael Oliver, and if the Members opposite are remotely interested, the trip went extremely well, Mr Speaker.

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**Hon. D J Bossino:** Mr Speaker, is he able to tell me who attended as part of the wider Gibraltar delegation, as there was a photograph in the *Gibraltar Chronicle* again, which featured himself and I think some of the individuals he has mentioned, but also certain individuals from the private sector? Is he able to tell me – that is what I meant by the question – who formed part of the wider Gibraltar delegation? Not necessarily just as part of the Gibraltar Government delegation, but as part of the Gibraltar Plc delegation if you like. Is he able to give me that information? I have got a name, but I would rather not sort of bandy that name across the floor of the House. I would rather he volunteer it. I mean he featured in the photograph. *(Interjections)*

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**Hon. A J Isola:** Mr Speaker, you have obviously seen a photograph in the press which shows three members of our private sector community. Mr Speaker, every time Gibraltar Finance travels abroad promoting Gibraltar's Financial Services sector, it does so in partnership with the private sector.

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Last week alone, Mr Speaker, Gibraltar Finance with its senior executives were in AIRMIC in Birmingham promoting insurance, in Monte Carlo at a Game Funds Conference, where I spoke with two senior executives promoting the fund sector, and Mr Paul Astengo was in Geneva promoting the Trans Continental Trust Conference and Gibraltar's presence there.

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In each of those instances, Mr Speaker, the private sector support, the Government initiatives, I am not sure if he still requires me or wants me to give the names of each person that went to each of those delegations. I would need notice of that. It certainly was not... if you read the question that he has asked Mr Speaker, it talks about the costs and then refers to the delegation, the wider delegation... I am hoping he is not asking me to also give him the costs of the private sector delegation because I do not have that.

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Does he want the answer of who went to Bermuda with the Government?

**Hon. D J Bossino:** Yes.

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**Hon. A J Isola:** Mr Peter Isola from ISOLAS, Mr Bruno Callaghan from Callaghans, Miss Angelique Vasallo from EY and Mr Michael Oliver, who I have already mentioned, from the Financial Services Commission.

**Mr Speaker:** Next question.

**ENTERPRISE, TRAINING, EMPLOYMENT AND HEALTH & SAFETY**

**Q457/2014**  
**Future Job Strategy Graduate Scheme –**  
**Graduates applying for social worker positions**

910 **Clerk:** Question 457, the Hon. Mrs I M Ellul-Hammond.

**Hon. Mrs I M Ellul-Hammond:** Mr Speaker, can the Minister for Social Services say if the four local graduate social workers, who are currently on the Future Job Strategy Graduate Scheme, will be able to apply for full-time permanent and pensionable social worker positions that may become vacant?

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

**Minister for Enterprise, Training, Employment and Health & Safety (Hon. J J Bossano):** Mr Speaker, the four individuals referred to in the hon. Member's question will be able to apply for any vacancy in the public service for which applications are invited from outside the service.

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**Mr Speaker:** Next question.

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**Q458/2014**  
**Gibraltar Savings Bank –**  
**Breakdown of monies invested; rate of return**

**Clerk:** Question 458, the Hon. D A Feetham.

930 **Hon. D A Feetham:** Mr Speaker, can the Chief Minister please provide a breakdown of how all monies deposited in the Gibraltar Savings Bank have been invested and the rate of return on each of these investments as at 31st March 2014, 30th April 2014 and 31st May 2014?

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

**Minister for Enterprise, Training, Employment and Health & Safety (Hon. J J Bossano):** Mr Speaker, as at 31st March the Savings Bank fund was invested in the following manner and yields.

940 On-call accounts with the Bank of England, the Crown Agents Bank and Gibraltar banks had an average yield of around of 0.4%. The Gibraltar banks were the Royal Bank of Scotland, Barclays Bank, National Westminster Bank and Jyske Bank.

Floating Rates Notes quoted on the London Stock Exchange have an average yield of 0.6% The Floating Rates Notes were issued by the following: European Investment Bank; the International Bank for Reconstruction and Development; Dexia; FMS Wertmanagement; Caisse d'Amortissement de la Dette Sociale; KfW; and the Republic of Finland.

945 Capital Bonds with a 5% return, and preference shares in Credit Finance with an average dividend yield of 5.5%. There have been no significant changes in the structure of the Funds investment portfolio in April or May and little change in yields, except that quoted stock and call accounts fluctuate marginally on a daily basis. These fluctuations are not significant.

950 The average return on the fund last year is estimated by the Treasury at around 4%, subject to the figures being checked by the Principal Auditor as is the case for all Special Funds.

**Hon. D A Feetham:** Mr Speaker, he has answered part of the question. He has not answered the first part, because if the hon. Gentleman looks at my question it is talking about, 'please provide a breakdown of how all monies deposited in the Gibraltar Savings Bank...'

955 The reason why I ask the question – indeed, I have asked this question before and he has provided me with an answer in the format of effectively saying £x million invested in x bank... £x million relating to the 5% debentures in x bank, that is what I wanted. Does he have that information because I really need that information for the purposes of my own Budget speech? I am entitled to it, because that is the question and I have provided notice of the question. Indeed, he has provided me with the answer in the past when I have asked this question.

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**Hon. J J Bossano:** Mr Speaker, he has not asked the question in the same way in the past. He has asked it differently and I have answered it in the way that he asked it before. This time I have answered it in the way he has asked it this time, because he wants a breakdown of the monies that are deposited in the Savings Bank and the rate of return on each investment, and the rate of return on each investment I have broken down into the different areas so that he will be able to see what we are getting from the money that is put in banks, what we are getting from the money that is put in floating rates. But if he wants the balance sheet of the Savings Bank, then I will get it posted to him, but I have not got it here with me.

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970 **Hon. D A Feetham:** Would it possible if my secretary gave him a ring? I have to emphasise that when I... and the question is pretty clear, 'Can the Chief Minister please provide a breakdown of how *all monies* deposited in the Gibraltar Savings Bank have been invested *and* the rate of return...? In other words a breakdown of how all the monies have been invested and the rate of return for all those monies. He has just given me the rate of return, but not the breakdown of how the monies have been invested.

975 If my secretary phones the hon. Gentleman's PA and between them deal with this, does he undertake to provide me with this information so that I have it by Friday of this week?

980 **Hon. J J Bossano:** I have got no problem in getting the information done in the way it has been provided before when the question was asked differently, but I do not accept, Mr Speaker, that I am not answering because I am giving him a breakdown of how the money deposited in the Savings Bank has been invested in the different categories.

985 We have got money invested with banks in call accounts. We have got money invested in the Stock Exchange. We have got money invested in a Capital Bond and we have got money invested in the preference shares. So I am giving him a breakdown of how they are invested. I am also giving him the yield in each of those categories. I do not think he has asked for the yield before; he has just asked me before for a breakdown of each individual bit of the balance sheet. I can get that produced for him by the Treasury and he will have it by tomorrow at the latest.

**Hon. D A Feetham:** Thank you very much.

#### DEPUTY CHIEF MINISTER

Q459/2014

#### Marriott Hotel and office block – Proposed construction; update

990 **Clerk:** Question 459, the Hon. E J Reyes.

995 **Hon. E J Reyes:** Mr Speaker, given the strong objections voiced by a large number of members of the community in respect of the proposed construction of the Marriott Hotel and office block at the site of the ex-Royal Gibraltar Yacht Club, can Government provide this House with assurances that this development, if approved, will be in keeping with the Gibraltar Development Plan?

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

1000 **Deputy Chief Minister (Hon. Dr J J Garcia):** Yes, Mr Speaker, the development has already been granted outline planning consent.

As with all applications for planning permission, the Development and Planning Commission, which is an independent statutory body, always considers the Development Plan when granting such consent.

1005 **Hon. D A Feetham:** Mr Speaker, I think the question really is, does the... and the hon. Gentleman cannot answer for the DPC, I understand that, but is the hon. Gentleman satisfied that this particular project is within the Gibraltar Development Plan or is his view that it may be outside the Gibraltar Development Plan, but because it is of beneficial interest to Gibraltar, the Government is supportive of it?

1010 **Hon. Dr J J Garcia:** Mr Speaker, all the information that we have is that the development is within the Gibraltar Development Plan from the information from the town planners.

**Mr Speaker:** Any supplementary questions?

Next question.



**CHIEF MINISTER**

**Q460/2014**

**Legal consultants –  
Drafting services costs**

1015 **Clerk:** Question 460, the Hon. S M Figueras.

**Hon. S M Figueras:** Mr Speaker, can the Chief Minister explain, further to his answer to Question 418/2014, the reasons for the discrepancy between the information available at the time of filing Question 418 in May of this year and the information that was available when the question was asked in this House, an anomaly set out in my letter to him dated 4th June 2014?

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

1025 **Chief Minister (Hon. F R Picardo):** Mr Speaker, hon. Members will have seen a timetable issued by the House, and I think I made available on the website, that says that I would be answering questions tomorrow, which is the third Thursday of the month... or the fourth Thursday of this month at 3.00 p.m.

At your invitation, given how quickly we have gone through the rest of the questions, I agree it makes sense for us to have my questions answered this afternoon and that is why I have asked that we continue on the Order Paper. The answers are ready and given that all hon. Members I think are preparing for the set piece debate next week, I think we would all be grateful for more time in that preparation and that is why I have agreed to proceed this afternoon.

1030 Mr Speaker, the hon. Gentleman wrote to me on 4th June in respect of this matter as his question suggests. The reason for the discrepancy is currently being looked into and I will write to the hon. Member opposite with an answer once this is identified by the persons responsible.

1035 **Mr Speaker:** Next question.

**Q461/2014**

**General legal services –  
Government costs; details**

**Clerk:** Question 461, the Hon. S M Figueras.

1040 **Hon. S M Figueras:** Mr Speaker, can the Chief Minister provide details to this House of the matters in relation to which the Government has incurred costs for the provision of general legal services, since December 2011, broken down matter by matter as well as by law firm/lawyer?

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

1045 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the cost of general legal services is already on line. I am advised and do not believe it is in the public interest to provide any further information.

1050 **Hon. S M Figueras:** Mr Speaker, I may well be walking into this one, but could the Hon. the Chief Minister, if it is appropriate in the context of legal drafting services, provide a flavour of the reasons why it is not appropriate in relation to general legal services that he provide that information here?

1055 **Hon. Chief Minister:** Mr Speaker, because drafting services result in something which is published, namely a Bill or a Regulation. A Bill becomes an Act, a Regulation that immediately takes effect... rules – something that results in publication.

General legal services sometimes result in things which are not published or things that relate to litigation and we would in effect be giving information about what it is that the Government is doing, which sometimes it makes no sense to put in the public domain.

1060 In many instances the advice is in relation to litigation and therefore you see a product in public of that advice, but in many instances it is just simply advice that civil servants or Ministers require, which may have absolutely nothing to do with anything that is in the public domain and *may* be confidential, either commercially or for other reasons.

But the information is given as to law firm and amount paid; it is just that the breakdown is not given.

**Mr Speaker:** Next question.

**Q462-463/2014**  
**Spanish media –**  
**Advertising; sums paid**

**Clerk:** Question 462, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Chief Minister please provide details of all sums paid to Spanish media in respect of advertisement associated with the Gibraltar Airport?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer this question together with Question 463.

**Clerk:** Question 463.

**Hon. D A Feetham:** Mr Speaker, can the Chief Minister please provide a breakdown of all sums paid directly or indirectly by the Government to all Spanish media since he became Chief Minister?

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

**Hon. Chief Minister:** Mr Speaker, my answer remains the same as has previously been stated in answers to questions of a similar nature. I believe that sharing information of this nature publicly is not in the public interest of Gibraltar.

I am happy to share the information with the hon. Member confidentially, if he so wishes.

**Hon. D A Feetham:** Mr Speaker, I do not understand the analogy that he is drawing. If he is drawing an analogy with consultants, for example, it is a false analogy. Consultants are in a completely different boat and lobbyists are in a completely different boat to advertisement. Advertisement in Spanish newspapers should be treated in exactly the same way as advertisement in local newspapers. The Government already provides what it spends in advertisement to local newspapers. Why draw that distinction?

**Hon. Chief Minister:** Mr Speaker, I think the hon. Gentleman does not want to see the distinction or sees it and is drawing me into an area where I do not think it is in the public interest that we should be drawn publicly.

I am quite happy to give him the information *privately*. I am not saying that he should not have it. I have nothing to hide from the Opposition in this respect, but I do not want to create a route map for those who do not have Gibraltar's best interests at heart to see where it is that Gibraltar is trying to advertise, where it is that Gibraltar is trying to influence Spanish public opinion.

**Hon. D A Feetham:** Mr Speaker, but I will tell the hon. Gentleman as well what my concerns are and what our concerns are on this side of the House. We are certainly aware of at least two publications – one on the internet and another one written – which have taken a line, which is very reminiscent of the line that local newspapers supportive of the Government take in relation, for example, to my participation in talks in Spain and allegations, for example, that I have somehow a direct line to Mr Rajoy in Madrid.

I would have thought that I would be entitled to know in public, and I would be entitled to actually say to the people of Gibraltar in public, 'Look here. There are these newspapers or Spanish media. They are taking this particular line, in unison almost with publications here in Gibraltar, supportive of the Government, against the Opposition, and they are also being subsidised by the Government here in Gibraltar'. I just feel that this is a perfectly legitimate question for me to ask and for the information to be provided in public.

I may be completely and utterly wrong in drawing any kind of inference, but quite frankly, it seems to me to be quite a coincidence.

**Hon. Chief Minister:** He is completely and utterly wrong, Mr Speaker. I do not have to pay anybody to criticise him. I certainly do not see any or much at all Government advertising in any of the local press that criticises him. So, Mr Speaker, I do not see how he can even pretend to draw that inference.

What I am telling him is that this is in the public interest of Gibraltar. But look, he has got up and said, 'It is all about me. I do not care about the public interest of Gibraltar and therefore I want the information'. Well, Mr Speaker, I am not going to give it to him publicly, for the reasons I have already said. It is not all about him and I am quite happy to give him the information privately. He might be surprised by what he sees.

**Mr Speaker:** Next question.

**Q464-465/2014**

**Queens Hotel –**

**Acquisition of site; costs involved**

**Clerk:** Question 464, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Chief Minister please state how much the Government has agreed to pay for the acquisition of the Queens Hotel?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer this question together with Question 465.

**Clerk:** Question 465, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Chief Minister please state what other expenses have been incurred or are expected to be incurred in relation to the acquisition of the entire Queens complex, including, for example, the decanting of other businesses at the site?

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

**Hon. Chief Minister:** Mr Speaker, I refer the hon. Member opposite to Press Release 259/2014, dated 2nd June, which stated that a full announcement would be made once the final details of the purchase have been completed.

We expect to be in a position to make such a statement next week.

**Hon. D A Feetham:** Mr Speaker, is he saying that the information has not been collated... the entirety of the information has not been collated, because I would have expected, for example, in relation to Question 464, which is to provide how much the Government has agreed to pay for the acquisition of Queens Hotel, that would have been readily available. It is a discreet question. How much has the Government paid for the Queens Hotel? That must be readily available to the Government so that he can provide an answer now in advance of the Budget next week.

**Hon. F R Picardo:** Mr Speaker, of course I know what was agreed to be paid for the Queens Hotel, but his questions, both of them, are taken together because they both relate to the same subject matter. There are issues which I do not yet have final numbers on which I expect to have by next week, like, for example, legal fees etc. All of that is being collated and then the total amount will be given.

Mr Speaker, I do not think it is wrong to say that we are going to make a full statement as to what it is that these costs have been.

**Hon. D A Feetham:** Mr Speaker, yes, it is – with respect to the Hon. the Chief Minister – wrong, because he can take that position in relation to Question 465/2014 which is the entirety of the costs for the acquisition of the entirety of the complex, and I understand it. I understand that.

But in relation to Question 464/2014, it asks, 'Can the Chief Minister please state how much the Government has agreed to pay for the acquisition of the Queens Hotel?' Surely he has that information. It is a discreet question and surely I am entitled to have it so that then I can use it in preparation for my own Budget speech and that is the reason why I ask it.

**Hon. Chief Minister:** Mr Speaker, the hon. Gentleman is going to have the information and I am going to make a statement, as I have said, which will set out all of that information. The hon. Gentleman can ask

the questions that he wants and the Government makes the statements that it considers appropriate at the time that is appropriate and we want to make a statement about the Queens Hotel which deals with all of those issues. At the moment I do not want to make this information available.

Mr Speaker, that is the position of the Government. He will have the information. He may even have it before he makes his Budget speech.

**Mr Speaker:** Could I ask if it is the Chief Minister's intention to make the information public outside the House or during the course of his Budget speech on Monday?

**Hon. Chief Minister:** Exactly, Mr Speaker, you are much more on point. I will be making the information public in the course of my Budget speech on Monday.

**Hon. D A Feetham:** Mr Speaker, he may provide it in this House and I understand the distinction the Hon. the Speaker is going to be drawing because if the information is provided outside the House, it really ought to be provided to this House. But the reality is that I have asked the question. I have provided notice of this question. If the information is available to the Government, as it is indeed available to the Government, because it asks 'has agreed to pay', surely the Opposition cannot be at the mercy of the Government in when it wants to provide – *(Interjection)* No. In when it wants to provide the information that it has, otherwise it would drive a coach and horses, Mr Speaker, through Question Time.

If the information is available, simply because I ask another question about the entirety of the costs, which I accept he can give it to me later on, but if he has the information about how much they have agreed to pay... just the sale price and that is what we are talking about here, surely he ought to be providing that. It sets a very bad precedent indeed in my respectful view for the Government to say, 'I have the information, but I am not providing it to you today. I am going to be providing it to you next week because it is convenient for the Government to make a statement next week'. What is the point of Question Time otherwise? *(Interjections)*

**Hon. Chief Minister:** Mr Speaker, I am quite happy to. I thought you wanted to deal with that issue.

Mr Speaker, there are issues around the acquisition of this particular property, which the Opposition have made statements about in order to suggest it has been done for one reason or another. In social media I think I have seen a number of statements by people who have responsibility in their Executive Committee where they have made statements about this particular acquisition. I am therefore going to deal with it in a manner that the Government considers is in the public interest, which is in the fullness of my statement to the House on Monday as to the state of the Government finances.

The hon. Gentleman is going to have the opportunity to reply to me. So he is going to have the information when he says he wants it and needs it, which is before the Budget. But, look, I have to say to him, he used to sit here very calmly and very passively – I might say even docilely – whilst the hon. the backbencher used to take a completely different attitude to the one that he is now recommending to us. This is a particular instance where 72 working hours before a particular debate, I am saying I am going to make a statement, and he is saying I must give him the information now.

Well, look, Mr Speaker, this is the Budget session of the Parliament and the debate on the Estimates will be on Monday, as he knows, and he will have the information then. The community will have all of the information about this acquisition in detail, perhaps even in more detail than he has requested it. It will then understand why the acquisition is going to progress and what the use that the particular facility in question is going to be put to: full, frank and absolute disclosure. Full, frank and absolute accountability and transparency, but not when he says so, Mr Speaker.

**Mr Speaker:** Yes, one other supplementary.  
Carry on.

**Hon. D A Feetham:** Mr Speaker, it is not when I want to. I have given notice of a question. I have given notice of a question. But, Mr Speaker, the hon. Gentleman is the new dawn man. Sir Peter Caruana presumably, according to him, is the sunset. He is the new dawn man. He represents change; therefore he ought to be doing things differently. I have given him notice of this particular question. It is a very simple question. He has chosen to bunch it up with something else, but if the information is available, he ought to provide it.

Can he at the very least provide me with that information? I am not asking him for the second limb. I am asking for the sale price in advance of the Budget. I am quite content for him to provide me with that information on Friday, for example.

**Hon. Chief Minister:** Mr Speaker, I am the new dawn man, but the changes I represent are the changes that I choose to represent, not the change that he decides I must represent when it is convenient to him because he has a sliding scale of what transparency means, one end of it, because he was a Member of that Government that I am criticising now, the GSD, one end of that spectrum is what he used to do when he was in Government with all his Government colleagues and who he takes collective responsibility for and used to defend. And another end of the spectrum is what I do, which represents a new dawn.

Mr Speaker, I will give him a figure that he can start working on for his Budget, if that is what he wants. I have absolutely no difficulty. In fact, Mr Speaker, I will give it to him now. I mean I will give him the figure now. Twenty four meetings of this Parliament, since we were elected, for questions – that is two-and-a-half years that represents ten-and-a-half years of GSD Government. That is a figure he can be working on, Mr Speaker, which represents the new dawn that we are actually demonstrating in Parliament. I would give him a lot of other figures, but he might not be so comfortable, Mr Speaker, before the debate to hear those.

Nonetheless, Mr Speaker, in order to assist and at the level of Parliamentary colleague to Parliamentary colleague, I will make sure that on Friday – so that he can spend the weekend with his calculator – he has the numbers in anticipation of my getting up and making my Budget announcement. It will be unusual, Mr Speaker. It will be the first time, I think, that a Chief Minister extends that courtesy to a Leader of the Opposition.

The Leader of the Opposition's job at a Budget debate is always the hardest because he is the one that has to reply on the spot. In most other Parliaments there is no sharing of information before. In this Parliament in fact there has been previously, under the GSD administration, a hiding of information so that one does not see it until after the Budget Debate; but I am very happy to extend that courtesy to him as a Parliamentary colleague.

## TOURISM, COMMERCIAL AFFAIRS, PUBLIC TRANSPORT AND THE PORT

### Question 440/2014 continued – City Fire Brigade – Waterport Power Station fire; details of foam used

**Mr Speaker:** Does the Hon. Mr Bossino wish to ask supplementaries arising from... I think it was Question 440?

**Hon. D J Bossino:** Yes.

**Mr Speaker:** Please do.

**Hon. D J Bossino:** Mr Speaker, if I could just quickly go to the question. The question related to all the Departments that the Hon. the Minister for Tourism is responsible for – (*Interjections*) Yes, it is. Yes.

Yes, Mr Speaker, the question related to all the Departments that the Hon. the Minister the Tourism is responsible for and I just find that most of the entries relate to the visits carried out by the Gibraltar Port Authority, in most instances, and in some of the instances I think other than the Department of Consumer Affairs, it does not identify which of his Departments attended the particular convention or fair. Can he provide that information?

Secondly, can he confirm that he has answered the question as set out in the Order Paper, that it does cover *all* the Departments that the hon. Member is responsible for?

**Minister for Tourism, Commercial Affairs, Public Transport and the Port (Hon. N F Costa):** Yes, Mr Speaker, the question was to provide the answer with the same level of details as is set out in Table 2 of the Gibraltar Government. So the first thing I did was to check out the Government website to see the format of the question and therefore the schedule to the question sets out the particulars as is set out in that particular website.

I think I understood him correctly when he said that the schedule does not set out which of my responsibilities attend a particular conference. Did I understand him correctly?

**Hon. D J Bossino:** [*Inaudible*]

**Hon. N F Costa:** But if he goes to the schedule it always says, 'Costs with breakdown of' – and in this particular case the first page – 'the Gibraltar Port Authority's attendance at...' and the second, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth, eleventh, twelfth, and thirteenth. So there are thirteen instances

where the Port Authority attends conferences and these are set out in the same way as they are set out in the website. (**Hon. D J Bossino:** Yes.)

1290 **Hon. N F Costa:** The next page goes on to the Department of Consumer Affairs and sets out the conference costs there.

**Hon. D J Bossino:** [*Inaudible*]

1295 **Hon. N F Costa:** Yes.  
The next one relates to the Gibraltar Maritime Administration and he is correct in saying that that is not set out as it should have been. It should have said, 'Costs with breakdown of Gibraltar Maritime attendance and participation at the Red Ensign Conference', and so he is right in highlighting that.

1300 Then following the next breakdown, similarly it is the Gibraltar Yacht Registry that should have been set out there. Again, the Future of Superyachts would have been the Gibraltar Yacht Registry, which as he knows is subsumed within the Gibraltar Maritime Administration, and similarly, the same with the Annual World Congress and the Global Super Yacht Forum in Amsterdam as well as the German Ship Owners Association in Hamburg. I apologise for the oversight, but they do relate to the Gibraltar Maritime Administration.

1305 **Hon. D J Bossino:** I am grateful, Mr Speaker, to the hon. Member for that. As I asked him for confirmation that all his Departments had been covered, I just find it odd, and maybe he can explain to me why that is the case, that the GTB does not feature, the Gibraltar Tourist Board. Is there a reason for that?

1310 **Hon. N F Costa:** Yes, Mr Speaker. I also asked that question and essentially the way that these events – let us call them generically – are described or are defined depend on whether they are a conference or they are a trade show etc.

1315 Conferences, according to the definition of the administration, depend on attending a conference on a particular subject matter – there are at least 20 that I have shown him – and the participants of the responsibility attend. In some cases the Gibraltar delegation is asked to give a speech; but it is participation at a conference where there are different guest speakers from all over the world who give a talk on a particular subject matter.

1320 The GTB attends trade shows and the trade fairs and it is separately distinguished in the way that they are classified, and so they do not fall as a conference, but as something else. That is the explanation that was given to me and I hope that I have relayed it adequately to the hon. Gentleman.

**Hon. D J Bossino:** Yes, Mr Speaker, one learns something every day. I suppose it is information like that which I would also have enjoyed to have received and to have read in some detail. I suppose I ought to use more generic words like 'trade visits' perhaps, is a more appropriate wording.

1325 Mr Speaker, in relation to a specific point which arises from the information as set out in the schedule, does he know why in the second item – they are not numbered, but it relates to expenditure by the Gibraltar Port Authority in relation to an attendance at the Cape Verde Bunkering Conference – the subsistence is in fact considerably higher than the expenditure in relation to the hotel? Whilst if he looks throughout the other items of information the opposite is in fact the case, as I suppose one would expect, but in this case it is almost six times higher than the hotel accommodation. Is he able to shed any light in relation to that?

1330 **Hon. N F Costa:** No, Mr Speaker, I am afraid that I cannot answer that question without notice because I do not know what the answer is. However, speculation, depending on the place of the conference subsistence varies, and of course it also depends on the number of people that have attended, but he can either write to me or I can make a note and I will provide him with the information.

1340 **Hon. D J Bossino:** Mr Speaker, also, again they are not numbered, but it is on the third page at the top and it relates to again the Gibraltar Port Authority's attendance at the Miami... presumably it is a 'Disaster Management Seminar' rather than 'Management Disaster Seminar' and it has a blank in relation to flights, for example, and a blank also in relation to hotel accommodation.

Again, given the destination, I assume if it is a Miami Disaster Management Seminar, was held in Miami, I may be wrong, but can he shed any light in relation to that, because it seems that no expenditure was incurred in relation to those two items and one would have expected a considerable item of expenditure in relation to them.

1345 **Hon. N F Costa:** Yes, Mr Speaker, he is absolutely right on that and I will have to obtain the information for him.

Mr Speaker, again, although I do not have the information with me, I can tell him that sometimes until the Government is invoiced, the figures would not of course be published on the website.

1350 **Hon. D J Bossino:** Yes, simply to point out, and my colleagues are quite rightly pointing out, that this is actually in excess of a year old and so I doubt that that is the explanation. But the hon. Member has undertaken to or suggests that he will be providing this information and I may indeed write to him by way of a reminder.

1355

**CHIEF MINISTER**

**Q466/2014**

**Jason Cruz –  
Details of allowances**

**Clerk:** Question 466, the Hon. D A Feetham.

1360 **Hon. D A Feetham:** Mr Speaker, is the Chief Minister now in a position to inform the House as to the amount which the Government will pay Jason Cruz in respect of (a) an accommodation allowance in Hong Kong and London and (b) an allowance for the private education of his children?

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

1365 **Chief Minister (Hon. F R Picardo):** Mr Speaker, as I told the House last month, Jason Cruz is one of those Gibraltarians who has done extraordinarily well outside of Gibraltar. He is the sort of man we, as a community, are justly proud of. I cannot emphasise enough how happy Government is that he is now working for Gibraltar in the highly competitive market that is South East Asia.

1370 Jason worked for almost 20 years in Hong Kong's commercial sector. His family lived in Hong Kong for almost 40 years and enjoys an excellent reputation and an excellent network of relationships which will happily accrue to the benefit of Gibraltar. Jason was a Director of Cushman & Wakefield in Hong Kong – no mean feat in what is the world's largest privately-owned commercial real estate firm. Recognised as leaders in their field and who have a vast amount of experience working with over half of the Fortune 500 companies.

1375 In that role, Jason has been responsible for the completion of commercial transactions totalling over US\$ 1 billion, Mr Speaker. Indeed, it is not just the Gibraltar Government that is justly proud of him, for Jason's achievements have been recognised by the Royal Institution of Chartered Surveyors for the most significant commercial transaction in Hong Kong only last year, Mr Speaker, in 2013. Now that is something that the whole of Gibraltar can be proud of, Mr Speaker.

1380 Jason was co-Head Asia Pacific of Cushman and Wakefield's Banking and Financial Services practice between 2011 and 2013 and previously Head of Asia Pacific for Cushman & Wakefield's Global Alternative Investment Services working with hedge funds and private equity firms. His remuneration includes an accommodation allowance of £1,615 per week. There is, as yet, no specific amounts agreed in respect of school fees.

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**Hon. D A Feetham:** Mr Speaker, the accommodation allowance of £1,615 per week, is that for both Hong Kong and London, because my understanding of the position is that he is going to be dividing his time between Hong Kong and London because he is taking over some of the roles of Peter Canessa and others in relation to the London office?

1390 Or is it that my understanding is not correct, that he is going to be in Hong Kong for some time and then will be effectively transferred to London? Otherwise, what is the role that he is playing in London?

1395 **Hon. Chief Minister:** Mr Speaker, I am sorry that I deleted that paragraph of what I had said last month because it is the only paragraph that I read last month that I have not read this month. What I said last month was that he would be in Hong Kong until 2016, unless we agreed a later date, and that he would be coming to London and when he comes to London he stays in hotels.

**Hon. D A Feetham:** So from the date of his engagement to 2016, he is playing absolutely no role in London... no oversight role in London. Is that the position?

1400

**Hon. Chief Minister:** Mr Speaker, the position is as I indicated last time and I went into this in some detail. He will be coming to London and working also in London in respect of some of the issues which require liaison between London and Hong Kong, Mr Speaker. I think it is perfectly normal that that should be the case. What I indicated was that in 2016 or thereafter, whatever time that we agreed, he would likely be taking over in London. *Hansard* discloses what I said last time.

**Hon. D A Feetham:** So effectively his role in London until 2016 is just limited to liaising on Hong Kong matters and he will play no wider role. The reason why I am asking this of course is because we know that Peter Canessa, for example, who used to play a pivotal role in the London office has actually moved out of the London office and is now back in Gibraltar. I understand he is in the Hon. the Minister for Financial Services Department and that is the reason why I am asking.

**Hon. Chief Minister:** Well, I had worked out why you were asking, Mr Speaker, long ago.  
Mr Speaker, Mr Canessa is now going to run a pivotal role in Mr Isola's office and Mr Poggio is back doing the pivotal role that he was doing for many years without needing anybody pivoting next to him.

**Hon. D A Feetham:** Mr Speaker, I think that is a very odd way of putting it, particularly when you are dealing with a highly respected civil servant, who has given many years of his life to public service. I really do think the Hon. the Chief Minister ought to watch the way that he puts things and the way that he talks... I have to say in a bit of a demeaning way in relation to that particular public servant.

Mr Speaker, in relation to the allowance for the private education of his children, why is it that he cannot provide that figure at the moment... that he does not have that figure at the moment? I would have expected that if you have entered into an agreement with somebody about taking that person on, you would have already agreed not only the details of his salary, but also details of his accommodation allowance, which we have, and details of how much is going to be paid for the private education of his children. Of course very important to the individual, and indeed important to the Government that presumably wants to obviously keep a hand on public expenditure.

**Hon. Chief Minister:** Mr Speaker, I really do not know what it is that the hon. Gentleman is talking about when he says that a senior civil servant has somehow been spoken about in a demeaning way. The one who introduced 'pivoting' into the debate was him when he was talking about one person playing a pivotal role somewhere, which I confirmed he is now going to play somewhere else. Or is he trying to suggest that Mr Poggio is not able to run the London Office on his own because for 15 years that they were in Government, Mr Poggio was happily pivoting on his own in London as he had been before. So I do not see where it is that he wants to pluck this idea of anybody being demeaned.

But, Mr Speaker, I recognise that he is trying to do politics and he is trying to pretend that he is on somebody's side and it may be, Mr Speaker, that people want to be on his side, and God knows what he may have promised them. But anyway, Mr Speaker, I am very clear that Mr Canessa is going to continue to discharge as important a role today as he used to in London now that he is back in Gibraltar and he used to discharge in Gibraltar before he went to London, having been selected without interview by the previous Chief Minister to do that role.

Mr Speaker, as to the issue of school fees, as I understand it, the issue is being discussed and negotiated between the Chief Secretary and Mr Cruz. I suppose it relates to the choosing of schools. I do not know the age of his children or whether they are about to change schools and I do not know how the terms work in Hong Kong. So it may be that they are looking at what the next amount or the next school is going to cost if they are finishing one school or another.

But, Mr Speaker, we are certainly very concerned about public expenditure. We are going to ensure it does not rocket as it did in their time. So he can be rest assured that we will look at every penny when the time comes and when the Chief Secretary brings us a figure, we shall look at it to ensure that it is value for money. But certainly in relation to this contract with Mr Jason Cruz, this is probably one of the best value-for-money deals that this Government has done and we are already hopefully going to start seeing the rewards.

**Hon. D A Feetham:** Mr Speaker, I do not understand how he can possibly say it is best value for money when there are aspects of the contract that still have not even been negotiated and remain outstanding. Quite frankly, this may be a really super individual, a very nice individual and very competent individual, but I remind the Government that he has been chosen *a dedo*. That is what this amounts to – *a dedo* – and therefore as an Opposition we are entitled to scrutinise this particular transaction.

Mr Speaker, does the accommodation relate to all Mr Cruz's children or some of them? Can he give some more information in relation to that for example? I mean the private education, not the accommodation, I should have said.



**Hon. Chief Minister:** Mr Speaker, we are talking about people having been chosen *a dedo*. Mr Canessa was chosen *a dedo* by the previous Administration. I understand another civil servant went to the United Kingdom chosen *a dedo*. People were chosen *a dedo* to discharge million pound contracts, not just in breach of what they now appear to think is the criteria that people should be chosen for... tenders for, but in breach of European law, Mr Speaker, people were chosen *a dedo* for jobs inside and outside the Government in Government companies. This was the way of the GSD world. It was an *a dedo* world under the GSD.

**Minister for Enterprise, Training, Employment and Health & Safety (Hon. J J Bossano):** They ran out of *dedos*! (Laughter)

**Hon. Chief Minister:** In this particular instance – (Laughter) I have to reflect the comments of the Hon. the Member for Employment who says that they did it so often they almost ran out of *dedos*, Mr Speaker. (Laughter)

Mr Speaker, it is extraordinary that in relation to this particular appointment the hon. Gentleman wants to run with the hare and hunt with the hounds at the same time. He wants to say... you know, he is hitting the GSLP for appointing this man *a dedo*, whilst at the same time saying that he is a lovely man and he might be exactly the right choice, but he wants to talk about the package. Mr Speaker, we are giving him the information about the package. The fact that the information as to the school fees is not yet in place, does not mean that there is anything wrong with the package. He will have the information if he asks again as soon as we have it.

But I am reassuring him, Mr Speaker, that we think that this is exactly in the interests of taxpayers in Gibraltar. This is exactly the right person to do the job. I have not heard any complaints from anybody who wanted the job. I have not heard any complaints about the man who has got the job. I think everybody agrees he is a fantastic addition to the arsenal available to the Government of Gibraltar to attract investment to Gibraltar. I trust, Mr Speaker, that he will agree, otherwise he will be demeaning somebody who is playing a pivotal role and who is highly respected in his field.

**Hon. D A Feetham** Mr Speaker, I do not understand how he can possibly compare Mr Cruz to Mr Canessa who was after all a public servant. Mr Canessa was a public servant. Mr Canessa being a public servant was transferred to London and that is not the same as this particular situation, which is a situation where the Government has chosen somebody *a dedo* without going out to advertisement and without advertising this particular post.

Of course, Mr Speaker, he is the new dawn man, as I remind him. He is the new dawn man. It is no defence for him to say, 'Well you used to do x, y and z'. Well, quite frankly, it is becoming a bit of a habit because he has also done it in relation to the advertisement of the contract for advertisement at the Airport. We discovered all these companies at No. 6 Convent Place, which was also *a dedo*.

Is he going to answer the question that I asked? Does it relate to all the children of this particular individual or only one of them that we are talking about in relation to this private education allowance?

**Hon. Chief Minister:** Mr Speaker, the hon. Gentleman just does not know what he is doing politically by treading in this area.

Mr Speaker, I am the new dawn man, but the sun still rises in the east and sets in the west. I am the new dawn man, but Government has to continue operating. I am the new dawn man, but I appointed a Chief Technical Officer without going to interview and I will have to appoint a Financial Secretary without going to interview, and I will have to appoint a Chief Secretary, should Mr Gomez ever leave, without going to interview because those are appointments – those three in particular, which he knows from the hon. the backbencher – used to be appointments by the UK which are now appointments reserved to the Chief Minister of Gibraltar, and that is perfectly proper and perfectly alright.

It is not as if Jason Cruz has become a civil servant because the Government of Gibraltar has employed him and said so. It is not as if Jason Cruz has become a civil servant because the policy of the Government of Gibraltar today is that anybody who has been in the employ of either the GDC or of the Government could simply become a civil servant overnight, as was the case under the previous Administration. This is a gentleman employed to do a particular job *under contract*.

Mr Speaker, I hesitate to raise his name again in this House, but the Hon. Mr Bossino has raised it already. Mr Flower, who was in my office when I arrived, somebody who I am very happy to say does an important function for the Chief Minister of Gibraltar, who I knew and had worked with when I was in private practice and he was in banking, and with whom I have an extraordinarily good relationship, was appointed *a dedo* by the hon. the previous Chief Minister.

Mr Golt, with whom I have the greatest political affinity, was the subject of a vendetta by the hon. the previous Chief Minister of Gibraltar for 15 years for having the temerity to stand against him in 1996. He

used to be as close a friend of his as he used to be of me. He used even to be his ideological partner until he decided to go to the dark side of ideology (*Laughter*) with the hon. Members opposite. He was appointed in the end *a dedo* by them, Mr Speaker.

Mr Cantos who used to do his job before then was appointed *a dedo* by the hon. the previous Chief Minister at the time, and then the appointments *a dedo*, even in Government companies, were myriad.

If I may say so, Mr Speaker, to deal with the particular issue in question, the Gibraltar Airport advertising contract was not an appointment *a dedo*, Mr Speaker, it was to undo –

**Mr Speaker:** Mr Speaker, I have to tell the Chief Minister that we are really running away now from the whole subject and in fact they are in danger not only running out of *dedos* in their hands, but of the feet as well. (*Laughter*)

Let us come down to earth. There is an opportunity next week to debate to your heart's content, when I will be much more liberal than I am prepared to be at Question Time. Let us get on.

**Hon. Chief Minister:** I am grateful, Mr Speaker.

So the only part of the hon. Gentleman's preface which I have not answered is this question of the Airport contract. I will say very succinctly and very quickly, all we did there, Mr Speaker, is appoint the only person that they had failed to appoint to the new company from the old company. In other words, they took everybody who was employed by the company, who used to run the Airport – (*Interjection*) Terminal Management Limited to the new company GATL. They singled out for their usual vendetta-style approach one individual and when we were elected we ensured that we undid that and we gave him the job that he had held for almost 25 years under successive Administrations until their previous leader decided that he was going to be done away with, as if he were to be discarded like rubbish, and we appointed him back.

So none of those things that he has said, Mr Speaker, goes anywhere near dealing with any of the issues that they dealt with and so let themselves down and delivered what was not good Government, Mr Speaker, in many respects.

**Mr Speaker:** One final supplementary and then we will move on to the next question.

**Hon. D A Feetham:** Mr Speaker, that is all well and good and it is all very interesting – (*Interjection*) No, it is all very interesting, but he has not answered the question. Does the private education allowance relate to all Mr Cruz's children or just one of them? That is the question. He is the Minister for Finance and by the way, he does not know the power of the dark side yet. (*Laughter and interjections*)

**Mr Speaker:** The supplementary question is: is it to do with one child or with more children?

**Hon. Chief Minister:** Mr Speaker, the answer is that I do not know how many children Mr Cruz has (*Laughter and interjections*) or may have at the time of the information. I have told him, Mr Speaker, once the Chief Secretary has done an agreement with Mr Cruz, if he continues to ask me I will give him the information.

Mr Speaker. I am fully conscious that the empire always strikes back, but the Jedi always returns and in the end, in episode six, good prevails over evil. (*Laughter*)

#### Q467/2014

#### Previous Speaker's tax affairs – Report into leak of information; update

**Mr Speaker:** Question 467.

**Clerk:** Question 467, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, I hesitate to ask who is Yoda on the Government benches (*Laughter*) but, Mr Speaker, further to the answer he gave me to Question 207/2014, can the Chief Minister please state whether the report into the leak of the tax affairs of the previous Speaker has now been finalised?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I have no doubt of who the evil emperor is and who Darth Vader is.

Mr Speaker, the Chief Secretary expects the report in question to have been finalised before the end of October.

**Q468-471/2014**  
**Sunborn Hotel/Credit Finance Company Ltd –**  
**Details**

1580 **Clerk:** Question 468, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, what has been the total expenditure, either by way of loans or otherwise, by the Government or any of its wholly or partly-owned companies, in or associated with the Sunborn floating venture?

1585 **Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer this question together with Questions 469 – sorry, Mr Speaker, let me start again.

1590 I will answer this question about the fabulous floating five-star hotel, the Sunborn, together with Questions 469 to 471.

**Clerk:** Question 469, the Hon. D A Feetham.

1595 **Hon. D A Feetham:** Mr Speaker, can the Chief Minister please provide details of dividends or any returns actually received by the Gibraltar Savings Bank and the Government from Credit Finance Company Limited?

**Clerk:** Question 470, the Hon. D A Feetham.

1600 **Hon. D A Feetham:** Mr Speaker, can the Chief Minister please provide a breakdown of all legal fees and fees in respect of consultants paid out by Credit Finance Company Limited, together with particulars of the transaction it related to?

1605 **Clerk:** Question 471, the Hon. D A Feetham.

**Hon. D A Feetham:** Can the Chief Minister please provide a breakdown of how the £430 million invested in Credit Finance Company Limited by the Government and the Gibraltar Savings Bank was in turn invested as at 31st March 2014, 30th April 2014 and 31st May 2014?

1610 **Clerk:** Answer, the Hon. the Chief Minister.

1615 **Chief Minister (Hon. F R Picardo):** Mr Speaker, as has already been explained in the House previously, details of individual loans issued by Credit Finance Company Limited will not be given; however, details of the total loan book, including the loan issued to the fabulous floating five-star Sunborn Hotel, are now available on the Government website.

1620 Expenditure has also been incurred in infrastructure work to enable the fabulous five-star floating Sunborn Hotel to berth at its present location and to enable the fabulous five-star Sunborn Hotel to have access to utilities, such as potable water and electricity supply. These works are done for any similar development. The total of such expenditure will as usual be shared by those who have taken the benefit of such works and any amounts paid by the Government are therefore going to be recoverable where the benefit is enured to third parties. Discussions in this respect are ongoing with both the owners of Ocean Village and of the fabulous floating five-star Sunborn Hotel.

1625 Mr Speaker, the total costs of the works has not yet, however, been fully invoiced to Government by some private contractors involved and some invoices are disputed. I am therefore unable to provide any reliable figures for the costs of the works at the moment.

Mr Speaker, the amounts received by the Savings Bank Fund from Credit Finance Company Limited from its investment in redeemable preference shares is as follows: 2012-13, £1.22 million; 2013-14, £19.938 million; 2014-15 to date, £3.75 million, representing two months of the year. No other dividends have been paid to date by Credit Finance Company Limited.

1630 The information requested in answer to Question 470 is, I am reliably informed, already available on the Government website.

Monthly information on the total loan book of Credit Finance Company Limited, including details of total commutations paid as requested in Question 471 are now available on the Government website.

1635 **Hon. D A Feetham:** Mr Speaker, can I ask the Chief Minister when the answer to Question 471 has actually been provided... has actually been posted on the Government website? Was it after I provided notice of this question, because if it was, then it is his obligation is to provide it to me in answer across the floor of this House? When I last looked at the website, I did not see it before I actually asked this question. That is why I have asked this question. Indeed, even after I had given notice of this question, it was not on  
1640 the Government website. So I think if it was not before, as I am absolutely certain it was not, before I gave notice, his obligation is to provide it across the floor of this House and not just simply refer me to a website.

**Hon. Chief Minister:** Mr Speaker, I am informed by those who provide the information to me that it is up on the website. So I assume it is up on the website by the time that I am giving the answer, it must have  
1645 been at the time that he was putting the question.

But, Mr Speaker, if he wants to... if something is not on the website, instead of asking me across the floor of the House in an attempt to embarrass the Government, if that is what he is doing, simply give me a call and say, 'Fabian, the monthly amounts have not been put up on the website', and I will tell the civil servant responsible to make sure it goes up immediately. That is what the information is there for. It is not  
1650 information we are trying to hide. It should be up on the website.

In fact, Mr Speaker, what I can tell him is that I do not have the information with me, but I believe it is the amount that was disclosed last month. I do not think any of those totals have changed in the period since we discussed it and I said that it would be going up on the Government website.

**Hon. D A Feetham:** Mr Speaker, you see I do not want to have these exchanges across the floor of this House because it is completely and utter unnecessary. I have given notice of a question. We now have a situation where I am being told by my Deputy, Mr Bossino, that in fact the only information, which is the information that I saw when I looked at the website... the only information on Credit Finance on the website is the loan book in relation to Credit Finance, the commutated pensions, the amount that has been  
1660 invested by the Gibraltar Savings Bank in Credit Finance, which is £400 million, and the total equity invested by the Government, and also arrears... loans provided to allow people to repay Government arrears, which is roughly about £1 million.

It does not have the information. It does not provide the information that I have asked in Question 471, which is important. What this is asking is how Credit Finance is actually investing that money. We know that £72 million has been spent. We know that – that is the information on the website – but the remainder of it must be somewhere. That money has to be somewhere. I think that the Hon. the Minister for Employment probably can answer that question. I suspect that the money is still sitting – because the transaction was probably a paper transaction – in the Gibraltar Savings Bank wherever the Gibraltar Savings Bank originally invested that money, be it in some account or elsewhere. That is what this question  
1670 is asking. I want to know how the entirety of the £430 million, which is more than just the £72 million, is actually invested.

**Hon. Chief Minister:** Mr Speaker, we have had this debate before. The information that I have told him is going to be publicly available on the website is the one that has already been put publicly on the website. So he has gone through the list of everything that he has asked about and it is all on the website, and so I am pleased that he recognises that.  
1675

The balance, Mr Speaker, I have told him before, it is in cash in the companies. It is in cash in the Government companies held in cash.

**Hon. D A Feetham:** It is held in cash on behalf of the company, but where? What account? With what bank? Simply because the hon. Gentleman has said it is held in cash, there is not £430 million. Less £70 million under somebody's mattress, under the Chief Secretary's mattress or Dilip's mattress because they are the only two Directors, together with another senior civil servant of this company. It is not there. It has got to be somewhere. What I am asking is where is that money invested? In other words, with what bank is it actually invested... deposited? That is the question.  
1685

I even think there is absolutely no commercial sensitivity in this question and indeed it follows from similar questions that I have asked of the Hon. the Minister for Employment and answers that he has provided me, because in fact in fairness to the Hon. the Minister for Employment, he has provided me in the past – he has undertaken to provide to me the same by tomorrow – a list of how exactly the Gibraltar Savings Bank has invested this particular money.  
1690

I actually suspect that the money in Credit Finance Company Limited that he says is cash in the company, is still sitting in exactly the same place where it was sitting when the share transfer actually took place, and probably the only difference is that the account holder has actually changed. That is all. That is what I suspect is happening.

1695

**Hon. Chief Minister:** Mr Speaker, the position is that I have told him in respect of that money that it is held in cash in the companies – that is the information that we are giving. I will go back and seek from the Financial Secretary further detail. But if we have had this question before and I have answered it like this before. (**A Member:** No.) I do not think we have had this issue before, but I will go away and I will talk to the person that he refers to by his first name, who I refer to as the Financial Secretary.

1700

**Hon. D A Feetham:** Mr Speaker, I think the question is very clear and all my questions have been very clear, very precise. There is nothing about directly or indirectly, but I know that the hon. Gentleman has difficulty with those questions.

1705

Could I ask the Hon. the Chief Minister to again provide me with this information by tomorrow, which is when the Hon. the Minister for Employment and also the Minister for the Gibraltar Savings Bank is going to provide me with the parallel information as to how the Gibraltar Savings Bank monies are being invested?

1710

#### ADJOURNMENT

**Chief Minister (Hon. F R Picardo):** No. Mr Speaker, his questions are not clear. I have no problems with directly or indirectly and I will not undertake to do that. I will go back and I will talk to the Financial Secretary and I will then give him a call to tell him what the Financial Secretary tells me, but I will not tell him it will be tomorrow. I will tell him that it will happen because I am taking away what he has said.

1715

Mr Speaker, I have the honour to move that the House do now adjourn until Monday at 10.00 a.m., when I have notified hon. Gentlemen and Members generally that we will be dealing with the Appropriation debate.

1720

**Mr Speaker:** I now propose the question which is that this House do now adjourn until Monday at 10.00 a.m.

I now put the question which is that this House do now adjourn until Monday at 10.00a.m. Those in favour? (**Members:** Aye.) Those against? Passed.  
The House will now adjourn until Monday at 10.00 a.m.

1725

**Hon. E J Reyes:** Mr Speaker, sorry, are the Written Questions going to be tabled?

1730

**Hon. Chief Minister:** At 10.00 a.m. on Monday.

*The House adjourned at 4.45 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.00 a.m. – 1.55 p.m.

Gibraltar, Monday, 30th June 2014

## Business transacted

Questions for Written Answer .....	2
Government Bills.....	2
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# The Gibraltar Parliament

*The Parliament met at 10.00 a.m.*

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

[CLERK TO THE PARLIAMENT: P E Martinez Esq *in attendance*]

## Questions for Written Answer

**Clerk:** Sitting of Parliament, Monday, 30th June.  
Answers to Written Questions. The Hon. the Chief Minister.

- 5      **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to table the Answers to Written Questions numbered W172 to W209/2014 inclusive.

### GOVERNMENT BILLS

#### FIRST AND SECOND READING

##### **Appropriation Bill 2014 – First Reading approved**

**Clerk:** Bills – First and Second Reading.

- 10      (1) A Bill for an Act to appropriate sums of money to the service of the year ending on 31st March 2015 and further sums of money to the service of the year ended the 31st day of March 2013.  
The Hon. the Chief Minister.

- 15      **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that a Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2015 and further sums of money to the service of the year ended 31st March 2013 be read a first time.

- 20      **Mr Speaker:** I now put the question which is that a Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2015 and further sums of money to the service of the year ended the 31st day of March 2013 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Appropriation Act 2014.

##### **Appropriation Bill 2014 – Second Reading approved –**

- 25      **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that the Bill now be read a second time.

- Mr Speaker, this is my eleventh budget session as a Member of this Parliament and my third budget address as Chief Minister and I now have the honour to present the Government's revenue and expenditure estimates for the year ended 31st March 2015, which will mark the third full year of a Socialist Liberal administration since we took office in December 2011.

- 30      I will also, Mr Speaker, report to the House on the revenue and expenditure out-turn for the previous financial year, 2012-13, as well as on the public finances and the state of the economy generally; making

this speech, as it has been since it has been led by Chief Ministers since Mr Bossano's ground-breaking address in 1988, very much a State of the Nation address and not just an appropriation.

Mr Speaker, I will end my address to the House by outlining the budget measures that this Government will introduce this year, in pursuance of our electoral commitments and in order to continue to address the social and business needs of our community.

In parliamentary terms, Mr Speaker, I am very proud indeed to reflect on the fact that this is the 24th meeting of the House that I have convened since I was elected – the 25th, if we include the ceremonial meeting for the opening held in December 2011.

It is important in my view that we as a community do not forget that it is only as a result of the election of this administration that we now enjoy the benefit of monthly meetings of the Parliament. Before then the previous administration made up of Members Opposite convened no more than the three meetings required by the Constitution in any calendar year.

Mr Speaker the 24 meetings of Parliament convened by my Government in the past two and a half years compare therefore very favourably to the same number of meetings convened by the previous administration in 10 years from 2002 to 2011. What we have done in just over half the lifetime of this Parliament, it took them the lifetimes of two and a half Parliaments to do! So we are very proud to have demonstrated to our people that we are committed to democracy, not just at election time but throughout the lifetime of the Parliament.

And to make it even clearer, Mr Speaker, we have now fully implemented the technology that allows the public full and open access to the proceedings of this Parliament by way of video feed. The public have now had a full year of being able to see what is happening in this place by way of accessing the audio/video feed on their computers, their laptops, tablets or mobile devices.

I of course want to pause there, Mr Speaker, to thank you and your staff for the work done already in this respect. It is incredible to think that it is only a year ago that we started testing the technology that allows such broadcasting of the video feeds. I think that the Clerks of the Parliament have done an extraordinary job in adjusting themselves to the requirements to provide this service. At the same time, Mr Speaker as they have adapted from the practices of a sleepy Parliament that did not meet very often to the demands that we now make of this place, even now publishing a timetable of activity – which in the model of Westminster is also something that was never done here before.

We are rightly proud, Mr Speaker, of our record on Parliamentary Reform and we will go even further as we finalise the work on the Select Committee on Parliamentary Reform.

It is also true that in the past year, Parliament has required funding in order to manage a European Parliamentary Election. Although not supported as we might have wished by those entitled to vote in Gibraltar, all Members on this side of the House would of course wish to thank the Returning Officer for his work on that election; a good dry run for a new incumbent who will have to deal with a national election in due course.

The Deputy Chief Minister will, Mr Speaker, be addressing matters relating to the refurbishment of Parliament in the course of his address later today, as I turn now to the economic aspects of my address.

Mr Speaker, as has been the case with the previous two budgets of my Government, this budget is carefully designed to support working families, to support our youth and our senior citizens and to support our business community and improve our public services. This budget is designed to continue to deliver on our mission to improve the quality of life and standard of living of all residents of Gibraltar, whilst seeking to keep the costs of doing business here as low as possible so that we remain an attractive place in which entrepreneurs can base their companies. That is an essential prerequisite for continued growth for our community which we cannot lose sight of.

I am pleased to say, Mr Speaker, that we approach this Budget with the European Economic picture a little less bleak than it was a year ago, although in many advanced EU economies the slight economic improvements detected by central banks and financial commentators do not yet seem to be trickling through to citizens. Global activity strengthened during the second half of 2013, as anticipated in the October 2013 World Economic Outlook (WEO) of the International Monetary Fund (IMF). This also predicted that 'activity is expected to improve further in 2014-15, largely on account of recovery in the advanced economies. Global growth is now projected to be slightly higher in 2014, at around 3.7%, rising to 3.9% in 2015, a broadly unchanged outlook from the October 2013 World Economic Outlook'.

The World Bank has cut its own growth forecast for the global economy in 2014 following a weak start to the year in both rich and poor countries. World Bank President, James Kim, has recently stated that the bank expects the global economy to grow by 2.8% compared with the 3.2% predicted in January. Developing country expansion has been revised down from 5.3% to 4.8%, whilst expansion in high-income countries has been shaved from 2.2% to 1.9%. After a sluggish start to 2014, the bank expects activity to accelerate during the rest of the year and for global growth to be 3.4% in 2015 and 3.5% in 2016.

The Vice President of the European Central Bank, Vítor Constâncio, said recently at the 71st Plenary Meeting of the Group of Thirty in Versailles on the 30th May 2014 that:



‘growth remains modest. In many countries, GDP levels are still below or barely above pre-crisis peaks. Euro area GDP in 2013 was 1.7% below 2007 levels.’

In the United Kingdom, growth will happily, it appears Mr Speaker, likely be the highest amongst Europe’s large economies. The most immediate consequence of this for Gibraltar would appear to be the growing strength of the pound sterling. This will obviously have hugely beneficial effects for British holiday makers, our own people included, and for those who work in Gibraltar and live in the Eurozone. The negative effect will be that our products will become more expensive for those who are holding Euros. That makes the shopping experience in Gibraltar also not so affordable. We must keep a careful eye on the strength of the pound sterling and juxtapose that to our need to remain competitive. Local traders may need to adjust pricing as a result of the need to remain attractive to national and international consumers. We have given the cushion with the import duty reductions we have been making in many areas that they need and some which will follow today.

Mr Speaker, it is in this context that we are also working on a consultation on the nature of our status within the EU. We clearly have a debt of gratitude to those who determined our current status on entry 42 years ago. In their own analysis, they got it right that we should stay out of the Common Customs Union in the early 1970s when we entered the European Economic Community, as it then was.

Now we are already developing legal papers and starting work on economic briefs in order to work with the employer and employee representative groups and with Finance Centre and Gaming industry representative groups to ensure we once again understand and get right our determinations of where the future shape of our membership of the EU lies.

This is an exercise which has been widely welcomed and the strategic importance and relevant timing of which is understood by all right-thinking members of our community.

Indeed, Mr Speaker, the issue of the UK’s position on Europe, membership of the EU and a referendum and renegotiation, the order of which may now not be so clear, is playing out on our television screens and on the front pages of the British press at a speed that is frankly vertiginous and itself has entirely justified and vindicated the manner in which we have positioned Gibraltar for this essential consultation process.

Continuing with the economic analysis, Mr Speaker, in neighbouring Spain conflicting data suggests slight improvements, but unemployment remains, in the areas around Gibraltar, as unfortunately harsh as it has been in recent years. This of course means that there are economic pressures on some Spanish citizens – and on those of other nationalities, as well – which sometimes reflect on us in Gibraltar. At least it is now evident that civil servants in the municipality of La Linea have finally been paid the amounts overdue to them in salary, something which has been a difficult to comprehend reality for many professional people in our neighbouring city. The fact that those payments have been made are an effective demonstration of the hard work put in by the current administration of the municipality in righting that previously listing ship. But economic pressures in Spain have repercussions in Gibraltar in myriad ways, not least in its national government wishing to use Gibraltar as a useful distraction where possible.

Mr Speaker, Members of the House will be disappointed to know that UNICEF’s 2014 report informs that child poverty in Spain has grown to 27.5%. That represents a heart-breaking 2,306,000 children living under the property threshold. Unemployment in La Linea and the Campo Area remains exceptionally high, as I have said, and we continue to be of the view that with mutual co-operation and understanding, with dialogue and with goodwill, which has been the consistent attitude of this Government of Gibraltar, we are convinced that Gibraltar can be an economic powerhouse for the whole region that would – in very great measure – help redress the unemployment issues in the region. Without co-operation, however, we are hopeless to help.

The Government, nonetheless, looks forward to a recovery in the Spanish economy as soon as possible which does manifest itself in improvements in particular in the daily lives, we hope, of the people in the whole of the neighbouring Campo de Gibraltar, which would be as good for them as it would be for Gibraltar as a whole. And in this respect Mr Speaker, we remain committed to dialogue as the only mechanism to deliver improved relations with our neighbours’ national government in a way that would boost mutually beneficial economic growth and could result in successful joint job-creation strategies. But we cannot talk to a wall, Mr Speaker.

Mr Speaker, let me turn now to the traditional detailed analysis of our own economic performance.

Mr Speaker, inflation in Gibraltar averaged at 2.1% in 2013 compared to 2.7% in 2012. The Food Group contributed 0.5 percentage points over the year to January 2014. As hon. Members will know, the latest published rate of inflation for April 2014 stood at 1.8%, down from 2.5% in January 2014. The Government’s Statistics Office reports uncertainty on how long inflation in Gibraltar can remain near the target rate of 2%. This uncertainty arises from the openness of the Gibraltar economy and the effects of movements in the exchange rate and commodity prices, both of which are prone to move sharply. The statisticians’ expectations is that downward inflationary pressures in the Eurozone and the weak Euro

should nonetheless slow down price increases in Gibraltar during 2014, keeping the rate below the 2% target.

Mr Speaker, in employment terms the excellent work being done in the Ministry of Employment by the Hon. Mr Bossano, now also one of the longest serving parliamentarians in the Commonwealth, is also shining through. In October 2013, the number of employee jobs was 22,907, representing an increase of 6.5% – up by 1,388 from 21,519 in October 2012. There was an increase in the number of employee jobs in both the Private and Public Sectors, where jobs grew from 15,844 to 16,941 – up 1,097 – and from 4,991 to 5,378 – up 387 – respectively over the period. Employee jobs in respect of Gibraltarians *increased* by 126 from 10,731 to 10,857 over the year, representing just under 50%, or exactly 47%, of all employee jobs in our economy.

Mr Speaker, last year the Government reported the largest ever increase in Gibraltarian employment levels. The number of Gibraltarians in full-time employment increased in the year between October 2011 and October 2012 by 524. This demonstrated the massive and unprecedented success of the policies introduced by this GSLP/Liberal Government on 9th December 2011 by the increasing full-time employment levels for Gibraltarians.

In the whole 15 years of GSD Government, the number of Gibraltarians in full-time employment only went up by an average of 22 a year, or a total of 325 in 15 years. Our average, for the two years of the employment survey since we were elected is 325! In other words, our average in two years is greater than their total over 15 years! **(Several Members: Hear, hear!)** *(Applause and banging on desks)*

That is, I am delighted to report to the House, a truly remarkable achievement.

Mr Speaker, I do know that in some circles it is popular to knock Joe Bossano. But if people put away their prejudices and look at the results that the hon. Member is producing, they will see that he is delivering for our people jobs at a rate never seen before in history; and certainly nothing like the pitiful levels seen under the previous administration.

So when it comes to other contributions in this debate, I would ask all hon. Members, in particular the Member shadowing Mr Bossano, to deal with the substance of the matter of employment; namely the huge and unprecedented success that we are delivering and the abysmal record that their previous administration were responsible for.

Mr Speaker, the numbers speak for themselves and we will not rest until every able-bodied Gibraltarian who wishes to work is in a job.

Mr Speaker, on the back of those encouraging employment figures, I will turn now to the annual analysis of GDP, which is the internationally relevant measure of progress in all advanced economies.

The latest figures available from the Government's Statistics Office indicate that Gibraltar's Gross Domestic Product for the financial year 2011-12 was £1.17 billion.

The GDP figure for 2012-13 is now estimated at £1.28 billion and the forecast for 2013-14 is £1.41 billion.

Mr Speaker, when we stood for election in December 2011, we made very clear commitments as to the rate of growth that we anticipated for our GDP and how we believed that the GDP figure could grow in actual cash terms over the lifetime of this Parliament. Our prediction was, as has been the case in each election in which the GSLP has made such predictions, entirely ridiculed by individuals standing against us.

Well, Mr Speaker, with the continued roll-out of our manifesto commitments – in particular the refurbishment of the forgotten estates, the building of affordable housing projects and the excellent small boats marina project, together with the development of two new schools in the Upper Town area, and the effect that just these projects will have on our economy in the coming years, GDP growth can now confidently be expected to accelerate and in fact entirely comfortably be predicted to surpass our original estimate of a GDP of £1.65 billion by 2015-16. Our economy is therefore on target to deliver and exceed the target we set in our manifesto.

There were some that said – almost with glee, Mr Speaker – that our predictions were too ambitious and unachievable. There were some who said that it was impossible for us to grow our economy as fast. On this subject, I am sure I am joined by all right-thinking citizens and residents of Gibraltar, in being very satisfied indeed that Her Majesty's Treasury in Gibraltar has confirmed this level of growth has been and is being delivered. There can be no happier 'I told you so' than this one for all our community, Mr Speaker – even, ironically, for those who relished predicting we would fail to reach these targets of growth.

Mr Speaker, I am delighted to be able to report to the House and to the people of Gibraltar that these figures reflect a continued growth in percentage terms in our economy of around 10.3% per annum. This is double digit growth unseen *anywhere* else in southern Europe, or indeed the rest of Europe.

Mr Speaker, these numbers will rank Gibraltar as one of the fastest growing economies in the world; no mean feat for a nation with a population of 30,000 people in southern Europe – and especially given the current attempts to strangle our economy that have been so evident to the whole world.

Mr Speaker, last year I told the House that the Statistics Office had reported GDP per capita had risen to an average of £41,138 – or US\$64,478. By the per capita rankings of the International Monetary Fund, Gibraltar then ranked fifth in the world, with the GDP per capita up from ninth place in 2011-12.

And, indeed, Mr Speaker, Gibraltar actually now still ranks in the Top Five worldwide in terms of GDP per capita.

In fact, I am *very, very* proud indeed to be able to report to the House today, that I am telling our citizens, and all those who come in daily to work in our economy, that our GDP per capita is estimated by the Government's Statistics Office to now be US\$75,117 – which translates into *third place* on the International Monetary Fund World Economic Outlook Database Ranking of Countries based on GDP per capita. Up from ninth to third in two financial years!

Mr Speaker, it is personally for me a *huge* satisfaction – and for the whole of the Government of course an enormous source of pride – that in the two and a half years since we have been elected we have been able to steer our nation on such a steep rise in this index. I told the House then and confirm now my view that these measures are not entirely scientific because of differing methodologies and fluctuating exchange rates; but they are the measures that the rest of the world relies on.

And the main drivers for this growth, Mr Speaker, are primarily the continued increased employment and turnover in the online gaming and financial services industries, as well as the increased levels of construction – both from the public and private sectors – now evident in our economy.

Mr Speaker, moving on now to public debt.

The level of Gross Public Debt as at 31st March 2014 was £450 million. That means that in the context of an economy that has already grown by over a fifth from £1.17 billion to £1.41 billion, our Gross Public Debt is now £70 million lower than under the previous GSD administration.

The level of Cash Reserves is estimated to have ended the financial year at a very high level indeed of just shy of £100 million, or £96 million to be exact. This is a huge increase in terms of useable cash reserve and is the valuable fruit of our prudent economic management. Fifty times more useable cash reserve than the Members Opposite left at the end of their last financial year in office, which is the measure that really matters!

This analysis reflects a Net Public Debt of 25% of GDP or £354 million; all well within the borrowing limits set out in the Public Finance (Borrowing Powers) Act.

As a percentage of Annual Recurrent Government Revenue in the previous year, Net Public Debt at the end of March 2014 was 65%, leaving a clear margin of 15% – or around £82 million – of useable Cash Reserves under the Public Finance (Borrowing Powers) Act. This compares with usable Cash Reserves of just £20 million when this Government took office on 9th December 2011 – £16 million by the following Monday – and just £2.5 million at the end of March 2012.

In short Mr Speaker, Usable Cash Reserves have now been fully restored to prudent levels and the Public Debt is well within the levels permitted under the Public Finance (Borrowing Powers) Act. There will be no need for us to come to this House to seek a resolution to raise the borrowing limit, as the previous GSD administration were set to do before the last election because they could not balance the books within the borrowing limit formula they set out in the law.

Mr Speaker, as we have said since before our election, this administration is committed to seeing reduced levels of Public Debt on both a Gross and Net basis. This year, we are in the middle of paying for projects that will produce revenue in the future, in particular the building of affordable homes. For that reason, we estimate that the Public Debt will remain broadly at present levels during this financial year; but we can confirm our view remains that it will fall to the levels we estimated by the time of the final budget in the life of this Parliament. In this respect also, we are therefore on target to deliver the reductions in debt in ratio terms that we committed ourselves to deliver.

Mr Speaker I turn now to an analysis of Government revenue and expenditure for the past and coming year.

Government revenue collected in the last financial year has exceeded the original budget by around 12%. As a clear reflection of the continuing growth in our economy, PAYE receipts increased by around 8% over the previous year and Company Tax increased by over 20%. Revenue is up from £387 million, which was the amount in which the financial year 2010-11 ended on 31st March 2011 – and the figure to which the Financial Secretary referred in his Doomsday Memo to me of 13th December 2011 – to an estimate now of £547 million in the two and a half years since we were elected.

Mr Speaker that reflects a growth in recurrent revenue in cash terms of £160 million.

In percentage terms, Mr Speaker, we have taken our nation's economy on a quantum leap forward of growth of 41.34% from the figure at the end of March 2011 to the figure in the conservatively predicted estimates for the end of this financial year.

In the past year alone, revenue has gone from an estimated £487 million last year to the aforementioned estimate of £547 million for this financial year 2014-15. That is a cash estimated growth of £60 million, or

percentage growth of 12.32% in recurrent revenue. That would be hailed as *excellent* growth in any FTSE 100 company!

270 Departmental Expenditure, on the other hand, has been rightly carefully and tightly contained and has ended the year at less than 5% over the original budget. This is excellent control of departmental expenditure which comes in at less than half the revenue growth increase.

Mr Speaker, based on those figures, I would have been delighted to announce to this House that during the last financial year 2013-14, we would once again have achieved an all-time record budget surplus. With 275 those numbers that are reflected in the estimates, at £50.3 million, the Government's budget surplus for the year would have been up by an increase of more than £33 million over the original estimate which was originally a conservatively estimated £17 million.

But this address to Parliament today cannot be one that only delivers good news to everyone. Unfortunately, Mr Speaker, as you and everyone in our community knows, this has been a year when 280 Gibraltar has suffered continued attempts to strangle its economy. These have been designed to try to undermine the work not just of the Government but of every person who works in our economy. The nefarious attempts to undermine us economically have clearly had an effect on the numbers that we expected to be bringing to this House and the prosperity that our community can enjoy.

Mr Speaker, I am therefore very sorry to have to report to the House, in terms of the surplus to be 285 declared, that there is unfortunately a huge disappointment in store for those watching or listening this morning – at least Mr Speaker, for those who are watching or listening this morning hoping to have damaged us; but unfortunately, not all of those seem to be outside of Gibraltar.

Mr Speaker Her Majesty's Government of Gibraltar is *delighted* to be able to report that the surplus is actually much higher than expected – *even* higher than at the time that the estimates book was being put 290 together.

I am delighted to disappoint all of those who wished our community ill.

The surplus to be declared this year is expected finally to be in the region of a huge, record-busting, economic-strangulation-beating, £65 million! (*Banging on desks*)

Mr Speaker, this surplus is a reflection of the hard work of the Government, of every public servant in 295 Gibraltar, of the prudent work being done in the management of our finances by the team at the Treasury and in particular, it reflects the hard work of everyone in this economy. What some people beyond our shores do not recognise, in particular those who believe their own putrid arguments that we are just a military fortress with a few civilians in it, is that we are a community of hard-working, conscientious men and women, toiling each day to make our way in the world.

300 In fact, Mr Speaker, the pillars of the Gibraltar economy are not, in the view of those of us in this GSLP/Liberal administration, those sectors that may or may not be doing better in our economy in any particular year. They are not the particular industry that may be in fashion at any particular time. They are not five. They are not six. They are not seven, Mr Speaker. They are just two.

305 The two twin pillars of the Gibraltar economy are our land and our people. Those are our natural resources.

And our whole wealth, prosperity and way of life depends on using, and defending our right to use, those resources effectively and efficiently. We have nothing else, Mr Speaker, as the Hon. Mr Bossano so succinctly and eloquently set out as Chief Minister in the first real GSLP budget after the 1988 election. And this is a philosophy that we established from the time we were first in Government then in 1988 and 310 which resulted in the huge investment made by that administration, followed by others and now added to by us, of educating our population to the highest possible standard in tertiary education – now including even Masters degrees as compulsory scholarship awards.

And Mr Speaker, that is what the surplus that we declare today reflects above all else: the prudent and appropriate application of wealth to the investment in and management of our human resources and the management of our real estate, so that it is geared towards ventures that produce returns in the long run and 315 all of it topped up by the hard work of our people – a reflection of the real twin pillars of our economy.

So today, Mr Speaker, the Government does not just congratulate itself on this record surplus. We congratulate the Community as a whole: the working people of Gibraltar and the entrepreneurs in Gibraltar. This is the fruit of the labour of those who put out their hands each day to work, not to take. The result of 320 365 days of toil, of getting on with it when the chips are down. The Government says congratulations to all sectors of our economy. The Government says thank you to all economic actors.

This is a rewarding record year for which our people and their Government enjoy joint responsibility.

The prudent management of our economic affairs and the prudent application of our resources is producing the excellent results that we have always believed to be possible.

325 Mr Speaker, in line with our manifesto commitment to allow Gibraltar Community Care Trust to build up its reserves so that it can once again be totally independent of Government grants, I am delighted to inform the House that, out of this record budget surplus for the year, a total of £45 million has been earmarked by the Government as a contribution to this charity. This brings the total contributions made by

this Government to Gibraltar Community Care Trust, during the past two financial years, to £80 million. (Applause and banging on desks) 'Eight zero', Mr Speaker, not 'one eight'.

Mr Speaker, in making this contribution to Community Care, I am very, very proud indeed to be able to report to our community that the reserves of that charity are now reported by the trustees to be in excess of the £60 million which they had in 1996 and which, under the previous administration, were allowed to run down to zero.

I know that everyone in our community will understand the importance of having re-established the contribution to Community Care and the value of that charity, having once again established reserves in excess of the sums they have ever held before. Once again, Mr Speaker, the rainy day fund for Household Cost Allowance is in place.

Mr Speaker, I now move on to the Revenue and Expenditure Budget for the current financial year.

As I have already indicated, estimated recurrent revenue for the year is budgeted at £547 million. This reflects the significant increase in recurrent revenue that has been achieved in the previous year but, Mr Speaker, this is nevertheless a conservative budget going forward, which is less than 1% above the forecast out-turn figures for the previous financial year. Mr Speaker, we believe it is important to be prudent in making these predictions and not to overstate the potential for increased income.

The overall recurrent expenditure budget for the year is £513 million, which includes a contribution of £25 million to pay costs of Government companies with recurring expenditure which the previous administration had entered into, and which therefore reflects a very modest increase in real terms over the previous financial year of under 4%.

For this year, Mr Speaker, the Government is therefore projecting a recurrent budget surplus for this financial year of around £34 million. Again, we are projecting conservatively, based on the conservative estimates we are making of revenue and working hard to once again be able to deliver expenditure as close as possible to the target estimated.

Mr Speaker, it is important to set that predicted increase in recurrent expenditure into its proper context, and I intend to do so. In that way, other Members who speak in this debate will have had the benefit of this analysis and will be able to also see how prudent we are being, given how these figures have previously increased.

More importantly, Mr Speaker, we need to analyse these figures in order to ensure that the community properly understands where responsibility lies for many of these increases.

Historically, Mr Speaker, my analysis will begin with the position just before the GSLP was elected in 1988.

In 1987-88, recurrent expenditure was £67.3 million. Those estimates were prepared by the AACR Government, although there was an election in between which required the GSLP to lead the Appropriation debate.

In 1988-89, the first year that the GSLP was elected, but given the date of the election still reflecting really AACR estimates, recurrent expenditure was £71 million on Revenue of £74 million.

In 1996, eight years later, in the estimates published by the GSLP – although again, the debate happened under the new administration, which was the GSD – and therefore the position of the GSLP when it left office, recurrent expenditure was reflected in the estimates to be £73.2 million.

In 2000-01 recurrent expenditure was £126 million.

In 2003-04 it was up almost £40 million, or 31%, to £165 million.

In fact, Mr Speaker, 2003 was an important year. In October 2003, Mr Speaker, the way in which we account for jobs in the public sector in the Employment Survey was changed, so in order to ensure that I am comparing like with like, I will tell the House that in the Employment Survey that year there were 2,938 people employed in the Public Sector, excluding the MOD.

In 2007-08 recurrent expenditure had risen *another* £40 million to £207 million – or up by 25.5%. By October 2007, in that year's Employment Survey the number of Gibraltarians employed in the Public Sector had increased to 3,092.

It is important to note, Mr Speaker, that in the Employment Survey for 2011, the year of the last election, the total number of people employed in the Public Sector had increased to 4,574. That is a *staggering* increase of 1,636 people employed in the Public Sector – many of them coming in from the MOD and us now selling services to the MOD; but not all of the increase accounted for in this way.

It is also important to note that by the time we were elected in December 2011, the Public Sector Pay Roll which we inherited gives us a figure of employees which we are paying for out of the public purse, and thence quite the best snapshot of the 'public sector' that we can have – absent the Employment Survey figures which relate to earlier in the year – of 4,804 people in December of that year.

Mr Speaker, that is an increase of 1,866 people in the public sector under the previous GSD administration or 39% growth in employment in the Public Sector since 2003. That is to say an increase in the Public Sector of just under 40% in just two of their four terms. In terms of increases since 1996, Mr

Speaker, the figure would be even higher, but we may not be able to compare like with like, if we use the Employment Survey for that year. We are working on obtaining a correct figure for 1997.

It is nonetheless useful to see that the payroll of the Government and the increase in recurrent expenditure of course is always going to be dependent on the number of Public Sector employees; and that rises quite dramatically in the last 10 years.

And now coming back to the analysis of the recurrent expenditure simpliciter, hon. Members will note, Mr Speaker, that at the end of eight years of GSLP Government from 1988 to 1996, recurrent expenditure had gone up from £67.3 million to £73.3 million. That represents a growth in recurrent expenditure in that period of £8 million in cash terms, or 8.1%; an average of 1% a year over the first eight years of GSLP administration. If I did this exercise, Mr Speaker, from 1997, which are the first estimates that the Bossano administration prepared, then you would see that the recurrent expenditure figure for 1997 was £73.3 million, and that was actually the same figure for recurrent expenditure in 1996. But you cannot do many calculations with zero, Mr Speaker, which would have represented the zero growth in recurrent expenditure in those eight years.

Mr Speaker, in the first estimates for which the GSD was responsible in 1997-98 – because 1996-97 were prepared by the GSLP – recurrent expenditure was up to £110 million. Let's call that the real figure that they say they inherited. Let's work from there for them, Mr Speaker.

By 2011-12, the last estimates book prepared by the outgoing GSD administration, the *estimate* for recurrent expenditure had gone up to £372.1 million. But in fact the forecast out-turn at the end of that year was quite different. Mr Speaker, remember please, that financial year was three quarters of GSD administration spending in the run-up to a General Election and one quarter GSLP administration stopping all expenditure, having found almost nothing left in the bank.

You see, Mr Speaker, in the year from when the estimates for April 2011 were completed to the time of the forecast out-turn, the then Chief Minister valiantly led an effort to increase wages in a number of Government Departments, Agencies, etc. Indeed, some new Agencies were even created. The forecast out-turn of the recurrent cost for the final year in which the GSD was in office was actually £421 million.

Mr Speaker, even when giving them the benefit of their own £110 million figure in their first estimates in 1997-98, as their starting position – which is the first estimate for their second year of government, 1997-98 – that represents a cash increase of £311 million or a percentage increase of 283% in the 16 years of GSD Government in recurrent expenditure. Those figures rise to £348 million, if compared with the GSLP's closing figure of £73.3 million, and juxtaposing that to the £421 million actual spend that represents their last financial year in office. Mr Speaker, that would represent a *staggering* 474% increase in recurrent expenditure in their time in office!

In yearly average terms that is an average increase of £20.7 million per year, or a percentage average increase of almost 18% a year when working from the £110 million to the £421 million, over 15 full financial years. If we went for the purist approach and compared the £73.3 million of recurrent expenditure in the last GSLP estimates book that they inherited, and compared that to the £421 million that they bequeathed to us, then the increase averaged out per year they held office is £23.2 million per year, as an increase in recurrent expenditure in cash terms.

In percentage terms, that would be a staggering growth in recurrent expenditure of 31.62% in average annual percentage terms in the full 15 financial years that they were in office. If they prefer to divide by 16 for shorthand, the numbers do not differ much.

As part of that figure, Mr Speaker, is a contribution of £28.3 million to Government Companies that had recurrent liabilities and which also had a debt due to the Consolidated Fund which included spending commitments of almost £100 million and approximately £70 million already spent by the time that we were elected.

But that is not the end of the matter, because, in fact, in respect of recurrent expenditure, a large measure of the increase which resulted in 2012-13 estimates which we tabled really reflect some of the increases already agreed by the outgoing GSD Government and the losses that we found and had to tackle, even two years later.

So when we make an estimate in 2012-13 of recurrent expenditure growth to £440 million, from £421 million the year before – the actual that they left us – that actually reflects *also* a growth in recurrent expenditure incurred in particular in the last months of the GSD administration.

The three-year pay deal agreed by the GSD had been 2.5% for 2011-12, 2.7% for 2012-13 and 2.9% for 2013-14. So in the context of the rise in recurrent expenditure from £421 million in 2011-12 to £440 million in 2012-13, in the context of that increase of £19 million the GSD's pay deal, the part of the rise for which they are again responsible, was £4.1 million.

That is to say, of the increase in recurrent expenditure in our first estimates, 21.5% was what the Hon. Mr Caruana had agreed with the unions before he left. And that is just the general public sector pay deal.

Let me give you a few examples of where the other growth in recurrent expenditure came from, which is not, Mr Speaker, to say that we are here to blame the GSD – it is actually to do a forensic and detailed exercise and analysis to understand how, why and where Recurrent Revenue is rising.

Remember, Mr Speaker, the 16% pay increase in the Buildings & Works Department which became the Housing Works Agency?

Remember the generous 16% pay increase awarded to all GJBS staff after the election had been called?

Some things Members perhaps cannot remember because they are not things ever announced, but, for example, what about the GBC pension fund which had been underfunded by £2 million? This is a publicly funded scheme which was allowed to remain in deficit. To bring it back requires a contribution to GBC from the Consolidated Fund of a quarter of a million pounds a year for eight years.

Remember also, Mr Speaker, that you have things like the creation of the Highways Enforcement Officers which was an entirely new agency created by the GSD and which cost in its first full year of operation £1.15 million – as was the incorporation of a company to be called Gibraltar Car Parks. The latter also operating at a loss, funded by a contribution from Government in company structures created by the GSD and in which we found the huge black hole of £100 million, which we will come to again later.

Remember also, Mr Speaker, the creation in the last financial year in office of the GSD of the Gibraltar Culture and Heritage Agency, which took spending from an estimate of £1.9 million in the estimates for 2011-12 under then Head 38 to a forecast out-turn in 2012-13 of £3.7 million under the free standing Gibraltar Culture and Heritage Agency. In other words, the real extra cost to the taxpayer of the creation by the GSD of the Culture and Heritage Agency was a staggering £1.8 million. He really was giving it away that year, Mr Speaker.

And that, Mr Speaker, accounts for almost 10% of the increase in spending that year; which is therefore also attributable to the time that Members Opposite were in Government and the decisions they implemented in the run-up to the general election. Mr Speaker, the community will be happy to hear that spending in the Gibraltar Culture Agency, where the Principal Auditor's investigation showed a large number of *a dedo* appointments to very large salaries, has now been reduced considerably by almost £1 million. But in the context of the 'hand-over' increases in spending, let's be clear, 10% of the increase in spending from GSD to GSLP/Liberal administration represents that increased GSD spending on the creation of that particular Culture and Heritage Agency.

Some increases of course, whoever is in Government, cannot be budgeted for and are inevitable. For example, the estimate in 2011-12 for fuel for the electricity authority was £9.2 million; but the increases in the cost of diesel raised that by £5 million to £14 million by the time of the forecast out-turn. And the estimate for 2012-13, the year we are now analysing, Mr Speaker, was £16.5 million.

The increase in scholarship costs is also outside of control when it arises from the increased tuition fees in the United Kingdom. That cost went from £6.4 million forecast out-turn in 2011-12 to a forecast out-turn of £9.6 million in 2012-13. So £3.2 million of the increase in recurrent expenditure from GSD to GSLP/Liberals is due to increased charges in the UK.

So, the increase of £19 million that was the increase in recurrent expenditure between the last real year of GSD administration and our first year in administration, we can show is made up as follows: £4.1 million, or 21.5% was the cost of the first of the GSD pay deals; £1.8 million, or 10%, was the extra costs of spending on culture after the creation of the Gibraltar Culture and Heritage Agency; £0.5 million, 2.5% approximately, which is the cost of four new executives employed in the Financial Services Ministry, or the '4 New Jimmys', which both the GSD had promised and which we employed, and so this increase can also be seen to have been approved in effect under the GSD; £3.2 million or 15% was the cost of increased tuition charges in UK; £7.5 million or 30% was the cost of diesel fuel; and another £0.5 million or another 2.5% is factored in as the cost, of course, of inflation for that year.

Mr Speaker, the House and the community at large will be able to see in that detailed analysis that almost 90% of the increase in recurrent expenditure between the estimates for 2011-12 and the accounts for 2012-13 are directly attributable to the spending and spending commitments that Members Opposite entered into before the last General Election, as to almost 40%, or to factors which are outside the control of any party in Government, like fuel cost increases related to the ever-growing price of diesel for electricity generation or increased tuition costs for students as a result of a hike in fees in the UK, which is 47.5%.

So Mr Speaker, any honest analysis of the increases in recurrent expenditure has to be made on the basis of our having inherited recurrent expenditure at a level of almost £421 million, when our responsibility for growth from there to £440 million the following year is about 10% of it. In other words, of that £19 million growth, £1.9 million is the responsibility of the GSLP/Liberals.

So in terms of annual expenditure growth, which was approximately 4.5%, we were responsible for £1.9 million out of £440 million. That is to say, Mr Speaker, our spending decisions related to 0.3% of that year's recurrent expenditure Budget.

When we trace those inherited increases through into the increased estimate for the following year, Members will once again see that a very large part of the next year's increases continue to be the effect of policies entrenched by the previous administration.

510 For example in financial year 2013-14, which we have just left behind, the estimate was for expenditure to grow from a forecast out-turn of just above £448 million in 2012-13 to an estimate of £470 million. That represents in cash terms an increase in recurrent expenditure of approximately £22 million, or in percentage terms 4.9%, which is about a quarter of the average annual growth in expenditure that they were responsible for.

515 Well, of that £22 million, again nearly 25% is represented by the final instalment of the Public Sector Pay Rise agreed by the GSD, which cost £4.8 million in that financial year.

Another continuing increasing expenditure which will not be tamed until we are no longer using diesel to generate electricity was the recurrent cost of that ever more expensive fuel. The cost of that fuel to the Community was estimated to go up *again* in that year, now from an estimate of £13 million in 2012-13 to  
520 an estimate of £23.5 million in 2013-14. That represents, Mr Speaker, a staggering £10.5 million increase in the cost of diesel fuel. That is approximately 50% of the increase in recurrent expenditure for that year; again, not driven by GSLP/Liberal spending plans but by market forces outside our control. In fact, the forecast out-turn is even higher, Mr Speaker at approximately £26 million – but with fuel costs now distributed between Waterport and the new sets brought in, is therefore shown in different parts of  
525 Appendix I for this year.

The cost of scholarships again increased from £9.6 million to an estimate of £10.25 million – over £0.5 million increase – to actually a forecast out-turn increase of £12.3 million.

Inflation was also at approximately 2% for that year, so another £8 million can be attributed to that.

Again, Mr Speaker, almost all of the increases – in the region of 80% of the increase – in recurrent  
530 expenditure driven, not by policies of the present administration, but by the spending commitments of the previous administration or the uncontrollable market forces that increased the price of fuel or the UK's increases in the scholarship fees for our students, the latter being something that we are certainly committed to and that Members Opposite have, until now at least, also said that they remain committed to.

I am also, of course, assuming in this analysis that, despite the high cost of diesel, Members Opposite, if  
535 they had been returned to Government would have continued to purchase that fuel because (a) they would have wanted us to have electricity; and (b) because one of the big dividing lines between our respective positions on the generation of electricity has been our commitment to bring in a cheaper and less polluting fuel in the form of Liquefied Natural Gas, whilst they actually signed agreements – luckily with one final get-out trap door – to purchase a new diesel fired power station for Gibraltar.

540 In that context, Mr Speaker, the increased amounts of spending on recurrent expenditure attributable to GSLP/Liberal commitments in the financial year 2013-14 amount to a miniscule part of the increase. Not much to write home about. Well, Mr Speaker, certainly nothing to base a serious speech in reply to a Chief Minister's Budget Address, that is for sure.

Turning to this year's estimated increase, Mr Speaker, I am very happy that the overall increase in  
545 recurrent expenditure will represent only a 4% increase on the out-turn for the year before – less than a quarter of their average annual yearly increase from 1996 to 2011, if you use the 18% figure. It is too embarrassing for them, Mr Speaker, if I do it as a calculation based on the 34% figure.

We had to make an even larger contribution than expected to recurrent expenditure and the black hole in capital expenditure in the companies than expected in the year 2013-14. That increased from an estimated  
550 £17 million to an actual of £20 million. Mr Speaker, this continues to concern us as a Government. This year we are budgeting a £25 million contribution. But this is exclusively an issue created by the previous administration. There were no uncovered recurrent costs in Government companies under the first GSLP administration; and the few trading companies in the structure then paid their way. This company black hole is a phenomenon created under my predecessor, the hon. the now back bencher.

555 So £25 million has to go to that which we are seeking in any event to tame in some way.

The rest of the increase is in part also going to be explained in terms of market forces affecting in particular the cost of fuel. We are budgeting £33.6 million for the cost of fuel; £12 million for Waterport and the balance for the additional generating capacity that has had to be imported. Again, the cost is related to the increasing cost of diesel. That is now going to represent a further £10.6 million increase over the £23  
560 million budgeted for the year before; again approximately 50% of a 4% increase in recurrent expenditure.

Inflation is similarly running at 2% which represents another £8 million or so. Tuition fees are expected to increase again by another £4.5 million from an estimate of £10.25 million to an estimate this year of £14.86 million. That is £4.5 million – almost a quarter of the increase in recurrent expenditure.

And, as I will come to later Mr Speaker, the Public Sector Pay increase for this year, which I will  
565 announce in greater detail later in the course of this address, represents again a similar part of the balance of the 4% increase which we are talking about for this year.



All in all, Mr Speaker, although this analysis of recurrent expenditure has had to be lengthy and detailed, I think it is an important exercise to do with our community on an 'open-book' basis.

570 It is particularly useful, Mr Speaker, so that we can frame in honesty any debate Members may want to embark on in the context of trying to attribute what I might call 'political blame' for the increases in recurrent expenditure over the years since we were elected.

I think it is hugely important to frame in honesty any suggestions that controlling recurrent expenditure is something which Members Opposite might have been more responsible for, if they had been returned to Government.

575 You see, Mr Speaker, we need to understand how the easy soundbite that 'recurrent expenditure is too high' or 'recurrent expenditure is growing too fast' would be dealt with by those who suggest that they might be able to do a better job than us – those who left us with an average of 18.8% per year of growth, or 34%, if we were to be really analytical.

580 Would they stop generating electricity for some hours in the day to save money, Mr Speaker? Would they cut the pay of civil servants or public servants generally? Would they not give a pay rise to the public Sector this year, Mr Speaker?

Those who express concern about rising recurrent expenditure need to be honest and tell the public what it is that they stand for.

585 Would they cut down the complement of the public sector? Or would they be stopping our young people from having their scholarships, even if they themselves have two degrees and a professional qualification paid for by the taxpayer?

Well, Mr Speaker, we will not do any of that, and we will continue to run surpluses, grow the economy and control recurrent expenditure; and one of the main ways that we will do this will be to switch in fuel from diesel to gas which is good for the environment and is good for the collective pocket too.

590 But let us, by all means, Mr Speaker, have a meaningful debate on recurrent expenditure if the House wishes, Mr Speaker. Certainly. By all means. But let us have it framed in honesty and not in deceit.

Let us not see our people led into thinking that costs which are at large driven by market forces can be controlled in any other way than we are already working to control them by planning for a future when we are buying less diesel.

595 That is how we will loosen the noose that Members Opposite have tied around the neck of our community by the staggering average annual increases in recurrent expenditure of between 18% and 31% in the years that they were in office. Even the lower figure is a staggering indictment of their management of our economic affairs!

600 And let us not seriously have to endure seeing those who agreed pay deals that cost almost £4.5 million or £5 million a year for three years now say that it is remarkable that costs have increased in part by that very same £15 million.

Because this debate is not about blaming the GSD. It is about telling the truth; about framing debates in honesty and not in deceit; about opening citizens' eyes and not allowing Members to wriggle off the hooks that they have made for themselves.

605 And neither should this debate just be about happily going off to spend some more. It should be about spending on things that matter to our people, that make their lives better and that are long-term investments for our community. And part of that also requires us to have a good and strong discipline in sticking to budgets.

610 Mr Speaker, in the last financial year, the Government invested around £128 million on capital projects funded from the Improvement and Development Fund.

615 Around £26 million was invested on 'Works and Equipment' and a further £102 million was invested in specific capital projects, including £12 million on the conversion and refurbishment of the Old Naval Hospital Dementia Facility; £5.8 million on the Sandy Bay Beach Protection; and £5.2 million on Improvements to our Housing Estates. A total of £40 million which was also provided as Equity Funding for the Government-owned asset-holding corporate structure.

620 Capital Projects that are being funded through the Government-owned companies include the construction of over 1,000 new affordable and rental homes; the construction of car parking facilities in numerous locations throughout Gibraltar; a programme of replacement of our bus fleet with more environmentally friendly vehicles; a number of reclamation projects, including the Eastside Reclamation Development, which has now been brought back fully under Government ownership and control, resulting in a significant increase in the Government's land bank that is available for development projects currently under discussion.

625 Indeed, Mr Speaker, hon. Members will have recently seen advertisements seeking 'expressions of interest' for the development of the whole or part of the Eastside reclamation which the Hon. Joe Bossano had the long-term vision to start when he was Chief Minister.

We sincerely believe it is possible for us to see that plot in earnest development in the short to medium term. The appetite certainly seems to be there and we are looking forward to the end of the period for expressions of interest in order to progress as much as possible in respect of that particular area.

This is an area of responsibility which is principally under the ministerial remit of the Hon. the Deputy  
630 Chief Minister, Dr Garcia, under his portfolio for lands. Hon. Members will no doubt agree that the management of that prized land asset could not be in better and more reliable hands.

Mr Speaker, in this financial year, the expenditure budget of the Improvement and Development Fund is around £120 million. The investment in Works and Equipment continues at around the same level as in the previous year. The other main capital investments include the first phase of the excellent 700-berth Small  
635 Boats Marina; investments in our housing estates and our beaches; the relocation of a large number of MOD estates, making way for the release by the MOD of further land and properties for use by our community.

Equity funding of £25 million has also been provided as the initial capital base of the Gibraltar International Bank. The new Bank is expected to open its doors to the public later this year and will provide  
640 full retail banking services to our community, as Barclays Bank plc reduces its retail banking presence in Gibraltar.

Mr Speaker, I am delighted to announce that we have now secured a board of directors that fits exactly what we had in mind when we announced the bank on 16th December 2013. In that statement, I said that I was:

‘excited that GIB will be a modern, innovative institution designed to meet the needs of our community, licensed and regulated by the Financial Services Commission and independently managed by the banking professionals providing an excellent service to its community’.

Mr Speaker, as Members will know, we have engaged the services of two excellent individuals as the  
645 CEO and COO of the Bank with extensive expertise and experience in the banking business. However, it has always been our intention to provide them with independent professional support at board level and this has now been secured. Mr Speaker the Board of Directors of GIB will, in addition to the CEO and the COO as Executive Directors, be joined by the following Non-Executive Directors: Mr Albert Langston JP, a  
650 banking professional and currently Chairman of the Board of Directors of Lloyds Bank Plc in Gibraltar; Mr Marcus Killick OBE, the former CEO of the Financial Services Commission; Mr Peter Montegriffo QC, a Senior Partner of Hassan’s, previously Deputy Chief Minister; Mr Colin Vaughan, a Director of PWC in Gibraltar; Mr Stephen Reyes, a Director of Deloitte’s in Gibraltar; Mr Anthony (‘Tony’) Welsh, as he is known, a well established and well known Gibraltar businessman; Mr Peter Isola, the Senior Partner at  
655 Isola’s; and Mr Dilip Dayaram Tirathdas, the Financial Secretary.

Mr Speaker, each of these individuals is well known in our community and each has excelled in their own area of expertise. I am grateful to each of them for having agreed to join what is the founding board of the GIB, and I have no doubt that their appointment will reaffirm our serious commitment to deliver to the people of Gibraltar exactly what I had promised on 16th December 2013 and which our community richly  
660 deserves: a new, first-class, independent local bank.

Mr Speaker, there is of course very positive news for clients of the Gibraltar Savings Bank, as well. As hon. Members are aware, when this Government took office, the reserves of the Bank had fallen – or been taken, really. They had not fallen, Mr Speaker. They had been taken, and they were down to almost zero.

Before 1997, there was a requirement for a Reserve of at least 10% of deposits to be held in the Savings  
665 Bank before a transfer of any surplus in excess of this could be transferred out. In 1997, an amendment was made under Members Opposite to the Gibraltar Savings Bank Act to exclude Government deposits or deposits in Government-owned companies from these minimum reserve requirements.

Despite this change which the previous administration made just after they were elected, Members of the House and the public will recall that in the financial year 2008-09, a further amendment was made to  
670 the law by the previous administration so that the reserves of the Savings Bank, which had been £19.8 million, built up since the bank was established, could be and were transferred by the then GSD administration into the Consolidated Fund.

The actual reserves of the Gibraltar Savings Bank at the end of March 2011 were therefore just £1,444.51. Yes, Mr Speaker. I am no longer talking in millions. In this respect, I am talking *literally* of just  
675 ‘one thousand, four hundred and forty-four pounds and fifty one pence.’ *Down*, Mr Speaker, from reserves of £19.8 million that the Savings Bank had built up year on year since its inception, I believe.

Well, Mr Speaker, having inherited a Gibraltar Savings Bank with a reserve of £1,444 I am pleased to be able to report to the House today that the reserves of the Bank now stand at around £11 million and that these reserves are projected to increase to over £20 million by the end of this financial year. Mr Speaker, we  
680 have therefore re-established the Savings Bank’s own ‘rainy day fund’, having increased the amounts available to it by – and it took me a while to work this figure out, Mr Speaker; most calculators did not want

to do it – 1,385,000%. Yes, one million, three hundred and eighty-five percent increase since the time we were elected! We received the Savings Bank with a reserve of £1,444 and we have increased it to £20 million. A ratio increase, a percentage increase of 1,000,385%

That is a phenomenal reversal, Mr Speaker, of the fortunes of the Bank under the life of this administration to date and it leaves little room for argument about how prudent the management of the affairs of the Bank is under our administration. It is a huge and important step forward in the re-establishment of the reserve the Bank had before and likely is already exceeding them in the space of only three financial years.

Just this would serve to demonstrate that the time we have been in office has been excellent for the Savings Bank reserve.

However, in the period since we took office, Mr Speaker, there have been repeated attempts by Members Opposite, the Leader of the Opposition in particular, to raise concerns in people's minds about the security of deposits in the Savings Bank. We have been clear about the fact that those deposits are in fact safer than ever.

Mr Speaker, one of the ways in which the Savings Bank has invested part of its deposits is in redeemable preference shares of a company owned by the Government, namely Credit Finance Company Limited.

Credit Finance has been the subject of much comment in the past 18 months or so, and I therefore want to report to the House on the investments by the Savings Bank in that vehicle and assure the community that this investment vehicle is performing extraordinarily well and, contrary to the assertions of the Leader of the Opposition, is structured and is operating entirely in keeping with the Constitution and all relevant legislation.

As I have said already during the course of the proceedings of this House at different Question Times, the Government will provide all non-sensitive details of the investments which are being pursued by Credit Finance. Also at different Question Times, and now monthly online, we are providing details of the total amount of the loan book which Credit Finance has been running.

The loan book stood at £49.42 million when I answered questions last week. The total size of the loan book can be found at table CF1 on the Government website and will be updated on a monthly basis. The details published respect the right of confidentiality of individual borrowers.

The details of what amounts have been loaned to individuals who have used the money to pay off Government debts has been provided, again respecting the right of confidentiality of the borrower. That sum is also on the Government website and is less than £1 million.

The loans which have been granted to enable borrowers to repay debts due to the Government are all now *secured* against assets with realisable value. Previously, the debts were not secured.

Separately, Credit Finance is paying the commuted pensions of civil servants. How is it doing this? Well, Mr Speaker, as people who have been following the debate will know, it pays the lump sum of the commutation in exchange for an assignment of the pensioners' rights to receive their monthly pension payments. At the moment it has invested approximately £23 million that way. The Government still has to pay the pensions of those individuals, as those are the terms of the assignments signed by them when they commute; we just pay them to Credit Finance instead of directly to the individuals. So in each year Government is still paying a recurring amount in respect of those commuted pensions. The recurrent expenditure side is therefore not 'flattered', as the hon. the back bencher flatteringly put it, to the tune of the pension which is still being paid, only to the difference between the pension paid and the commutations paid in that year. In other words, Mr Speaker, if the commutations had been paid out directly by the Government this year then the amounts that would have been added to the expenditure would be say £11.5 million in financial year 2012-13 and another £11.5 million in financial year 2013-14.

Interestingly therefore, Mr Speaker, even if the Government had paid the commutations directly, and we had not received – which we have not – half of the £1 million paid in arrears equally in instalments of £0.5 million each year from loans granted by Credit Finance, we would still have been declaring record surpluses in each of the years in which I have been addressing the House as Chief Minister. The surplus this year would be just £12 million smaller; *still* a record and *still* even above the record predicted!

I trust that the Leader of the Opposition has followed that and is not going to therefore suggest in his reply that our records this year and last year might not have been records if it were not for Credit Finance. They would just have been both records that were £12 million smaller – but records nonetheless.

And as I have also said repeatedly, what Credit Finance is not doing, Mr Speaker, it is not funding Government projects. We were asked by Members Opposite about each project which we have in our manifestos one by one and whether we were going to fund these from Credit Finance or from the Savings Bank. I guess they asked one by one in order to increase the numbers of questions they asked. We answered 'no' to all of their questions.

So Credit Finance isn't a credit card or a blank cheque for anything that we are doing. But never let the facts get in the way of a good soundbite!

In fact, what was interestingly not commented on by the Leader of the Opposition at the last Question Time was the fact that Credit Finance has already started to pay the Savings Bank returns on the investment in its redeemable preference shares. The payments have totalled almost £25 million since late 2012-13. And all of this information is now on the Government website. Talk about transparency!

And of course it is also in Parliament, not just because we have answered questions from a disbelieving Opposition, but also because it is required to be. Let me show hon. Members how.

Appendix L this year shows the amount of the Savings Bank Fund. This estimate once approved is reflected in the approved estimates book. Then that is audited, after the end of the financial year, and the Principal Auditors Audited Account will reflect this, as well as the investments in which the Savings Bank has invested its own money. As he knows, this is published in the *Gazette*.

So where is the wall of silence that they like to talk about, Mr Speaker? More like a wall of understanding which cannot be penetrated by reason because it is purposely shut for partisan political purposes! They do understand, Mr Speaker. They can see how well Credit Finance is doing. But they want to make mischief.

And yet they ask all these questions of Credit Finance; but none about the other more remote funds in which the banks invest. Incredible that they trust the Financial Secretary and the Chief Secretary of Gibraltar less than they trust people they do not even know – any of whom could be another Bernard Madoff.

Mr Speaker, let me end this part of my address by saying that the Government has taken detailed legal advice from leading counsel on all of the legal issues that the hon. Member opposite has raised throughout in relation to Credit Finance; not because we consider that there is any grain of reason or merit in the things that he has said about section 69 of the Constitution or the Borrowing Powers Act. We have taken advice in order to responsibly knock all of his points on the head with the benefit of the best legal advice available, and I can happily confirm to this House that everything that Credit Finance has applied funds to has been in keeping with all Constitutional and legislative requirements.

Mr Speaker, I must also address generally the question of using Government wholly owned companies to administer and finance part of the Governments asset holding and development programme.

Members of the House will recall that when describing the recurrent expenditure issues earlier, I have had to refer to the £100 million black hole in Government company spending which I addressed to the nation just after the last General Election to appraise them of the state of Government finances at the time.

Well, the issue of Government companies has been a live issue for my predecessor when he was Chief Minister also. In his first Budget Address as Chief Minister in 1996 – don't ask me why I read these things, Mr Speaker, but I find them interesting! The Hon. Sir Peter Caruana said this – this is a direct quote:

'Mr Speaker, the list of companies wholly owned by the Government of Gibraltar directly or indirectly would appear to be as follows: Gibraltar Investment Holdings Limited; Gibraltar Land Holdings Limited; Gibraltar Residential Properties Investment Company Limited; Gibraltar Commercial Property Company Limited; Brympton Co-ownership Company Limited; Westside II Co-ownership Company Limited; Westside I Co-ownership Company Limited; Gibraltar Information Bureau Limited; Gibraltar Joinery and Building Services Limited; Gibraltar Industrial Cleaners Limited; Calpe Cleaning and Painting Services Limited, subject to question marks that I still have to clarify; and Gibraltar Quarry Company Limited.'

He went on to say this:

'The Government are considering which of these companies can be eliminated and it is the policy of the Government [the GSD Government, Mr Speaker] to eliminate such companies that are not essential for the proper and good organisation of the affairs of Government in the light of the structures as they presently exist.'

That was in May 1996. I think he had literally just been elected and found himself bounced into a budget session.

Well, Mr Speaker, I was not at all surprised to hear the Members Opposite once again making reference to 'a web of companies', no sooner had they left Government and landed back on the seats Opposite. Interestingly, since the time of his maiden budget address as Chief Minister, not much had been heard from the hon. the back bencher on this issue of the web of companies. And yet, in his first New Year's Message as Leader of the GSD, the Hon. the Leader of the Opposition opposite said that the use of Credit Finance amounted to:

'a return to the days when public finances were structured through an impenetrable web of companies'.

I am not sure, Mr Speaker, whether that was not actually just a New Year's 'Mess' rather than a New Year's 'Message'.

You see, Mr Speaker, if the hon. Member had been curious enough to peer not just into his Estimates Book but actually into the approved accounts, which is the book which appears once we have ended the

debate in this House and which turns the *draft* Estimates the House debates into the Approved Estimates on which we spend, he would see that a chart appears there.

That chart, Mr Speaker, in the Approved Estimates for 2011-12 – that is to say, the last Estimates approved by this House with the GSD in Government and the hon. the back bencher as Chief Minister and the Hon. now Leader of the Opposition then as Minister for Justice with specific responsibility for upholding the Rule of Law – if they look at that book, on page x, they will see a chart which tells us that they maintained the list of companies which Mr Caruana had read in his first Budget speech 16 years earlier except for Calpe Cleaning, which was not a wholly owned company at all, I believe, and Gibraltar Quarry Company Limited which had been incorporated – Mr Speaker, you will probably know better than us – by the AACR, the first Government to incorporate a company to do Government business. I believe that company was actually incorporated to work on the sand slopes on the eastside and never did anything and has been struck off.

But in all other respects, Mr Speaker, not only had the GSD maintained the company structure they inherited from the GSLP – that structure which was an impenetrable web, that they were going to try and eliminate it – they actually added to it. They added wholly owned companies and then added wholly owned subsidiaries to wholly owned companies; and they even added more trading activities and employees to some of those wholly owned subsidiaries of wholly owned companies; and then they added debt due to both capital and recurrent commitments of the wholly owned subsidiaries of the wholly owned subsidiaries of wholly owned Government companies.

And then, Mr Speaker, almost at the end of their time in office, they then added another *40 or so* companies registered at Convent Place, without announcing it to anyone – the sort of things that gives the Hon. Mr Bossino the heebie-jeebies, Mr Speaker (*Laughter*) – except of course if the GSD do it – in order to become the management companies of the Government's post-war housing stock as they are sold.

In fact, Mr Speaker, as can be seen now in clear and unequivocal terms, what they did was that they turned a straight forward asset-holding structure with no trading entities that had any debt into – a *huge web of companies*, Mr Speaker! (*Laughter*)

Yes, Mr Speaker, surprising though it may be for those who have not followed the political careers of Members Opposite, they did what we always know and expect they will do. That is to say, the very opposite of what they say they are doing or going to do!

So I think it would be wise for all of us simply to have clear agreement across the floor of the House that companies are actually an important part of the way in which modern Government can discharge some of its functions in a fully transparent and appropriate way; but in a manner that also adds business efficacy to the business of Government. There is nothing wrong with that. We do not consider that this is at all a complex structure or a web of anything other than a perfectly straightforward vanilla structure that works – as they obviously think it did, given that they used it for 16 years. They used it and added to it through the 16 years, and then at the end, threw in an extra forty just before they left.

Well, Mr Speaker, as ever there are, in any event, objective measures to help us analyse how the public have perceived the positions of the Government against those who have been scaremongering and clearly trying to undermine both the Government and the Savings Bank in the way that they have approached this issue. In this case, the best measure would of course be to look at the deposit base of the Bank.

Mr Speaker, the voices raising unnecessary concern about risk have had an effect on the deposit base of the Bank. Mr Speaker, deposits with the Gibraltar Savings Bank have in the period since we were elected grown from around £330 million when we took office to over £800 million now.

It seems clear Mr Speaker that when it comes to looking after their money, the public has clearly chosen to follow the Government's position that the Gibraltar Savings Bank represents a very safe investment indeed and take no heed of the scaremongering of Members Opposite. Indeed, the position is a little more complex than that of course, given that the very founder of the GSD, Mr Montegriffo has been very clear in his view – and this is a quote direct from him:

'I don't think savers should be worried. The savers' money is in my view perfectly safe and any suggestion that the money is under threat I think is quite irresponsible.'

Mr Speaker, who would have said, 20 years ago, that a GSLP Chief Minister would be quoting Peter Montegriffo – the founder of the GSD – with approval and agreement at a GSD led by a Mr Feetham; but that is the reality. Incredible to think that there are other areas on which there is public disagreement between the man who is presently the current leader of the GSD and the man who will forever be the founder of the GSD.

Mr Speaker, building on the strong and strengthening foundations, the Gibraltar Savings Bank will continue to provide a good range of savings products to our community, as indeed it has been doing since it was established over 130 years ago. However, the bank will see a transformation during the current

financial year, as it starts to make full use of the latest available developments in banking technologies and as it opens a number of further branches and public counter positions.

In the next few months, the bank will be offering our community a number of new and enhanced services. These will include instant-access current-account facilities for the payment of Government bills by standing order and by direct debit and facilities for the electronic transfer of funds between bank accounts. There will be a number of new Gibraltar Savings Bank ATM machines and a new 'VISA approved' Debit Card will also become available to all the bank's current-account holders.

I should say, Mr Speaker, that we will not allow Credit Finance to have one, lest somebody might suggest that they are being used by the Government.

These developments will complement the services that I have already referred to which will be offered by the Gibraltar International Bank Ltd, which will be providing a full range of retail banking services to members of our community, including mortgage finance to prospective home-owners and commercial lending to our local businesses.

Mr Speaker, two important projects for the future are the airport underpass or tunnel and the new power station.

Mr Speaker is aware that one of the greatest challenges we faced on our election was the dispute with OHL, the successful tenderers for the development of the tunnel or underpass. That dispute grew into litigation and that litigation has required and consumed a considerable amount of my time since my election. Happily, as the community is now aware, Mr Speaker, we have prevailed in that litigation to date. We are already considering how best to activate finalisation of the tunnel works whilst we continue the process of enforcing awards and dealing with appeals.

Today, Mr Speaker, I am delighted to be able to announce that late on Friday, I was informed by the Government's solicitors in this matter, Messrs Triay Stagnetto Neish, that we have now received the sum of £4.5 million by way of payment of the interim amount of costs awarded to the Government in this matter. Mr Speaker, this represents 80% recovery of all our costs in the litigation to date, calculated on the standard basis.

Mr Speaker, I told the House last year that one of the most important things on the Government's agenda and one of the biggest capital projects for the Government is the replacement of our three existing power stations with a single new power station in order to guarantee Gibraltar's power needs for the next three decades.

Tenders were invited with a closing date for submissions of 1st August 2013 last year. The time for the award of the tender has however had to be extended in order to deal with queries raised by the tendering parties.

The Government has now awarded the tender for the construction of the new power station. All tenderers were advised of this decision by the Government. None of the parties that have been turned down have sought to challenge the tender award in the 10-day period after the award which is allowed for that purpose.

Mr Speaker, before I continue, I want to refer the House to a part of the maiden speech as Leader of the Opposition in his Budget Address last year of the Hon. Mr Feetham. In one part of his intervention he said, talking of our commitment to build a new power station, the following:

'a power station that will cost, in anyone's estimate, over £100 million'.

Mr Speaker I am today able to announce in this House that the Government has awarded the tender to Bouygues Energies & Services for a basic sum of £67,958,000. (*Applause and banging on desks*) The Bouygues offer was found to be the best Capital and Opex offer and also had the best environmental scoring. So much for the estimating skills of the Member Opposite! Maybe, Mr Speaker, we can put it down to just another 'Rookie error'.

The new power station will consist of three in number MAN branded dual fired engines and three in number MAN branded gas engines with a total guarantee power output of 81.45 MW – 81.45 MW for £68 million.

An additional sum of £8,200,000 will be payable for the inclusion of Heat Recovery Systems which was part of the Government requirements to provide additional output of approximately 4.2 MW using a more efficient and environmentally friendly way of producing additional generating power.

My colleague, the Minister for Utilities, Mr Linares, will be providing such further additional details as he may be able to, during the course of his address to the House this morning.

Mr Speaker, as the Government has set out to do from the beginning, and for the financial reasons that will have become obvious to all in the context of my explanations earlier of the increased costs of diesel fuel, the new power station will operate using natural gas with diesel only as a backup. Perhaps most importantly, the use of natural gas as the main fuel for the engines will reduce airborne NOx and particulate emissions.

Mr Speaker apart from the fact that the cost of diesel has been rising for many years, international reserves of gas are greater and more accessible than reserves of oil. As a result gas is not just a more efficient and more environmentally friendly fossil fuel, it is also a considerably cheaper fuel compared to diesel and its supply more diverse.

Mr Speaker, for all of those reasons, the use of natural gas will be a win-win for Gibraltar technically, environmentally and economically.

Bouygues Energies & Services is the parent company of ETDE who had previously been awarded the Lathbury Barrack power station contract by the previous administration, initially at a cost of £114,200,000 to construct a 64 MW power station. The overall price for the Lathbury power station later increased to approximately Euro 145 million on 13th July 2011 – that was the latest price given to us – due to the delays in awarding the contract. That was the equivalent at the then exchange rate – at the exchange rate of 13th July – of £128 million – £128 million for 64 MW, as compared to £68 million, add the further £8 million, £76 million for 85 MW.

Mr Speaker, this solution, the community will be very happy to hear – the solution that I have announced today – will *not* require a 100% increase to consumers in electricity costs over 20 years at 5% a year – in fact it is much more, because it is compound – as was planned by Members Opposite as the funding for their own power station plans. Those who constantly urge the Government to keep the cost of doing business in Gibraltar down will want to congratulate us for making a choice for our community that both will not require such increases as the previous administration had in store for them *and* will generally reduce recurrent expenditure.

Again, I want to thank the inter-ministerial committee that worked on this matter with me for their clarity of thinking and their tenacity in finding the right solution for the future; not just for today but for many generations to come.

The new power station will be located partly in a reclaimed area off the North Mole but the reclamation area may also yield land available for other purposes also.

Most importantly, and whilst we develop the new facility Gibraltar now has, thanks to this Government, already security of supply and no lack of generating capacity. But we have nonetheless seen catastrophic events this year, when Gibraltar has suffered major power cuts not as a result of not having a power station or sufficient generating capacity, which there is, but because of the creaking distribution network infrastructure, work on which is already on-going.

Mr Speaker, the Government is clear that the Electricity Authority must provide power as an essential prerequisite for modern life and the state-of-the-art businesses we have and want to further attract to Gibraltar. We must do everything in our power, so to speak, as we are, to ensure security and continuity of supply.

But in the context of the huge problems that the recent explosion at Waterport produced, we are indebted to the staff of the Electricity Authority for the way in which they are working, not just on the new facility and the tender, but in repairing the existing facility to see if it is viable that it should provide at least some base power for the months before the new facility is finally supplying the electricity. They have been excellent in agreeing changing shift patterns and putting their shoulder to the mill.

Similarly, the GEA must also get better at communicating with all its clients, in particular its premium clients; and we are working together in Government and with the GEA to deliver better communications should the day come again when we suffer a major catastrophic loss of power again; something which all I am sure sincerely hope and are working to ensure does not happen.

Mr Speaker, the Government continues to explore other ways of reducing energy consumption including the use of solar energy for street lighting and in Government Buildings and a number of projects are being developed in this respect. My colleague the Minister for the Environment, the Hon. Mr Cortes, will be speaking further – and as ever with him, authoritatively – on this subject.

I will add only this: the Government sees huge value in the reduction of the demand for electricity and renewable energy provides for Gibraltar a chance to see that become a reality, as is already the case in some private estates in Gibraltar.

Mr Speaker, technical facilities in relation to broadcasting, to which I now turn, are today at GBC a far cry from what we inherited. A number of additional professional employees have been recruited. Premises – although still very cramped – have been improved, staff morale is higher, and very importantly, programming is better. And, the public is acknowledging the change.

As reported in the news this morning, a recent survey of 1,000 people has suggested that practically all of those polled consider GBC to be vital, very important or important to the community, as all Members of the House will no doubt agree, Mr Speaker.

Radio Gibraltar is listened to by 53% of respondents, making it the most heard station on The Rock by far, while 93% have watched GBC TV since its re-launch last September, with more than half of those consulted enjoying the revitalised programming. I know I do, Mr Speaker.

Perhaps unsurprisingly, 'Newswatch' is the most popular TV programme with a staggering viewership of 69%, while 'Viewpoint' is seen by 35% of those polled, indicating the public's preference for current affairs-based programmes. In fact, all of GBC's shows fared well, which is very encouraging. GBC's recent re-launch appears to be working, Mr Speaker, with Gibraltarians returning to watch their TV station in relatively large numbers, in the same way as listeners are tuning in to Radio Gibraltar, which with our investment is broadcasting now also a choice of English and Spanish language programming every weekday through two distinct services. In any event, the Government would encourage the Corporation to do more to exploit our bilingualism in order to ensure that those around us are able to better comprehend us socially, culturally and politically.

GBC must now work, as I have no doubt they will, so that the autumn television schedule will reflect the results of this survey.

Gibraltar's membership of UEFA has also meant that GBC now also includes live football whenever the senior team plays. Football transmissions are expensive, and although a drain on the Corporation's financial resources, it is important that local fans are able to follow their team on their national TV. Joe does not miss a match!

Gibraltar's first game against Slovakia, was also a first for GBC TV, given the live broadcast of the game from Faro. Several other live matches have followed, including one from Estonia, and negotiations I understand are underway with UEFA with a view to agreeing the rights to broadcast Euro qualifying matches from September if they are affordable.

Mr Speaker, broadcasting is an expensive business and creating bespoke broadcasts for a community of 30,000 people can cost as much as we want it to. Moreover, the Government shares the view of other mainstream media in Gibraltar that GBC must – as the only media funded from this House's appropriation – not compete in the market for advertising on which other media depend for their income. For that reason, and as I have repeatedly said since I delivered my first Budget Address as Chief Minister, GBC has to stop taking traditional advertising, with the exception of programme sponsorship. This may require a small increase to the Government in its subsidy to cover the reduction in income when this occurs.

Together with the Board of GBC and its CEO, we are continuing the work of developing the huge potential for alternative sources of income for the Corporation, with the consequent benefit to the taxpayer from a smaller subsidy, should these materialise.

Mr Speaker, GBC's human resources are now fully maximised and following a very professional work ethic, with the results visible on our TV screens. GBC is now very much a different place to what it was just a couple of years ago. But more needs to be done to ensure the staff remains motivated, and the public is kept informed and entertained.

Broadcasting House is desperately small for the size of the operation, for which we must pursue the long promised relocation of facilities. Although we have previously mentioned possible alternative locations, circumstances have meant that for one reason or another, these have had to be discarded. However, the CEO, the Board and my Ministry are considering a number of new options in consultation with the office of the Deputy Chief Minister who holds responsibility for lands, and I sincerely hope to be able to make a final and definitive announcement during the course of this financial year on GBC's moves elsewhere.

There is one issue regarding GBC that has been a huge concern to this Government. Mr Speaker, apart from the physical and operational problems at Broadcasting House that we inherited in 2011, we have also had to address the matter of a major shortfall in the staff's pension fund. The previous administration ignored the problem for years, resulting in a projected deficit in the fund of very nearly £2 million. We have had to give this urgent attention in order to ensure GBC is able to meet its obligations in respect of its pensioners, and we have agreed to cover the financial hole over a period of eight years by making annual contributions to the fund – another area of expenditure that is down really to their failure in office, Mr Speaker. Of course, this could have been avoided if the matter had been addressed by the previous administration when the problem first arose; but a contribution to an underfunded public pension fund does not photograph as well as a new roundabout.

As hon. Members will recall, this is one of the matters affecting the increased cost of recurrent expenditure and will be relevant for the next eight years.

The pensions issue is in addition to the impending digital switchover that the previous administration also ignored, and which we had to resolve within a period of months to avoid GBC TV channels from being shut down. I am pleased to report, Mr Speaker, that the current phase of the required technical infrastructure at both Broadcasting House and the Digital Multiplex has now been completed with very positive results, including GBC HD, the picture quality of which is now in sharp contrast to the blurred image that was on air in December 2011.

Mr Speaker, investment in technology will continue to ensure that this remains so.

With this Government's support of all GBC's services, Mr Speaker, we will continue to develop during the next 12 months as we have over the past two years the output of the Corporation. Mr Speaker, I am satisfied with the direction being taken by our local broadcaster, and pay tribute to the entire team that are



making it happen and ask them to do even more, as the progress we have seen to date is in my view only the beginning of what they can achieve.

Mr Speaker, staying with broadcasting, I turn now to Gibraltar Freeview, the Digital Terrestrial TV (DTT) platform from which GBC Television is able to broadcast digitally and an important media asset that, as a result of the foresight of this Government, is paving the way for exciting opportunities for the Rock.

Essentially, in layman's terms, GibFreeview is our very own equivalent of Freeview in the UK, which provides a bouquet of free-to-air terrestrial television channels. The very significant investment in the complex hardware came about following the digital switchover deadline imposed by the EU, a deadline that despite being a legal requirement was one that at the time that we took over, the previous administration had approached with little more than indifference.

Never mind, Mr Speaker, for although we started from scratch out of necessity, that enabled this Government to do things properly.

Gibraltar now enjoys a superb DTT platform from which a number of broadcasters can reach our community and beyond. Attracting international television companies is no easy task, but Gibraltar Freeview Limited is already actively engaged at a commercial level with a number of such entities. Although in the main still very much in the initial stages and with a lot more work to be done, a number of news and general content providers are considering entering into carriage agreements with GibFreeview, with the positive revenue implications that entails for Gibraltar.

In fact, this is already a reality, Mr Speaker. One major international media network is, as we speak, broadcasting on GibFreeview and we are proud that such an established, respected household name has been the first international broadcaster to come on board. We suspect, Mr Speaker, that in due course they will have been only the first of many.

By way of example, discussions are ongoing with one TV company that is available to all UK households on platforms like Freeview, Sky, Freesat, Virgin Media and Astra and which is keen to broadcast from the Rock. GibFreeview has been able to negotiate an in-principle agreement with this particular broadcaster, subject to further discussions, that will result in television exposure throughout the UK of Gibraltar and all it has to offer from a tourism, historical, social and cultural perspective. The potential benefits to our Community are enormous.

In addition, Mr Speaker, interest has also been generated for the licensing in and by Gibraltar of DTT entities that will then be able to broadcast elsewhere in Europe. Mr Speaker, this is media services using Gibraltar to access the single European Market in much the same way as we successfully passport banking and insurance services beyond our frontiers.

As can be seen, Mr Speaker, this Government's approach to media generally, and in this instance to digital broadcasting, is as forward-thinking as it is pro-active. We break away from the tired, plodding dinosaur steps of the past to instead embrace the future and the many possibilities out there that will benefit Gibraltar and its people.

Finally, Mr Speaker – and returning to more traditional media without which we could not imagine Gibraltar – Mr Speaker, I continue to salute all our national print and internet media. I believe we have been fair and equanimous in our treatment of each of them. They are a hugely important part of our democracy and we as a political class in this House must recognise that role. In particular the *Chronicle*, *Panorama* and *The New People* are our nation's newspapers and we must cherish their continued existence and the critical analysis that they bring. In access to news, we must treat all alike.

The respective editors with those of GBC's newsroom are our fourth estate and we – and all who have a role to play in Gibraltar – do well not to lose sight of that or favour one over the others.

Mr Speaker, I will now address my responsibilities as Chairman of the Borders and Coastguard Agency. In my address last year, I informed the House that the Agency, now coming up to its third year, had carried out a review of its operations at the airport, frontier and the port. The review highlighted a number of deficiencies, which had been inherited by the Agency, which it is positively addressing, striving for a more professional, engaged and focused operation.

The review also highlighted the need for professional development, training and management development in particular. This Government continues firmly committed to providing opportunities for professional development for all staff, and as such is supporting the Agency in its effort to address this issue. It has already started the process towards Investors in People recognition and managers at different levels are working towards Chartered Management Institute professional development qualifications.

Mr Speaker, the Agency is working hard to become the focal point for a more centralised immigration service in Gibraltar, working in partnership with other Government Departments and Law Enforcement Agencies to improve the level of immigration service Gibraltar provides.

In the last year alone, the Agency has processed over 12 million people at our borders. In addition, this Government's initiative to introduce amendments to the Immigration, Asylum and Refugee Act, granting Tourist Visa Waivers to Moroccan, Russian, Chinese, Indian and Mongolian nationals in possession of

1085 Schengen visas, has proved extremely successful, and close to 7,000 visitors, whom we would otherwise not have been able to see visit Gibraltar, have done so to date. Given the success of this initiative, the Government has made additional provisions for visa waivers for persons who hold indefinite leave to remain in any EU member state, which is part of the Schengen *aquis*.

1090 Mr Speaker, the Agency works very closely locally with the RGP, with whom it is currently operating in partnership a Ports Policing initiative. Further afield, it works closely and shares information with HMG's Home Office, the UK Borderforce, Spain's *Policía Nacional*, Interpol and more recently the Moroccan Immigration Service.

1095 As part of the Government's programme to make use of information and communication technology more generally, the Agency has been engaged together with other Law Enforcement partners and Government IT contractors in the setting up of a modern fit for purpose IT infrastructure platform for the frontier. The Frontier Management Project will be available to the public very soon; it will enable us to access real time frontier queue information including cameras, statistics and an improved and digitised frontier queue hotline service. In addition, the Agency is also developing its online presence with an interactive webpage which amongst other things will enable visitors to apply for visa waivers online, thus  
1100 improving the visitor experience.

In addition to their immigration duties, the Agency carries out aviation and maritime security duties at the airport and port, where it is inspected regularly by HMG's Department for Transport to ensure compliance with strict EU legislation. These industries, particularly aviation, are highly regulated, and in order to protect the air and sea transportation of persons and goods, there are established common rules, applicable across the EU, which safeguard against acts of unlawful interference. I am happy to report that  
1105 the Agency continues to meet the high standards set by the Department for Transport and the EU.

The Agency remains committed to improving the service it provides, contributing to the security of Gibraltar and acting as a facilitator and working in partnership with the private sector.

1110 In terms of my responsibilities for Civil Status and Immigration, the big changes in the past year to report have really been the introduction of the Civil Partnership Act and the recent reduction in the qualifying period for Gibraltar status – from 25 to 10 years of continuous residency – as well as the extension of ability to pass their Gibraltar status to single fathers who are included in their child's birth certificates all of which we were very pleased to introduce to this House.

1115 We have also made considerable progress in the elimination of the backlog of applications for exemptions from immigration control to enable persons, primarily Moroccan nationals who have been resident for over 25 years, to be granted British citizenship.

This year will see progress on a number of other important fronts also.

1120 We shall shortly see the opening of a 'one-stop shop' for the registration of births and deaths. This will enable the public to conduct all the business related to the registrations from a single office without the need to visit other Government Departments and Agencies spread throughout town. The one-stop shop will open during the course of next month and responds to representations from pensioners' representative organisations.

1125 We also expect that this year will see the introduction of new ID cards, which will include enhanced security features and microchip technology to allow for a multitude of other uses. The present target date for rollout is in autumn 2014. As hon. Members know, this is not just an important matter in terms of immigration matters, but also an essential prerequisite for the launch of more substantial e-government applications.

This is a good point, Mr Speaker, in which to turn to my responsibilities for Government IT.

1130 Through the use of Information and Communication Technology, Her Majesty's Government of Gibraltar is promoting a more efficient and effective Government which will facilitate more accessible Government services and allow greater public access to information. e-Government will involve delivering a wide range of Government services online.

1135 During the past year the key investment areas for HMGoG in this sector have included: the work to enhance the physical hardware infrastructure and enhancements to network security and connectivity, together with the expansion of the Government Secure Intranet (GSI) and many others, including finishing the work on this Parliament's video and audio feeds.

The e-Government portal has recently been launched with basic services. New services will be added on an ongoing basis.

1140 The introduction of the new e-ID Card in coming months will offer a citizen profile page where the individual will be able to transact business with Government in a secure environment and will also allow the citizen to access Government parking and bus services, with other services being rolled out as they become available.

I will now turn to my responsibilities for Industrial Relations and to what has been a landmark year in that respect.

It was always my desire to introduce a modern and progressive approach to the way that I deal with representative bodies in the workplace. How we deal with Industrial Relations is key to having a productive workforce who feel that they form part of their organisation, and that their voices are heard.

This has been done in a way that the previous administration chose not to pursue. We have dealt with legacy issues in key areas of the Public Sector where individuals' claims and grievances have been ignored – in some instances for over a decade.

Customs, Sewers, Ministry for Housing Technical Division, Elderly Care Agency are but a few of the areas where we have not only improved terms and conditions of service to employees, but we have also brought in modern working practices that deliver ultimately better, more cost-effective services to the taxpayer, all achieved in partnership.

And Mr Speaker, talking of partnership, I have also broken ground in Government's relationship with representative bodies. As announced at May Day, we have entered into a partnership agreement with Unite the Union, where we are looking at a principle of mutual gains through co-operation. This approach is designed to produce more efficient working practices and improve financial performance within a better working environment.

Mr Speaker, I sincerely hope that within the next year, it will be possible to extend this approach in the dealings with other representative bodies also.

And it has been in application of those principles, Mr Speaker, that we have already been able to deliver on long-standing, life-changing issues that will form the basis of our future public sector workplace. The introduction of the new public sector working hours is something that the workforce has been crying out for. As has been the implementation of legislation to prevent bullying at work. Mr Speaker, we have delivered these changes within my first two years of office, and not only have we delivered a flexible system that focuses on the needs of individuals, we have also been able to deliver a vastly improved service to our customers by the extension of public opening hours.

Too often one hears criticism of the Civil Service; some of it deserved, some of it less so. So, Mr Speaker, let me share with the House and the community at large today an e-mail I received last week as I prepared for this debate, which reads as follows:

'Just a short note to thank you and your staff at the Income Tax Department for your assistance and professionalism in dealing with the various issues I had with your Department.

Despite the many criticisms received from the general public towards Civil Servants, it was certainly a breath of fresh air to be dealt with in this manner.

Keep up the good work.'

It is right, Mr Speaker, to speak up for the Civil Service and report on positive feedback also, Mr Speaker, and I am delighted to have had such an apposite chance to do so today.

Much progress has also been made on the legislation designed to deliver the eradication of bullying in the workplace, making it an environment that people will now feel safe to work in. We have also introduced a Health and Safety Working Group in order to introduce changes to the way in which we manage risk in the workplace.

Mr Speaker, I move on now to an entirely different matter.

I have spoken before about establishing for Gibraltar a status akin to that of the Privy Council in the United Kingdom. When a nation such as ours finds that there are issues that affect the national interest, there needs to be a body above party politics that can provide an opportunity for consideration of those issues.

Mr Speaker, such a body can of course be established on an *ad hoc* basis at any time. I have had *ad hoc* contact with the Leader of the Opposition and his predecessor on such terms last year. The previous Chief Minister established a similar *ad hoc* consultative body when Gibraltar was facing the threat of Joint Sovereignty but did not choose to include the Opposition in it.

I want to go further than that, Mr Speaker. I want to change the way we do politics on issues that matter to the national interest. I am a supporter and defender of the Westminster party adversarial system. But when the national interest is at stake, then we must all be able to work together, because Gibraltar's best brains can be brought to work in unison when necessary, but not condemned to never have to challenge each other by a change to a committee system of government that some have talked about in the past. But any such new body must in my view be permanent. It cannot be *ad hoc*.

I therefore today propose to create a body to be known henceforth as the Chief Minister's Consultative Council (CMCC), the makeup of which will be as follows: for their lifetimes, all individuals who have held the post of Chief Minister; for their lifetimes, all individuals who have held the post of Deputy Chief Minister; for the period of their tenure in office, the Leader of the Opposition and the Minister for Justice; for such period as may be stipulated in the notice of the appointment, such other person or persons as the Chief Minister of the day may consider appropriate to appoint.

Membership of the CMCC will require members to sign the Official Secrets Act so that information shared with them is subject to strict rules of confidentiality, or such other equivalent as may be the case in the Privy Council.

The CMCC will enable the Chief Minister of the day to meet with all, some or just one of its members as he or she may consider appropriate, and exchange ideas or take advice on any particular matter or issue within the parameters of the strict confidence required of individuals who will make up the Chief Minister's Consultative Council.

It is my view, Mr Speaker, that all individuals who become members of the CMCC should be able to use the pre-nominal letters 'The Right Honourable', as is the case in respect of membership of Her Majesty's Privy Council in the United Kingdom.

I have asked that legislation be drawn up for this purpose. Before anyone starts getting any ideas, Mr Speaker, the appointments will not be remunerated!

Mr Speaker, I turn now to the Budget Measures for 2014-15.

Mr Speaker, it was a manifesto commitment to re-activate the Widows and Orphans Pension Scheme and to give those officers who opted out of the scheme in the late 1980s the opportunity to opt back in. Much work has already been done in this respect in the Treasury. Implementation of this manifesto commitment has however been delayed following on-going representations from, and discussions with, the Gibraltar Pensioners Association.

As a result of this, Mr Speaker, it has been agreed to introduce a revised basis for re-entry which the Government believes represents a more equitable solution of this longstanding issue than has been previously proposed.

As a consequence, Mr Speaker, those re-entering the scheme will repay arrears paid to them in 1989-90 re-valued for RPI increases to date. They will also repay outstanding contributions on the same re-valued basis up to the date of their retirement. However, such contributions will be adjusted to take account of PAYE relief which is available under the Income Tax Act throughout the period in question.

The effects of this measure introduced in this way, Mr Speaker, will be to effectively treat re-entrants in exactly the same way as existing contributors who remained in the Scheme.

The Gibraltar Pensioners Association, with whom I have met on this subject, have made numerous impassioned representations about the terms of repayment, arguing that, in some cases, it may be onerous to repay monies due in one up-front payment. The Government has therefore decided that applicants should be offered the opportunity to re-enter the scheme on the basis of one of the following repayment mechanisms: either 100% repayment on acceptance of terms; or 75% repayment on acceptance of terms, with the balance deducted in equal monthly instalments from the applicant's pension during the following 12 months; or 50% repayment on acceptance of terms, with the balance deducted in equal instalments from the applicant's pension during the following 18 months.

With the caveat, Mr Speaker, that in the event that the applicant dies during the repayment period, the monthly repayments are to be made in proportion to the pension payable to the widow thereby extending the repayment period until the full amount is paid.

It seems to us to be fairer and equitable, Mr Speaker to do this in this way. For those who might not yet have expressed an interest in being included in this option, there is still an opportunity to do so by writing to No. 6, with their letter addressed to either WOPS Opt-In, No. 6 Convent Place or by e-mail to [wops@gibraltar.gov.gi](mailto:wops@gibraltar.gov.gi).

Mr Speaker, the following measures are designed to encourage and reduce the cost of doing business in Gibraltar. In order to further stimulate the retail sector in Main Street, for which we care deeply as a Government, and to continue to make Gibraltar a more attractive destination for shopping, and in order to stimulate environmentally positive behaviour by businesses and citizens alike, the following reductions in import duty will be introduced, with immediate effect.

Import duty on all LED lighting, including LED torches, is reduced from 12% to zero; import duty on all appliances or white goods with a C or D rating is doubled from 6% to 12%. There are very few such items on the market these days and they are hugely inefficient.

Import duty on all writing implements, including pens, pencils, ball point pens, and felt-tip pens, is reduced from 12% to zero.

Import duty on mobile phones is reduced from 3% to zero.

Import duty on pleasure craft, yachts and other seagoing vessels under 18 metres in length, including jet-skis and kayaks, is reduced from 6% to zero.

Import duty on pet food, including dog and cat food, is reduced from 12% to zero.

There is no import duty on food, Mr Speaker, unless it is for dogs and cats.

Import duty on fertilisers for all flowers, gardens and other greenery is reduced from 12% to zero. Import duty on all paper-based stationery, including receipt books, carbon paper, envelopes, diaries, maps, plans, drawings, trade advertising material and post cards, is reduced from 12% to zero.

1260 Import duty on all umbrellas, including sun umbrellas, is reduced from 12% to zero and import duty on sunglasses is also reduced by 3% to zero.

Import duty on musical instruments, musical instrument parts and accessories is reduced from 12% to zero.

Import duty on natural and cultured pearls is reduced from 12% to 4.5%, in line with the import duty on other jewellery items.

1265 Import duty is introduced on the commercial importation of single-use plastic bags and single-use paper bags not made from recycled paper, at the rate of 5p per bag.

Import duty discount and cash-back on hybrid vehicles is extended to purely electric vehicles also. The cash-back is increased to £750 for cars and introduced at the rate of £150 for motorcycles.

1270 Electricity and water charges will not be increased this year, despite the increasing costs of providing these public utilities, as per our manifesto commitment and in order to keep the cost of doing business down. Government will continue to subsidise the balance between the reduced amounts collected in revenue and the cost of generating power. This is – for the reason ventilated earlier in my address on the subject of recurrent expenditure – a huge subsidy for every household in Gibraltar and every business in Gibraltar, which needs to be understood by those who call for even greater subsidies and reductions of costs.

1275 And, Mr Speaker, as I announced at the Thomson Reuters Jaguar Land Rover Dinner at St Michael's Cave a week and a half ago, the import duty on all artwork, including paintings, drawings and pastels, sculptures and other statutory, original engravings, prints and lithographs, basketwork and wickerwork, is reduced from 12% to zero.

1280 Given that the Government is expecting the stock of affordable homes to come on-stream in large measure during the course of the next calendar year, we want people to find it attractive to furnish their homes purchasing from local furniture suppliers. As a result, Mr Speaker, on items of furniture and furnishings as well as domestic appliances, also known as white goods – unless they are caught by the increases for C and D rated goods – import duties payable by locally registered companies with a valid trade licence are reduced from 6% to 3%. Import duty on textiles imported also by those with a valid trade licence is reduced from 6% to 3%.

In order to better promote the use of Gibraltar as a maritime jurisdiction in all respects, passenger tax at Gibraltar Airport is abolished for passengers who are joining vessels in Gibraltar.

1290 Any vessel calling at the Eastern Anchorage in order to take on provisions, spares, stores, or to carry out crew changes will receive a 75% discount on tonnage dues – compared to the 50% discount at present.

Ships anchoring in the Western Anchorage, whose main purpose is bunkering, will receive a 75% discount on tonnage dues – compared to 50% at present.

1295 Mr Speaker, in line with the Government's manifesto commitment to encourage and reduce the cost of doing business in Gibraltar, the discount for early payment of rates for offices, workshops, construction and manufacturing industries, and transport and distribution industries, will be increased from 10% to 15% with effect from 1st July 2014. A further discount for responsible businesses who pay on time.

For new companies starting up business in Gibraltar, there will be a larger discount for early repayment of rates of 65% for their first year of trading. Rates further reduced to encourage start-ups – an excellent additional incentive for entrepreneurs.

1300 In addition to this, the Government has already announced that for bars and restaurants, the discount for the early repayment of rates will be increased by a further 20% to 40% between 1st October 2012 and 30th September 2013 and to 30% between 1st October 2013 and 30th September 2014, in order to assist in the introduction of the smoking ban. This assistance is now extended for another year until September 2015.

1305 Mr Speaker, Government will be setting up a small Fund to support the development of new start-ups in Gibraltar. We will set aside £250,000 of the surplus this year, and invite the Chamber and the Federation of Small Businesses to sit on the board of the Fund to consider applications from business start-ups for loans which would be secured and at competitive rates.

1310 Mr Speaker, our Social Insurance benefits will in future need to be funded, as far as possible, from the income receivable in Social Insurance contributions with less reliance on Government contributions. In this respect, the Government continues to study a number of proposed innovative reforms to our Social Insurance Scheme in order to make it self-financing for future generations of our community. An announcement in this respect will be made when the study has been completed.

1315 We had hoped to do this this year, but we have not been able to do so. As a result, once again this year, the cost of Social Insurance will *not* increase. This will, I know, be welcome by the business community as it will reduce again the cost in real terms by the rate of inflation. The reduction has therefore been in the order of 6% since we were elected, if calculated in that way.

In order to assist working families with the purchase of their homes, as well as those families who may need to move to alternative accommodation as their family composition changes, no Stamp Duty will be

payable by first-time and second-time buyers on the first £250,000 of the cost of their property, irrespective of the total cost of their new home.

The Government will arrange to provide soft loans to residential estates for funding projects to change traditional lighting within their residential estates to LED lighting. Approved projects will receive funding which would be repayable in a period of up to 10 years at an effective interest rate of 1% interest per annum, with the Government funding the difference in the cost of finance by way of a grant.

The Annual Pensioners Utility Grant, applicable to persons aged 60 and over, will be increased from £75 per annum to £100 per annum, with effect from 2014. Old age pensions will this year also of course increase by the rate of inflation. The Minimum Income Guarantee will similarly rise.

Mr Speaker, in line with this Government's commitment to keep the National Minimum Wage under constant review, the statutory minimum was increased from £5.40 to £5.70 in August 2012; from £5.70 to £6.00 in August 2013. This will now be increased again, in line with the Index of Retail Prices, from £6.00 to £6.11, with effect from 1st August 2014.

Mr Speaker, despite the continuing pay restraints in the UK public sector over the last few years, Civil Service pay in Gibraltar has continued to increase over the years as a result of the introduction by my predecessor of the increases in Gibraltar which kept up with the cost of living, which we analysed earlier today. These put the public sector in Gibraltar beyond parity. The Government will once again increase Public Sector salaries under the 2014 Pay Review, which will increase by 2.5%, with effect from 1st August 2014.

Mr Speaker, Her Majesty's Government of Gibraltar felt, as expressed in its election manifesto, that Her Majesty's Customs Gibraltar was under-resourced in the execution of its role as one of our Law Enforcement bodies and in particular in the administration of our country's imports and exports controls and one of our main sources of Government revenue.

We therefore embarked on a review process with stakeholders, which has now successfully concluded. The purpose of this process has been to deliver to our community and to those working at Customs a stronger department that transitions to a statutory disciplined body with its discipline code, the law enforcement functions of which will be specifically recognised and enshrined in a tailor-made Act of Parliament. Raising the status of that Department to be in line with other Law Enforcement bodies has been a key aspiration of all members of staff of the Department and of the representative bodies that represent them. This will also require the staff to adapt to these changes to meet the needs of the organisation.

To achieve this, Government and staff have now agreed to implement a roadmap in which individual points of this agreement will be introduced as and when they are ready to come into force. HM Customs have powers of arrest, search, detention, rights of access, investigation, seizure of goods etc. The remuneration of officers has therefore been increased to reflect their rank, duties, responsibilities, risks and exposure and any other duties that may be assigned to them.

The general restructure of the Department will be introduced to bring it in line with modern operational needs which will include, in salary terms, an agreed 12% increase which is in line with the proposal made by the previous administration to the men and women of that Department. A change of nomenclature to the current grades will reflect the new Law Enforcement status and separation from Civil Service grades. In order to deliver this change, Government will be creating new Customs Officer posts.

The advertisement for those posts has appeared in today's national press. Applicants will need to meet entry qualification requirements and attend a one-day selection programme to assess their suitability. With the introduction of a new structure, there will be six additional promotions at Senior Customs Officer level (HEO) and 17 new Executive Customs Officer posts (EO).

This proposal provides for an excellent step forward for HM Customs. It is designed to enhance opportunities within the Department and to add to officers' career prospects. The Government thanks all the parties for their positive involvement in these negotiations and for their patience in seeing the proposals through – a process which floundered under the previous administration as voted down and which has prospered now by a huge and overwhelming majority of officers backing the changes.

Mr Speaker, it is also true that Government has been in negotiation with the members of the City Fire Brigade (CFB) for some time. Under the previous administration there was little progress in the practices of the Brigade. Again, with good faith and hard work we have made huge advances in our discussions but have not yet reached final agreements in some areas, including progress on new premises. One thing that is clear is that the commitment is there from both the official and the CFB side to now accelerate and reach new agreements and understandings which are within reach and with which both sides will feel we are able to consider progressive and value for money, whilst ensuring we have the fire service our community deserves. For this reason, I am today able to announce that the Public Service Pay Review will be doubled for members of the City Fire Brigade and that the present 3% abatement applicable to their pay is henceforth eliminated.

Mr Speaker, this Government's commitment to law and order and the Rule of Law has been clear from the moment that we presented our manifesto to the electorate in November 2011.

1380 Mr Speaker, the RGP has enjoyed unprecedented access to resources in the time since we have been elected. This year, members of the public will have noted the arrival of splendid new BMW police bikes. New vehicles are on order. This week a further new police vessel has been launched, after we agreed to fund a full refurbishment of a forfeited vessel. Another very large vessel will be delivered to the RGP also during this calendar year, which will be aptly named *'The Sir Adrian John's'*. Why so many resources to this organisation? Because a commitment to law and order and a commitment as real as ours to the Rule of Law cannot materialise into reality without that level of delivery on resources and the commitment and ability of a Minister as able and dedicated as Mr Licudi.

1390 Indeed, Mr Speaker, the only accusation levelled at us in this respect is that we are *too* committed to the Rule of Law, even if it has required us to make difficult decisions about not accepting agreements that can see some break the laws of Gibraltar with impunity.

And the primary instrument of law and order amongst our Law Enforcement Agencies is the Royal Gibraltar Police; an organisation of which everyone in this community is and should be justly proud.

Last week we saw 14 new Police Officers pass out on parade in the square outside. We were all reminded then in the programme that:

'Policing in Gibraltar presents unique demands and challenges. It is a difficult and demanding role.'

1395 Mr Speaker, that is only the tip of the iceberg of what we as a nation expect our Police men and women to do as they strive to work together with all of us to make our community safer.

Only last week, we have seen what is possible with the figures that speak to continued decreasing crime. I am delighted to say that Commissioner Yome's Neighbourhood Policing mechanisms are working at every level, something on which I am sure my colleague the Minister for Justice, Mr Licudi QC will be saying more.

1400 Mr Speaker, deciding to join the Police and deciding to stay are not things that any person would do simply on the basis of looking at earnings; but the Government accepts that such issues might in the future potentially affect recruitment and retention in this important body. I sincerely believe that the success of our Police is principally down to one thing above all else: the sense of vocation and love for this community and its safety, which makes our officers such an example to others.

1405 Mr Speaker, for that reason I am today announcing the removal henceforth of the abatement of 3% from officers' salary, and the doubling in the case of the RGP also of the Civil Service pay award of 2.5%, also as from 1st of August. In addition, Mr Speaker, we have wanted to see Police Officers be able to purchase their own homes for some years now. Officers who enjoy the benefit of Government housing do not pay rent or rates. Officers who have bought their own homes have enjoyed an allowance pegged at £76 for some years now, analogue to an average rent of a 3RKB Government quarter. Years ago there was even a central area of residence for Police Officers in the Old and New Police Barracks. Those days are gone and more and more of the new officers that are recruited are home buyers like so many others in our community. I am therefore today formally breaking the analogue in the RGP's housing allowance for officers who do not reside in Government accommodation. Given that it has been stuck for so long at £76, I am raising it today to £125 per calendar month with immediate effect.

1420 Mr Speaker, how apposite after dealing with the RGP and Customs, that I should now turn to deal with duties in relation to tobacco. In support of this Government's continuing efforts to discourage smoking generally among our community, and despite the sensitivities in raising the price of this commodity of which hon. Members are fully aware of, hon. Members will have noted that Import Duty on cigarettes was raised in April 2014 by 10p per packet, which followed a similar increase in December 2013.

We will now again raise the import duty on rolling tobacco, which was last raised in May 2013, with immediate effect from midnight last night, by 20% from £35 per kilo to £42 per kilo.

1425 Mr Speaker, we are conscious of the growth of the import duty collected in respect of this particular commodity in the past 18 years. For reasons related to public health arguments around the world, this is not in our view a future proof source of revenue and we are therefore keen to move our economy back to the situation we were in in 1996, when we left Government, which made income from that source surplus to expenditure needs. This requires short, medium and long-term work on which the Government has already embarked and is a sensitive area in which I trust that we will be able to work without attempts being made to undermine our efforts, in the interests of the whole community. As the whole House knows, this is an area exploited poisonously against us by our international political adversaries. We must not allow them to use any part of our national political debate to fuel their toxic discourse.

I will say no more at this stage about those strategic issues.

1435 I am, however, very proud of the fact that the Government can further demonstrate our commitment to the Rule of Law and law and order in the manner in which we have acted decisively in the banning of retailing of tobacco in the residential estates at Laguna and Glacis. I particularly want to thank the RGP and Customs for the work they have done and are doing in curtailing activity in these estates, other estates

where there are less serious but equally anti-social issues which we are going to tackle and generally throughout Gibraltar.

1440 We have also acted decisively in respect of the EU Commission's recommendations in this respect. The House has before it legislation to consider later in this session.

Mr Speaker, I am very happy to tell the House today, that in addition to the position we have taken in relation to Laguna and Glacis Estates, I have now directed the Trade Licensing Authority that I consider that it is not in Gibraltar's public interest for any further retail licences to be granted given the serious  
1445 reputational risk to Gibraltar and I have accordingly, within the parameters permissible in law, discouraged the Trade Licensing Authority from issuing any new retail or wholesale tobacco licences, unless an existing one falls away. I have also directed the Authority that I strongly encourage it to grant requests from holders of existing tobacco retail licences who may wish to move out of residential areas to areas not designated as Special Zones. A copy of my Direction to the Authority will be annexed to printed copies of this speech.

1450 Mr Speaker, in order to assist those businesses which have had to move their tobacco retail licences out of Laguna and Glacis, a 100% discount will be applied on General Rates payable in their new premises for one year and an additional capital allowance or tax credit is allowed equivalent to the relocation costs approved by the Commissioner of Income Tax in his discretion.

This year, Mr Speaker, there will be no increased duties on fuels.

1455 Mr Speaker, in pursuance of the Government's commitment to reduce the level of personal taxation for every taxpayer in Gibraltar, the following reductions in income tax will apply, with effect from 1st July 2014: taxpayers with assessable income of £10,500 or less will be brought out of the taxation system altogether and will pay no income tax. This applies to taxpayers in both the Allowance Based System and the Gross Income Based System.

1460 A tax free allowance of up to £3,000 over two years is introduced for both the Gross Income Based System and the Allowance Based System for the installation of solar energy for boilers. A streamlined application process will be applied for any necessary Town Planning applications, along with a waiver of any fees payable.

Taxpayers under the Allowance Based System will benefit from the following increases in allowances:  
1465 Medical Insurance Allowance is increased by 100% from £2,000 to £4,000; Nursery School Allowance is increased from £3,000 to £4,000 per child; the Blind Person's Allowance is increased from £3,000 to £4,000; the Disabled Individual's Allowance is increased from £5,000 to £6,000.

At present, any deductions for disabled individuals under the Income Tax (Allowances, Deductions and Exemptions) Rules 1992 are dependent on whether the parent or individual claiming the income tax allowance is in receipt of financial assistance out of the Social Assistance Fund. However, eligibility to  
1470 financial assistance out of the Social Assistance Fund is dependent on the applicant residing in Gibraltar for a period of five years. Even though this five-year residence requirement will remain in force for social assistance purposes, this requirement will be dispensed with for the purposes of obtaining an income tax allowance on the grounds of disability.

1475 Single Parent Family Allowance is increased from £3,000 to £4,000; Personal Allowance is increased from £3,000 to £3,100; and Spouse Allowance is increased from £3,000 to £3,100.

For those taxpayers who have elected to pay income tax under the Allowance Based System, the tax rate for the taxable income bracket ranging from £4,001 to £16,000 will be reduced from 24% to 18% as set out in our manifesto.

1480 Taxpayers under the Gross Income Based System will benefit from the following measures.

In order to further assist working families with the purchase of their first-time home, a deduction from assessable income of £6,000 will be made to taxpayers under the Gross Income Based System in respect of approved expenditure incurred towards the purchase of their home, during the tax year commencing 1st  
1485 July 2014.

In order to encourage saving for retirement by way of employee contributions to approved pension schemes, a deduction from assessable income of £1,200 per annum will be made to taxpayers, under the Gross Income Based System, in respect of contributions made with effect from the tax year commencing  
1490 1st July 2014.

For those members of our community who choose to have private medical insurance, a deduction from assessable income of £2,500 per annum will be made to taxpayers under the Gross Income Based System, in respect of premiums paid for such cover with effect from the tax year commencing 1st July 2014.

Mr Speaker, at present any employment-related loans made to a director, a shadow director or any connected person is treated as earnings from employment and is taxed as a benefit-in-kind. This applies to all loans or advances irrespective of whether an arm's length rate of interest is paid or not. I believe there  
1495 are genuine cases where a company may wish to make a loan to a director and expect a repayment to be made and interest paid. I am therefore happy to announce that, with effect from 1st July 2014, all loans or advances made to a director, a shadow director or any connected person and the terms of the loan is such that an arm's length rate of interest is paid and that the loan agreement has received the approval of the



Commissioner of Income Tax then such loans or advances shall not be treated as earnings from employment.

Mr Speaker, the standard rate of tax for individuals currently stands at 30%. This rate has remained unchanged for over 25 years notwithstanding reductions in tax rates in both the Allowance Based System and the Gross Income System. Today no-one pays tax at an effective rate of more than 25%. Therefore, with effect from 1st July 2014, the standard rate of tax for individuals is slashed to 20%.

Mr Speaker, the income of a trust resident in Gibraltar is currently charged to tax at the standard rate of 30%. With effect from 1st July 2014, the standard rate of tax for trusts is reduced to 10%.

Mr Speaker, changes are being introduced to the Pension Scheme Guidelines by the Commissioner of Income Tax, which will permit members of Approved Pension Schemes in Gibraltar to continue as active members and make contributions to such pension schemes, even whilst not in employment. Mr Speaker, this will encourage all members of our community, whether or not they are in active employment and indeed the self-employed, to save for their retirement.

Mr Speaker, the Government is also pleased to note that the Provident Trust Pension Schemes have been approved by HM Revenue and Customs in the UK as Qualifying Recognised Overseas Pension Schemes or QROPS.

This QROPS approval, together with the changes to the Pension Scheme Guidelines mentioned previously, will be of particular benefit to Barclays Bank employees in Gibraltar who may wish to transfer their UK pension funds to Gibraltar, following the decision by Barclays Bank to close its retail business in Gibraltar.

Mr Speaker, in my last Budget address I stated that occupational pensions received by retired members, aged 55 or over, of the Royal Gibraltar Regiment would be exempt from income tax. I am now delighted to announce that this measure will also be extended to members of HM Customs Department, in keeping with the implementation of the agreement entered into with Government which I have already announced to the House. In addition to this measure, we shall be awarding to retired members of the Royal Gibraltar Regiment and HM Customs social insurance contribution credits as from the age of 55. In doing so, we shall be bringing the Royal Gibraltar Regiment and HM Customs in line with the Royal Gibraltar Police and other uniformed bodies. This will take effect as from 1st July 2012 for the Royal Gibraltar Regiment and from the effective date of the implementation of the aforesaid agreement for Customs.

Mr Speaker, in last year's budget, I announced that the Government was considering the introduction of a Payroll Giving Scheme, thereby allowing tax-free charitable donations to be made to approved charities through employment earnings. I am now delighted to confirm that this Scheme will shortly be introduced, enabling any person who pays income tax in Gibraltar to give regularly and on a tax-free basis to approved charities of their choice.

Donations under the Payroll Giving Scheme shall be capped at a maximum of £5,000 per taxpayer per annum.

As a separate measure, Mr Speaker, places of worship of all faiths and denominations recognised as such by the Chief Executive Officer of the Gibraltar Electricity Authority will enjoy a credit against their electricity bill of the average of their consumption in the past two financial years, each year.

Also separately, all spousal allowances will now apply between civil partners as a result of the Civil Partnership Act, as the House is aware, Mr Speaker. Today I am announcing that the Government will now consider claims for allowances or benefits payable from individuals who are or have been in common-law partnerships in respect of allowances or benefits payable to married couples or couples in a civil partnership, if the relevant individuals can satisfy the relevant officers of the administration who are in charge of payment that they are or have been in such common-law relationships. Discretion will remain with the relevant officer, subject to review by the Chief Secretary as appropriate. Legislation may be required for this long overdue change.

Finally, in order to encourage the construction of office accommodation in Gibraltar last year, I announced that any such developments on which construction commenced on or before 31st March 2015 would be allowed a Capital Allowance deduction in the first year following completion of construction equal to 30% of construction costs and the remaining 70% written down over the following seven years. This allowance will be claimable in part or in full by either the developer or the occupant up to a maximum claim of the full construction costs. Construction costs will be considered to be those costs wholly, and exclusively laid out or expended in the construction of the office accommodation, including all primary planning, design and associated costs but excluding the cost of the land.

That measure has met with a huge success, Mr Speaker. A number of such schemes are now in development and about to break ground seeking to meet the deadline of March 2015.

As the Government is presently providing for the market in affordable homes, we are therefore now extending the measure I made for office accommodation to developments of high value accommodation, where ground is broken before December 2015.

In the same way as Gibraltar needs affordable homes for our people we also need to stimulate the market in high end homes for those who wish to re-settle in Gibraltar.

Mr Speaker, one of the products in our Financial Services Sector which has certainly stood the test of time and which has led to many people resettling in Gibraltar in luxury homes – and in that way added to our economy very significantly – is the Category 2 Individual Status. Professionals across the sector have used and worked with this status in the structuring of their clients’ personal affairs since this was first implemented in 1992 as the then High Net Worth Individual Status.

Yes, Mr Speaker, this hugely successful financial services product was introduced by the last GSLP administration and unfortunately has not been seriously reviewed since that time other than by the hiking of the tax payable by those who hold the status.

This particular product is one which involves personal status and residence issues and is therefore also one in respect of which I carry ministerial responsibility for that reason.

We firmly believe that it is the duty of Government to work in partnership with the private sector to maintain our portfolio of products current and updated in an ever-changing world and to ensure that these products remain relevant to the needs of Gibraltar’s clients.

I am therefore, Mr Speaker, delighted to announce today that an inter-ministerial committee comprised of my office and the office of the Minister for Financial Services and Gaming, the Hon. Albert Isola, my Government has commissioned a long overdue review and report of the Category 2 product, and to this end has engaged and instructed the professional services of the leaders in their field in each of these areas.

Mr Speaker, the professional working group will be asked to consider and report on all aspects of this product and its development. They will engage with existing holders of this status as well as with those involved in the application process to ensure that applicants enjoy the benefits of a product that is fit for purpose in today’s world and delivered in a manner that meets the expectations of those we are seeking to attract to Gibraltar. They will also be in contact with professional intermediaries outside of Gibraltar who are experts in the field.

In terms of the Government’s affordable home ownership scheme, progress is huge and for all to see at the building sites at Eastern Beach and Waterport.

We are well down the road of the construction of the first projects and the acquisition of the Queen’s Hotel will allow us an opportunity to develop even more rental housing for the elderly near the town centre.

Mr Speaker, the Government is nonetheless of course conscious of the difficulties currently being experienced by prospective home owners in obtaining finance from mortgage-providers in Gibraltar, especially mortgages for financing the purchase of their homes under the Government’s co-ownership schemes.

The Government is in advanced discussions with the local banks and other financial institutions in this respect, and is considering proposals which will lead to an increase in the availability of such mortgage finance in order to assist the growing number of working families who would like to own their own home – and that is most of them, Mr Speaker.

The Government is also working on proposals to provide further assistance in order to free up some of the pressure on the mortgage market by arranging facilities for public sector employees who may wish to purchase their homes under any of the Government’s home ownership schemes. Government is seeking to arrange that such loans be secured against their pensions and gratuities. This would enable many public sector employees to purchase their own homes in cash without the need to have a mortgage on their property with interest charged at market rates, on a reducing-balance basis. Interest and any capital repayments would be deducted from their monthly salaries, with the loans being repaid in full upon the employee’s retirement or earlier departure from Government service.

Moreover, Mr Speaker, the Government will also now be extending the 50/50 scheme to the sale of its Post War Housing Stock to sitting tenants and eligible relatives. We shall shortly be communicating with those who were eligible to purchase to advise them of how this extension of the scheme will work in relation to that part of the Housing Stock.

Mr Speaker, as a further measure to assist those who may wish to buy their home in cash and who may have their savings locked up in fixed-term debentures with either the Government of Gibraltar or the Gibraltar Savings Bank, such debenture-holders will be given the option to redeem their debentures before the maturity date with no penalty, if they can satisfy the Financial Secretary that the redemption monies will be applied for that purpose.

Mr Speaker, I have received a petition from Unite the Union signed, amongst many others, by Members of the Government and the Opposition in which we were asked to consider the possibility of making it compulsory for every individual in the private sector to have a pension. I am today creating a working group to be made up of the relevant unions and employers’ representative bodies including the Chamber of Commerce, the Gibraltar Federation of Small Businesses and Unite the Union, onto which we will also invite the Gibraltar Betting and Gambling Association in order to consider whether such measures are feasible in the context of our economy. I am aware that these measures are now in place in the United

1620 Kingdom and I want to recognise and praise the work done by Unite in understanding the way in which these systems have been introduced in the UK by the Conservative Liberal Coalition who have done so in a manner that appears to have enjoyed the support of employers and employee organisations. I will be asking Michael Crome from my office to Chair that Working Group.

1625 Finally, before rounding up Mr Speaker, I am delighted to announce that the Government will be creating two annual scholarships to be available to children under the age of 18 who are exceptionally gifted in the arts and who are able to obtain placements to progress their development and the study of music, dance or another art other than at degree level which is covered by the present Scholarship programme.

1630 Mr Speaker, last year I was very disappointed that the hon. Gentleman did not actually reply to my budget address. Just like I did last year, I have again made a very large number of announcements this morning which are clearly for the good of our community. I have disclosed important figures that demonstrate that some of his criticisms throughout the year have been entirely unfounded. I have shown that his oft expressed concern about the growth of recurrent expenditure is actually something they created whilst in government that we are now taming and bringing under control.

1635 I trust that this year he will in his speech respond to these matters and not simply deliver what he has come prepared to say. I do hope he will specifically respond to what I have said and not just fall into the trap of delivering his prepared text; because his analysis will be less than relevant if all he says to us is that he is worried about rising recurrent expenditure, blaming us for what he says is a £66 million rise without addressing the fact that it has actually grown principally as a result of what his previous leader used to call untameable market forces and as a result of the things they did when they were in government before they left.

1640 Mr Speaker, I want to thank the unions who have worked with me this year, the Chamber, the Federation, ATCOM, the Finance Centre Council and all others for their input. Not all their requests or shopping lists can be accommodated, but good input from those organisations helps us to better calibrate this appropriation and to consider how some structures may change to accommodate innovative suggestions in the future. We will certainly continue our full engagement with them.

1645 It is also right of course that I should thank all public servants of Gibraltar, without whom Government cannot operate and who in great measure are as responsible for these great results as any of the 10 of us on this side of the House.

1650 In particular, Mr Speaker, our thanks to you, the Clerk and staff of the House for bearing with us this year. This month we continue the work of refurbishing the work areas of Parliament behind the Speaker's Chair and as a result I am happy to announce that there will be no July session. It is an issue which we have considered in the Select Committee in any event.

1655 I apologise in advance to you and your staff, Mr Speaker, for the disruption the refurbishment will create and trust that the absence of a meeting whilst it is ongoing will minimise the effects it will have on your work which, as Members know, but the rest of the community may not be aware, continues even when Parliament is not in session. The installation of the lift to make the Chamber accessible will also now commence in earnest, and I understand is expected to be finished in time for the October sitting.

1660 Again, this year, this is a useful moment to extend a very special acknowledgment also to the staff of No. 6 Convent Place, especially the team that works on my corridor of the building.

Two and a half years in, and it is very much thanks to them that I never feel alone at any time of the day or night when I am working at our nation's challenges at that emblematic address, and that is finally being transformed – as Members Opposite and on this side will know – into an address which is the representation of the modern Gibraltar and not what it was.

1665 Today, I also want to continue the tradition I established, which I think is fitting in a system of real Cabinet Government, of publicly thanking all other members of the ministerial team, for their sterling efforts in the course of this past financial year. It is that work and the work of the civil servants who work alongside us that delivers these excellent results.

1670 Because it is quite clear to me, Mr Speaker, and no doubt to people outside this place, that this is a *game-changing budget*; a game-changing appropriation of monies for our community.

This Budget shows our community that our long-term strategy for the future of this nation of ours is starting to bear fruit.

Already, the rainy day funds are well established once again in Community Care, now with over £80 million on deposit.

1675 Already, the rainy day funds are well established once again in the Savings Bank, where reserves are estimated to be restored again to the level at which they were before Members Opposite took the money for their general purposes – talk about using savers' money for the Government's own purposes!

Mr Speaker, this is the Socialist Liberal Government's third budget, which once again delivers social justice for all our community.

- 1680 This is a budget for people of aspiration; for hard working people who are the spine of our success as a community.  
Because this budget demonstrates that we care about the people who cannot pay their bills and who are not riding high and we care about businesses that are not doing as well as they could because of the attempts to strangle our economy.
- 1685 This is a budget for entrepreneurs and the working man and woman.  
A budget not for those who put out their hands just to take; it is a Budget for those who put out their hands to work and for those who genuinely cannot work.  
And these are exciting times for business in Gibraltar.  
Entrepreneurs can see there is a Government in Gibraltar that is on their side.
- 1690 A Government that understands their needs.  
A Government that wants to see growth continue and spread to every sector of the economy.  
A Government that understands each taxpayer is a shareholder in this common enterprise that we call the nation we are building.  
And our role is to ensure that we maximise shareholder value in everything that we do: adding shareholder value in tangible, economic terms and in non-tangible non-economic ways too; a balancing act that we are getting right at every turn.  
We are delivering game-changing developments like Commonwealth Park in partnership with responsible charitable organisations like the Kusuma Foundation, whilst also delivering game-changing surpluses.
- 1700 And we are not just relying on established industries and established standards.  
We are dragging Gibraltar out of the culture of mediocrity; we are reaching out for a better standard and new businesses.  
We take not just the low-lying fruit of the established sectors; we go further to try to establish new industries with innovative thinking and set our sights on the future, not just the present and the past.
- 1705 And that is what is resulting in investors breaking ground on new office developments which just would not get off the ground before we were elected.  
That is why we already have a fabulous new 5-star hotel already operating, barely 30 months after our election – organising functions Gibraltar could never have hosted before.  
We can see we have the confidence of the financial services sector which has grown in jobs since our election, despite the challenges that industry faces.
- 1710 We can see the confidence from the gaming sector which has grown in jobs since our election despite the challenges that industry faces, *by almost 50%*, Mr Speaker.  
We enjoy the confidence of unions and employers' representative organisations, because we listen and we act when we believe their ideas are better than ours.
- 1715 But we are clear that we enjoy the confidence from all sectors of society because we are working *for* all sectors of society and delivering to all sectors of society.  
And so I say, Mr Speaker, to every member of our community, whoever they may have supported at the last election: this is a budget for you: for those of you who voted GSD or PDP, for those of you who mixed your vote and for those who did not vote at all as much as for those who voted GSLP/Liberal, because we are a government for *all* of Gibraltar – as we promised to be *and we make absolutely no apology for that!*  
We are a government delivering a budget for workers and for entrepreneurs; for those on middle class incomes and working class incomes; for the worker and for the business man.  
A budget that delivers social justice for all of our people, as we will endeavour to do in every appropriation we bring to this House.
- 1725 A budget that demonstrates that we will take *no lessons in finance* from those who left Gibraltar with just £2 million in the bank when they left.  
We will take no lessons in democracy from those who financed their party newspaper exclusively with taxpayers' money or hardly called any meetings of this Parliament when they could.  
Because this is a budget of a government that will always put country before party and not the other way around.
- 1730 This is a game-changing budget, Mr Speaker, that sees our people basking in the bright sunlight of the new dawn.  
A budget of a record-breaking surplus that exceeds even the record-breaking estimate.  
A budget of useable cash reserves up again to almost £100 million – *50 times* the paltry £2 million the Members Opposite left behind.
- 1735 A record high in Gibraltarians in employment.  
And Gibraltar now third in the international rankings of GDP per capita with people enjoying the benefits of that in the carefully targeted spending commitments of their Government.  
Mr Speaker, more cash, more jobs, more surplus and much more transparency and democracy than ever before.
- 1740

Not just a record-breaking Socialist Liberal Government; a *game-changing Socialist Liberal Government for all our community*.

1745 Mr Speaker, it is therefore with both great pride and humility in having been allowed to present the fruits of the work of this whole team in the opening address in this debate, that I commend the Bill to the House. (*Banging on desks*)

**Mr Speaker:** Having regard to the fact that hon. Members have remained in their seats for over two and a half hours, including the Clerk and myself, I think we should have a very short comfort recess, not exceeding 10 minutes.

1750 The House will now recess.

*The House recessed at 12.45 p.m. and resumed its sitting at 12.57 p.m.*

**Appropriation Bill 2014 –  
Second Reading –  
Debate continued**

**Mr Speaker:** The Hon. the Leader of the Opposition.

**Hon. D A Feetham:** Mr Speaker, it is an honour for me to rise to deliver my second budget speech as Leader of the Opposition.

1755 As I said in my budget speech last year, the Opposition will never make political capital against the Government at the expense of this community or without clear justification. Where we can work with the Government, we will do so. Where on balance it is justified and we believe that for the sake of national unity we need to be adopting a different policy to the ones we have held in the past, we will also do so. We will not stick rigidly to partisan political lines, even where intellectually we would have been justified in doing so, if on balance it does not serve the national interest.

1760 Thus for example, we attended the National Day Rally last year, despite our long held position in Government to depoliticise National Day. We have also done so on attendance at the United Nations Committee of 24, where I said publicly on more than one occasion on first becoming my Party's Leader, that although we do not resile from our Party's long standing position that the 2007 Constitution created a modern, non-colonial relationship with the United Kingdom with the maximum level of self-government, short of independence and compatible with continued British sovereignty, we would for the sake of national unity attend, provided that I could see the Hon. the Chief Minister's speech beforehand and agree the text with him.

The hon. Gentleman has not taken me up on that.

1770 On the attempt by the UK Prime Minister, David Cameron, to negotiate new terms of membership with the EU, I brought a motion to this Parliament within weeks of becoming Leader of the Opposition, calling on the Chief Minister and myself to work together so that Gibraltar's interests could be protected. Not once have I been briefed, despite his recent unilateral decision to undertake a consultation exercise on Gibraltar's inclusion in the Customs Union and Schengen.

1775 On our relations with Spain, I have said on many occasions again, from very soon after I became Leader of the Opposition, that he and I should work together and devise a common strategy, and for us to be an example to future generations of politicians here in Gibraltar. He has never taken me up on that either.

1780 Last year, for two months we suspended normal political activities and criticisms of the Government, to give the Government the political space to resolve a difficult situation in the aftermath of the laying of the concrete blocks. He briefed me for those two months but the briefing ceased as soon as normal political exchanges resumed.

1785 There are therefore many initiatives from this side of the House where we have held out an olive branch to the Government on issues of national importance, and the reality is that for whatever reason, they have not been taken up by the Government. Indeed we have gone, Mr Speaker, far further than they did when they were in Opposition.

That said, Mr Speaker, what the Government cannot do is equate its own narrow political interests with the interests of this community of Gibraltar. Every time it is met with criticism on their handling of public finances and indeed on their handling of relations with Spain. They are not the same and indeed, I note, Mr Speaker, that he has done precisely that during the course of his speech here today, this morning.

1790 Thus, whilst we welcome some of the measures – for example, the measures to encourage savings and also the measures to stimulate trade in Main Street – that the hon. Gentleman has announced today and indeed the growth of the economy, we continue to have very real and considerable concerns about the way

that the Government is managing our public finances, including the opaqueness surrounding the expenditure of the Gibraltar Savings Bank and Credit Finance Company Limited and the legacy of debt and spiralling expenditure that the hon. Gentlemen is leaving future generations of Gibraltarians.

The seeds for the opaqueness management of our public finance today were sown by the Chief Minister in his political discourse at the last election, as we will see in a moment. It is a discourse that goes to the heart of whether hon. Members, and the Chief Minister in particular, deserve the trust of the people of Gibraltar at the next election, Mr Speaker.

The reality is that the Hon. the Chief Minister's position remains riddled by substantial, fundamental and presentational contradictions, as he himself has always known and which I said last year during the course of my Budget address, would catch up with him sooner rather than later if it had not already done so. Well, Mr Speaker, it has caught up with him in this Budget, for reasons that I am going to be developing in a moment.

Mr Speaker, what this Budget shows is that the Big Lie has well and truly unravelled. (*Banging on desks*) Highest net public debt in the history of Gibraltar in monetary terms. Substantial increases in gross debt despite the Chief Minister's address last year and his predictions that gross debt would actually go down. Highest levels of recurrent expenditure in Gibraltar's history.

It is not surprising, Mr Speaker, that the Hon. the Chief Minister has been so defensive about recurrent expenditure this morning, and he uses and deploys the well-known and tiresome mantra of 'blame the GSD'.

Well, Mr Speaker, what the Chief Minister cannot do is on the one hand argue that our public finances were in a ruinous state in 2011 and claim credit for some miracle in two and a half years, whilst saddling the GSD with recurrent expenditure (**Several Members:** Hear, hear!) (*Banging on desks*) because it was our fault, Mr Speaker. Mr Speaker, the French saying, *Qui s'excuse, s'accuse* comes to mind and the Chief Minister has done it perfectly this morning.

Mr Speaker, increases in recurrent expenditure outstripping increases in recurrent revenue in both percentage and monetary terms; highest ever reliance on import duty, despite the Chief Minister decrying our dependence on it rightly, from the Opposition Benches; overspend across the majority of Government Departments; and a very worrying propensity Mr Speaker, for overspend in the Chief Minister's own Department, No. 6 Convent Place, Mr Speaker. It really is, money is no object when it comes to No. 6 Convent Place, (**A Member:** Hear, hear.) as we will see in a moment.

This, Mr Speaker, from the gentleman that used to criticise his predecessor, Sir Peter Caruana for his expenditure, when he makes Sir Peter Caruana look like a veritable scrooge in comparison, Mr Speaker. And that, without taking into account the opaque investment – because that is what it is – of £400 million by the Gibraltar Savings Bank in Credit Finance Company Limited, over £70 million of which the Government has already spent.

Mr Speaker, if the Government has spent that £70 million directly, instead of using savers' money as its credit card, and accounted for that expenditure in these estimates of revenue and expenditure, the Government would not be making anywhere near the kind of surplus it is making and declaring today, Mr Speaker. Indeed, it would be making a mere loss. That is the fundamental reality of this budget, Mr Speaker. (**Several Members:** Hear, hear.) (*Banging on desks*)

Mr Speaker, for the last two years my predecessor as Leader of the Opposition and I, Sir Peter Caruana, have been describing the 2011 Election as the Big Lie election, involving not one big lie, but two big lies. One on the state of public finances and the level of public debt, which he described as astronomically high or in excess of the legal borrowing limits; and a second lie about electoral promises made to the electorate, which were quite frankly undeliverable in the way that the Chief Minister said that they were going to be delivered, Mr Speaker.

He promised £750 million of capital projects and indeed huge increases in recurrent expenditure to boot. He promised to freeze rents, rates, electricity, to cut income tax, the effective rate, from 25% to 15%, to cut public debt by half and to donate every single last penny of Government surpluses to Community Care. Mr Speaker, a veritable miracle by biblical proportions.

And it does not take a rocket scientist to work out that if you are going to increase Government capital and recurrent expenditure to those very significant – and by Gibraltar standards – astronomical levels, whilst at the same time cutting the income available to the Government – because what you are doing is, you are cutting income tax, freezing rates, rents, electricity, cutting the public debt and donating every single last penny of Government surplus to Community Care – how on earth did he expect to pay for it all, Mr Speaker?

In his very first address to this community on 18th January 2012, he appeared on public television on an emergency basis and spoke quote 'serious public debt problem'; quote 'a serious public finance problem'; quote 'an impenetrable curtain'.

He then went on to create the impression, an impression that he reinforced in the budget last year and he has done so again this year, that there was somehow a sinister £100-million black hole in the public finances of Gibraltar.

Mr Speaker, it is a claim that he even repeated on Spanish television last year! If I had made such a criticism of his Government on Spanish television, I would have been required to walk in procession, Mr Speaker (*Banging on desks*) from College Lane to No. 6 Convent Place, self-flagellating myself in the process, prostrating myself in front of No. 6 Convent Place, until his party machinery had forgiven me for my supposed sin, Mr Speaker.

But of course, what he does not do, he does not judge his political opponents by the same standards that he judges himself, Mr Speaker.

And Mr Speaker, yet by the beginning of last year, when challenged by a GBC reporter on the levels of Government spending in the light of that very bleak picture that he painted, barely 12 months earlier, he said that the Government, and I quote ‘had cured’ any public finance problems that he had inherited. Mr Speaker, from financial ruin to the land of milk and honey in barely 12 months! Mr Speaker, *it is simply not credible*.

And of course Mr Speaker, he had to find a miraculous cure pretty quickly, because this was a Chief Minister that was going to be embarking on some of the most expensive capital projects that we have seen in Gibraltar, Mr Speaker. He would be soon spending money as if there were no tomorrow: 1,000 affordable homes at a cost of over £100 million; the cladding and improvement to three estates at a cost of nearly £100 million; the small boats marina at a cost of £24 million. Sandy Bay at the cost of between £5 and £10 million; £4.5 million Mr Speaker on a semi-Venetian palace at No. 6 Convent Place, Mr Speaker! (**Several Members:** Hear, hear.) (*Banging on desks*) the Queen’s Cinema, Commonwealth Park and £25 million as he has today announced on the Gibraltar International Bank, to name but a few.

But also, Mr Speaker, importantly, *huge* increases in recurrent expenditure.

Mr Speaker, last year I said that in comparison to the financial year ending 31st March 2012, the projected overall, the current expenditure for the year ending 31st March 2014 will have risen by £66.6 million per annum or £5.5 million per month. In fact, Mr Speaker, the recurrent expenditure has risen during that period by £95.6 million per annum or £7.96 – nearly £8 million – per month. That includes increases in recurrent departmental expenditure of £76.6 million; recurrent contribution to Government-owned companies of £9.6 million and £9.4 million paid in previous years to the Social Security Fund, which this year has inexplicably been transferred as a one-off payment out of surplus, which has artificially increased the size of the surplus, only for that money to then be paid from the surplus to Community Care.

In other words, in the past, £9.4 million was paid to the Social Security Fund, from there to Social Assistance and then from there to Community Care. This year, it has been treated as part of the surplus and from there it has been paid directly to Community Care.

Mr Speaker, I will return to this later on, but for present purposes, it represents an increase of 28% in recurrent expenditure from the position that it was in March 2012, when the hon. Gentleman first gave his first Budget speech. Even if you take the £9.4 million from recurrent expenditure, as they have done, recurrent expenditure would still be £86.2 million more than it was in March of 2012, Mr Speaker. An astronomical increase by anybody’s standards from a Government that won the election claiming that the public finances of Gibraltar were in a ruinous state, Mr Speaker.

But it is the implications of these huge increases for the community and not the big lie in itself that concerns me, as I will explain in a moment. But the big lie is the reason for the hon. Gentleman’s blind gamble – for that is what it amounts to, a blind gamble – with the future of our children and our children’s children, because these levels of public expenditure are simply not sustainable and someone at some point in the future is going to be left with an almost impossible task, when the mess that he is creating comes back to bite us all, Mr Speaker.

Mr Speaker, recurrent expenditure for next year is expected to rise by 32% from the position it was in March 2012 to £108.95 million per year, an increase of £9 million per month. But Mr Speaker, almost across the board, there have been huge increases in expenditure and overspending in Government Departments from the levels that he predicted in his budget last year. Twenty-four out of 41 Government Departments have spent more than their allocated budget – 24 out of 41 Government Departments are overspending, Mr Speaker. No. 6 Convent Place is spending £16 million per annum today, compared to £7.5 million per annum in March 2012, Mr Speaker. (*Interjections*) It is an excess over budget of 45%. The hon. Gentleman cannot even keep within a budget in his own Department in No. 6 Convent Place, Mr Speaker!

Mr Speaker, No. 6 Convent Place is spending £16 million today, compared to £7.5 million in March of 2012 – an increase of 112% rise in expenditure in the Chief Minister’s own Department since March 2012. Now, the Chief Minister may argue in his response, that the IT Department is within his budget now. Therefore that would account for a large part of the increase because the IT Department accounts for £1.1

million of the increase. However, even that £1.1 million, Mr Speaker, that increase only happened when the IT Department was within his control, was within part of No. 6 Convent Place.

1915 Even if I were to give him the benefit of the doubt for the increases within the IT Department, and other Departments which have moved in and out since March 2012, there is still a rise in overall expenditure of £7 million, which is still an increase in his Department of 93.5%, Mr Speaker, and the increase is across all the items within his Department. Total payroll, Mr Speaker, at No. 6 Convent Place has increased from £2.2 million in March 2012 to £4.26 million in 2014, with a further increase to £4.4 million by 2015.

1920 As at March 2014, No. 6 was spending £2 million, or 91%, more in salaries than it was in March 2012. Excluding the IT Department, it equates to 36% increase in salaries, Mr Speaker.

1925 In 2015, the Chief Minister plans to increase the levels of staff by seven more bodies. That is more than the total increase planned for the GHA during the same period, Mr Speaker. Legal consultancy fees for No. 6 Convent Place have increased by £666,000 in March 2012 to £2.25 million in March 2014 – an increase of a staggering 237%. This despite significant increases in legal staffing levels employed directly by No. 6 Convent Place during the same period. For the first time, there is a Head for Media Monitoring which comes in at £475,000.

Mr Speaker, I know that he likes to spend an awful lot of time monitoring what everyone says on social media, but £475,000 on media monitoring is an awful lot of money to spend on media monitoring.

1930 Travel and entertainment was an item that I focused on last year. The estimated figure was £390,000. The actual was £1.3 million, or a massive 287% over budget, Mr Speaker.

Mr Speaker, it is a question of priorities. Priority is a word that he ought to learn and ought to be in his vocabulary, Mr Speaker. I really cannot understand how all this expenditure on his offices can be justified when one looks at the priorities for this community, especially from a ‘new dawn’ Socialist Party that claims to be the people’s party, Mr Speaker.

1935 One has to ask what benefit is there to the ordinary man in the street by this extravagant spending and overspending on No. 6 Convent Place? Mr Speaker, there has rightly been a public outcry regarding the availability of doctor’s appointments at the Primary Care Centre. The overspend on travel and entertainment alone of £920,000 could have employed 10 doctors for a year, Mr Speaker, which would have dramatically reduced waiting times. Yet the priority is given to the Chief Minister’s own offices and it would appear his own comfort, Mr Speaker. (*Banging on desks*)

1940 Perhaps the next time that the leader of the new dawn socialists is near the Primary Care Centre, he should pop in and explain to all those people who are hours waiting to see a doctor, why he is spending so much money on his own offices, on his own staff, on his own travel and entertainment when they have to wait hours to see a doctor, Mr Speaker. (*Banging on desks*)

1945 None of this of course takes into account the £4.5 million plush upgrade to his offices or the Jaguar or the Tesla or the three or four Mercs, Mr Speaker and he had the audacity to criticise his predecessor for the gas-guzzling Jaguar, Mr Speaker!

1950 Turning to other Departments, Culture and Heritage: estimated spend was £3.7 million; the actual came in at £5 million, which means a 35% over budget. Utilities: the estimate was £48 million; the actual spend was £64 million, which means 33% over budget. Human Resources: the budget was £1.4 million and the actual has come in at £2.4 million, which means a 64% over budget. Treasury: the projected expenditure was £16 million; the actual came in at £17 million or 6% over budget.

1955 Mr Speaker, the Hon. the Father of the House is not here to listen to my response to the Hon. the Chief Minister’s Budget, but I know that he delights in reminding me, Mr Speaker, that he has known me since I wore short pants. The issue whether I wore short pants or not shall forever remain a bone of contention between him and I, but we do go back a long way and I know him as well as he knows me – and he must be absolutely gritting his teeth, Mr Speaker, at forming part of a Government that is spending at the levels that this Government is spending, Mr Speaker, and overspending across Government Departments!

1960 Whatever happened, Mr Speaker, to his famous and I think correct policy of the rainy day fund policy, Mr Speaker? And Mr Speaker, to the extent that he forms part of a Government – a *Socialist* Government Mr Speaker – that agrees to pay a former Socialist activist in Hong Kong, £250,000, Mr Speaker! Ten times the national wage average here in Gibraltar, inclusive of the private education of his children, Mr Speaker. Since when have socialist governments anywhere in the world, Mr Speaker, paid for the private education of anyone’s children, Mr Speaker?

1965 The reality is that the Hon. the Father of the House is going to remain, Mr Speaker, the only non-champagne-drinking Socialist at this rate, on the Government benches, Mr Speaker! (*Laughter and interjection*) I hope that he is listening to this, because at this rate – and I hesitate to make the point, because Mr Speaker, I will incur the full wrath of his response – but at this rate, he is going to feel more at home on these benches than on theirs, because at least I used to listen to him when he used to talk to me about the need for financial prudence and the setting aside of a little bit of money in order to meet a situation when the going gets tough – a lesson that obviously the Hon. the Leader of the new dawn Socialists has simply not learnt, Mr Speaker.



But Mr Speaker, I now turn to recurrent revenue.

Recurrent revenue increased by 19.97% since March 2012, whilst I have already indicated, that expenditure has risen by 28%. From March 2012, recurrent revenue has increased by £90 million. Of that amount, £54.45 million or 44% was accounted for by an increase in import duty. Mr Speaker, increases in current expenditure are expected to continue to outstrip increases in recurrent income in both percentage and also monetary terms next year. The expected rise of revenue for March 2015 is only £2.5 million. The expected rise in expenditure is £22.8 million next year. What is concerning about these figures is that the bulk of the increase in recurrent expenditure is attributable to import duty.

In March 2011, import duty accounted for 25% of total Government revenue. Today it accounts for 32.6%. Mr Speaker, when he was on these benches and in these debates – indeed in the speech that he gave when he was Leader of the Opposition, his only one – he said that we needed to cut dependence on tobacco revenue. Well, Mr Speaker, I agree but dependence on tobacco revenue is going up, it is not going down and it has been two and a half years on his watch that this has continued to happen.

Mr Speaker, that careful calibration between increases in recurrent revenue and expenditure which the Government predicted at the last election is not happening because the Government's expenditure is out of control. That is the reality. I recently said in the *Gibraltar Chronicle* that the Government is creating the ingredients for a perfect storm in future and I have to say that I am more worried than ever having read these figures for this debate. And I emphasise again, that you cannot hermetically seal the public finances of Gibraltar from outside influences.

Even the EU Commission visit on Wednesday of this week could have an important impact on important sectors of our revenue, Mr Speaker. Our relations with Spain can also affect not only important sectors of our economy such as gaming, which accounts for 20% of GDP and nearly 3,000 jobs, but also important revenue streams too, Mr Speaker and they have to be conducted in a calm, mature, intelligent way, Mr Speaker. Less of the flashing of the cufflinks, Mr Speaker, and more thought.

And in this regard, I do congratulate him for his toned down UN speech that he delivered this year. A far cry from his speech last year comparing, whether he believes it or not, comparing Spain to North Korea, which I thought was one of the biggest own goals that any Chief Minister in the history of Gibraltar's politics has actually scored.

Mr Speaker, I do not think that it is a coincidence that we have seen a decrease in certain revenue streams this financial year. Tourist site receipts are down by 5%; bunkering charges are down by 33%; ship registration fees are down by 17.2%; revenue from vessels using the east side anchorage down by 45%; Upper Rock visitors down 3% compared to last year – down 30% when compared to 2012; yacht arrivals down approximately 13%, the number of coaches arriving in Gibraltar via the land frontier down 33%; Gibraltar Museum revenues down 27%, Mr Speaker.

Mr Speaker, I now turn to my analysis of public debt. The gross public debt stands at £450 million and cash reserves stand at £96 million. That gives a net public debt figure of £354 million. In monetary terms that is the highest net public debt figure in the history of this community.

Let me repeat that for the benefit of hon. Gentlemen opposite: £354 million, the highest in monetary terms for net public debt in the history of this community, Mr Speaker. And this is from a leader who decried the levels of public debt at the last election and he is responsible now for saddling this community with the highest levels of net public debt in monetary terms in the political history of this community.

Last year, he promised to reduce this figure by £12 million. Instead, it has actually risen by £76 million, or 27%, and it is expected to rise again next year by £25 million. Even if you analyse it, in gross public debt terms – which is their preferred method and was their preferred method at the last election – I remind the Chief Minister that last year he said that he was well on course to meet his manifesto commitment of reducing gross public debt to £260 million. Well, the outturn is £450 million – an increase, Mr Speaker, of £74.3 million in gross public debt.

Mr Speaker, of course he may decide to convert to GSD policy by arguing that we should not look at gross debt but we should look at net debt and net debt as a percentage for the size of the economy, and it happens to be 25%. I will leave that up to him in his reply. But if he does that, if he argues that it is low because it is net debt as a ratio of the size of the economy, well perhaps he can also apologise to the people of Gibraltar for his misleading public discourse at the last election, Mr Speaker. **(Several Members: Hear, hear.) (Banging on desks)**

But Mr Speaker, these net and gross public debt figures do not even provide us with an accurate picture of public debt – and I am turning to analyse the Gibraltar Savings Bank and Credit Finance Company Limited. Mr Speaker, last year I said that the Gibraltar Savings Bank would and I quote:

‘become absolutely pivotal to any debate on public finance and the Government expenditure over the next few years’.

Mr Speaker, at the time that I uttered those words, I did not know about the existence of Credit Finance Company Limited – and unfortunately, I have been proved absolutely right.  
I also said this and I quote:

‘Mr Speaker I have been observing the Hon. the Minister responsible for the Gibraltar Savings Bank, Minister Bossano, for many years. I may not always agree with what he does or the manner in which he does it, but he does everything for a reason. I hope, Mr Speaker, that I am wrong and that the Government is not contemplating using that money. The consequences for these annual debates and the transparency of Government finances would be considerable because it would be blow, a massive hole in the Governments duty to account to this House at budget time for the expenditure because as we all know, the Gibraltar Savings Bank expenditure is not reflected in these estimates’.

Again Mr Speaker, I made these predictions, which have turned out to be absolutely totally accurate, because since they came into office, they have been effectively shifting Government debentures which rank as Government debt from the books of the Government to the Gibraltar Savings Bank where they do not rank as Government debt. Of course, the Government still guarantees all deposits, including debentures, in the Gibraltar Savings Bank.

Mr Speaker, in March 2011, the Gibraltar Savings Bank debentures stood at £27.6 million. They now stand at £378 million, plus £74 million in bonds. Including deposits, the total amount in the Gibraltar Saving Bank is £815 million, compared to £330 million in 2011.

Mr Speaker, in March 2012 the Government caused the incorporation of Credit Finance Company Limited, a company owned by the Government and the Gibraltar Savings Bank. It did so with an initial investment from the Gibraltar Savings Bank of nearly £300 million. For a Government that delights in issuing press releases on virtually anything and everything, it is remarkable that it made no announcement at all on such a huge investment of savers’ money. Probably, Mr Speaker, because they knew there was a by-election around the corner, Mr Speaker.

And when I asked in this House, before that by-election, whether the Government had directly or indirectly provided any kind of financial assistance to the owners of the Sunborn, which would have led me to the existence of Credit Finance Company Limited, he said – and he could have answered yes – he answered ‘No, sir’, only to come clean the day after the by-election, Mr Speaker. The lack of transparency and accountability to this House in the handling of the finances of the Gibraltar Savings Bank and Credit Finance Company Limited will forever be a huge stain on his transparency and accountability agenda, Mr Speaker. (A Member: Hear, hear.)

Yet further, Mr Speaker, he still refuses to answer legitimate questions as to who is in receipt of loans from the Government and in what amounts. It makes a mockery of this debate today. What is the point, Mr Speaker, of having 24 meetings of Parliament which he crowed about during his own address, if he will not answer questions on where Credit Finance Company Limited is spending that money and that expenditure is not accounted for in these estimates of revenue and expenditure? It is the single most important assault on the democratic and parliamentary process since I have been in politics, probably ever.

Mr Speaker, Credit Finance Company Limited’s only employees are its directors, the Chief Secretary, the Financial Secretary and another senior civil servant. To date, the Gibraltar Savings Bank has invested £400 million, or 49% of all monies deposited in the Gibraltar Savings Bank, into this company and the Government has invested a further £30 million. You do not invest such colossal sums of money in a Government-owned company unless you intend to make use of that money in some way. This is particularly so, Mr Speaker, when one understands that the rates being offered by the Gibraltar Savings Bank are significantly higher than the rates available in the open market.

There is a deliberate policy of making Gibraltar Savings Bank debentures as attractive as possible to encourage deposits within the bank and anecdotal evidence suggests, from the banking sector, that even foreign investors are being encouraged to take advantage of the higher rates of return within the Gibraltar Savings Bank. Mr Speaker, it is simply not true to say that under the GSD Government, the Government could and indeed did make use of the monies deposited in the Gibraltar Savings Bank. It is not true. That is their policy and it was this Government that changed the law quite deliberately to allow them to do so.

In March of 2012, the Chief Minister moved a Bill to amend the Gibraltar Savings Bank Act and took out the requirement that the investments of the Gibraltar Savings Bank be limited to cash deposits or their equivalent. That is why we voted against the Bill.

The importance for present purposes is that, as a consequence, we now have a situation where legally there is no longer a requirement for the Government to invest in Gibraltar Savings Bank deposits in very safe forms of investments with very low returns. That is the reason why the investment of £400 million by the Gibraltar Savings Bank in Credit Finance Company Limited has been possible and I repeat, it is inconceivable that the Government is not going to be using that money because it is already costing the Gibraltar Savings Bank a considerable amount of money in interest payable to debenture holders.

So far the Government has spent £72.43 million out of the £400 million, Mr Speaker.

Mr Speaker, I say the Government, because no-one in a million years, and less still Her Majesty's Opposition, is going to believe that the Chief Secretary and the Financial Secretary wake up every morning, hold a breakfast meeting and unilaterally decide who Credit Finance Company Limited lends money to and who Credit Finance Company does not lend money to.

It is a ridiculous notion to suggest that two senior civil servants decided unilaterally that they were going to be lending £30 to £40 million; we do not know what amount because he refuses to answer those questions, to the owners of the Sunborn. Absolutely ridiculous! They are obviously rubber stamping, Mr Speaker, the decisions of the hon. Gentlemen opposite, of the Government.

The expenditure is properly the expenditure of the Government: £23.05 million has been paid to pay off commuted pensions of civil servants; £49.42 million has been used to provide loans to the owners of the Sunborn and housing estates, of which we know of – because it could be others but we do not know because he refuses to answer questions; £1 million has been used to allow individuals or entities to pay off their arrears including tax arrears to the Government, Mr Speaker.

Mr Speaker, this not only inflates Government recurrent revenue because at its most basic, it is allowing individuals to pay off their debts to the Government whilst parking a Government debt in a Government-owned company so that it is not reflected in these accounts, but it allows the Government to use Credit Finance Company Limited to pay for expenditure that it would otherwise have had to meet through borrowing or its own reserves.

Mr Speaker, if the Government had spent that money itself, the surplus would have been much more reduced this year, Mr Speaker. Indeed it might have even made a loss. In other words, if you take out the £70 million out of the forecast surplus, that surplus would be virtually wiped out, Mr Speaker. Even if you treat the loan book of £49.42 million in accountancy terms as a loan from the Government and not expenditure, the surplus would be reduced by the amounts that had been paid in commuted pensions of civil servants. As I said at the beginning of my speech, that surplus has already been inflated by £9.4 million which has always been treated as a payment to Social Security and eventually to Community Care, which this year has been treated as a one-off payment to surplus and then paid from there to Community Care thus inflating the surplus.

Mr Speaker, it is smoke and mirrors economics. That is what it is. Conversely, if the Government had borrowed the money, Credit Finance Company Limited has paid out, there is no doubt that the net and gross public debt of this community would have increased by £17 million so we would be even more in debt than we are now directly – debt directly attributable to the Government, Mr Speaker. Indeed, it would be interesting to conduct the exercise, Mr Speaker, when he is through next year, as to the amounts that he eventually spends out of that £400 million in Credit Finance Company Limited and the levels of gross and net public debt to see whether actually, if you take them both together, the legal borrowing limits set down in law would have been exceeded, Mr Speaker, if the money that is being spent by Credit Finance Company Limited had been properly, as I say, properly been spent by the Government.

Mr Speaker, that is the true face of the Government he presides over. No economic miracle; he is mortgaging Gibraltar to the hilt and part of that mortgage is being kept away from these estimates which what we have consistently objected to since this debate first arose last year.

Finally, Mr Speaker, on this area, these figures do not give and take into account, substantial expenditure by the Government on for example the power station – and I will return to that at the end of my speech – or the installation of the liquid natural gas at the Detached Mole and its supply to the power station or the land reclamation associated with it. It does not take into account any expenditure by the Government on home ownership estates, so there will therefore be more spending next year, Mr Speaker, and there will either be more borrowing, either directly by the Government or through Credit Finance Company Limited.

Mr Speaker, I now turn to economic growth. Mr Speaker, the forecast gross domestic product for the financial year 2011-12 was £1.137 billion and the forecast GDP for 2012-13 was £1.226 billion. Today the Chief Minister has said that economic growth for the year ending 31st March 2014 was 10.3% and that GDP was forecast to rise to £1.41 billion. Of course, Gibraltar is bucking global trends as it has done since the financial crisis broke in 2007. These figures are therefore good figures, there is no doubt that there will be further growth next year, driven entirely Mr Speaker, by Government projects.

But we must however be careful about economic growth based largely on Government projects funded by borrowing. At some stage that money will have to be repaid, likewise, lending the owners of the Sunborn or any other business £30 to £40 million to relocate to Gibraltar is not with respect, the best economic model. This is not economic growth generated by huge inward investment.

And I remind the Chief Minister that when he was Leader of the Opposition, and he was interviewed by Gerard Teuma in May 2011, he said that just as the GSLP had international investors lined up before we were elected to Government in 1988, so too did he have international investors lined up if he became Chief Minister of Gibraltar. Of course he never gave any details and that was understandable but there has been an election, they won it and I asked him on four separate occasions about these supposed international

investors. After almost two years of asking him, he finally came clean in January of this year and said that it was a coin-minting company from Austria that he had in mind in 2011.

2145 Mr Speaker, talk about damp squibs! How on earth can he possibly compare himself to the first GSLP Government with the land reclamation at Europort, the Euro Towers and all the international investment that quite rightly that first GSLP Government has been praised for bringing to Gibraltar to a coin-minting company, Mr Speaker, from Austria? They are simply not comparable, Mr Speaker.

2150 Mr Speaker, the hon. Gentleman really needs to spend less time on photo opportunities and more time thinking about ways in which he is going to be attracting inward investment to Gibraltar and indeed, we have a number of ideas on this side of the House on how to attract that business and if he wants to, he can sit down with me and I will gladly impart some of those ideas. I have no reason to keep them to myself. At the end of the day, we are both working towards a common purpose and if he wants to engage with me, I will happily engage and tell him about the ideas that we have on this side of the House for attracting inward investment.

2155 Mr Speaker, during the course of his speech, he spoke about the web of companies that supposedly the GSD had created during his 16 years and then he said, in reference to my Hon. and Learned Friend Mr Bossino – and he has the audacity to talk about secret companies... Mr Speaker, how on earth can you compare and how on earth can you trust the creating of a Government-owned company to the creating of a situation where you are allowing or incorporating companies registered at No. 6 Convent Place, with public servants as its Directors owned by GSLP activists being provided by direct allocation with Government contracts subsidised also through the Future Job Strategy, Mr Speaker? How on earth is that comparable? (Banging on desks) Because it is not.

2160 Mr Speaker, he also spoke about the power station. Mr Speaker, I had actually anticipated that he would be making the announcement of the power station during the course of his Budget, but Mr Speaker, he talked about in his speech, ‘we have got to frame this debate in honesty’. He said ‘frame the debate in honesty’ and then he proceeds to talk about £67 million for the power station, but actually omitting to say that on top of the £67 million he is going to have to spend money on the building of a liquid natural gas installation at the Detached Mole with a supply from that installation all the way to the power station and he is also going to have to spend extra money as well on the land reclamation, Mr Speaker, because that is what he is going to do. It will be £120 million from this same company because it is the same company, Mr Speaker, that he has announced, it was going to be building our power station, the £120 million included a new building for GibElec and it also included all the installations and all the infrastructure that was necessary, including storage facilities for that power station.

2170 Mr Speaker, he is comparing apples with pears but that is his style, he is over eager Mr Speaker and often over plays his hand, that is what he does, losing credibility in the process, just so that he can say, blame the GSD and look at what the GSD is doing and look at what we are doing. If he spent less time thinking about the GSD and getting on with the business of running Gibraltar, Gibraltar would be all the better for it, Mr Speaker.

2175 Mr Speaker, in relation to the black hole, he seems to have forgotten, Mr Speaker, what I said about the supposed £100 million black hole during the course of my Budget speech last year. Let me remind him, after outlining the arguments about the £100 million black hole, I basically said as my Hon. and Learned Friend, Sir Peter Caruana explained last year, this so called £100 million black hole is attributable entirely to the fact that the public debt ended higher and cash receipts ended up lower than the Government had estimated at the start of the year.

2180 It happened before in 2009, in 2010 it was estimated would finish the year at £116 million and it ended at £148 million. In 2010-11 £180 million was estimated and it finished at £216 million. All it takes, Mr Speaker, is for capital expenditure to proceed more quickly than budgeted for, for capital receipts from the sale of assets or for capital receipts from the sale of assets to be delayed or a combination of both, to produce this effect. The GSLP Opposition, Mr Speaker, has never criticised that position before in any of the statements that it made during the course of this debate in the past.

2190 Last year Mr Caruana said, and I quote:

‘delayed asset receipts for the year remain on-stream to come in now or in the future.’

2195 Well Mr Speaker, he was absolutely right. If the hon. Member looks at page 143 of the Estimates, actual receipts for last year from the sale of Government properties and other premia amounted to £1.4 million, whereas the forecast outturn for this year is £102 million, an increase of just over £100 million – end quote. There is your black hole, Mr Speaker – a black hole of the hon. Gentleman’s own invention, Mr Speaker.

Mr Speaker, last year to conclude he said that what needed to go down had gone down and what needed to go up had gone up. Not even he can maintain a straight face, adept as he is at it, keep a straight face, whilst making that remark for this Budget today. We finally see his true face, Mr Speaker. We finally see that this is no economic miracle, a miraculous cure for an illness he himself invented at the last election. He

2200 is mortgaging the future of Gibraltar, the future of our children and our children's children to the hilt to pay for a plethora of reckless promises he made at the last election. That, Mr Speaker, is his true face.

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

2205 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I cannot quite believe that that is it – but then again it was a game-changing budget, so I therefore move that the House do now adjourn until 3.15 p.m. this afternoon.

**Mr Speaker:** The House will now –

2210

**Hon. Chief Minister:** Recess, I am sorry, thank you until 3.15 p.m. this afternoon.

**Mr Speaker:** I am sorry I am school-masterish...!

2215 **Hon. Chief Minister:** Ah! Quite right.

Mr Speaker, if I may I will inform Members as soon as I know of the changes proposed to the schedule of the Hon. the Minister for Europe whose plane has gone back to London and therefore we may have an opportunity of continuing with the session this afternoon as a result, and, as soon as I know more, I will make sure that hon. Members are informed either here or privately, of what the arrangements may look like.

2220

**Mr Speaker:** The House will now recess until 3.15 p.m. this afternoon.

*The House recessed at 1.55 p.m. and resumed its sitting at 3.17 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.17 p.m. – 7.33 p.m.

**Gibraltar, Monday, 30th June 2014**

## **Business transacted**

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# The Gibraltar Parliament

*The Parliament met at 3.17 p.m.*

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

[ACTING CLERK TO THE PARLIAMENT: P E Martinez Esq *in attendance*]

## **Appropriation Bill 2014 – For Second Reading – Debate continued**

**Mr Speaker:** The Hon. Dr Joseph Garcia.

**Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, this is my 16th contribution to a debate on the Appropriation Bill in this House, my third as a member of the Government.

5 There have been many changes to this place over those 16 years. Some have been physical changes to the building, like the introduction of air conditioning and the refurbishment of the Chamber itself; other changes have been of substance to the rules, the procedures and the practices of the House.

10 I can remember, when I was first elected in 1999, that the *Hansard* of the previous year's Budget was not available to me immediately. As the House knows, *Hansard* is now published and circulated on the Parliament website quicker than it has ever been before – indeed, there was not even a website then. Even an institution like Parliament, Mr Speaker, has to move with the times. The publication of *Hansard* reflects the policy of the Government to make such information publicly available in as little time as possible. We have achieved this. The proceedings of this House are now televised. The House has been modernised and refurbished beyond recognition. This has taken into account the interests of the public, the press and  
15 obviously ourselves as its Members.

I want to confirm, Mr Speaker, that the next phase of the refurbishment will happen shortly. There is financial provision for this project in the estimates of revenue and expenditure before the House today. This next phase will include much needed works to the ante-room and the back-offices for Mr Speaker, the Clerk and the staff of the House. It will also include the installation of a lift, which will allow easy access for the disabled, the elderly and others into the public gallery for the first time.  
20

Mr Speaker, this building was not constructed as a Parliament. It was the seat of the Exchange and Commercial Library, which had been founded in 1817 as the civilian population's response to their exclusion from the Garrison Library; but that is another story for another day. I know that the installation of a lift will be welcomed by my hon. Friend and colleague, the Minister for Equality.

25 Moving on now, Mr Speaker, to other matters, last year was the 300th anniversary of the Treaty of Utrecht. The Government organised a very successful symposium on the subject, which included speakers from Gibraltar as well as experts from abroad. I want to thank Jennifer Ballantine Perera and the staff at the Garrison Library for the superb organisation of the event.

30 This year, Mr Speaker, there will be another symposium; this time on self-determination and referenda. The intention is that another panel of speakers will analyse the subject of self-determination from different perspectives. The principle is different in application and in law, for example, in a non-self-governing territory to what it could be elsewhere. There is already a provisional list of experts that has been drawn up and I understand that invitations will be going out soon. Once again, there will be speakers from Gibraltar as well as panellists from outside our frontiers.

35 The symposium comes in a year when Scotland will hold a referendum on independence from the United Kingdom. It also comes in the year when the Catalan Government want to hold a similar referendum in order to determine their own fate. The positions of Scotland and Catalunya are very different to that of Gibraltar and this will no doubt add to the discussion.

40 Gibraltar is a Non-Self-Governing Territory. We are, Mr Speaker, in the United Nations Third International Decade for the Eradication of Colonialism. It will not have escaped anyone here that the number of Non-Self-Governing Territories on the UN list has actually gone up instead of down. The UN list and removal from it is another theme for the symposium.

The symposium, Mr Speaker, has been pencilled in for mid-October and the Government is sure that it

will prove very interesting and very relevant, both from an academic, a legal and a political point of view. There is provision in the estimates for this event.

Moving on, Mr Speaker, the seminar ties in with the need that the Government has already identified to increase the political profile of Gibraltar abroad. We have already announced our plans to step up our lobbying for Gibraltar in Brussels and in Washington. The House already knows that the Gibraltar-American Council is made up of very supportive and well-connected individuals to whom we are thankful for the continuing interest that they show in Gibraltar. This is very useful work, but more needs to be done.

In this context, the Chief Minister and I met with legal and lobbying firm Holland and Knight during our visit to Washington in March. It is clear to the Government that lobbying works very differently in the United States from what it does in the United Kingdom or in Europe. Therefore, the Government has contracted Holland and Knight, initially on a six months basis, in order to drive our campaign in Washington.

A branch of the American Chamber of Commerce has now been established in Gibraltar. The Government welcomes this as a first step to increased trade links in the future. A very successful trade delegation from the United States visited Gibraltar a few weeks ago. The House knows that the Chief Minister and I were again in Washington this month for a number of political and other meetings which are designed to pursue the Government's agenda.

Mr Speaker, it is obvious that Gibraltar needs to do more in Brussels as well. The Government is looking to develop an office there based on the one that we currently operate at Gibraltar House in London. This would involve the recruitment of new staff or the redeployment of existing staff to Brussels.

We will, at the same time, continue to count on the support of Members of the European Parliament. However, the loss of Sir Graham Watson will be felt in the light of the valuable work that he has done for Gibraltar behind the scenes. The Government remains open, in this new set-up, to the idea of Sir Graham continuing to assist Gibraltar, albeit in a different way.

There is a huge amount of legislation coming through the EU pipeline, where it is essential that the Gibraltar view is heard at an early stage in order to avoid problems later on. I know that Michael Llamas and his staff at EUID, who do an excellent job for Gibraltar, will very much welcome additional resources on the ground in the European Union capital. It might even be possible to deploy officials from Gibraltar to Brussels on a rotating three-months basis, in order to create a pool of experienced public servants in the EU capital. The College of Bruges, which trains European civil servants, might also be an attractive proposition for young Gibraltarians. We will, needless to say, continue to work closely on Gibraltar issues with UKREP, the UK Permanent Mission to the European Union.

Mr Speaker, there are also more than 700 members of the new European Parliament who need to be briefed and be made aware of the issues facing Gibraltar. We had made in-roads into the Parliament before the European Elections. The base of Gibraltar supporters in Brussels is no longer made up exclusively of British MEPs. This was seen in the two votes earlier this year on Air Passenger Rights legislation and the updated Single European Sky. Hundreds of MEPs of different nationalities and belonging to different political groups supported Gibraltar. We have seen German and even Spanish MEPs take up Gibraltar-related issues over the last couple of years, particularly the queues at the border. This is a good thing and we need to build on it. To do so, we need a team of people who will be dedicated to the task.

The election of a new European Parliament in May and, later in the year, the appointment of a new Commission that has to be ratified by that Parliament, presents a number of opportunities for Gibraltar to build on what has been achieved already. This lobbying has, up to now, been co-ordinated from my office in Gibraltar. Its role has been transformed since we were elected into a hub for the gathering of data and the compilation of reports. These reports are then transmitted to the relevant entity, which includes the EU Commission in Brussels or, more recently, the United Nations in New York as well.

The House knows that a detailed dossier of statistics, photographs and press cuttings has been sent to the Chairman of the Committee of 24 and the Chairman of the 4th Committee. The objective behind this is to challenge the claim made by Spain that the Chief Minister's address to the 4th Committee last year contained falsehoods and insults. This was in respect of the border delays, the incursions at sea and in particular the shooting incident involving the Spanish Civil Guard and a Gibraltar jet-skier.

The European Commission continues to receive monthly updates of the situation at the border. This includes statistical data, video footage, photographic evidence and press cuttings. There will be another EU mission to the frontier on Wednesday of this week. Mr Speaker, I am very grateful to everyone who has been involved in this exercise. It is very important as we continue to build up our case against Spain.

The House will know that the Government has set up a website in order to monitor the frontier delays. This has proved an extremely useful tool for persons who want to cross the border into Spain. We also know that the European Commission itself uses it to monitor border flow. The website was launched on 7th December 2012, which is about a year after we came into office. In the time since then, there have been over 12 million page views. The current average stands at about one million hits per month, which equates to about 32,000 page views every day.



This system is being upgraded to a new one, using the latest available technology. This is known as the Frontier Monitoring Project (FMP). The House will see that this is provided for in the estimates. The FMP system will give up-to-date information on queuing time, flow rates and camera imaging. Historical data going back two to three years will also be available. This will allow a correlation to be made between the length of the queue and key political events that Spain may not like.

The system will allow registered users to receive information on queuing times at preset regular intervals via e-mail or WhatsApp. This means that it can be programmed to send information on the queues, for example, between five and seven on weekdays for people returning home from work. It can also be programmed to supply information on a one-off basis for someone who does not cross the border regularly. The system will give the user the optimal time to cross in either direction, because it works using the flow rate of cars across the land frontier.

The system has the capability to detect suspicious activities. This gives it a law-enforcement capability through the use of Automated Number Plate Recognition (ANPR). Law enforcement agencies will be able to track down any particular vehicle from Devils Tower road to the frontier loop area.

It will also allow for quicker response times for traffic management purposes. The House knows, Mr Speaker, that works have taken place at the border in order to comply with the recommendations made by the European Commission. There is now a five-lane Customs area. Provision has also been made for an in-depth search area adjacent to the Customs area with incorporated car-lift facilities. There will also be an ANPR system at the commercial gates to detect all vehicle movements as well as the incorporation of security barriers and gates to better manage Customs operations in the area. This will serve as a deterrent after hours as the area will be closed off.

It is a credit to Gibraltar, Mr Speaker, that we have complied with the recommendations of the EU Commission at a time when Spain has done practically nothing. The Government trusts that this will be obvious to the EU Commission itself when they visit Gibraltar for a second time on Wednesday.

Another area which continues to be current is civil aviation. The House knows that legislation on Air Passenger Rights, on the Single European Sky II+ and the EU Aviation Agreement with Ukraine are all held up because Spain wants to exclude Gibraltar Airport from the scope of these measures. The Government will work closely with our friends in the European Parliament and with the United Kingdom Government on these issues. Indeed, the Government welcomes the position taken by the United Kingdom Government in relation to the inclusion of Gibraltar Airport in the EU civil aviation measures. This position is that the exclusion of Gibraltar Airport from EU legislation is a 'red line' for the United Kingdom. Indeed, this was spelt out at the second Aviation Policy Consultative Conference held at the Department of Transport in London in May by the Parliamentary Under Secretary of State for Transport with responsibility for Aviation, Robert Goodwill MP.

Mr Speaker, the Government welcomes the continuation of that robust approach. The Government would again like to thank all the MEPs from different political groupings who supported Gibraltar on aviation issues in the European Parliament.

Some of these matters now move on to discussion between the Parliament and the Council, which is composed of the Governments of the 28 Member States. This is where the UK must maintain its position that Gibraltar Airport must be included. The House can rest assured that the Government, for its part, will continue to make a case for the inclusion of Gibraltar Airport in EU civil aviation measures.

Mr Speaker, I move on now to aviation security. Gibraltar Air Terminal Ltd, the Borders and Coastguard Agency and GibAir Handling continue to make significant progress on Aviation Security matters. During the year, as part of this process, the Director of Civil Aviation approved a new Cargo Security programme, which reflects the completely changed procedures required by the new terminal. As a consequence, GibAir Handling has been revalidated as a Regulated Agent listed on the Commission's Register of such organisations which are allowed to process air cargo.

In common with other airports in the European Union, in response to European legislation that came into effect on 31st January, the Airport has introduced new equipment capable of screening liquids for the existence of liquid explosives. At present, the equipment can only be used for certain predefined types of liquids – principally for the screening of medicines and special dietary requirements, including baby food. The European Union is shortly to discuss the use of the equipment for other liquid types.

Mr Speaker, in this year's Budget there is an allocation of £150,000 set aside to improve security measures on Winston Churchill Avenue in order to stop cars from being able to enter the runway while aircraft are operating from it. The current preventative measures have been in place for a number of years and have been assessed as being in need of upgrading with modern barrier systems.

Mr Speaker, during the bird management audit of the Airport, it was recommended that responsibility for the bird control system on the roof of the air terminal should be passed from GATL to the NATS bird management team. A fibre-optic cable linking the terminal and ATC has now been put in place in order to make this happen.

Over the past year, GATL has continued working to enhance the air terminal's operational capabilities and improve the passenger experience. A new stand was opened for the parking of general aviation aircraft at the eastern end of the present stand. This will permit more aircraft to use the Airport. The extra parking will allow this part of the business to develop further without the previous constraint caused by the commitment to stand allocation for the regular scheduled services.

The old air terminal has now been demolished and all the remaining tenants have been rehoused in both the air cargo building and the new entry processing unit, which is located within the air terminal itself. The Government invited expressions of interest for the development of the old air terminal area on 1st March 2014.

Finally, GATL is fully engaged in updating the new Airport Emergency Orders which, once finalised, will replace the current Air Crash Response Plan.

Mr Speaker, I want to take this opportunity to thank the many professionals involved in all the many different fields that I have mentioned for their support and assistance.

I now move on to my responsibility as Minister for Town Planning. The Development and Planning Commission (DPC) continues to discuss Government projects which are presented to it for guidance and advice. I am pleased to report to the House that the same system has now also been extended to a number of Ministry of Defence applications, at their request and by agreement with them. This is very welcome news.

The policy of the Government to place its projects before the Commission for guidance and advice has worked very well. It allows the different stakeholders to give their views on planning applications and to improve them.

The full plans and applications relating to Government projects continue to be placed online on the Government website. This gives the general public more information on Government projects than ever before. Over the last financial year, the Government's commitment to place the planning process online has continued to be developed. Once ready, it will allow the Planning Department to function and offer all its services electronically. This means that the public will be kept abreast of all applications, allowing once again for improved dissemination of information. When the system is ready, it will be possible to examine all private and Government projects online.

The Government is also in the final stages of completing the new Town Planning Act.

Mr Speaker, the Commission has been able to make its views known to the Government and the Government has listened to and acted on those views. Members will recall a number of examples of this approach. The Government decided not to proceed with an additional floor to Moorish Castle, Glacis and Laguna Estates, following the advice of the Commission. The Government also decided not to proceed with the original scale of the Sunborn reclamation in Marina Bay, which included a car park, following the advice of the Commission and the input of residents of the area. The system has therefore worked very well and many projects have been improved as a result.

The House will also recall that the Chief Secretary has written to all Government Departments, Agencies, Authorities and Companies to officially inform them that the policy of the Government is that all its projects should go before the DPC. The only provisos are serious issues of public safety, urgency or security. This system allows for inter-departmental or inter-authority consultation and discussion and for information to be exchanged between different stakeholders.

Mr Speaker, the resources of the Town Planning and Building Control Department have been increased after this Government came into office with the addition of two assistant town planners and an EO administrative grade in the Department. This last financial year, two posts were advertised following the resignation of one of the two assistant town planners and the retirement of one town planning technician. The two town planners are now involved and consulted over Government projects at the earliest possible stage, often well before a project has been officially submitted. This allows them to express their professional opinions and to have an input sooner. They also form part of the group that examines all expressions of interest in order to consider and evaluate proposals made to the Government. It will be recalled that the Department and its professional staff were totally sidelined by the previous administration.

Mr Speaker, the Opposition know that the system works better than ever before, following the reforms that this Government has introduced. Meetings continue to be open to the public and the feedback that the Government has received from applicants, objectors, the media and others continues to be very positive indeed. Many times it is standing room only at DPC meetings. On a number of occasions there have been additional special meetings dedicated to one or two applications only. Indeed, it was a historic day when the application to construct a football stadium at Europa Point was considered in public by one such special meeting. More than that, the meeting was broadcast live, given the high level of public interest in this particular application.

This reflects the policy of the Government to increase the openness and transparency of statutory bodies. It is a policy that has served to generate awareness of planning issues and to add to public debate on the matter. Discussion and debate is a good thing, Mr Speaker. This Government has come so far in such a

short time period that it is difficult to envisage that all of this used to happen in secret, behind closed doors in a boardroom in Europort, just over two years ago.

It is not only the public that has had access to the meetings. The fact that architects and project managers are often present continues to prove very useful. Most, if not all, queries can be dealt with on the spot, thereby allowing the decision-making process to be expedited. The Commission has listened carefully to countless applicants and objectors who have chosen to address it in person. It has then taken a decision with the benefit of this input and after considering the pros and cons of each application.

Mr Speaker, there were 16 meetings of the Development and Planning Commission during the last financial year. Those meetings considered 359 applications, 86 of which were for Government projects. The details of all these applications are available online, as are the minutes, which show the deliberations and the decision in each case.

Mr Speaker, Building Control is also part of my remit. The Building Control's main duties are the administration and enforcement of the Building Regulations made under the Public Health Act by inspection of deposited plans. This is followed up with the necessary site inspections in order to determine that the works have been carried out to the approved plans and specifications.

The Town Planning and Building Control sections shall soon be able to receive fee payments at their offices. This may seem a pretty odd announcement to make. The Government intends to replace the cumbersome system that we inherited, where the public submit their papers at Building Control in Europort and then have to go to the Environmental Agency in Town Range in order to effect the payment. The new one-stop shop will make it easier for applicants.

Mr Speaker, the number of building control applications that received approval in 2013 is 497. This is a record number. There has been a steady increase from 351 in 2011 to 383 in 2012, to 497 now. A total of 177 completion certificates were issued in 2013.

I take this opportunity to thank everyone in the Town Planning and Building Control Department for the professional and enthusiastic approach that they have shown in the implementation of the policies of the Government.

Mr Speaker, I move on now to lands. During the financial year 2013-14, 28 residential properties were sold, generating an income of £9.3 million. One Government flat was also released as part of a purchase. The leases for some of the properties are pending completion, which means that the final figure might vary should prospective purchasers not complete. Some of the properties that have been sold are in the Upper Town. A number of impressive schemes have already been presented to the DPC for the regeneration of parts of the Upper Town through the refurbishment of such properties. There is now a process in place to identify the next batch of residential units to put out to tender.

Mr Speaker, there is clearly a demand for properties in the Upper Town. The Government understands that one scheme with over 20 flats sold out within hours of being marketed. There are also a number of former MOD properties that have been put out to tender. The most recent were the 16 units at Europa Pass Battery, which are expected to raise just under £7 million. This money is then committed to re-provide the MOD with new buildings in a different location. New for old. This is what the previous administration agreed to under the Lands Agreement of July 2011.

A total of £24 million will have been received from the sale of residential properties since 2012 once all pending sales have been completed. Additionally, 19 commercial premises have been allocated via tender during the financial year 2013-14 and an income of £1.2 million will have been received once all the allocations are completed.

Mr Speaker, the House will have seen that various adverts have been published inviting expressions of interest. These have covered areas such as Rosia Bay, the Northern Defences, the old air terminal site, Ragged Staff Magazine and the Eastside reclamation. All of these, except the Eastside, have now closed. The successful proposed development at Rosia Bay was selected from 16 interested parties. The successful applicant has already presented the scheme to the DPC. The expressions of interest in the Northern Defences and the old air terminal site are under consideration, and that for Ragged Staff closed on 23rd May. A total of £3 million will have been received from commercial tenders since 2012, once all assignments are finalised.

Mr Speaker, I would like to thank the staff of the Lands Office in Convent Place and the management and staff of Land Property Services for their assistance over the financial year.

Mr Speaker, I will now say a few words in my role as the Chairman of Gibtelecom: 2013 was again a productive year for the company. Business turnover increased year on year, giving the company a solid base from which to develop and continue to make the much needed investment in infrastructure for the years ahead.

The roll-out of the Company's Next Generation Network is ongoing, with the continued deployment of VDSL2 technology to bring superfast broadband to Gibraltar. This is being made possible through the installation of active cabinets across Gibraltar, bringing the fibre to the kerb, and consequently closer to customer premises, to facilitate higher internet speeds. I can now confirm that 95% of homes are currently

within reach of this technology, with the company reporting that it expects to complete its deployment plan by the end of the year. In all, some 50 cabinets have been or are being installed around various points in Gibraltar. I am pleased to inform hon. Members that Gbtelecom now has plans to significantly increase the broadband speeds currently available to their customers before the year is out.

Gbtelecom is also securing for itself a role as a global carrier, offering diverse communication routes and data centre services with a range of contracts extending well beyond Gibraltar. The investment in the Europe India Gateway (EIG) submarine cable is the driver for Gbtelecom's enhanced connectivity worldwide and the development of their new overseas business transporting communications carriers' traffic. Gbtelecom has recently established a technical point of presence in Marseilles, France, a major gateway for cables into Europe.

Gbtelecom completed the purchase of the Haven Building from the Government in January of this year. The building, which until recently housed the Government's Treasury and other public sector offices, has been acquired on a 150-years' lease for £5.8 million. The building is connected to Gbtelecom's John Mackintosh Square headquarters and will facilitate the expansion of the company's technical facilities in the Haven building and allow the business to house, amongst other things, its next generation communications switch that will eventually replace the existing System X exchange located in the adjoining City Hall.

Because of the magnitude and complexity of developing the next generation technology, together with re-parenting the extensive cabling to and within City Hall, this project is expected to take a number of years; but once it is done, Gbtelecom will be more in control of its own destiny and, as importantly, we will return the whole of the City Hall to its iconic status as a centre of history and governance in Gibraltar. Part of the arrangement will be for the company to eventually remove that monstrosity of a bridge between the City Hall and the Haven building that was so necessary in its day.

Mr Speaker, the Gibraltar telecoms regulator has recently awarded Gbtelecom one of three 4G mobile licences, conditional on the company being able to launch superfast mobile broadband services by the tail end of next year. The company is also progressing the roll-out of a Gibraltarwide Wi-Fi network, which will complement the existing mobile signals.

Staying with mobile services, Gbtelecom recently received approval from the DPC for the erection of much needed new mobile mast sites. It is expected that some of these sites will be operational within the next two to four months, with the remaining sites coming on line within the next 12 months. As a result of the way mobile signals propagate and the changing topography of Gibraltar due to building developments, the business needs a higher number of sites to satisfy the new lower power emission planning requirements. This is another example of Gibraltar being a leader on environmental issues and reducing our carbon footprint.

Mr Speaker, I am confident that Gbtelecom continues to be well placed to meet the twin challenges of running a business of which Gibraltar can be proud in the ultra-dynamic communications world, whilst providing an excellent customer experience. The company takes a well-rounded and balanced approach by continuing to invest in infrastructure and technology, as well as in people. I am sure that Members will agree that this is the way to ensure that society's demand for more and more communications can be met for many years to come.

I would like to conclude by paying tribute to the personnel of Gbtelecom, its staff and its management, who are helping the business in Gibraltar keep pace with the fast-moving world of communications technology.

Mr Speaker, the Government continues to deliver its programme as set out in the election manifesto of the GSLP/Liberals. This is what we were elected to do. A large number of these commitments have already been completed. Many more are in progress and others will be tackled soon.

On coming into office, we opened up meetings of the DPC to press and public scrutiny. We opened up Parliament to live broadcasts of its proceedings. Soon afterwards, we identified several plots of land where over 1,000 homes are now being built to house our people. The success of Commonwealth Park is visible for all to see. This year, we announced changes to working hours for public sector workers. We announced that the Youth Centre will again open on Saturdays. We have built and refurbished play parks for our children. Our tourist product in general and our beaches are now looking better than ever. There are new schools going up, a new power station in the pipeline and Government rented housing estates are being refurbished. There are more Gibraltarians in employment. The environmental filter is firmly in place.

This is what we promised to do, Mr Speaker, and we are doing it. In so many ways we have transformed Gibraltar. We have introduced a degree of openness, accountability and transparency into the conduct of Government that simply did not exist before, whatever the Opposition may say. We continue along the path of greater e-government in order to bring the administration closer to our people and into their homes. Having said all that, there is still work to be done. We are confident, Mr Speaker, that we will continue to deliver what we promised between now and polling day.

I take this opportunity to thank you, Mr Speaker, and to thank the past and present Clerk and staff of Parliament for their assistance and support over the year.

I would also like to thank my personal staff in No. 6: my personal secretary, Coral Schembri; PA, Ernest Francis; and Principal Secretary, Caine Sanchez.

350 Thank you, Mr Speaker. (*Applause and banging on desks*)

**Statement by Hon. Dr J E Cortes –  
Awarding of contract for Commonwealth Park –  
Comments in social media**

**Mr Speaker:** The Hon. Dr John Cortes.

355 **Minister for Health and the Environment (Hon. Dr J E Cortes):** Before I move into my Budget speech proper, Mr Speaker, I feel I should comment on a matter that, fuelled by an implication made by Members opposite in this House last week, has been the subject of speculation by some in what we now commonly know as the ‘social media’.

360 Mr Speaker, in supplementaries to Question 448/2014, my past connection with a firm that runs the Botanic Gardens, a connection known to the whole of Gibraltar and successive Governments for over 20 years, was presented in a way that may have implied some impropriety on the part of Government in awarding the contract for Commonwealth Park.

365 I think, Mr Speaker, that this point was answered when it was confirmed by me that I am no longer directly involved in the company and that my shares are not held in trust for me. Clearly, in the company search that they carried out and which they said they had, Members opposite will have seen that my wife was still a shareholder. This is no secret, and in fact Members opposite will have known this anyway, for I worked very closely with successive GSD Ministers as director of the Gardens. There is therefore no issue in that I ever wanted this not to be known, as I knew it *was* known. Correctly, I believe the Opposition made no issue of that, and you, Mr Speaker, moved the Oral Questions session on.

370 Mr Speaker, some contributors to the social media, who it appears also had that information – which is fine, as it is public – sought to imply that this meant that my wife, and perhaps indirectly I, had a monitoring interest in the company and therefore in the Alameda and Commonwealth Park. I made it clear in a brief statement on social media that neither my wife nor I have ever collected fees from the company and that this would continue to be the case with Commonwealth Park. The company was merely a vehicle by which to perform the work I carried out, and my wife’s continuing as a shareholder is just a sentimental link to 20 years of my life, but – I repeat – with no financial benefit.

375 The matter that remains then, Mr Speaker, is whether the situation as described in any way unfairly benefited the company in its bid for the Commonwealth Park contract. The process was not run by me, but independently by the Government’s Procurement Office. It was the board that considered the three applications and that ruled that two of these did not comply with the requirements. I was not involved in any way at that stage. In fact, I am only aware of the identity of one of the other two tenderers because they approached me since last Wednesday to assure me that they bear no grudge and do not assign any unfairness to the process leading to the outcome.

380 Mr Speaker, what we cannot have is that a group of good professionals with huge experience and many qualifications are excluded from being considered for carrying out functions which would benefit Gibraltar because I happen to have had connections with them. By implication, for example, Hassan’s would be excluded from all Government work because Members from both sides of the House still have connections with the firm.

385 I wish to assure this House, Mr Speaker, that there has been no preferential treatment given and that the process for selection of the firm to manage Commonwealth Park has been dealt with in a fair and professional manner by all concerned.

390 Mr Speaker, I should point out that a few years ago, during the time of the previous administration, Wildlife was directly given a contract for the Upper Rock, assumed responsibility for running the Scientific Authority and bird control and was repeatedly offered management of the cemetery, which it declined. This was presumably done because the Government of the time thought that they would do it well. Indeed, the Minister for the Environment at the time, the Hon. Ernest Britto, wrote to me on the day marking 20 years of the Botanic Gardens project in May 2011, stating, and I quote:

‘I want to extend my warmest congratulations to you personally and also to the staff of Wildlife (Gibraltar) Ltd on the occasion of the 20th anniversary of the running of the Alameda Gardens. It is without doubt that the Gardens have seen great improvement during this time, especially the creation of the Gibraltar Botanic Gardens and the

general beautification of the Gardens, which is in itself a very important attraction to many visiting tourists, making a significant contribution to Gibraltar's tourist product.'

The only thing that has changed since then is my departure.

I can accept, Mr Speaker, that in politics the slightest thing will be picked on, but I can assure this House that there has been nothing in this process that can cause this House any concern.

**Appropriation Bill 2014 –  
For Second Reading –  
Debate continued**

400 **Minister for Health and the Environment (Hon. Dr J E Cortes):** And so to the main body of my speech, which will be divided into two parts.

Mr Speaker, I begin with the environment. This past year has been the consolidation of environmental thinking in Government policy and action, cascading and percolating well into the private sector.

405 On looking back and taking stock, I am at the same time as embarrassed at the huge environmental deficit Gibraltar held to the rest of the world in 2011 as I am proud of the way that it has advanced since.

I am delighted therefore to report, Mr Speaker, that this year has been yet another testimony to the unparalleled level of commitment and work in all areas of national and international environmental management which began when I took office as Minister for the Environment two and a half short years ago. *Tempus fugit* – or, to quote Virgil to the full, *fugit irreparabilis tempus* – which makes it even more  
410 important for us to dedicate ourselves fully to the task of bringing Gibraltar up to international standards in environmental governance and make up for all the lost time of the past.

Mr Speaker, Gibraltar has now firmly established itself as a leader in environmental governance within the UK Overseas Territories, a role it has long deserved and that I worked for before entering politics, but that was blocked by the isolationist policies of the former administration.

415 The success of the Government's outreach was highlighted last year in a much acclaimed report on environmental governance in the Overseas Territories – produced by the Royal Society for the Protection of Birds, by far the largest UK environmental NGO, and published last year – where Gibraltar ranked first in all aspects.

Not only are we leaving our mark with the Territories, but within Europe as well, as Government  
420 officials increasingly network and demonstrate our vision and working practices. Only last month, Environment officials attended a seminar in Greece, where Gibraltar showcased its marine management and contributed towards enhancing the management of Mediterranean protected areas at a European level. From a position where Gibraltar was simply not represented in these events at all, we have moved to helping mould European environmental policy.

425 The benefits to Gibraltar from these networks are tremendous. As we collaborate on exciting projects and the wider international community, we get increasingly known, recognised and accepted. Gibraltar is now working at different levels with most EU countries, either directly or as part of group forums, on a wide variety of issues, including the Habitats Directive, air quality, climate change, waste, and habitat management.

430 Scientists and officials in the Department regularly attend courses on a whole array of issues, ranging from oil-spill response to environmental law. As a scientist myself, I am all too aware of the need for continuing professional development in this field and the benefits of providing public servants with these opportunities.

435 Mr Speaker, environmental civil servants and advisers continue to be involved in discussion and decision making at all levels of Government. They not only work for me, for but for all other Ministers in the Government and are called upon by my colleagues for input and advice on a regular basis. The Department continues to work closely with law drafters at the European Union and International Department (EUID) to review existing environmental legislation and deliver improvements where possible, always with the view of providing for sounder and greater environmental management and protection,  
440 which are in the interests of all.

As I have said, Mr Speaker, Environment is now more proactive than ever before, and its staff better prepared, through resources and training, to deal with a whole array of environmental issues. By way of example, the Department now has its own diving section and is performing marine surveys and relocations in house. Officers are also on call to allow for faster deployment when dealing with a wide array of  
445 environmental problems, including oil spills and pollution incidents. This complements the excellent work already being done by the Environmental Agency.

We have also enhanced the number of staff in the environmental feedback section to allow for an improved service to the public and will shortly be releasing a new app called Fix my Street, an online reporting facility which provides direct contact with Government Departments and agencies for the reporting and resolution of municipal service requests. Citizens will be able to submit service requests relating to a variety of issues, including abandoned vehicles, pollution, domestic refuse, graffiti, potholes, sign damage, stormwater drains, street cleaning, street lights etc.

In order to ensure that environmental governance is public servicewide, a seminar with all Government Departments to ensure the successful adoption of the newly revised Environmental Action and Management Plan is planned for September/October. This document exemplifies this Government's commitment to environmental change in Gibraltar and the Department is tasked with ensuring its successful implementation throughout the public service.

The Green filter continues to drive through Government activity. One of the biggest success stories in this respect, Mr Speaker, continues to be the Government's green procurement policy. By applying and directing the public sector's purchasing power within the local market towards green alternatives, we are now finding that these are not only more widespread and easily accessible to the consumer, but that increasingly they are available at a lower price than the non-environmental alternatives, and more and more local businesses are moving into the environmental sector with the products and services they offer. This just goes to show what can be achieved when Government leads by example, and is one of several clearly emerging successes that resulted from the inspirational Thinking Green Conference address by Vice-President Al Gore in October 2012.

Representatives of the Environment Department are present in any cross-departmental committee which may be set up, as well as in the Government's Projects Committee. The Department leads in committees such as the Environmental Noise Steering Group, the Energy Efficiency Committee, the Litter Committee and the Climate Change Forum, all of which I chair.

We have recently created a Climate Change Task Force, chaired by the Deputy Chief Minister, which meets on a monthly basis and, significantly, includes key stakeholders from the private sector and the Financial Services Commission. The aim, Mr Speaker, is to deliver tangible changes within Gibraltar on energy efficiency, climate change and decarbonisation: in essence, to deliver Gibraltar's 2020 Climate Strategy and overarching climate goals.

Environment has also been key in the creation of a co-ordination committee across technical departments in order to increase co-operation and efficiency in delivering Government projects.

Mr Speaker, the extremely successful recycling initiative continues, and further bins have been purchased and will be deployed in coming months. The numbers of blue, green and yellow bins will be increased in the town area, as well as in MOD estates and other locations in Gibraltar. Further expansion to the recycling initiative includes more pink bins, which cater for the recycling of waste electrical and electronic equipment; and, for the first time, the deployment of orange bins to cater for the recycling of waste cooking oil. The recycling of paper, small items of waste electrical and electronic equipment and batteries from all Government Agencies, Authorities and Departments, which commenced last year, continues with 52,061 kilos collected from the public sector alone in the financial year 2013-14.

Promoting awareness is vital for the successful implementation of any environmental initiative. With this in mind, the recycling campaign has been enhanced to capture the recycling of further waste streams – namely paper and waste electrical equipment.

Mr Speaker, in 2013, the yellow bins used for cans, plastic and tetra brick collected a total of 70,720 kilos; a 383.7% increase from the previous year. The Green bins, where we deposit glass, collected a total of 153,248 kilos in 2013; a percentage increase of 21%. The blue bins, used for paper and cardboard, collected 132,495 kilos, with a massive percentage increase of 3,617%. The pink bin programme commenced in 2013 and collected a total of 1,113 kilos, with only six bins so far around Gibraltar.

Mr Speaker, if these figures do not illustrate a success story, I simply do not know what will – a success story which would not have happened without the political will and foresight of this administration, and without the support of the general public, who deserve to be praised for assisting Gibraltar as it moves towards achieving the EU recycling targets. Mr Speaker, two years ago, all you could recycle in Gibraltar was tins and glass.

The refurbishment of all refuse-holding facilities has continued, with six refuse cubicles being completed this year and 15 in the pipeline.

The Gibraltar Waste Management Plan was updated this last year to reflect the Government's policy on waste management and was submitted to the EU.

The waste tender is going through its technical assessment. In respect of waste, Gibraltar is set to receive technology that will transform the way we deal with our rubbish.

The Litter Committee continues to meet on a regular basis and the improvements as a result of the work of this Committee are evident throughout Gibraltar, with the enclosure of the refuse quarry being but one

example. With the Litter Committee, we are studying ways in which to make our streets cleaner, especially those areas where historically there have been accumulations of rubbish, especially at weekends.

Mr Speaker, there is still more to be done, and I would like to take this opportunity to thank all the members of the Committee, especially those from outside the public sector who give of their time, for all their hard work and dedication. It really is a pleasure working with them, even though we spend most of our time talking rubbish!

Other waste and litter-related initiatives include the addition of signs to litter bins on dog fouling, the incorporation of ash trays to litter bins and an extensive CCTV programme in hotspots – areas of dog fouling and waste dumping.

Working with NGOs continues and regular meetings take place with both Government officials and with me. We have now expanded the process of involvement and transparency, and not only meet with the established environmental NGOs but also with other groups and individuals who work and contribute towards improving Gibraltar visually through cleanliness and who focus on waste and litter.

Mr Speaker, Government remains committed to involving the wider Gibraltar in its work. My Ministry now engages with more local groups than ever before and liaises with the public on a whole array of issues, directly and indirectly related to the environment. My doors are never closed to any such group.

Regular meetings continue to be held with the Scientific Authority and the Nature Conservancy Council, who are working closely with the Ministry and Department on a variety of issues relating to nature conservation and habitat management.

I mentioned last year the work of the Department with the GFSB and Chamber of Commerce on varying issues of environmental concern. As a result of this, a green seminar was held by the Department on sustainable construction. It was extremely well attended and more seminars are being planned in order to tackle other issues, such as sustainable tourism.

Mr Speaker, we have made history this year. Not only has the Government signed a power purchase agreement for wave power, which has already seen Gibraltar thrust firmly into the renewable energy scene, but I am delighted to announce that last month, for the first time in the history of energy generation in Gibraltar, 90 kilowatt hours of solar energy were fed into the local network. Additionally, data on energy savings are being collated as a result of the solar panels on the GSLA swimming pool and the tercentenary sports hall. To put matters into perspective, based on the data and savings thus far, the projected annual savings to Government from the swimming pool alone is £103,789. Further projects on solar power are currently underway at St Bernard's Hospital and Tangier Views. Work is continuing in the Department to identify further sites for the development and deployment of renewable technology, and we are in discussion with several providers. We look forward, during the course of this year, to announce further solar power projects. We will also be continuing our work to assess the viability of marine current energy as a supplier of electricity.

This is, Mr Speaker, clear evidence of our commitment to delivering a sustainable Gibraltar. May I remind the House that before this Government came into administration, there had been absolutely no progress made nor any interest shown in such matters, with Gibraltar trailing badly behind the rest of Europe. The actions and initiatives being delivered by this administration have enabled a wide range of possibilities to become available in Gibraltar, with Environment working horizontally across the full breadth of the public service to deliver economic prosperity with environmental protection and social justice.

This past year has seen a concerted effort in raising awareness of a whole array of environmental issues through the media. Some of you may have watched some of the episodes showing on GBC on the work carried out by the Department in respect of World Environment Day. More programmes will follow, focusing on other aspects of the environment.

But this is not all. We have moved into the 21st century and have taken the raising of awareness to a new dimension, using technology and current trends to facilitate active learner involvement in the local environment. What is hugely significant about this strategy is that through the use of android and iOS, we are also spreading awareness to the world at large. We have seen the launch of the Gibraltar wildlife jigsaw. Today, as I speak, we are launching a recycling game, and soon we will see a macaque augmented reality application, the Upper Rock multi-functional app and the Gibraltar interactive wildlife encyclopaedia. The Thinking Green website now has a kids' zone, which will be developed further and expanded upon in coming months. All of these portray local environmental resources, which children not only from Gibraltar but now from all over the world can download and learn about as they play.

Mr Speaker, this year, Government celebrated the 10th anniversary of World Environment Day. The purpose of this United Nations Environment Programme Day is to spread awareness of centre-stage environmental issues. This year's theme is particularly well suited to Gibraltar, being climate change in small island states, with the slogan 'Raise your voices, not the sea.' And I must say the children did exactly that: their message showed through louder and better than ever before.



As Minister for the Environment, and someone who I think has always tried to keep in touch with the youth, it is the most inspiring part of my work to see that the message really does get across and that we are succeeding in ensuring that tomorrow's generation, tomorrow's political leaders, public servants and business entrepreneurs, are growing up with this environmental awareness – which means, Mr Speaker, that finding solutions and assuming their environmental duty of care will form a natural part of their lives. The work done by children, teachers and parents has to be praised. I must also praise my Department, whose unwavering efforts with schools and other youth groups in recent years has really brought the message home.

Mr Speaker, this year finally saw the launch of the Government's Geoportal, an interactive map of Gibraltar produced by the Technical Services Department together with the IT department and Environment. The GIS database consists of a series of layers that can be overlaid to provide information on spatial patterns. The IT department has been monitoring usage, and since 19th March the map has been viewed and utilised from right across the globe: as far east as China; as far south as Mozambique and New Zealand; the extreme north, including Finland and Canada; and to the west, reaching Los Angeles in California. It has been used on mobile devices and a whole array of operating systems and web browsers. The average usage is 14,825 server requests per day. So not only are we providing an interactive map with valuable information online, ranging from streets and buildings to natural areas and geology; it is clear that people all over the world are interested in what Gibraltar is all about. This service will continue to be updated and further information is being added regularly.

Mr Speaker, the GIS project had been stumbling without political leadership or indeed interest for years, and since this administration took over it has progressed unrecognisably. (*Banging on desks*)

Another exciting development last year, Mr Speaker, was the UK Overseas Territories GIS conference. It was a resounding success and Gibraltar once again led by example and is taking a very active role in the development and deployment of GIS across the Territories.

Moving on to energy and climate change, Mr Speaker, I ask that you forgive me if I appear overly enthusiastic, but again progress, determination and success are very much the name of the game.

The Government continues with the programme to replace public lighting and street lights with solar-powered devices and/or LEDs. Data on energy, and as a result cost savings, are being collated by the Gibraltar Electricity Authority and are very encouraging. Going green certainly pays off.

Furthermore, as part of our efforts to mitigate and contribute towards the global fight against climate change, the Department is working hard to ensure that we fulfil our obligations under the various energy-related EU directives. To this end, we are working closely with AquaGib and the GEA to start the roll-out of smart meters. These will allow people to see their energy usage differently and make changes to save on consumption and money. Bills will also take on a new format, allowing householders to compare usage in one month from previous years.

Energy efficiency and reduction, decarbonisation of the economy, energy audit and the launch of renewables are the order of the day. We are spearheading Gibraltar into the international arena as we seek to form part of initiatives such as the Covenant of Mayors, Green Cities and the Local Governments for Sustainability initiative.

Mr Speaker, since I spoke last year, the evidence for the global and local risks of climate change has deepened and strengthened. The Intergovernmental Panel on Climate Change 5th Assessment Report was released in September. Its conclusions were starker and more certain than in any previous report. In its summary for policymakers, it states:

'Warming of the climate system is unequivocal....The atmosphere and ocean have warmed, the amounts of snow and ice have diminished, sea level has risen, and the concentrations of greenhouse gases have increased.'

Mr Speaker, we cannot afford to ignore this issue, which is storing huge risks and threats for established order on our planet for our children and grandchildren. Along with the rest of the global community we need to de-carbonise our economy. Failure to do so will leave future generations to pick up the costs and the insecurity which climate change will bring. We must play our part in both mitigation and adaptation. It is for these reasons that last year I reported our ambition for Gibraltar's climate change strategy to make us a top five city in environmental governance. I am pleased to report that huge progress has been made on many fronts, moving our manifesto commitment to make Gibraltar carbon neutral from ambition into action.

In October of last year, an internal review of our climate change strategy and commitments endorsed a recommendation to deliver carbon neutrality by 2020 at the latest, ahead of any other city in Europe. To reiterate a few of the actions we have already taken to reduce carbon emissions: our plans are well advanced to build a new gas-powered power station, which will simultaneously deliver energy security and much lower emissions, as well as improving air quality; our renewable energy projects; a range of energy efficiency measures; and the invaluable and ground-breaking work of the Climate Change Task Force.

The Climate Change Forum, which continues to meet, will this year deliver a revised climate change programme as a result of the work being carried out by the task force. The work and remit of the task force include assessing and finding the most effective ways of implementing the Gibraltar climate change strategy for 2020 and beyond. By incorporating private and public sector stakeholders, the task force is well placed to find ways of implementing the findings of the research being conducted in providing an economic assessment of the decarbonisation options for Gibraltar; a renewable energy strategy; supporting the delivery of an energy efficiency action plan and building renovation strategy; a city level inventory of greenhouse gas emissions; and a climate change strategy for the transport sector.

The focus of this administration, Mr Speaker, is to work hand in hand with the community and all facets of the private sector to deliver this very inspiring change and ensuring Gibraltar truly becomes a top green city.

One of the major conclusions from our strategy review is that climate change is as much an economic issue as an environmental one. Avoiding compliance costs is another powerful argument for actively reducing our emissions.

A second conclusion is that we can make progressive climate change actions a long-term economic opportunity rather than a cost. The example of the GSLA swimming pool is a classic example, even if small for now, which in addition to the £103,789 of cost savings I have already highlighted, is eliminating nearly 18,000 tonnes of carbon emissions from our atmosphere every year.

To give more figures, Mr Speaker: despite the fact that there are more areas of public lighting, the change of some areas to lower energy systems has meant that, for the first time, energy consumption in street lighting fell from 1.81 million kilowatt hours in 2012-13 to 1.74, resulting in a small but significant saving of several thousand pounds. This is just the beginning. Other changes in light fittings in public buildings and public areas are resulting in energy savings of up to 90%.

We have also concluded that in the lifespan of this Parliament we will introduce a range of incentives for all parts of our community to adopt lower carbon lifestyles and business practices. The Chief Minister, in his address, has announced some of these incentives.

It is obvious, Mr Speaker, that making massive reductions to our carbon emissions will take many years; and even when we have made all the viable technical, social and economic investments to reduce emissions there will still be residual emissions which we cannot eliminate – for example, in transport fuels. We are reviewing how these emissions can be offset and are looking toward working with other countries to this effect. The most important point to make here, Mr Speaker, is our collective drive and determination to ensure success, and I would like to take this opportunity to sincerely thank all members of the task force for their work and dedication to delivering this vision for Gibraltar.

In terms of energy performance of buildings, the Government is currently completing a building renovation strategy which will set new cost-optimal levels of energy performance for new buildings and existing buildings, as well as defining nearly zero energy building standards as we move towards 2020.

On water quality, Mr Speaker, both coastal water quality and bathing-water monitoring programmes continue to be in operation, and these are spearheaded by the Department of the Environment and the Environmental Agency respectively.

New initiatives that have been incorporated into the former programme include carrying out a comprehensive chemical monitoring investigation of marine biota in British Gibraltar Territorial Waters, targeting both fish and bivalve mollusc species. This initiative will serve as an excellent medium to long-term indicator of pollutant levels in Gibraltar's marine environment. It is now possible to say that the Department of the Environment is monitoring most, if not all, marine environmental components – namely coastal water, sediment and marine biota. In addition, the Department has also commenced the development of a marine litter campaign, which includes monitoring the incidence and composition of marine litter.

Groundwater quality monitoring also continues to be carried out by the Department in the Northern Isthmus aquifer and also within the bedrock aquifer underlying the Rock of Gibraltar. The results generated from the coastal groundwater programmes will shortly be used to inform Gibraltar's second River Basin Management Plan in line with the requirement of the European Union's Water Framework Directive. Results will also be used to inform reporting requirements under other directives, such as the Marine Strategy Framework Directive.

In order to improve coastal water quality within the harbour, the Department of the Environment, together with the Technical Services Department, is currently pursuing the development of one-way flow culverts which could help improve coastal water quality in specific areas within the harbour.

New EU compliant beach signs have now been developed by the Department of the Environment, together with the Environmental Agency and the Gibraltar Tourist Board, and these will be installed this year. The signs will provide the public with easily accessible information on the characteristic of each beach in Gibraltar, along with further information on the results of the water monitoring programme.

I must also pay tribute to the hard work of the staff of the Environmental Agency, who have also been working tirelessly to deliver change and environmental improvements within their areas of competence.

Examples of their efforts include the following: introduction of the Environmental Agency app (GibEnviro), catering for news, location of recycling points etc; a presence on Twitter and Facebook; the upgrading of their website; the introduction of a ship sanitation certificate service as from July; increased monitoring and enforcement on waste storage and disposal sites; increased inspections of trans-frontier shipments of waste; the provision of specialised waste management training; an expansion of the portfolio of courses run by the Agency; agency staff are, for the first time, trained to audit dental clinics, vet clinics and other premises, using X-ray under the Ionising Radiation Regulations 2004 – up to now, these were not monitored and so presented a risk to the public; inspections for the first time of hotels, guesthouses and holiday lets for general hygiene and cleanliness, health and safety, swimming pool quality etc; the encouragement of small business initiatives by the issuing of hawkers' and pedlars' licences, which this Government has reactivated; the expansion of anti-dog fouling campaigns to include talks at schools, poster competitions and CCTV cameras.

Mr Speaker, works on the improvement of the cemetery continue and a tender for the landscaping and general maintenance of the North Front Cemetery has been published and is in progress. Furthermore, the Cemeteries Board now meets on a monthly basis and I will be meeting with them in the very near future to discuss improvements to their role, advice, areas of concern and general management of all of the Gibraltar cemeteries.

Urban renewal is one of the responsibilities that falls within my portfolio, Mr Speaker, and it is proceeding apace. In this, it is often the work of other Ministries and Departments, notably Housing, Technical Services and Education, that through their own activities form the pieces of a jigsaw puzzle that come together to reveal the final picture. And so the works in the estates, like Laguna, Glacis, Moorish Castle, Red Sands and the new Upper Town schools form part of this unprecedented boost to renewing our fair city. And so do other works that you will have seen around the town, including for example Joshua Hassan House and Duke of Kent House. The Upper Town street projects tender has been awarded and will see work commencing soon. These have all generated great interest from the private sector and more and more Upper Town properties are being refurbished, with plans that include a small hotel. Movement in this sphere is absolutely unprecedented in Gibraltar.

In addition, I have formed a committee, which involves the Gibraltar Heritage Trust, with the aim of identifying sites within our urban areas that require work and investment, with a view to encouraging refurbishment before demolition becomes inevitable through dereliction.

Mr Speaker, between February 2013 and April 2014, we planted 212 trees and worked extensively on the maintenance and improvement of green areas.

What better showcase, Mr Speaker, of the value of green areas and the benefit they bring both environmentally and socially to the community, can we have than the recently inaugurated Commonwealth Park? The Park, yet another success story, is being enjoyed by the community as a whole, both young and old, and it has probably been the most drastic and beneficial change to its urban fabric that Gibraltar has ever seen. (*Banging on desks*) (A Member: hear, hear) Commonwealth Park has added a new dimension to Gibraltar; a dimension that those without vision seem not to even have realised existed. Mr Speaker, the hounding by the Opposition during the construction of the park was epic: 'When will it be ready? Will it be ready? Why did the trees come from *there*? How many lorries did you use? How much will it cost?' Cynicism at its worst – which reminds me, Mr Speaker, of Oscar Wilde's definition of a cynic as being a man who knows the price of everything and the value of nothing.

Mr Speaker, Commonwealth Park was an example of collaboration with other entities – in this case, the public-spiritedness of the Kusuma Trust – of effective utilisation of European Union Funds, of the use of local resources – with the soil being manufactured in Gibraltar – recycling, and of the use of environmentally friendly technology. The benefits to health and well-being will be felt by the community in a way that simple statistics will not reveal for many years, but which everyone already realises.

Already we have announced a new, albeit smaller, town-square type park in Governor's Parade, an extension to the landscaping soon to be completed in the area. Gibraltar needs to be green in colour as well as in philosophy. And, Mr Speaker, I can confirm that work on setting up two dog parks in Gibraltar – one in the north and one in the southern districts – is about to commence.

I will now move on to the subject of the Gibraltar Nature Reserve. Mr Speaker, the Department is working tirelessly with the Gibraltar Tourist Board, the Department of Education and others, on a whole array of projects which will improve the Upper Rock for tourists, the tour and transport operators who make a living from the area, and residents alike. In doing so, we are conscious of the millions of pounds that the Upper Rock has, through the years, contributed to the Gibraltar economy, the fact that it is a major tourist destination and the fact that many residents are now choosing to stay in Gibraltar rather than crossing into Spain and are looking for more things to do here.

Already, this spring, we reopened the Princess Caroline's Battery area to the community after many years, and we provided picnic tables and seating. That is nothing at all compared to what we have planned. It will be nothing short of a complete transformation and revitalisation of this too-long-forgotten national

gem and tourist product. Visitors to the Upper Rock will feel almost as if they were walking in the sky. We are reopening and improving existing trails, improving way-finding and delivering thematic routes; enhancing recreation areas and facilities, improving safety and accessibility, thereby catering for different interests. We are restoring and preserving historic structures, delivering improved interpretation and re-opening areas to the general public. We are protecting the flora and fauna, improving the habitat for macaques, reintroducing or enhancing the populations of key species, ensuring better definition of public paths and educating visitors and residents on our natural heritage. We are delivering interpretation centres, which will benefit not only local education but the eco-tourism experience as well, better signage, enhanced maps and guides, and of course interactive apps on the Upper Rock. And the Upper Rock Management Plan will ensure continuous maintenance, preventing vandalism and litter and promoting continuous improvements.

Moving on to the area of habitat management, Mr Speaker, I am delighted to report that great strides continue to be taken in the fields of terrestrial and marine habitat management. The Department is working closely with local interest groups, pulling on local expertise and experience in such projects as the Gib-Bats project, fish tagging, removal of invasive species, preservation of existing species through the provision of swift boxes and bat boxes, sea-grass restoration, species relocations, reef surveillance and enhancement, the development of an exciting reintroduction programme which will commence with the Barbary Partridge and will see other species of flora and fauna in coming months.

The existing surveillance monitoring programme will continue to be enhanced this year to ensure greater data capture for species of flora and fauna of local and European interest. Interpretation signs showcasing particular species of flora and fauna have gone up around Gibraltar and more will follow. These have included the cemetery, the Upper Rock, Europa foreshore and Windmill Hill, amongst others. They will serve to educate the public on important species found in Gibraltar.

Mr Speaker, we have been working very hard indeed to reverse the historical effects of lack of proper management of the Barbary Macaques of Gibraltar, which has resulted in our monkeys becoming regarded more as a nuisance than as an asset. Part of the management strategy is to help the public regain their traditional affection for these unique mammals with which we share the Rock, and once again to be proud of their presence and their legendary significance to the status and even sovereignty of our country. The recently launched video clip, explaining some aspects of their behaviour and how we can help, is one example of how we intend to do this. The Department and the Tourist Board is bringing in local expertise in developing a full-blown education campaign, something which I greatly welcome.

The creation of additional foraging areas on the Upper Rock by clearing dense scrub continues to great effect. Work continues too on the Upper Rock on building new ponds and enlarged feeding sites. These works are all aimed at providing as much potential activity as possible on the Upper Rock, where up until now dense scrub greatly reduced the areas they could use. The busier they are on the Rock, the less likely that they will move down into urban areas.

The ground-breaking research carried out last year together with the University of Notre Dame has shown how the macaques move widely, with successive sightings of macaques in different areas in fact being of the same individuals who are moving around. This was most useful in confirming, for example, that the group that was frequenting Laguna was in fact made up of the same individuals that would visit Catalan Bay. This helped inform the decision that it is this group that will be the main component of the animals that will be exported. Preparations are progressing well on this initiative, both in Gibraltar and at the receiving location, and details will be released in the coming months.

The enclosure of refuse facilities in macaque hotspot areas continues. Deployment of additional keen and resourceful personnel to patrol built-up areas has also helped in improving the situation, as has the deterrent of the introduction of fixed penalty fines. There is much still to do, as nature takes its time in responding, but I am confident of huge improvements in the situation this coming year.

Mr Speaker, the politically mischievous, or politically ignorant, or simply those who mean us harm, tried very hard to blame the current Spanish Government's abuse of power at the frontier on the legitimate creation of an artificial reef in our territorial waters. The huffing and puffing over, the north-west artificial reef, despite the tampering, is an example of habitat creation and encouragement of the improvement of marine life in our waters. Already there is evidence of its success, and plans to further enhance the area by the introduction of the sea grasses that once formed an underwater meadow there but that were raked away, are advancing. Other environmental improvements include the new groynes and breakwaters at Sandy Bay, already teeming with life. In this context, and following a wide range of discussion with stakeholders, regulations to govern marine activities in Gibraltar waters, while enhancing our fish stocks by investing in sensible regulation, will be published very soon.

Mr Speaker, much needed improvements to the enforcement of environmental laws are progressing well. There are currently two officers filling a new role of Environmental Enforcement Officer. They have received the necessary training from the RGP and the Attorney General's Chambers to allow them to fulfil their roles. Their areas of competence now include the enforcement of the Nature Protection Act, the Public

Health Act, the Litter Act, Animals and Birds Act, and the Seashore Rules, and include the ability to issue litter tickets and fixed penalty tickets for feeding macaques. The section co-ordinates a programme of CCTV cameras in hotspot areas of fly tipping and dog fouling.

In the area of environmental noise, we have met and will continue to meet our EU obligations under this legislative regime, and in January 2014 Gibraltar submitted its updated Noise Action Management Plan after a period of public consultation. The Department of the Environment and Environmental Agency are now reviewing the Plan through the reconvened Noise Core Steering Group, a group that had ceased to function under the previous administration.

The Gibraltar Air Quality Monitoring Programme continues and informs the Government on local air quality and management. Gibraltar achieves compliance with virtually every pollutant measured under the requirements of the Air Quality Directive and work continues to ensure compliance with all pollutants in the coming years. Gibraltar will this year be investing in new equipment for monitoring stations to ensure that the quality of data collection is maintained.

Weather stations have now been set up around Gibraltar. These will provide the Government with detailed meteorological data to support its air quality programme and to assist with plans to develop climate change mitigation and adaptation programmes. Government has also commissioned a road traffic air modelling study to support the Sustainable Traffic, Transport and Parking Plan.

Mr Speaker, the transition from a Gibraltar where it was a struggle to convince the Government of the importance of the environment to one where Government leads is hugely evident and hugely significant, and it can only be good for the community and for Gibraltar's international standing – and it is attracting attention both within Europe and, as is increasingly evident, in the USA.

The best thing about this, Mr Speaker, is that the new way of doing things is finding its way into all levels of our society, schools, workplaces, businesses large and small, and the public service. This is lasting change of which we are proud; and proud I am of my hugely committed staff in the Department, under our new and dynamic CEO, Dr Liesl Mesilio-Torres, and in the Ministry, of our contractors in the Agency and other entities, including Government Departments and Authorities, for responding so well to the call of the Environment. I honestly, deeply and truly am appreciative of all that you do and I greatly enjoy working with you.

Mr Speaker, I did say that I was dividing this speech into two. I just hesitated, considering the imminent, I assume, arrival of Mr Lidington, but I am told that I can continue. With your permission, I will have another sip of water.

I now turn my attention to the Ministry of Health and the Gibraltar Health Authority.

Mr Speaker, some people were sceptical about our resolve to improve current services, implement new ones and increase access to treatments; sceptical about our ability to make changes at the top, which would be reflected in improvements at all levels. All can see that, although there is a great deal still to be done, we have made very significant progress and I assure this House that we continue to be determined to complete this process.

*Fugit irreparabilis tempus*, to use the quote from the Georgics again, Mr Speaker. But just like a newly transplanted tree invests in its first years in developing its roots, fooling the observer on the surface by the limited growth of its branches and leaves, only to burst into a frenzy of new life once the roots are firmly established, so too be aware that, the groundwork done and the teams and processes in place, we are just about ready to go.

Mr Speaker, after two and a half years in office, I continue to have an open approach to improving the Health Service. I continue to meet staff, service users, pressure groups, charities and other organisations, which enables me to be aware of any shortfalls or gaps in the service – be it resources, logistics, space, access to services – like GP appointments or waiting times, like at the Accident and Emergency Department. I encourage those with concerns about our services to come forward and make them known. Knowing about them enables me and the GHA to address them and deliver a Health Service to be proud of and one that meets the needs of our people.

Since my last presentation to this House, a solid foundation continues to be laid for the achievement of our goals and the manifesto commitments that we have set ourselves. Mr Speaker, in previous presentations to the House, I have made numerous references to the need to change the GHA's management structure, which I described as awkward and complex, with little focus on the patient or service user. Over the last 12 months, we have taken huge strides in this with the appointment of hugely experienced Gibraltarian health professional, Freddie Pitto, as the new CEO, as well as a new Medical Director, but also the appointments of the three unit general managers. The new unit managers will provide much needed leadership and unity to the three pillars of our Health Service: primary care, secondary care and mental health. The main benefits of this new management structure will be more effective and efficient management of operations, better integration of services and a seamless journey for patients and service users. The introduction of the unit managers will further assist in strengthening budgetary discipline by creating more controls and greater responsibility and accountability for the GHA's expenditure.

Mr Speaker, I would like to take the opportunity here to thank John Langan and Ernest Lima for bidding the organisation over for a year and for the support they are always willing to provide the GHA.

Mr Speaker, parallel to the restructure will be the review and formation of new groups. The GHA senior management team is being formed to replace the old, tired and ineffective GHA executive and will be tasked to deliver on our strategic objectives. The GHA operational group will form the senior management group with regard to operational delivery, the management of performance and management of risk. Together, as a team, they will have collective responsibility to ensure the most effective running of the organisation ever in order to optimise the experience of patients in our care. Additional groups will include the Corporate and Clinical Governance Group, and will address such issues as patient safety, staff training and development, audits, learning from clinical incidents and accountability, just to mention a few areas.

Early indication, from feedback collected by the new team from our users, is that they feel our Health Service needs to focus on the following key points: a shifting emphasis from cure to prevention, to include screening programmes; a Health Service planned around the health needs of the population; a Health Service which aims for consistency, safety and high quality; care which is provided by the appropriate professional in the appropriate site; reconfiguration of our services and model of service delivery with a greater shift to day care, outpatients and community services; a wider integrated approach to healthcare, with the GHA operating with other Government Departments and agencies with the aim of improving the health of our community; a Health Service which invests in staff training and development; an organisation which learns and responds to the main themes of audits, complaints and incidents; a wider use of IT to improve patient care; repatriation of services; and finally, a Health Service which is financially cost effective and operates within budget. These are in tune with our manifesto commitments and will form the basis of the GHA strategy for the coming years.

Mr Speaker, all of these key points which will form the framework of our vision, one of which will be to have a healthcare model which improves accessibility to services, focuses on quality of care, and always with strict, responsible financial controls in place to ensure a cost-effective service.

Mr Speaker, I would now like to turn my attention to specific areas of our Health Service, what has been achieved and what is in the process of being introduced.

Mr Speaker, Gibraltar's childhood immunisation schedule is one of the most progressive in the world, and the programmes continue to be carried out every year in accordance with the schedule by the primary care practice nurses. Protection against disease is also available to our adult population through comprehensive and established programmes, such as the influenza vaccine. New developments in this area may soon include the introduction of the vaccination programme against shingles. This has recently been introduced in the UK, and the GHA is considering this programme since we shadow the UK's immunisation programmes.

Mr Speaker, the lack of occupational health services has been a major handicap for many years. This has resulted in situations where healthcare workers were not protected against serious infections, like hepatitis B, to which they are at risk of exposure whilst working. Gibraltar and European law is quite clear and specific on the employer's responsibilities toward workplace safety and on health protection for employees, laying particular emphasis on the role of vaccination. The risk of hepatitis B does not only affect GHA workers, but also police officers, prison officers, social workers, sewage workers and a variety of others who are exposed in varying degree to this risk due to their occupations. In order to address this immediate risk, the Government has set up a scheme, in partnership with the GHA, to immunise all Gibraltar Government employees who are at a significant occupational risk of hepatitis B. The programme was launched in March this year and was a hugely significant and well overdue service.

Mr Speaker, Gibraltar already has a screening programme in place against breast cancer, and we have this year, on the advice of our consultants and our referral centre, streamlined and improved the service.

Attention has now turned to the prevention of another major cancer: colorectal cancer. This is Gibraltar's most commonly occurring cancer, as well as the third most frequent cause of cancer deaths. The incidence is also rising compared to a decade ago. It has a high mortality rate if left undetected. Mr Speaker, the Government announced a screening programme targeted at all persons between the ages of 60 and 74 years. The Government has invested substantially in the resources and improved facilities necessary to make this a reality and make the Gibraltar programme a state-of-the-art design, superior to that of many countries. The programme was launched in February 2014. Lives will be saved as a result.

Mr Speaker, I am committed to the continued introduction of screening programmes for early detection of disease, which improves survival rates and the quality of life of our people. This is one of our manifesto commitments. The next screening programme which will be introduced is screening for abdominal aortic aneurysms. Having an aneurysm does not produce symptoms unless it starts to bleed. Early diagnosis and treatment will, once again, save lives.

Mr Speaker, priority continues to be given to the area of health promotion and public health education. We will continue to considerably amplify the productivity of the Department in meeting the standards that the public expects. Activities carried out by the Department during this past year include the following

awareness campaigns: breast feeding, immunisation, reducing obesity, colorectal cancer screening, sun awareness and dermatology.

Mr Speaker, we continue to address gaps in this Department which were ignored by the previous administration. The Public Health Department has now taken steps to halt the progressive deterioration of the quality of data of the Cancer Registry, whose fitness for purpose had been questioned in an audit report in 2009. The Department will now carry out its core data and information-based functions.

Mr Speaker, in my last address to this House at Budget time, I mentioned the publication of Gibraltar's first ever health and lifestyle survey. In the words of our Director of Public Health, Dr Vijay Kumar, every nation that desires to understand the health of its population must at some point consider carrying out a health and lifestyle survey. The information and data gathered will allow for informed decision-making and appropriate actions to be taken to improve the health and lifestyle of all of Gibraltar's people. This survey has brought insights into the health of the people in an unprecedented manner. However, the wealth of information gained will only remain useful if it is regularly supplemented and updated. To this end, the Public Health Department is planning for the next health and lifestyle survey to take place in 2014-15. Creation and successful completion of such projects highlights the commitment by this Government and the GHA to ever closer understanding of the health of our people.

Mr Speaker, I am also pleased to announce the introduction of a totally new consultant microbiology service. Medical science has changed vastly in the realm of infectious diseases in the past decade and many bacteria seen in hospital infections nowadays are resistant to antibiotics, creating an impending crisis for the future. Addressing this problem requires specialist clinical expertise in infectious disease management, which the GHA currently does not have. It is, however, planned that a service provider contract with a UK-based Gibraltarian consultant clinical microbiologist will fill this gap. The benefits of this will be more optimised treatment for patients and better management of the scarce antibiotics.

Other initiatives that we are planning include an initiative on men's health awareness and the enhancement of prostate cancer detection in collaboration with the Prostate Cancer Support Group and the Kusuma Trust.

Mr Speaker, the GHA's HR and finance staff were very busy in the latter months of 2013, co-ordinating and undertaking the administrative arrangements necessary to facilitate the transfer to the GHA of approximately 260 Care Agency staff. The most significant change to the transferred staff was that of a pay uplift, bringing their salaries in line with that received by GHA staff under the Agenda for Change (Gibraltar) agreement, which had been a commitment of the parties in Government. This required many hours of hard work, and I am grateful to the staff, both of the GHA and the Care Agency, for making this possible in record time.

Twenty members of staff from a wide cross-section of the organisation successfully completed the Learning in Action management development programme. A key element of the programme involved the completion of a work-related project which would subsequently be of value to the organisation.

Mr Speaker, the Government continues with its commitment to deliver a wide range of levels of education – including university-level education locally, be it at undergraduate or postgraduate level. I say this in relation, of course, to the School of Health Studies. Last year, I was pleased to announce the commencement of the first ever BSc Nursing adult degree programme, with 15 students being selected. We are now in the process of selecting the next group of students, who will be starting in September this year. Additional to this, we have recently introduced a postgraduate Masters programme in Leadership and Management in Health. This will provide a higher level of education for our leaders and managers.

Mr Speaker, this Government and the GHA will continue in its aspiration to respond to the needs of the people of Gibraltar through the provision of high quality, fit-for-purpose and contemporary healthcare education. Most importantly, the provision of education by the GHA is aimed at staff across the organisation, with a strong commitment to opening up professional career paths for all staff.

We have already started enrolled-nurse level training for nursing staff, and a second cohort is soon to start. This has opened avenues for entrants at nursing assistant level to be able, through hard work and commitment, to continue to progress their nursing career. Other future training programmes for our staff will include the possibility of undertaking foundation degree programmes, which will continue to develop and modernise the service provided by the GHA. For the first time ever in the history of Gibraltar, we graduated four students with a foundation degree in Paramedic Science from Kingston University. All four are now registered with the Health Care Professionals Council. The final cohort of 12 diploma nursing students graduated in November 2013 at a colourful graduation ceremony at the John Mackintosh Hall. I am pleased to inform this House that all those nurses who qualified secured employment within the GHA. Additionally, two students returned from Kingston University and St George's University of London with mental health nursing qualifications and one of them secured a first class honours degree.

I take this opportunity to congratulate all the successful students of the GHA School of Health Studies. I am pleased and proud to say that the School is also playing a key role in the ongoing work led by my colleague, the Minister for Education, towards setting up a University of Gibraltar.

In partnership with the Department of Education, we are monitoring the number of local students undertaking healthcare-related programmes in the UK in order to plan for the future workforce of the GHA.

But, Mr Speaker, the provision of education does not end here. For healthcare professionals to maintain and improve their skills and knowledge for the benefit of patient care, we have set up a comprehensive programme of continuing professional development. This is multi-disciplinary, offering modules of study for a variety of academic levels reflecting the health and care needs of the people of Gibraltar. The majority of these modules are generic in nature as we continue to encourage staff to accumulate academic credit as they work towards a diploma or degree in healthcare practice. All of this has been achieved as a result of the professionalism and commitment of the staff at the School of Health Studies and with our partners at Kingston University and St George's University.

Mr Speaker, the development and modernisation of the Gibraltar Ambulance Service continues to be a priority for this Government. We have recently appointed a new Chief Ambulance Officer, who started in his new role on 1st March 2014. As with all other sectors of the GHA, training for the Ambulance Service continues to be a priority. As previously mentioned, four members of the Ambulance Service completed their paramedic training. We are in the process of making the required changes to our legislation, and once this has been completed the newly qualified paramedics will have at their disposal the whole range of clinical interventions and drug-administration regimes which are available to their UK counterparts. Paramedic care at this level has been shown to not only save lives in seriously ill and injured patients, but also to improve the general outcomes for a whole range of other patients in the pre-hospital arena, plus they will be able to use their newly acquired knowledge and skills to support their emergency medical technician colleagues.

Mr Speaker, other training programmes have included 16 GHA ambulance staff undertaking training in marine emergencies, and the Ambulance Service now, for the first time ever, has the capability of responding to maritime emergencies in our coastal waters. Thirteen staff were trained in chemical, biological, radioactive and nuclear equipment and readiness to UK standards.

Mr Speaker, the GHA's vehicle procurement plan is well underway and has already replaced the bulk of the ambulance fleet. In total, five new vehicles have arrived, which have included patient transport ambulances and High Dependency Unit ambulances. Prior to this plan, the fleet had been in a poor and dangerous condition and largely not fit for purpose, placing patients and staff at risk. I am committed to never again allowing the fleet to age to the point where almost total replacement was urgently required within a short timeframe.

Mr Speaker, the pharmacy department now has a community pharmacist who replaced many of the functions of Mr William Mito Guillem, who retired earlier this year and whom I would like to thank for his many years of service in setting up and running the Prescription Pricing and Advisory Unit (PPAU). The pharmacy department continually strives to improve the service it provides. As new initiatives, it has introduced double checks for all dispensing, with drug labels carrying two signatures; wards have greater input from pharmacists on a daily basis; and this year has seen the introduction of an emergency drugs cupboard for out of hours, which is proving very effective and allows patients to receive medication in a timely manner. Another initiative which is being explored is the introduction of patients' own drugs cabinets.

Mr Speaker, another major achievement has been the transposition of all handwritten prescriptions into the electronic prescribing record system. Huge piles of unrecorded prescriptions had been the norm in the past, a real danger to patients. I can now confirm that, for the first time ever since its inception approximately eight years ago, all handwritten prescriptions generated and presented to the PPAU are now in the system. This translates to up-to-date patient medication records and therefore increases patient safety issues. This is just one of the hidden issues that I have been discovering since coming into office. Fortunately, it has now been dealt with.

Mr Speaker, this year has seen significant improvements and updates to the pathology equipment base and laboratory information system. The majority of the biochemistry, haematology and coagulation analysers have been replaced. This will ensure that all equipment is reliable, robust and current.

Mr Speaker, we are also in the process of introducing new tests. In 2003, a NICE guideline recommended that pregnant women should be offered screening for Downs Syndrome. At present, the GHA offers all mothers-to-be a blood test at 12 weeks to screen for Downs Syndrome, but this only gives a 67% detection rate. In 2007, the NICE guidelines recommended that all women should be offered screening tests, with detection rates above 75%. The non-invasive prenatal test (NIPT) will soon become available to Gibraltar mothers. The advantage of this test – a blood sample taken at eight weeks – is that it is 99.9% accurate for detection of Downs Syndrome and will save many families from the stress and anxiety of having a stressful test – amniocentesis – which is done by inserting a needle and taking a sample of fluid around the baby and carries a higher risk of miscarriage. At present, this test is only offered in the private sector and Gibraltar will be the first ever national programme of that type anywhere in the world, and it will



be available as from 14th July to women of Gibraltar, who will have the latest and most advanced test with the least disturbance and anxiety.

Mr Speaker, our aim to computerise patient notes remains as strong as ever. We are very aware of the benefits that this will bring to the service, including increased patient safety by reducing or correcting errors; improved shared decision making; more accurate and efficient transferability of records; and clinical and administrative time savings. Since 2007, the GHA identified electronic patient records (EPR) as the way forward in modernising and improving our Health Service, but the previous administration stood idle and took no notice or action on this, to the detriment of progress and of the service. This Government has seen and witnessed the importance of this project and has committed itself fully to this initiative. I can inform this House that the GHA issued an OJEU advert on 27th November 2013, and the Electronic Health Record Programme Board, which I chair, has been set up to oversee this project and ensure it is delivered on time.

Mr Speaker, in the periphery of the work being undertaken with the EPR project, other initiatives and improvements are taking place. The Information Systems Team have developed in-house clinical applications to manage various requirements for monitoring and managing patients or specific clinical initiatives. Other new initiatives are being worked on, including a new look to the existing system and a diabetic clinic system. These new systems will be integrated once the full EPR system is in place.

Mr Speaker, the Information Technology Team continue to manage the GHA's computer and network infrastructure and are involved in various development programmes, such as the design and build of the new data centre, and the installation of a histopathology system, which will enable the computerisation of all results in this area of pathology services and to fully integrate with existing systems, also involved in the installation of a hospital Wi-Fi network; improvements to the virtual clustered server environment; new backup and disaster recovery systems for business continuity; and supporting other GHA projects, such as the new mental health facility.

Mr Speaker, the GHA launched its new website and social media presence on 17th July 2013. The website was designed and developed completely in house. Since its launch in July last year, the website has received 48,506 unique visits, 158,986 page views, and the average site visit lasted for approximately five minutes. The website has also received 409 e-mail enquiries, and 164 service users cancelled their appointments online. Prior to the launch, the previous website had received a total of 384 unique visitors, 1,983 page views, and the average visit had lasted three seconds. They can't have been very impressed with what they saw!

Mr Speaker, in keeping with our manifesto commitment of making alternative arrangements to improve the delivery of meals and consequently their quality, I can inform this House that the feasibility study commissioned for the relocation of the catering facility to St Bernard's Hospital has been completed and the project is now in the construction phase. The new facility has been designed to cater for a bulk meal service; however, discussions are already underway to phase in this service as a pilot prior to the completion and relocation of the facility. Works to accumulate the bulk meals service within the wards are proceeding.

On medical records, Mr Speaker, I am pleased to inform this House that the exercise to relocate all active patient medical files to the new Medical Records Library was successfully completed in December last year. This new facility will provide spacious and functional accommodation for the safe storage and retrieval of medical records and improve the working environment for staff.

Mr Speaker, the sponsored patients department continues to see an increased trend in the number of patients being referred to various UK and Spanish centres for tertiary treatments, due to the fact that healthcare continues to become even more specialised and more options become available for patients. The Government will continue to support this programme, but is always mindful of exploring options for repatriation of both diagnostic and treatment services and of keeping services as close to home as possible to ensure patient and family comfort and to offer a wider choice to our people. Following on these lines, we have formally established a service level agreement with Xanit International Hospital, which has fixed prices and provides the opportunity for tertiary referrals close to home for a wide variety of medical conditions. Discussions with other centres are also in progress.

Mr Speaker, the number of referrals processed by the GHA's sponsored patients department will continue to increase. In order to ensure that the department continues to provide an excellent service, an internal review of the department and its services is currently being conducted in keeping with the Government's manifesto commitment to this effect. Changes to the conditions and allowances are being considered and will be concluded within this financial year. As an interim measure, and as from 1st August this year, the maximum allowance payable to patients and escorts staying with friends and relatives will be increased by approximately £75 a week each to equal half of the amount given for staying in rented accommodation. This will assist these patients and their relatives, who often receive very meagre allowances.

Mr Speaker, the radiology department has been a pioneer within the GHA as regards information systems and electronic requesting. There have been ongoing developments within the field of teleradiology and patient images and reports can now be sent abroad directly through secure log-in accounts to users anywhere, anytime.

The tender for the procurement of the new CT scanner is going through due process via the Government's central procurement office and I expect it will be in place during this financial year.

Mr Speaker, not surprisingly, I continue to support initiatives by GHA management and those by the GHA's very active Environmental Task Group. The GHA continues to be proactive in reducing the environmental impact brought about by the use of its facilities and services. There are various environmentally friendly initiatives aimed at reducing energy consumption, enhancing energy conservation, recovery and the reduction of operational costs. Some of these initiatives include an LED lighting scheme, with the aim of replacing conventional lighting throughout the GHA; a smart metering solution has been recently commissioned to ensure we are able to monitor power usage throughout St Bernard's Hospital; the installation of heat recovery systems, which ensures the recovery of heat load generated from the air-conditioning system in order to provide hot water, already installed at the new mental health facility; a new solar thermal plant will be installed at St Bernard's Hospital – it is expected this plant will provide up to 60% of the Hospital's hot water, with considerable savings in fuel costs. Other projects include the introduction of recycling bins for paper and cardboard and electronic equipment.

Mr Speaker, improving mental health services remains one of our top priorities. A large proportion of the work done over the past year in mental health relates primarily to the new facility due to open this year. Through a process of discussions with a number of groups – including staff, service users, carers, support groups and relatives – major changes will be seen in the way Mental Health operates.

Among some of the improvements will be the ability to offer more appropriate placements for patients during their journey through the reconfigured facility. The new facility will also see the introduction of a variety of new services and programmes, including a sheltered employment programme in partnership with the Club House Project; an activity and recreational centre offering structured programmes; and the introduction of open-air exercise equipment in the garden to promote a healthy living initiative, linked with the Well Man and Well Woman groups. All these programmes are being developed to assist full integration into society and giving patients the opportunity for a better future.

Mr Speaker, another area which required great attention was the Community Mental Health Unit. This facility is currently undergoing a major refurbishment programme to all existing areas, which will include an extension to the existing building, which will house two extra consultation rooms and a secure area to house all the clinical notes.

Mr Speaker, when I came into office I made a promise of never again allowing the Mental Health Service to deteriorate to the level that I found it. (*Banging on desks*) I maintain this commitment, and I am pleased to inform this House that we are well on the way to having a mental health facility and service of which Gibraltar can be proud.

Mr Speaker, due to the increasing demand of services for dementia patients, resources have been reconfigured and staff have successfully completed further training in this field in order to offer more support to this client group and their families. Keeping to the subject of improving services and facilities for dementia patients and support for relatives and carers, the Dementia Day Facility Steering Group continues to work on this project with a target date for completion late this year. This group is also developing the Dementia Strategy for Gibraltar.

Mr Speaker – (*Interjection*) There is a lot more to go: we have been very busy this year, Mr Speaker! (*Interjections*)

Perhaps the biggest success story of this past year has been the opening of the new day surgery unit, with its extended opening hours and specialised staff. This unit has the ability to do more procedures as day surgery, reducing the need for overnight stay and the use of much needed in-patient beds. Most healthcare providers worldwide are working hard to implement this model of surgery as the norm for the vast majority of surgical procedures, as there are multiple benefits for the patient and healthcare provider. In the UK, around 70% of all surgery is carried out in this way and the NHS is trying hard to improve on this number. I am proud to say that the GHA's day surgery programme has revolutionised surgery at the GHA and now accounts for nearly 85%, in April, of all surgery, compared to just 33% in January 2013. I have to thank all the staff concerned, who have spearheaded the project themselves and responded to this change admirably.

Mr Speaker, the aim of the GHA's day surgery programme is not just about numbers, but about a service which follows international best practice, contributes towards a safer service and aims at improving patient and staff satisfaction and outcomes. The success of this is evidenced by the numerous letters and positive patient feedback received, highlighting its excellence.

The opening of the new Day Surgery Unit, together with the introduction also this year of the third operating theatre suite, which had practically remained inactive since the opening of the new Hospital, have been major factors in addressing some of the challenges which were being faced by the Health Service:

long surgical waiting lists in every speciality and the unavailability of hospital beds. The number of cancelled operations due to bed shortages has dropped massively since last summer, with only two cancellations during the usual difficult winter season between October and March. (*Banging on desks and interjection*) This compares to a peak of 70 cancellations in 2011-12, when the former management was in place and the policies of the previous administration lingered. The average cancellations in these months during the last winter were 0.4 per month, compared with averages of nine, fourteen and seven per month in the previous three winters. Mr Speaker, the scourge of the GHA – cancellation of operations at short notice due to lack of beds – is a thing of the past and banished to the memory of the dark days of the GSD. (*Banging on desks*)

Also significant is a drop in the number of patients waiting for surgery. (*Interjection*) Comparing April 2012 with March 2013 and March 2014, the total numbers of patients waiting were 986, 1,030 and 626 respectively. This is equivalent to a reduction by about a third in the past year. If those patients already booked for surgery are removed from the list, the total drops even further to 467, or half the figure.

Mr Speaker, even though there are still surgical specialities which continue to present a challenge, through a number of initiatives – such as increasing the visits by visiting surgeons and undertaking weekend initiatives – with the ability to use three theatres and day surgery, we will continue to improve on these figures.

Progress in other waiting lists can also be seen: for example, in urodynamics there has been a drop from 30 to 13 weeks. Even in orthopaedics – which remains the biggest challenge, due to a longstanding waiting list – the outpatient wait has dropped from an unacceptable 10 months to six months. This is still not acceptable and we are on track to resolving this in the coming year, but it shows a clear improvement over the past year.

Mr Speaker, I am proud to say that waiting lists are falling and waiting times reducing. Put another way, we have slashed waiting lists and waiting times unrecognisably. Other factors which have contributed to achieving these successes have been a more proactive management of lists and beds, and more engagement by clinicians in the direction and development of theatre activity. This is hugely significant. The clinicians, nurses, doctors and allied professionals are all actively involved in taking and actioning decisions, working with technical, administrative and support staff, from attendants and labourers to craftsmen and domestics who, as we know, keep the GHA in sparkling condition. And it works: the GHA is once again becoming a team.

Mr Speaker, I would be falling short of my duty if I did not here mention the work being done in partnership with the Care Agency in providing care packages and support in order to facilitate discharges of patients from St Bernard's Hospital. (**A Member:** Hear, hear.) (*Banging on desks*) This is in addition to the work that has been carried out by the Care Agency again in opening the John Mackintosh Wing at the old St Bernard's site. This facility, temporarily accommodating residents of the Jewish Home, will cater for frail, elderly patients and will allow the GHA to free up much needed hospital beds, allowing it to continue its elective programme and maintain its emergency capacity with no disruptions or safety issues.

Mr Speaker, allied health professionals are an integral part of our healthcare system and have been involved in the past year in the introduction of new services, and are working to implement even more.

Keeping in line with improvements done to the GHA's waiting list and waiting times, another success story is the physiotherapy out-patient waiting list, which reached an unacceptable 400 in October 2013, following loss of staff, with a waiting time of 20 weeks. Since January 2014, I am glad to say that this initiative has yielded very positive results, with the waiting time now standing at only three weeks. The physiotherapy department, together with other healthcare professionals, have worked towards the implementation of NICE guidelines for the management of non-specific lower back pain.

The audiology department is working with the Nuffield Centre in the UK to set up a comprehensive neonatal screening programme.

The waiting list for hearing aids is in the process of being reduced.

Waiting times for orthotics and optometry are just two weeks. During 2013, the optometry department introduced a contact lens service. Apart from a few patients who need to be referred to Moorfields Eye Hospital in the UK due to the need for more specialised treatment, the majority of patients are now seen locally; this being in line with the Government's commitment to repatriate services.

The occupational therapy staff continue to work tirelessly on the backlog of environmental works which stretched back to 2007. By prioritising these works, for the first time in years this backlog has now been eliminated.

The 'Early Birds' training programme started in March 2014. This programme is jointly run by the paediatric occupational therapist and speech language therapist, and is designed specifically for parents, to help them with understanding and giving them practical coping strategies to implement at home and in school for their child with a recent diagnosis of autism. In line with our policy on autism, staff also attended the National Autism Conference held in the UK and gained excellent knowledge and skills from the workshops to ensure best practice is followed for this service. I am particularly satisfied at the progress

being made in providing support for families where autistic spectrum disorder has been diagnosed. I will continue to actively support this work and I have encouraged parents of children with autism to form a support group, with which I will continue to work.

Indeed, Mr Speaker, I continue to meet regularly with too many groups to mention separately, and will continue to work together with them to achieve greater improvements. Some of the initiatives resulting from working with these groups have included and will include the introduction of free diabetic-specific medicines for all type-1 diabetics; the introduction, for the first time, of guaranteed annual reviews of type-1 diabetics by a consultant; prostate cancer screening service; improved lymphoedema service; plans to work on sexual health initiatives; talking lifts in St Bernard's Hospital to assist the visually impaired.

Mr Speaker, I am pleased to report that after lengthy negotiations with Unite the Union, a firm proposal to resolve the issue of the consultant contract has now been put to Unite the Union, which represents the consultants. These negotiations threw up new claims, not anticipated when I reported to this House last year, which resulted in the discussions being extended. We remain committed to also review the contracts of our non-consultant hospital doctors.

Mr Speaker, in line with our manifesto commitment of making the General Medical Council (GMC) the regulatory body in Gibraltar for the medical profession, after meeting with the Department of Health and the GMC in London, we have made huge progress on this and expect soon to be in the position to implement. We have already identified the responsible officer for Gibraltar and we are in the process of drafting the necessary legislation. Further progress has been a service level agreement with Health Education England to deliver the mandatory appraisal programme for all our medical staff, which is a crucial part of the revalidation process. This will represent a massive step forward for the GHA in maintaining the skills, competency and quality of our medical staff and one which will have a lasting and positive impact on the standard of healthcare in Gibraltar. The GHA has supported its doctors in dealing with this change in practice, which has included the GMC's own moves towards a stricter licensing regime. There has been and will continue to be full consultation with doctors in both the public and the private sectors as the process is rolled out in the coming year.

Mr Speaker, an associate specialist in accident and emergency will shortly be appointed, which will improve the management and leadership of the medical team in this department, improve medical cover and hopefully reduce waiting times for patients. Together with the plan to have a 24-hour receptionist presence at A&E, improvements in this area are envisaged.

Mr Speaker, at the beginning of my presentation this afternoon, I identified that one of the problems that we continue to have is access to GP appointments. The system for the provision of advanced appointments changed in August 2013. The appointment system changed from a three-months cycle to a monthly cycle. This seems a better solution than the previous system, but I acknowledge that no system is perfect and this one is not without its problems. Notwithstanding the improvements that the new system represents, it is clear that more work is still required. Analysis of available data on patient numbers reveals an increase in the number of users eligible for the service. This increase in demand is a challenge that is being discussed with both service users and service providers.

I acknowledge, Mr Speaker, that there are complaints with regard to lack of access to services by telephone, especially at peak times of the morning. I take these concerns very seriously and attempts continue to be made to improve access to services. The problem is largely due to the large number of persons who phone in over a short period. Even though there are lines in use and 60 callers get a recorded message, the system as it stands gives the impression that from the 61st caller that the phones are either off the hook or not attended. I assure you that this is not so, and I pay tribute to the staff at the Primary Care Centre for their commitment and hard work in challenging circumstances. We continue to work on these issues.

Ongoing developments to help improve the service include extra phone lines; booking appointments through the internet; further improvements to the repeat prescription system; texted appointments now introduced for those with sensory impairment; analysing further the GP workload; exploring different models which may change the way appointments are offered with the aim of improving the quality of the GP-patient interaction and increasing the availability of GP appointments.

Other developments which will improve the current services include the following: Extra clinics are currently being constructed, which will ease the pressure of clinic space felt by all clinicians. Specific children's clinics will very shortly be introduced, and nurse practitioners who are now able to prescribe from the full formulary. All of these developments will result in the problems experienced by the public in accessing primary care becoming a thing of the past.

Mr Speaker, the GHA's hard facilities management services are provided through the Estates and Clinical Engineering section, which is staffed by staff seconded from the Gibraltar Electricity Authority. This covers the GHA's substantial estate across multiple sites. The team is responsible for planning and co-ordinating major works, many of which I have already mentioned. Engineering and maintenance support is

provided for the estates' engineering infrastructure as well as the maintenance, repair and calibration of medical plant, clinical equipment and medical gases.

Mr Speaker, the Estates and Clinical Engineering team attended to a total of 1,892 breakdown and repair requisitions and 459 after-hours call outs. This represents a fall of 7% over the previous year. Their hard work and commitment sees the GHA's premises function with a high degree of excellence and has reduced the backlog of servicing and commissioning to zero.

Last year, the Government maintained the GHA's substantially increased capital expenditure funding. This has allowed the GHA to develop important projects necessary to improve facilities and continue to make progress with its medical equipment life cycle replacement programme, which ensures that our clinicians are supported with modern technology that is now an integral part of healthcare delivery. This investment in capital for the Health Service will continue this year.

Mr Speaker, I will now wrap up by mentioning a few ongoing initiatives which have seen recent progress or which you will see during the coming year.

Mr Speaker, building an extension into the surrounding grounds will expand the area available for patients in cardiac rehabilitation, physiotherapy and occupational therapy.

For the first time in over 20 years, a Medical Advisory Committee has been set up, made up of the doctors and dentists in the GHA. This is a manifesto commitment and essential in enhancing clinical involvement.

The pathway for stroke care is at present being developed by a steering group of healthcare professionals under the direction of a specialist stroke consultant from the UK. This pathway will introduce the use of new technology, which will transform the way healthcare is provided in Gibraltar. Telemedicine, which we are developing, will enable the A&E team to receive prompt advice from a skilled stroke consultant in the UK when a patient presents with a stroke to the A&E department. It will give medical and nursing staff in A&E support and advice on how to manage individual care. This will be by confirming diagnosis or making a differential diagnosis based on an expert assessment using a remote video-based consultation, a service which will be available 24 hours a day, seven days a week, thus improving the outcome for the patients. The use of this technology will start with stroke care, but will then continue to cover other specialities such as neurology, general medicine, general surgery, orthopaedics and others.

Mr Speaker, there have been an additional five defibrillators placed in public areas around Gibraltar, with a further one due to be installed when some refurbishment works are completed. The first ones ever, 10 in total, were placed by the Government last year.

Mr Speaker, 10 new Gibraltarians have been born as a result of this Government's introduction of IVF, and there are further pregnancies at the moment. (*Banging on desks*)

Mr Speaker, online access to British sign language interpretation for assisting access to healthcare by the profoundly deaf will allow such service users a dignified and informed access to this healthcare.

For the first time since moving to St Bernard's new site, comprehensive fire planning and fire training has been provided to key workers in GHA sites.

The GHA is working with staff from the office of the ombudsman to redraft how complaints will be managed in the future, with the aim of addressing complaints more efficiently and to have more transparency and independence in the process. The final draft of the new complaints process with the accompanying changes to the legislation are expected to be completed by the end of the year.

Mr Speaker, in keeping in line with being up to date on EU directives, the Ministry set up a steering group to review the EU directive on cross-border healthcare and facilitate its implementation. Member states were given until October last year to implement the directive and the Commission will be monitoring the process to ensure that this is implemented fully across the EU. I am pleased to announce that after introducing new legislation – the Cross Border Healthcare Regulation 2013 – setting up a national contact point and the GHA Prior Authorisation Committee, all transposition was completed on time, by 25th October 2013.

Mr Speaker, the International Health Regulations (IHR), these regulations, which govern the processing of medical issues at our entry points, are due to come into force very shortly. The last administration had not given this priority, which would have left Gibraltar exposed at having inferior facilities at its entry points, especially its port, with the consequent effects on our reputation and success as a destination. I am pleased to say that once more this administration has worked with tremendous interdepartmental collaboration and efficiency and the Regulations will be published within weeks. This has not just meant the publishing of the Regulations, but ensuring that the processes are agreed and in place.

Mr Speaker, I would like to finish by sharing some examples of success and positive feedback, which is a reflection of the excellent work being carried out throughout the GHA.

Mr Speaker, from humble beginnings, dermatology in Gibraltar has grown over the years into a great service, to the full credit of the dermatology team. Evidence of this excellent service is the fact that one of the nurses leading this service, Ms Linda Castro, was placed in second place in the category of Dermatology Nurse of the Year in the UK. This is testimony to the professionalism and excellence of Linda

1355 in particular, but also of the other employees and the service in general. The unit is shortly to have improved facilities at the reconfigured Primary Care Centre, and recently held an extremely successful skin cancer awareness day and walk-in service with the collaboration of Unite, which received hundreds of visitors. This is a good point to mention the importance the Government gives to protecting the health of the community. To this end, future Government-organised or sponsored events will have available free  
1360 sunscreen and ear protection.

Mr Speaker, please allow me to quote just a few of the feedback that has recently been received.  
From a CCU patient:

‘Having been admitted to CCU suffering from a Pulmonary Embolism the quality of the doctors and nursing staff was off the chart. These guys are on the go for the whole shift yet their bedside manners and care was tremendous.’

And just one other:

1365 ‘It is most often the case that people will only write to you to complain about the service received from your organisation or take issue with a particular instance, action or aspect of the service. On this occasion, however, my wife and I would like to congratulate you on the thoroughly professional yet deeply caring manner which we were dealt with during our time at the Maternity Unit.’

There are many more.

Mr Speaker, as I conclude, I must thank all the nearly 1,000 staff of the Ministry and the Authority for their commitment, hard work, professionalism and the support they give me in performing my duties. All  
1370 our healthcare workers and support staff will forever remain our heroes. I wish to thank them all for their sterling work and performance, at times undertaken in very difficult and challenging circumstances.

I also want to thank the members of the various committees and boards in relation to both my Ministries, for their work and sense of public duty, and extend these thanks to associations and others in the voluntary sector who play a tremendous role in improving and sustaining the health of our community.

1375 Mr Speaker, I am conscious of the responsibility that I and my team carry on our shoulders as we are entrusted with a budget of about £100 million. I can assure you, Mr Speaker, that never before will such money have been better spent, for we will see *real* improvements in the service that we provide.

Mr Speaker, there have been huge improvements in the Health Service provided in Gibraltar – I would say unprecedented in any similar period – but I am not satisfied: it is not enough. I have already said that my main areas of concern are access to primary care and A&E. There are a few other areas where improvements have lagged. Some of these include some of the services provided by visiting consultants. I am pleased to report that I am undertaking an incisive review of these services, in discussion with major UK providers, which will show marked improvements in the coming months. I am also committed to exploring new, alternative pathways and avenues of treatment as a way of increasing the range of services  
1385 available to our community.

Mr Speaker, among the difficulties we face is the need for space, both in the Primary Care Centre and at St Bernard’s, particularly as we consider the possibility of repatriating diagnostic services, such as MRI scans, to Gibraltar. I am therefore hugely pleased and proud to announce that the Government will shortly embark on the construction of a new wing at St Bernard’s Hospital, which will allow the GHA to relocate  
1390 many of those services which are short of space and facilitate the repatriation of services. This will be a separate building located in the central courtyard and is already being designed.

Mr Speaker, we will continue to develop this service. Our ambition is for Gibraltar to have a Health Service second to none – a service in which we can all take pride, services which will reach beyond our hospitals and provide care where it is needed most: at home and in our community. A commitment to learn and improve and a focus on partnership will allow the GHA to succeed. This commitment is what defines *this* Government and *this* Gibraltar Health Authority. The coming year will be a memorable one for our Health Service.  
1395

Mr Speaker, this Government of the GSLP and Liberals came into office with a promise of change. As I have clearly demonstrated with reference to both my portfolios, it is not change that has been delivered: it has been a veritable transformation. Thank you. (*Applause and banging on desks*) (A Member: Hear, hear.)  
1400

## ADJOURNMENT

1405 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the Government is informed that the Minister for Europe will be landing in about 10 minutes, and therefore I think this is an appropriate moment to adjourn the House now to 9.00 a.m. tomorrow morning.

1410       **Mr Speaker:** I now propose the question which is that this House do now adjourn until tomorrow morning at 9.00 a.m when I will call upon the Hon. Jaime Netto to take the floor.

          I now put the question which is that this House do now adjourn until Tuesday 1<sup>st</sup> July at 9.00a.m. Those in favour? (**Members:** Aye.) Those against? Passed.

The House will now adjourn until Tuesday at 9.00 a.m.

1415

*The House adjourned at 7.33 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**MORNING SESSION: 9.06 a.m. – 11.40 a.m.**

**Gibraltar, Tuesday, 1st July 2014**

## **Business transacted**

Order of the Day.....	2
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<i>The House recessed at 11.40 a.m. and resumed its sitting at 2.03 p.m. ....</i>	<i>27</i>



# The Gibraltar Parliament

*The Parliament met at 9.06 a.m.*

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

[CLERK TO THE PARLIAMENT: P E Martinez Esq *in attendance*]

## Order of the Day

### Appropriation Bill 2014 – For Second Reading – Debate continued

**Clerk:** Mr Speaker, sitting of Parliament, Tuesday, 1st July. Second reading of the Appropriation Bill 2014. Budget speeches continue.

5       **Mr Speaker:** The Hon. Mr James Netto.

**Hon. J J Netto:** Mr Speaker, it is with great pleasure that I stand to deliver my 19th Budget address.

I will commence with matters to do with utilities first, followed by the environment, and lastly health and safety.

10       Mr Speaker, in relation to the power station, this is an area of concern due to the Government's inability to prioritise Gibraltar's important project, which is the new power station. As we have stated a number of times, the new incoming Government had the right not to proceed with the previous GSD Government project in relation to the power station, even when initial clearance work had already started. But to be in a position, almost three years after being elected, without a clear position with regard to Gibraltar's future needs with regard to power supply *in a safe manner*, given the site chosen, is incredible.

15       The Hon. Chief Minister's smokescreen for not pursuing the GSD Government's scheme for a new permanent power station is down to 'Had we continued with the GSD scheme we would have been saddled with a £120 million project,' or 'It was in the wrong location,' or 'Not the best available technology in environmentally friendly options,' or 'The consumer would have had massive increases per year for diesel consumption.'

20       The reality, Mr Speaker, is that when the Chief Minister quotes the £120 million, he is deliberately obfuscating the fact that such an amount was for a complete package inclusive of £20 million for associated infrastructural works, as opposed to the plant itself. The price also included a new office block for Gibelec. The location surely would not have been as bad as placing say a new football stadium at Europa Point, which the Chief Minister is adamant in doing, come hell or high water.

25       As far as technology is concerned, within the diesel types of engines, they were the best available technology at the time as advised by the experts. Or is the Chief Minister going to contradict the advice given to us by officials and experts in this field then? In addition to this, the IPPC Committee, which deals with such matters pursuant to European legislation, approved the scheme.

30       We do not make an apology for the fact that, based on grounds of safety, we ruled out having a dual fire plant run by diesel and gas. We do believe – then and now – that placing liquefied natural gas storage tanks so near to an area which is densely populated is a mistake and we are prepared to say it. Frankly, even if we need to pay more money in order to have higher standards of health and safety to avoid an accident ever happening in the proximity of a residential estate within the west side of Gibraltar, which would have colossal consequences if ever it were to happen, we would do it.

35       On the other hand, the Chief Minister is not in a position to preach to anyone about value for money, given that he has lost control of recurrent expenditure under his watch as Chancellor. This is a typical example of the pot calling the kettle black.

40       The Government also needs to be transparent in the way the Government handles projects of this kind. Throughout the period of this Government, I have been asking in Parliament on numerous occasions for all relevant copies of technical, environmental and health and safety reports, only to be stonewalled with

evasive answers in order to deny a Member of the Opposition from being able to scrutinise the Government on such an important project for Gibraltar.

Mr Speaker, it is inconceivable that such an attitude would prevail in the House of Commons, the Scottish Parliament or the Welsh Assembly, or indeed in any municipality across the United Kingdom. Any project of this kind in any part of the UK would allow automatically the Members of the Opposition with instant access to all relevant information in order to allow proper scrutiny of the executive. However, here in Gibraltar the view that prevails by the Government is that accountability and transparency lie in the number of occasions that Parliament meets, as opposed to being transparent on its action in Parliament by providing the Opposition with information it seeks in order to have a debate on equal terms.

Mr Speaker, moving on: lack of a holistic plan. Another issue of concern that needs to be highlighted is the whole approach by Government in relation to projects that either are of the Government or private ones which are to be developed in close proximity to each other in the west side of Gibraltar and the port area.

In order to illustrate this point, we have a sullage tank to be operated again at the North Mole in close proximity of the cruise liners; liquefied natural gas storage tanks to be placed on the Detached Mole; ship-to-ship bunkering from the Detached Mole; laying of pipes on the sea floor connecting the liquefied natural gas storage tanks to the new power station; a new power station; and a new boats marina. And along the perimeter of all these projects we have an airport on one side, housing estates – including the new one to be built in the former coach park – and on the other side, a nuclear berth for submarines, not to mention the movement of cruise liners either inside the port or outside. Yet the Government approach to this matter is cavalier, *ad hoc*, covered in secrecy and dangerous.

On a number of occasions I have asked the Government in Parliament if they have undertaken a specialist holistic analysis of all the development within this area in order to protect the public, only to be informed by the Deputy Chief Minister that such a study is not necessary and each individual project is considered on its own merit at the Development and Planning Commission. In truth, we in the Opposition are not the only ones calling for this approach to developments in this whole area. The Environmental Safety Group is also advocating the same. Yet, whilst the argument is compelling to do so for the good of the environment and for health and safety matters, the Government refuses to do so. It beggars belief that the Government is so intransigent on such an important matter that has the potential to put people's lives at risk through their stubbornness.

Mr Speaker, moving to the environment, and on expenditure I notice that the sums estimated and required in the year ending 31st March 2015 for salaries, wages and expenses of the Environment, as reflected in head 14 Environment, is £12,862,000. This is £1,453,000 less than the estimate for the financial year 2013-14. This is in large measure due to the fact that subhead 2(6) Relief Cover, as shown on page 55 of the draft Estimate Book, amounting to a total of £1,938,000, has been transferred to a private company called Gibraltar Cleansing Services Ltd, under the control of the Employment Ministry, as shown on page 86 of the draft Estimate Book. Therefore, given this significant reorganisation of funds away from the management of the Environment Department, it requires a proper explanation by the Government as to why this has been deemed necessary. I certainly look forward to listening to why there has been a need for this and how such a decision will improve or hinder the services that the Department of the Environment needs to provide, although I notice that the Minister, from his very brief speech yesterday, he did not mention anything about this.

The other point I would like to make about expenditure, Mr Speaker, is that even if we add the total amount for the Department as shown in the draft of £12,862,000, plus the £1,938,000 transferred to this private company under the control of the Employment Department, this brings a grand total of £14,800,000. This is £710,970 more than the actual expenditure under the last full financial year of the GSD Government during 2010-11. So, even after adjusting for inflation during this intervening period, this lifts the sum requested by the Minister for his Department in comparable amounts to that under the GSD Government. An amazing fact, given that what one gets from the Minister of the Environment is constant rubbishing of the GSD's period in Government. For the Hon. Minister, it is all down to either the GSD did not do anything for the environment, or if we did it was all wrong and bad. This, despite the fact that he was the GSD Government adviser at the time and never felt it necessary to resign on principle from those duties then from the horrendous things he says now.

This also gives me the opportunity, on behalf of the Opposition, to congratulate Dr Liesl Mesilio-Torres for now holding the position of Chief Executive of the Department. I know Liesl well, and I am aware of how capable she is. We in the GSD are extremely proud that Liesl was the first individual employed in order to create a new Department of Environment, given that the GSLP before us did not believe in having such a Department nor in employing 90% of the current staff that the existing Minister now has at his disposal. But of course we would not expect recognition of this by the Minister.

Mr Speaker, moving on to renewable energy, as I did last year, I would like to start by giving credit where credit is due, then moving on to things that have not been that great, and finalising with things that have gone badly.

One of the most exciting things that has materialised in the last 12 months, at least for me, is the Government agreement with the company, Eco Wave Ocean Power Plant for the provision of an initial 0.5 megawatt energy device on the east side, with a view to further expansion to a full 5 megawatt plant if the project is successful, this being a technology based on harnessing surface wave energy by the use of specific buoys to capture and convert such energy. I noticed the words in the Government press statement, quote:

‘if the project is successful’

and I can understand why this is so. The reality is that we are talking, by and large, of new technologies that need to be tried and tested *in situ*, and I think this the right approach. Needless to say, all of us in this Chamber would like this project to succeed for the benefit of our community. These and other technologies were followed with great interest in my days while I was the Environment Minister, but unfortunately the technology had not developed sufficiently enough to warrant being introduced in Gibraltar back then in those days.

Clearly, with the passage of time more and more technologies are becoming available and whilst I notice the Minister’s response to my question about underwater current technology not being available for another 10 years or so, we should never stop from being kept abreast of development in this field, as I believe this to have the potential of giving a tremendous boost to a constant source of clean renewable energy for the future.

Mr Speaker, on netting for the Municipal Waste Station and fiscal incentive for the environment, credit too should be given for the placing of a net over the Municipal Waste Transfer Station at Europa Advance Road; thereby, according to the Minister, no longer having an issue of rubbish flying out from the site onto the surrounding cliffs or sea. I am pleased that the Minister paid notice to my question on this matter some time ago and that he has actioned a solution to this historical problem.

Also to be welcomed is a continuation of the GSD policy to use fiscal incentive measures as a means to make more environmentally friendly products more accessible to the public.

Mr Speaker, moving on to beaches, another project that seems to have gone well and which is almost complete is the work in Sandy Bay, both in relation to the construction of the two groynes and the submerged breakwater one, along with the regeneration of the beach itself. This no doubt will be enjoyed by many members of the public, hopefully for many years to come. Additionally, any extra biodiversity of marine life that prospers in the surrounding area is to be welcomed too.

Another area to be welcomed is the continued attendance by staff members of the Department of Environment in European seminars, the latest of which was in Greece in relation to matters to do with loss of biodiversity under the Natura 2000 programme. Such participation is important for a delegate in order to make aware other delegates of the particulars of our environment within the much wider picture of the Mediterranean and Europe. It is also an opportunity to extend our networking with other professionals in the field, thereby complementing the overall objectives.

Yet, Mr Speaker, whilst we have progress on one beach, we have stalemate on another, which is Western Beach. Clearly, to have progress in resolving the problems in Western Beach could only have been by pursuing two different avenues – the political, the legal, or both simultaneously.

The political has remained a non-starter as far as the La Linea Municipality is concerned, given that they do not have the necessary funds to do the infrastructural works needed; nor, it seems, from a regional basis as regards the Junta de Andalucía. The Junta, just like all other regional Governments in Spain, have been subjected to substantial cutbacks on their budget from Madrid as a result of the economic crisis, thereby being unable to provide such funding. Finally, on the political front, it seems that engaging Madrid is also a non-starter, given that the relations between the Madrid Government and Gibraltar are toxic and will remain so for some considerable time to come.

On the legal side, the Hon. Minister for the Environment has kept me informed confidentially of developments on the legal front. Unfortunately, this is a long and convoluted process, but the only one available to us right now.

I certainly am grateful to him for keeping me abreast of developments and the GSD Opposition will continue to conduct itself responsibly on this matter, placing the interests of the community first, which is the contrary to when the current Government were in Opposition and conducted orchestrated campaigns against the then GSD Government along with their friendly media press for not pursuing the matter with speed and vigour, something which is exactly what is happening today.

Mr Speaker, moving on to waste and waste water treatment plants, these are also important and essential projects for Gibraltar – namely the waste treatment plant and the waste water treatment plant – but the picture emanating is one of delays between the Government informing the public of such projects and the commencement of such; again something that, from the very brief speech of the Minister, he had nothing to say yesterday.

Take the case of the waste treatment plant. The Government informed the press way back in February 2013 – you can see the *Gibraltar Chronicle* of 16th February 2013 – of its decision to provide a new plant at the site of the old incinerator at the Europa Advance Road in order to treat the solid municipal waste with environmentally friendly technology. The Hon. Minister himself has had the consultant's report on his desk since January 2013; and only last month, some 18 months later, the Minister responded to a Written Question to inform me that the tender is still under assessment.

The Hon. Minister knows that we have been taking our municipal waste in the past and in the present to the recycling plant in Los Barrios. This is a procedure which is fraught with problems, not least because of the impending compliance with the EU Landfill Directive for the amount of biodegradable waste that shall be allowed into the landfill. Yet, Mr Speaker, when I look at the draft Estimate Book, I do not see any entry for the commencement of this important project. The Government needs to inform Parliament whether this project will commence in this financial year or whether it is going to be paid from the Consolidated Fund or from Credit Finance Ltd, or indeed from any other source.

The same applies, Mr Speaker, to how the Government decide to proceed with the disposal of sewage. As we are aware, Gibraltar continues to discharge its raw sewage into the sea in contravention of EU Directives on this matter. The Government needs to make clear by when it will decide to award the tender for the proper treatment of raw sewage prior to discharging into the sea. Quite apart from doing so for good environmental reasons, we risk giving those who want to harm Gibraltar with a perfect opportunity to tarnish our reputation abroad.

The Government needs to inform Parliament whether, as a delay of implementation of this project, the British Government is incurring fines from the European Union or likely to happen any time soon; also whether the Government intends to proceed with this project, given that there is no provision within the draft Estimate Book – or perhaps it will, but by using money indirectly from the proceeds of the Savings Bank via Credit Finance Ltd. Either way, the Government needs to state what is happening in this important area of the environment.

Mr Speaker, fishing in British Gibraltar Territorial Waters: it has been over two years since the now infamous episode of Government policy being placed on Facebook – the statement by the Hon. the Minister for the Environment announcing that the laws of Gibraltar were to be enforced forthwith and that illegal fishing in British Gibraltar Territorial Waters would be stopped as per the Government manifesto commitment; an announcement since referred to, by the no less a body than the Chamber of Commerce, as a 'rookie error'; an announcement which plunged Gibraltar into a dispute which still has no signs of resolution.

We have the unprecedented case of an unnecessary crisis that erupted in March 2012, which has seen the unabated fishing in our waters by the Spanish fishing fraternity and a crescendo of hostility as a result of the Government incompetence in handling such delicate matters. The Government position in this case has been that our laws need to be respected by the Spanish fishermen; yet it is amazing that when our Chief Minister was asked in the recently released programme *Viajando con Chester* as to why the Spanish fishermen were denied the opportunity of fishing our waters, the Chief Minister responded by saying that the fishermen were fishing without any hindrance. Given the Chief Minister's response, one is entitled to ask why then the 1999 agreement was broken without notice, only to provide the fishermen with a licence to do whatever the fishermen decide to do, regardless of the laws passed by this Government. Why then plunge Gibraltar into a crisis of their own making with the consequences being paid by ordinary people on both sides of the frontier? The public is entitled to know until when is this crisis going to be prolonged, and when is the Government going to resolve the crisis it started?

Mr Speaker, moving on to Barbary Macaques, an important area where the Minister for the Environment is simply plodding along is with the problems with the Barbary Macaques. Within the figures provided by the Minister in terms of the population of the macaques, we see that the high-level rate of population was in 2006 with 242 macaques, followed by 241 in 2007 and in 2008. Following on from these figures, the population starts to drop to 212 in 2009; 182 in 2010; and in the last year of the GSD Government, 175 in 2011.

So what then, Mr Speaker, do we observe under the watch of the current Minister? I should add here that the watch of the Minister has existed for the last 20 years or so in which the Hon. Minister used to be the previous adviser on this matter. Well, in 2012, the population started to increase again to 183, from 175. Then, in 2013, it grows to 206; and in 2014, the figure is 225, although this figure needs to be adjusted for possible further births and deaths for the remainder of the year. So tentatively, under the watch of the current Minister, the population has increased by a further 50, taking the situation back to the levels that existed in 2004. So whilst the population of macaques decreased under the last years of the GSD Government, now it is increasing again under the GSLP Liberal Government.

So why then did the population drop by 67 in the last few years of the GSD Government, and why has the population increased by 50 in the two and a half years of the present Government? The answer lies in the fact that, in the last years of the GSD Government, a programme of culling was implemented due to the

difficulties in exporting the macaques, which would have otherwise been the preferred option. Yet culling has been ruled out by the present Government due to the virulent campaign waged by the GSLP Liberal Opposition in tandem with animal rights organisations in the UK in order to tarnish the good name of Gibraltar abroad for their own selfish partisan interest over the interests of this community.

The irony of the situation, Mr Speaker, is that we have a Minister who has studied and written about Barbary Macaques for the last 20 to 30 years, yet today he has not released the Gibraltar Macaques Management Plan in order for the public to know what the Minister's objectives in this area are.

On 1st March 2013, *The Times* newspaper carried an article in which the Minister informed them that the Gibraltar Government would be exporting macaques to Morocco, Tunisia, safari parks in the UK and in Europe in order to alleviate the overpopulation problem in Gibraltar. Nonetheless, when I asked the Minister recently whether there had been any exportation of macaques, the answer was that no export has taken place.

So, some 15 months later, the Minister has not exported *any* macaques. We have a population on the rise, despite the new contraceptive scheme introduced under the current Government. We have more packs of macaques splitting than ever before, all conducting themselves into new groups or subgroups, searching for other areas closer to urban ones in order to settle – and all the Minister does is talk and more talk and more experts and the creation of more and more management committees.

At this rate, soon we will have a new inter-ministerial committee with participation with macaques for the study to resolve the problems of overpopulation, with meetings to be arranged perhaps at the Sunborn Hotel, with expenses paid by No. 6 Convent Place. The findings of all these meetings can then be submitted for consideration to the never-to-be-published Gibraltar Macaques Management Plan for the eventual reduction of the macaques overpopulation. Oh boy, talk about kicking the problem into the long grass!

Another failure within the policy of the Minister with regard to macaques is the enforcement of the new legislation for eradicating the illegal feeding of macaques either in the nature reserve or outside. Despite much publicity with regard to the illegality of feeding the monkeys, with press statements and literature about how the macaques' behaviour has been changed since feeding the monkeys the wrong food or overfeeding them, the only person cautioned for feeding the macaques has been *one tourist*. Is this how the Minister expects to end this unacceptable practice? What is the point of new laws when there is a huge gap between the law and enforcement? What is the point of surreptitiously bringing through the back door two new environmental protection officers with powers to enforce the provisions of wildlife wardens under the Nature Protection Act when the illegality of feeding the macaques goes on unabated?

And if all of this is not enough, the Minister commenced a strategy to get the monkeys back to the nature reserve, which imported into Gibraltar illegal noise pyrotechnics from Spain that do not comply with European legislation. The Minister, when informed about this in Parliament, adopted the attitude of seeking advice on the matter as a form of kicking another ball into the long grass. Quite frankly, why doesn't the Minister simply plead guilty to the charge and plead clemency on the grounds that his actions were motivated to placate the public outcry over the macaques' occupation of urban human areas? The fact that the Minister has a doctorate in natural sciences does not mean that he is omniscient.

Yet I have no doubt that when the Chief Minister's right of reply comes, he will continue to say that all of this is the GSD's fault and that they will, in due course, put things right. At least they can make a start by publishing the Gibraltar Macaques Management Plan, so that the public can be the judge of their policies in this important matter. But transparency and accountability is not one of the Governments fortes: why bother with transparency and accountability when we have more meetings of Parliament, Mr Speaker?

Moving to enforcement of litter regulations, back in 2013, the Minister for the Environment announced, to much fanfare, a new impetus in the fight to clamp down on people littering the streets by revamping the Litter Committee and by introducing much heavier fines to ensure that this practice would get eradicated. At the time, I remember thinking, 'Well, perhaps the Minister is serious about stamping out this practice by penalising such offenders with heavy fines.' I did therefore allow some time to monitor progress, but recently I asked for the number of litter tickets issued by either the RGP, the Environmental Agency or the Highways Enforcement Officers, and the response was that to date only six such tickets have been issued between 2013 and 2014. Again, we find ourselves in the same predicament as is the situation with the macaques. The Minister talks tough, makes many promises, but when it comes to action he is found wanting and certainly not making any difference to the state of our pavements on which many members of the public need to tread very carefully in order not to get stuck in dog foul. This is a fact that the hon. Minister does not need to go far to find the evidence, as he has it straight in front of St. Bernard's Hospital, amongst other places.

Mr Speaker, culling of seagulls, another subject not mentioned by the Minister in his very brief speech. Here again, the Minister has lost control of events. Looking at the figures provided by the Minister in Parliament, we have the following facts. In 2009, GONHS culled 4,562 seagulls and the then FERA company 3,812, making a total for the year of 8,374. In 2010, GONHS culled 4,075 and FERA 5,508,

making a total for the year of 9,583. In 2011, GONHS culled 3,491 and FERA 5,708, making a total for the year of 9,199. In 2012, GONHS culled 3,391 and FERA 2,694, making it a total for the year of 6,085.

It should be said that the reason why FERA only culled 2,694 in that year was because the Minister decided to terminate the contract with FERA on the grounds that the work involved could be easily be done by GONHS. Therefore, the amount of money voted in Parliament for the work carried out by FERA – of £110,000 in the financial year 2012-2013 – moved practically in its totality to GONHS in the financial year 2013-14, making a total of £207,000 for the purpose of culling seagulls. Yet when we look at the figures of seagulls culled in 2013 by GONHS alone, it amounts to 2,649 for the year; this being less than the seagulls culled by GONHS in 2012, which amounted to 3,391 yet with a combined budget of what GONHS and FERA had in the previous years. Worse still, the forecast outturn for the financial year 2013-14 is expected to be £131,000. This means that, for more money being placed with GONHS, the public gets less seagulls culled; and if the figures for the end of April 2014 get extrapolated for the end of the year, 2014 will be worse than 2013.

Mr Speaker, what could have happened in this period for the Minister for the Environment to have lost his eye on the ball? It must have been the time spent on his vanity garden project in Queensway. What excuses will the Hon. Minister come up with? Blame the GSD again for things happening under his watch? Come up with another committee of experts to provide the Minister with a management plan for the culling of seagulls? Or will he counterattack by spinning some scientific rhetoric to cover his inaction on this matter? Clearly, the Minister does not have a clue on achieving value for money for the taxpayer, not to mention the members of the public whose lives are blighted by the massive overpopulation of seagulls.

Mr Speaker, moving to the state of the Botanical Gardens, again, another subject not mentioned by the Minister in his very brief speech. The consequences of the Minister losing sight of his environmental responsibility does not just remain on the issue of seagulls and macaques; it extends to the dilapidated state of the Botanic Gardens. Despite the constant grandiosity of comments, to which everyone is subjected, on his alleged single-handedness in restoring the Alameda Gardens – with graphic illustration of him sitting in despair by the flower bed kerbstone, making everyone listening start to cry – the Minister leaves out of the story that what was inherited then was the privatisation of the maintenance of the Gardens by a so-called Socialist Chief Minister, who had not invested in the Alameda Gardens for eight years; nor that the last Budget passed by the GSD Government was an amount of £854,000 from the pittance that was provided by the GSLP Government; nor does the Minister give recognition to the hard work done by the staff who have worked there for years. According to the Minister, *all* the merit is to be reflected by the action of one person: the Minister himself. For him, this is a story about ‘I’ and not ‘we’. Yet what is the story today in the Botanic Garden? It is the deplorable conditions of the pathways, and in particular of Grand Parade Walk. It is also the deplorable state of the street furniture within the Gardens. No doubt the Minister – I can see the Hon. Minister, Mr Linares, laughing in nervousness (*Interjection*) about what I am telling him. Perhaps he will have something to say about... but at least he could have the courtesy of allowing me to finish. (*Interjections*)

No doubt the Minister will now insist that this too is the GSD’s fault, based on some fanciful argument about measuring the growth of the roots of trees during the 16 years in which the GSD was in Government! Never mind that the person in charge of the maintenance of the gardens then, who today is the Minister, never bothered to do anything about it; never mind that, in almost three years as the Minister for the Environment, he has abandoned responsibility for the condition of the Botanic Gardens; and never mind that in the draft Estimate Book there is no provision for the necessary work to be done in this financial year. But of course, Mr Speaker, the Hon. Minister has been too busy in his vanity park in Queensway to have time to provide the public who go to the Alameda Gardens with reasonable standards of facilities.

So how can the Minister rescue himself from this position? Create another committee, to be called the ‘Botanic Gardens Management Plan’, and two months before the next election he can then have the works done and even get the pretty picture for the next manifesto? I can even see what the heading of the story in the manifesto will be: ‘Botanic Gardens rescued from the wretched GSD legacy!’

Mr Speaker, moving on to landscaping and planting of trees... Moving on to the subject of planting trees, which in some ways overlaps with the Botanic Gardens but obviously it is much broader. Here again, the Minister is keen to blow his trumpet as to the amount of trees planted during the period of the present Government; yet what the Minister will not do is to provide Parliament with true figures of trees cut throughout Gibraltar, with the spurious argument that one cannot differentiate a tree from a shrub.

But what is more worrying is that there is no coherent plan for landscaping throughout Gibraltar, particularly when it comes to the planting of trees. What we have is a situation in which trees are being placed in an *ad hoc* manner, with some already dying and some already dead due to the fact that no proper forward planning has been done for ground preparation, use of organic materials, soil, manure, and of course irrigation; all important components for the successful life of a tree.

If we look at some of the trees planted in the Jewish Boulevard and in the Alameda Estate, they are already in a dreadful condition. Clearly, the Minister’s much-trumpeted environmental filter has not worked

again and remains useless. What Gibraltar needs – and one would have expected the current Minister to lead on this subject – is a ‘Landscaping Management Plan’ in order to plan and implement proper procedures when planting new trees and safeguarding existing ones throughout Gibraltar.

As an aside, Mr Speaker, the Hon. Minister for the Environment is all too keen to repeat the statement that this is a new Government, leading by example. However, once again we notice that in the Minister’s third Budget speech he continues to read his speech from single-sided printed paper; this, when we have a situation (*Laughter*) when in the Minister’s first Budget address, he informed Parliament of how the new green filter for procurement had established a policy of purchasing printers to print double-sided text in all Government Departments, something that was pointed out to the Minister by my Hon. Learned Friend, Mr Figueras, for reading his speech on single-sided paper.

Mr Speaker, moving to Barbary Partridges – (*Interjections*) I take satisfaction that the hon. Members of the Government are enjoying my speech, Mr Speaker! (*Interjection*)

**A Member:** You’re welcome!

**Hon. J J Netto:** I think they need to calm down; they are getting too nervous.

The Hon. Minister for the Environment is keen to be seen as someone who is passionate in the conservation of the Barbary Partridges, given the picture in his Twitter account. Yet, as the Minister for the Environment, his inaction to protect them will mean that the indigenous Barbary Partridge of Gibraltar is critically endangered and on its way to face the same outcome as the dodo in Mauritius. (*Interjection*) Of course, blame the GSD! Always blame the GSD!

Much as the Minister would like to blame the GSD Government for all of Gibraltar’s ills, the fact remains that under his watch we have arrived at a situation where the number of indigenous Barbary Partridges is the lowest ever. Not only that, but knowing, as he knows better than anyone in this Chamber, what the natural predators of the partridges are, he has done nothing to deal with this serious problem. The Minister seems to be caught like a rabbit on a road by the headlights of an incoming car... with ensuring the population of seagulls does not continue to eat the eggs or chicks of partridges, as stated by me in my earlier speech, or the feral cats that pose such a threat to the partridges. Given that the current party in Government can be termed as a party of all things to all men, it is clear that the Minister has taken the decision of not culling feral cats for any possible loss of votes from those who would be against such policy. So, through his indecisions we face extermination of the indigenous Barbary Partridges.

For over a year now, Mr Speaker, the Hon. Minister has been trying to wash off his inaction on the partridges on the basis that partridges of the same genetic lineage will be brought from Morocco; yet, from the answer given both last month and in this one, we can conclude that on the issue of safeguarding the partridges, as in the culling of macaques or the culling of seagulls or feral cats, the Minister is all talk and more talk and no action.

Mr Speaker, moving to transparency and accountability, lack of transparency abounds from the manner in which this Government operates. Take, for instance, the various companies providing a service to the Department of the Environment. Back in May 2013, I asked the Hon. Minister if he could provide me with copies of the contract providing services to the Department; something he refused to do, on the basis that such contracts remain exactly as they were when they came into Government. However, in answer to a supplementary question from my Hon. and Learned Friend, the Leader of the Opposition, the Minister would not accept informing me of any variation of any of the existing contracts providing services to the Department of the Environment because it would have to be a collegiate response from the Government as to whether to inform the Opposition. Yet in May of this year, once again I asked the Hon. Minister if there had been any changes to existing contracts, only to be responded to, in a terse tone, that his role is not watching observance to the contracts.

Yet today, the Opposition is aware of at least one variation to one contract – in Wildlife Gibraltar Ltd, in which, until very recently, the Hon. Minister had shares in that company and has now sold them to someone else; a contract, I should add, that has been awarded the maintenance of the Commonwealth Park. However, the changes to the ownership of Wildlife Gibraltar Ltd were only found by the Opposition as a result of my Question to the Minister last week. The Minister had to tell us only last week that he had just written to the Clerk of Parliament, notifying him of the changes in the ownership composition of the company in which the Hon. Minister had an interest before and his wife continues to be a shareholder. No-one is saying that there is anything improper, but to say we are not entitled to quiz the Government on this is nonsense.

Mr Speaker, moving on to health and safety, to talk about health and safety with regard to the initiatives or actions by the current Minister for Health and Safety is simply to say that *nothing* has happened or is likely to happen while the current incumbent is holding such responsibility.

In 19 years of listening to Budget speeches in this Chamber, last year was the first time ever that a Minister holding a responsibility for a particular subject did not utter a single word on the responsibility the

Minister holds: quite a dereliction of duties and an attitude of not being willing to promote and develop health and safety policies, which is his duty as a Minister.

Since last year's Budget address I have asked the Hon. Mr Bossano whether the Government has conducted any reviews on the Health and Safety Inspectorate team, the current legislation, its policies and procedures since December 2011 insofar as it applies to the private sector and Government organisations; and if so, to provide Parliament with a date of the reviews, the name of the person or entity, details of the items examined and any implementation emanating from such a review – only to be answered by the Minister saying, 'No, Mr Speaker.' The answer is quite incredible, as it seems to imply that the Minister for Health and Safety is not aware that a review is indeed taking place behind the Minister's back without him knowing anything about it. The review is being conducted between the Chief Minister and the union, not to mention the various reports submitted by various specialists on health and safety on how to review the current legislation and the Inspectorate role within the Factories Act.

Mr Speaker, the Minister's response is symptomatic of the malaise that prevails with this Government's attitude towards health and safety. Consider my Question to the Minister in relation to how many codes of practice have been issued, or how many health and safety committees have now emerged within the public sector; and the answer provided is, remarkably, in Bossano-esque style: 'There have been no new codes of practice and there are no new health and safety committees.' In other words, not only is the Minister not prepared to do anything to develop health and safety, but he is quite proud of the fact that he does not care about the responsibility he has.

Given the circumstances that prevail, it is quite understandable that the Chief Minister is doing the review on health and safety, but you will forgive me for saying that in normal circumstances, when a Minister refuses to do his responsibility, the normal thing to do is to get rid of the Minister and place someone who is willing and capable of discharging his responsibilities. Yet here we have the curious situation of a Chief Minister tip-toeing around the Minister's dereliction of duties in order not to upset the Minister for his dereliction. What this shows is a weak Chief Minister within a fractured Government. *(Interjection)*

As if all this was not enough, the recurrent issue of opaqueness has also had a role to play with regard to the manner in which different Ministers operate a negative policy on health and safety. Take into consideration the response of the Education Minister when he refused to provide Parliament with copies of the health and safety audit report in some schools; or the response of the Health Minister, who also refuses to provide Parliament with copies of the health and safety report by the Health Authority Health and Safety Committee; or the fact that the Government will not provide Parliament with the name of the companies that infringe the law in health and safety, as is the practice in the UK; or the fact that this Government is not willing to provide annual reports on health and safety for the benefit of trade unions, employers, health and safety specialists and Parliament in order to assess either the Government's lack of aims and objectives or statistical facts emanating from the various industry groups in Gibraltar. It is a scandal that goes to the heart of how this Government dishonestly operates.

It is obvious, Mr Speaker, that if we are going to have progress in health and safety or the environment, or in a safer new power station, or in not mortgaging our children's livelihood with debt arising from uncontrolled and unaccountable spending from this Government, then the sooner we have a GSD Government, the better for this community. **(Several Members: Hear, hear.)** If we, as a community, want to restore the sense of security and prosperity we enjoyed under the previous GSD Government, then the sooner we elect a new GSD Government the better. And if we want to restore the sense of normalisation that existed between the communities on both sides of the frontier, the sooner we elect a GSD Government the better.

To conclude Mr Speaker, from the Opposition benches, there is only one word left to say, and that is 'palante'.

Finally, my thanks to the staff of Parliament for their continued help and advice.

**A Member:** Hear, hear. *(Banging on desks)*

**Mr Speaker:** The Hon. Miss Samantha Sacramento. *(Banging on desks)*

**A Member:** Happy hour this morning. *(Laughter and interjections)*

**Minister for Equality, Social Services and the Elderly (Hon. Miss S J Sacramento):** Mr Speaker, we have now been in office over two and a half years and I can reflect proudly on the differences that have been undertaken by my Ministry and the Departments I am responsible for.

This year has been an extremely positive one in terms of numerous developments coming to fruition as well as how our services have been extended to assist the more vulnerable in our community. We are now



at a stage where progress is real and is tangible and, Mr Speaker, there are still more good things to come as other projects become a reality during the course of this coming year.

I will commence with the progress in my Equality portfolio, as this has been so marked this year and symbolic of this Government's overall commitment to a fair and just society.

As I have said previously, equality is at the heart of this Government, and our commitment to equality shows a natural progression towards an inclusive society and it is a recognition of a modern Gibraltar. We are committed to setting up an Equal Opportunities Commission, which will be responsible for promoting equal treatment for all without discrimination, as provided for in the Equal Opportunities Act. This coming financial year will see an advancement in developing this, and in the meantime the statutory function will continue to be discharged by the Citizens' Advice Bureau and we continue to work closely with them and support their initiatives.

I am immensely proud of having been appointed by the Chief Minister as the first Minister for Equality; and in that capacity, having passed the Civil Partnership Act earlier this year. It truly is a landmark piece of legislation, Mr Speaker; one which enables the formal recognition of relationships between couples of the same sex. It is important because this Government recognises that there are gay men and gay women in Gibraltar and they live in loving and committed relationships. They are entitled to a formal recognition of that commitment in the eyes of the law and that is progress and that is equality. To have been invited to the first civil partnership ceremony was truly special, and particularly since it was the celebration by a couple who have been pioneers in standing up for gay rights and challenging the establishment. They won their David and Goliath battle against the former administration, who refused to give them the right to a joint tenancy in a Government flat and that case was fought all the way to the Privy Council at taxpayers' expense. How times have changed. Our Government recognises the fundamental human rights of gay people, quite unlike the way that they were treated when the GSD were in office.

Furthermore, Mr Speaker, this past year we have outlawed homophobic hate crime and hate speech and made these aggravated criminal offences. It is therefore no surprise that community groups now feel the freedom and confidence to organise days such as International Day against Homophobia and Pride. Such groups no longer live in fear of expressing themselves and they know that they have the full support of this Government in these endeavours.

Turning to disability, it is clear that Gibraltar's landscape is changing to make it more accessible, and our progress is not limited to those with physical limitations but also those with learning disabilities. Our aim is to improve the lives of people with disabilities and this is being achieved by having, for the first time in Gibraltar's history, a Ministry for Equality and within that established a Department that is dedicated to disability. Since last year, we now have additional staff. We have a head of department to deal with matters at a strategic and policy level and a truly dedicated and motivated disability awareness officer, and I have to say at this point that that does not represent any increase in our complement but more a readjustment of existing posts.

Equality is an issue that transcends all Government Departments, as indeed it does our community. My Department is able to co-ordinate and oversee matters relating to disability in all other Government Departments and is involved in all Government projects. It is the policy of this Government to ensure that all new projects going forward are fully accessible and my Department offers advice and guidance on this. We have undertaken a robust review of all matters to do with disabilities and in the past year have made significant developments in an area that has generally been quite dormant. As we work on achieving a disability action plan, all these things fall neatly into line.

Mr Speaker, the fruit of our work, and in particular inter-agency working together, has not gone unnoticed and recently we were recognised, by a tour operator specialising in holidays to meet the requirements of people with disabilities, as an accessible holiday destination – an achievement indeed for our initiatives and those of the Minister for Tourism to be recognised internationally.

One of the most significant aspects of the work we have undertaken so far is to review current legislation and provide laws modelled on the UN Convention on the Rights of the Disabled. A lot of work has been undertaken on the drafting of this important piece of legislation and I am delighted to report that we will be in a position to present the new laws by the end of this year.

The most fundamental change that the new legislation will bring is the statutory obligation to make premises accessible to people with disabilities. At the moment, we are giving careful consideration to how this will be achieved in a responsible manner, as we are learning from the experience in the UK.

Notwithstanding and in advance of the legislation being in place, we already have a programme of auditing and reforming Government premises and public areas, and of course all new Government projects will be fully accessible. The Government Technical Services Department, in consultation with the Ministry for Equality and the GHA Occupational Therapy Department, have already been busy identifying and making improvements to our community. Mr Speaker, I am sure you will have noticed all the progress and significant improvements we have already made.

In order to ensure that we are fully equipped to do this properly, my Department arranged for specialist training to be delivered on access audits earlier this year. The course trained participants to be able to identify barriers to access and solve these, including access audits to historical buildings. The course was aimed at the Government's Technical Services Department, occupational therapists and anyone involved with the responsibility of access to public buildings and services.

The accessible beaches project is a prime example of the huge progress we have made. This year, we took stock of the flagship projects we undertook at the beaches last year and the service has been expanded and further improved by the Gibraltar Tourist Board. An announcement on the new bathing pavilion at the old GASA site will be made very shortly and the whole community will be able to fully benefit from it this summer. I say 'fully' because this exciting new project is completely accessible throughout.

Works have been undertaken to St Michael's Cave, the Gibraltar International Airport Terminal, and Parliament will be fully accessible for wheelchair users once the refurbishment works are complete.

Works have also been undertaken at St Bernard's Hospital.

We have worked with the Gibraltar Bus Company, making all bus stops accessible to wheelchair users as the ones we inherited were not, and the new buses purchased will be fully accessible too.

Voice synthesisers will be installed in all lifts in Government rental estates in order to assist those with visual impairment and these will be ready shortly.

We have been working very closely with GHITA on issues relating to our deaf community and Government has funded staff from the Care Agency, the GHA and the Department of Education to undertake British Sign Language training in levels 1 and 2, and we supported the first Deaf Awareness Conference in October last year.

We have been working to ensure that there are no barriers when we organise public events. You will have seen a British sign language interpreter on stage during the National Day Rally over the past two years and he has already been engaged for this year. At present we are working on a text relay service, so as to make services more accessible to the deaf.

Government has now purchased a wheelchair viewing platform and this will be used at all public gatherings and concerts, whether or not organised by Government, to enable participation by wheelchair users.

I will expand further on services related to people with learning disabilities when I refer to the Care Agency.

We have invested greatly in the fabric of Gibraltar already as part of this Government's task of achieving access for all and enabling the disabled in our community. I feel that we have come a long way in dealing with issues related to disabilities. I am not suggesting that everything that needs to be done has been done, but a lot has been done so far and certainly this is a work in progress and we can be proud of our achievements so far. We continue to work closely with related groups and societies and this is one of the benefits of the Government's open-door policy. Interdepartmental working is proving to be very effective and the success of my centralised Department is obvious.

Turning to women, Mr Speaker, I always wonder whether there is such a thing as 'women's issues', as any issue that affects women affects us all.

So what does equality for women really mean? It means identifying circumstances in which women are particularly vulnerable or placed at a disadvantage. It is about ensuring a level playing field in opportunities, and what it does not mean is that women should be favoured over men, whether it is for jobs or posts or for places on boards.

I have mentioned in the past that Government is in the process of collecting and collating statistics of women in the workplace. Once that data is ready, we will evaluate the situation and decide what action needs to be taken and we will consider what initiatives may need to be introduced.

The recent change to the public sector working hours will undoubtedly benefit many working women, and the flexibility of the working hours will help them balance home and work commitments.

We are also looking at projects to empower girls and young women. We have an excellent education system, Mr Speaker, in Gibraltar, and I want to ensure that young women have the confidence to pursue whatever path they wish to choose in life.

Furthermore, in the context of women's issues, last year Government formally requested the extension to Gibraltar of the Convention on the elimination of all forms of discrimination against women. Such a step forms part of the Government's continuing policy on the principles of equality and fairness.

Mr Speaker, I am fortunate to represent the Gibraltar Parliament on a Steering Committee of Commonwealth Women Parliamentarians. Through this forum, I hold regular meetings with like-minded colleagues and have been invited to speak at conferences that I have attended. I would like to announce today that, as a member of the Commonwealth Women Parliamentarians Steering Group, I have agreed to host a conference for women parliamentarians early in 2015. Personally I am very excited about this and it will be the first time that there will have been a conference dedicated to meaningful discussion on the advancement of women's issues in Gibraltar.

We know that another issue that affects women, predominantly though not exclusively, is domestic abuse. Apart from the provision of two buildings to be used as a shelter for women, the previous administration did very little in terms of support for victims of domestic abuse. Women in Need, the charity that runs the shelter, had very little practical input or support from Government, aside from a grant, and Mr Speaker, joined-up strategic thinking simply did not exist in the past. Indeed, we have worked with them to redress this. We are in the process of regularising their position in connection to Government, but more importantly, working closely with them to offer real and practical support and offer them training and guidance. The staff at Women in Need undertake exemplary work to help victims of domestic abuse and the service is an essential component of the whole domestic abuse matrix. Importantly, there is now communication between them and Social Services so that they can work together seamlessly in relevant cases. Social Services is a pivotal player in this and I will expand on the changes made to the service to make it more effective later on.

At present, we are involved in a process of collecting empirical data to analyse the extent and the impact of domestic abuse in Gibraltar. We are also working on establishing a forum where all the key players in relation to domestic abuse will meet and discuss working practices at a strategic level; and as soon as the work necessary in the individual departments is complete, we will meet together to develop the strategy. That is not to say, Mr Speaker, that because the forum has not formally met, that no work has been done at a strategic level or individually in developing these departments.

Finally on this front, through my contacts with other Commonwealth parliamentarians, we will be twinning with colleagues in Wales who have developed a very successful domestic abuse strategy.

Turning to the Care Agency, Mr Speaker, I continue to try and improve the way in which the Care Agency develops and delivers a more efficient and effective service than that which I found when I took on ministerial responsibility for it. Like any progressive organisation, there is now a continual process of revision that takes place as we encounter daily issues.

As an organisation that was in complete chaos when I inherited it, it is now beginning to take shape. One of the major problems was that the human resources department operated in a way that was completely *ad hoc* and unco-ordinated. Last year we introduced a database for human resources which is now fully functional, and with improvements being made continuously we are now investing in the human resources department so that staff have a clear understanding of employment issues within the Agency.

Although the Care Agency is the fruit of the merger of the previous Social Services and Elderly Care Agencies, aspects of the Agency had never merged, particularly in the way that the human resources department operated. A case in point is the staff handbook, and this year will see the consolidation of both previous handbooks and the creation of one single handbook.

In terms of investment in management, Mr Speaker, in December 2013, 12 junior and middle managers embarked on a five-day course in management training, spread over three months, allowing time to complete specific tasks on managing people, communicating effectively and building effective teams.

Employees are the backbone to any organisation and its service users and the people that we need to ensure receive the best possible care. Therefore, the development and implementation of an effective framework for learning in all forms – academic, professional and vocational – is imperative to enable staff to be fully prepared and provide the appropriate care to the people we are responsible for. With stronger training, support staff are now able to feel professional in their roles and have a clearer understanding, as well as knowing the purpose for which their job is being delivered. It is very satisfying to see that there are still a vast majority of workers who show vocational qualities that can be enhanced with appropriate training. The Care Agency continues with its approach of investing in people and we continue to strive towards ensuring that its workforce comprises appropriately skilled people in the right places, working to deliver high quality care.

The Care Agency's new dedicated training team is exemplary and provides a better service year on year. During this year, the Care Agency training team has been extremely busy and proactive; they have not only continued to research, facilitate, deliver and review training to ensure evidence-based practice is taught to enhance skills, but they continue to develop their own skills and develop in-house training programmes. They have also expanded their remit by collaborating and delivering training for other Government Departments. The elements of the training are split into numerous sections. I will obviously not refer to all the training that we undertake, Mr Speaker, but I will concentrate on the most important ones.

Principally, Mr Speaker, the introduction to the Care Agency will involve the Care Agency Generic Core Training, and this has continued to be provided throughout 2013 and 2014 for existing staff and ETCL trainees.

I want to mention a new, resourceful piece of equipment we have bought which is an age stimulation and empathy suit, and it has been incorporated into the training. This equipment helps staff to walk in the shoes of the elderly and thereby make them more in tune with the needs of their job.

Trainers and instructors in the Care Agency have been trained, qualified and updated in various subjects to enable mandatory training programmes to be continued and developed in house in the individual

services. It is important that the Care Agency training team also maintain their professional development and enhance their skills. Therefore, provision was made for them to gain further qualifications as recognised in Gibraltar and the UK by completing the Level 3 Award in Preparing to Teach in the Lifelong Learning Sector.

In November 2013, the Care Agency training team procured the British Institute of Learning Disabilities to visit Gibraltar and provide training on learning disability awareness. This training consisted of five one-day sessions. Over the period of the five days, a total of 127 people attended from the Care Agency, Department of Education, Royal Gibraltar Police, Gibraltar Health Authority and the Gibraltar Sports and Leisure Authority. The aim of the training was to develop an understanding and look at positive approaches to working with people with learning disabilities, autism and mental health problems. The training had excellent reviews and such training will be expanded upon in future.

Not only have the dedicated in-house training team provided a service to the Care Agency; they have also shared their expertise and trained other Government Departments and bodies. Our team have provided training to the lifeguards employed by the Tourist Board in moving and manual handling procedures, so that they are fully equipped to assist people with disabilities who use the Beach Accessibility Service.

Relationships between the Care Agency and the Gibraltar Health Authority are thriving. The School of Health Studies has made places available for nurses working in Elderly Residential Services to attend courses in mentorship, fall prevention, dignity awareness and diabetes, to name a few. These courses allow staff to maintain continued professional development through Kingston University in the UK.

Moreover, two Care Agency employees have been given the opportunity to undertake the enrolled nurse course, due to complete this coming month, and they will then return to the Elderly Residential Services with qualifications, knowledge and skills that they can put into practice as nurses. It is expected that this opportunity will be repeated regularly, every couple of years, thereby increasing the local availability of people with the skills and qualifications required for such job vacancies when they arise.

Perhaps the most significant initiative that was commenced last year is a training programme that has been devised and is co-ordinated and delivered by Care Agency staff through the Ministry of Employment. In December 2013, the Care Agency developed a course – An Introduction to Elderly and Dementia Care – and has facilitated the delivery of this course to just over 100 registered unemployed people with the Employment and Training Board through this financial year. This course, Mr Speaker, has been *incredibly, incredibly* successful. These people receive fundamental theoretical information and are taught practical skills over a three-week period, attending a full five days a week. All the subjects follow the Skills for Care Common Induction Standards for care workers in the UK, and on completion of the course the attendees are provided with certificates of attendance. In addition, a two-week work-experience placement is offered in the Elderly Residential Services of the Care Agency or the long-stay wards at St Bernard's Hospital. The training will enable these people to build up a portfolio to support them in their applications for employment in the care sector in the future, if they decide that this is their chosen profession. As you know, Mr Speaker, it is anticipated that the Care Agency will continue to deliver this course for up to a further 100 people in the coming year.

As you will be aware, Government will be operating two new elderly residential facilities by the end of the year. In order to operate these services we will need staff, and we are therefore pre-empting the need for staff by commencing to offer training in this field as well as hands-on work experience, and this will avoid having to do what the GSD had to do where they had to import labour in the care sector because of apparent lack of skill in our workforce. So, unlike the GSD when they were in office, we are tackling this issue head-on and we are co-ordinating our approach. Their excuse, Mr Speaker, when asked why residents were never considered for employment in the care sector, was that locals did not want to carry out this type of work. That, statistics show, Mr Speaker, is far from the case, judging from the number of residents who have already either undertaken training or taken up employment in this field both by the Care Agency and private contractors. Mr Speaker, it is about giving the people the tools and the opportunity to carry out the jobs. Incidentally, a lot of the people who have undergone the training have already secured employment in the care sector: a continued investment in Gibraltar's care and in Gibraltar's employment.

Furthermore, the Care Agency continues to offer ETCL and GRAD trainees the opportunity to have on-the-job training and experience, giving them the potential to apply for a vacancy within the Care Agency after gaining the necessary skills to undertake the work. Since this initiative commenced, we have already employed in the Care Agency 63 people who started their placement in the Care Agency either through ETCL or the GRAD scheme: another success story, Mr Speaker.

I will turn to the different services of the Care Agency. Starting with Elderly Residential Services, one of the major achievements this year has been the fruition of negotiations with Unite the Union in relation to the nursing and nursing allied professionals who work in Elderly Residential Services of the Care Agency – essentially what used to be the Elderly Care Agency prior to the merge in 2009. Care Agency staff working in this sector were transferred to the GHA effective from 1st November 2013 and now enjoy parity with

their GHA counterparts on the basis of equal pay for equal work. Staff are deployed to the Care Agency under the management of the Elderly Residential Services.

In this process, the new agreement of Agenda for Change has been applied to all Elderly Care nursing staff and this claim was ongoing for over four years, ignored by the previous administration. I must take the opportunity to thank all from the Care Agency and Unite who formed part of the working group; the Care Agency and GHA management, who enabled the smooth transition of the process; and particularly the Care Agency finance team, who calculated the payment of arrears in record time.

The new regime has had a positive impact on the working conditions of this collective. Subsequently, the restructure of the nursing workforce supposes an increment of the hours of care provided for the elderly. It must be noted that since these new working shifts, post the commencement of the new working arrangements, there has been a significant decrease in the need for overtime, if at all. So while there has been an increase in expenditure due to the increase in salaries, there have also been very significant savings.

Yearly updates on mandatory training for nursing staff are being carried out as part of their continuous development. Collaboration with GHA professionals has been maintained since last year, providing in-house training in many different areas of nursing for Elderly Care staff. In addition to that, accredited modules run through the School of Health Studies and have been available for Elderly Care nursing staff. Furthermore, in conjunction with the School of Health Studies and the GHA librarian, there is a project to open a nursing library in Mount Alvernia, in order to improve the resources available for the nursing collective of Elderly Care.

Charge nurses and team leaders have attended to a leadership and management course, something which had never been done before in this service, Mr Speaker. There has been a campaign of awareness on safeguarding adults at risk, organised by professionals from the GHA and in collaboration with the Safeguarding Adults Committee. A further basic awareness course on safeguarding adults is ongoing at present for frontline professionals of both organisations.

A rotation of charge nurses on night duty has been implemented, providing a support and supervision framework of the night duties of the nursing staff. Satellite services, such as John Cochrane Ward, Calpe Ward and the Jewish Home, now receive nightly visits of a charge nurse, something that had never occurred before – the premises was run by the staff at night with no support from nursing management.

All policies are under review, Mr Speaker, with an aim of updating all procedures throughout the Elderly Residential Service.

As from March 2014, a speech and language therapist has been allocated to Elderly Services. This is an achievement, as in the past the residents requiring assessment had to wait for weeks, even months, before they were assessed by these professionals.

In our service, Mr Speaker, we do not only care for the residents; we also care for their relatives, and we have arranged for two informative sessions for relatives of people suffering from dementia to be organised at Mount Alvernia with the support of GHA health professionals. It has been an innovative, successful and welcomed initiative and will continue during this year on a regular basis.

Finally, I cannot talk about Mount Alvernia without referring to the iconic structure that has been in place for 10 years. I am, of course, referring to the scaffolding, which was initially erected to repair those balconies 10 years ago but has been in place so long, Mr Speaker, that the scaffolding itself has dilapidated and required replacement and the deterioration of the balconies is such that the scaffolding is now supporting the balconies. But I am delighted to announce that the balconies are finally being renovated and the works will be ready by the end of this month. Once complete, not only will this enhance the façade of the building, but also the quality of life of the residents, who will be able to gain access to them after so many years and be able to enjoy the spectacular views which has been blocked from them up to now because of the scaffolding. The retaining wall on the east side of Mount Alvernia will also be repaired after years of requests and being ignored.

Our elderly care facilities are being expanded and this will enhance the care that can be provided in the future. The RNH residential facility for people with dementia will be ready by the end of the year and we have already opened a new facility at the John Mackintosh Home, albeit partially at the moment. At present, it provides for residents of the Jewish Home on a temporary basis while this facility is being refurbished, and in addition there are 10 long-term patients from the GHA. The service is under constant review, of course, to ensure that all provisions and requirements for the welfare and safety of its occupants are met. A complete new approach to the concept of the building was required after the fiasco and waste of money incurred by the previous Government, causing delay to the works and therefore to its opening. Professionals from both the GHA and Elderly Care Services have worked together to make this project viable, safe and secure for service users. Once the Jewish Home residents are relocated to the refurbished Jewish Home, there will be a total of 54 residential beds available to the elderly.

The much needed refurbishment of the Jewish Home is now forthcoming. The building requires a full refurbishment due to the sorry state that it presents and inherited from the lack of action of the previous administration – because that is what happens to buildings, Mr Speaker, when they are not maintained and

they are not kept up: they just dilapidate, and then repairs become more expensive. But at least we are getting on with it. The Jewish community will, of course, have an input in the design and works to be carried out to the building to ensure that their requirements are met.

765 Before I turn to the other services of the Care Agency, I must give credit to the Nursing Co-ordinator and her team, who have been at the forefront of the transition process and have made the opening of the new facility at John Mackintosh Wing possible. (A Member: Hear, hear.)

Turning to Social Services, Mr Speaker, as you may know, this is comprised of four teams: Children and Families, Adults, Drug Rehabilitation, and Probation and Disabilities. I can now state with pride that 770 for the first time ever in the history of Social Services, the complement of social workers will be fully filled by September this year, bearing in mind that our complement of social workers is now higher than it has ever been.

We have entered into an agreement with a recruitment agency in the UK, which has enabled a faster response in the recruitment process. The days when it took an extraordinary length of time to recruit are 775 now over. Let me add that, in the interim and while vacancies are being filled substantively, we have engaged supply cover until the recruitment is achieved so that the service is not affected and does not suffer.

We have also, in this financial year, added four new posts to enable newly qualified social workers to come into the service. This new post will provide that they be supervised in a programme of training; 780 supervision that will equip them to apply for jobs as social workers as soon as they have acquired the necessary experience. The professional development continues with increased training for social workers.

One of the strategic priorities for this year has been investment in holistic procedures that will incorporate all authorities involved in social care. These procedures will be produced for three of the services: Children and Families, Adults, and the Residential Service. The procedures will ensure the 785 safeguarding of our vulnerable people in a co-ordinated manner that all agencies can follow. It is envisaged that this project should be completed by the end of this financial year. This will depend on how the consolidation of all existing procedures and adaptation to legal advancements is affected.

I want to emphasise, Mr Speaker, that a lot of the advancements and positive developments we have now achieved in Social Services are as a result of working on an inter-agency basis and we have now been 790 able to formalise good working relationships with the Health Authority, the Department of Education and in particular the Royal Gibraltar Police and their Safeguarding Unit, and the benefits of this are *very, very* apparent.

Let me now explain the different roles and what we are achieving within each of the services.

The Children and Families team is comprised of a number of different services providing for children 795 and their families when in need. The main ethos of this service is that children thrive when loved and cared for, and generally this is within a family unit. Early intervention is essential so as to ensure that children do not need placements outside their homes. Although safeguarding and child protection is usually what gets into the public arena, it is the work that is now invested into the early stages that ensures that families move on from crises and resolve their difficulties. Mr Speaker, we are now changing our strategy, in terms of 800 child protection, and focusing our resources on and emphasising preventing crises from happening, because early intervention avoids family breakdown, criminality, domestic abuse and substance misuse, among other things; and that is why we are investing in this process. Allowing for this approach will prevent further pressure on a range of services such as care, health and education.

In keeping with our early intervention strategy we have introduced an additional service – the Parent 805 and Child Parenting Assessment Programme. This serves both as an assessment and as a programme whereby the parent can acquire the necessary skills to be able to care for their child at a good enough level, and in some cases avoid the child entering the care system altogether.

Mr Speaker, as part of the restructure of Social Services following our review we have introduced a duty team, and this is a first point of contact for referrals. This year, we have seen a growth post of a social work 810 manager in this team. This has enabled the development of databases to gather information so as to highlight the trends within society and where the needs lie.

A new initiative this year has been the development of a protocol and a database for domestic abuse. This has highlighted families where this is a common occurrence and intervention is required. However, it has also helped identify families where the difficulty has begun to arise, and support is offered so couples 815 can learn to resolve their issues without this impacting on their children. As part of the development of the Agency's domestic abuse strategy, a new initiative – something that never occurred to the GSD when they were in office: two social workers and the Agency's psychologist will attend a training programme so as to deliver workshops with victims of domestic violence. They will also deliver the work with the perpetrators of domestic abuse. It is no longer good enough to safeguard and protect victims and their children. We have 820 recognised that the perpetrators continue to act out behaviour that they have learnt and punishment in itself is not the only solution. These perpetrators will continue to act on their behaviours and continue to be parents, and they must be assisted in making the necessary changes and breaking the cycle. We have our

long-term team, as we change the focus from reactive to preventative, and we are developing what we do in the long-term team.

We are also in the process of a complete review of the Fostering and Adoption Service, and there is now a dedicated adoption and fostering social worker. This service is now offering support to pre-adoption placements, pre-adoptive parents and foster carers. Support provided is in terms of one-to-one, and formal training and supervision will be offered shortly as part of development within the service. Furthermore, people who sit on the Adoption and Fostering Panel will receive training at the end of this year, so that they can meet the competences required to perform their duties.

The Court Welfare Team continues to advise the courts on children's issues relating to their parents' separation. The parenting programme is currently under review so as ensure that meeting the needs in terms of parenting changes as the needs of our society changes.

We have introduced a new service, and this is a respite service for children with disabilities following an assessment. This is offered by way of care packages in the community or, when necessary, residential care.

A working party has been established in order to carry out a review of the residential services. This review will provide information on two critical issues. The principal issue is that of how we are caring for children and whether the model being used is the better option. This review will also look at the issue of resourcing and the management structure. A working party has been formed for this purpose and will be looking at all aspects and issues relating to children with challenging behaviour as well.

The Adult Services Department of Social Services has been able to focus on services for the most vulnerable adults in our community through the one point of referral system, which was introduced when we came into office. Management of the one-point entry system into elderly care, to include domiciliary care, day centres and residential care, has proved to be extremely successful and has provided care needed to the most vulnerable clients in our community when they are in need of support, without the creation of endless waiting lists. There is now a needs-led criteria when considering who is most in need of the service. From 1st April 2013 to 31st March, the Adult team received a total of 540 referrals from people, ranging from professionals in different agencies to neighbours and concerned people in the community. Referrals have increased by 119 from the previous year alone. This number is increasing on a monthly basis as our community realise services offered by Social Services are no longer stagnant but available to everyone who really needs them. I am pleased to say that the new systems implemented continue to ensure that all services are allocated in a fair and equitable way, based on each person's individual health and social care support needs.

The services being provided for the elderly in our community continue to be developed and increased at a significant and dramatic rate. This year, there have been a total of 53 admissions to Mount Alvernia, Cochrane Ward and Calpe Ward. Of these, 22 were people in the community who were at high risk and required admission to avoid a serious incident or hospitalisation, and 31 were admitted from hospital after being deemed to be long-stay patients unable to return home as they required 24-hour care. The change introduced by us to the admissions criteria has resulted in the most needy people being admitted first, regardless of their time on the waiting list.

Domiciliary care services continue to be provided by two providers, and an additional 125 people have been granted domiciliary care this year. This means that by the end of the financial year we are providing domiciliary care to 229 people – more than *trebling* the number of people who are provided with this service since we came into office, because at that point only 75 people were receiving this service. (*Banging on desks*) Additionally, 51 people already in receipt of domiciliary care were granted further hours. I am proud to say that we are providing more domiciliary care than ever, so many vulnerable people are benefitting from this initiative.

The newly introduced reviewing service for domiciliary care is working well. The new reviewing officer also carries out a quality assurance role, which helps the Agency keep checks on the private providers, ensuring the clients receive the best possible care.

The Agency is now working seamlessly with colleagues in the GHA. Out of the new domiciliary care recipients, 74 people were awarded care packages in order to expedite discharge from hospital and their recovery and integration in the community. This, together with increased admissions into Mount Alvernia, have reduced the amount of long-stay patients in hospital, which before would have blocked hospital beds as people would have been unable to survive in the community without support.

Social workers now attend hospital multi-disciplinary team meetings on a weekly basis and support the discharge planning process by assessing patient needs and putting packages of care in place that will meet the patients' needs to prevent future readmissions into hospital.

Mr Speaker, I am very proud to say that the new day centre, which we promised in our first year of office, is now fully operational and is providing a service to so many elderly people in the community. (*Banging on desks*) This purpose-built day centre is certainly one of the jewels in the crown of the Care Agency. It provides a therapeutic and welcoming environment for the elderly, who otherwise would be isolated in the community. It provides a service that also monitors their needs on a weekly basis and

becomes a point of quick referral to social workers if their circumstances change and they require more support.

Five social workers from the Adult team have been trained in investigating officer and safeguarding lead manager roles within the safeguarding adult at risk procedures. Social workers have had placements in the UK on hospital discharge and assessments of care packages in the community. Social workers have trained in conjunction with the Royal Gibraltar Police in order to become designated risk managers of sexual offenders in Gibraltar and be part of the Gibraltar public protection arrangements and support other departments in the management of high risk offenders. And here is where the Social Services' close working relationship with the police is particularly important, Mr Speaker.

Social Services Adult team now have 137 clients receiving a quick response service. They are being contacted on a monthly basis by the Elderly Needs Co-ordinator and are being monitored through phone calls and police visits. This ensures that the most vulnerable in our community are not at risk, and this is another fantastic new initiative that we have introduced, Mr Speaker.

Turning to the Disability Service, this service has greatly improved. I said so last year and explained why, and we have improved again this year. We have worked on the objectives set down in our business plan last year with the aim of carrying out greater improvements and to develop the standard and quality of care at the Dr Giraldi Home and St Bernadette's resource centre.

Once again, we have embarked on a robust training programme to further develop employees professionally on extensive in-house and external training courses undertaken during this year. For example, during the period April 2012 to March 2013, training was undertaken by 161 members of staff and a total of 286 hours of training provided; but this year, training was attended by 497 members of staff and it amounted to 624 hours. This represents a total increase of training by 300%, Mr Speaker, and that is year to year in our administration. If we were to compare it to the little or no training provided before 2011, the comparative statistics are just shocking.

All medication, environmental and documentation audits have been reviewed, and these are now carried out on a monthly basis so as to flag up any issues which may arise and they can be addressed quickly. I am pleased to inform that the outcome of the last Environmental Agency visit at the Dr Giraldi Home in February was that everything was found to be in good order, to the extent that, for the first time ever, there was no submission of any advice or comment for improvement.

Our liaison strategy with the various Government Departments is now established and is producing very positive results, particularly in the professional relationship with the GHA and the Royal Gibraltar Police. In fact, we have provided training to the Royal Gibraltar Police on how to deal with people with learning disabilities. We continue to network with other Government Departments, as well as with other different groups and societies. This has created a strong and effective communication route with the following societies.

Additionally, parents and relatives are well informed of what is happening and have easy access to the service and to managers. By introducing monthly meetings with parents and relatives, held at St Bernadette's, families are kept informed and have an opportunity to provide feedback.

The home has also been refurbished recently, Mr Speaker, and we have also introduced a further flat so as to be able to increase the respite facilities that we can offer.

We now have a structured programme of activities in order to enrich the service users' social environment and we encourage them to engage in meaningful activities in the community. They are undertaking numerous activities, which are too long to list but they include things like weekly drama sessions at Bayside, attending supported holidays of their choice and participating in various charity events; but importantly, Mr Speaker, residents from Dr Giraldi and service users of St Bernadette's are now undertaking work placements supported by staff. This is a very important initiative, which gives them confidence and a structure to their day. In fact, we have two service users... Sorry, Mr Speaker, we have six service users who are currently in part-time employment.

This year, we have had an increase in admissions to both St Bernadette's resource centre and to Dr Giraldi, both to the residential service as well as the respite service, and we have therefore had to accommodate these growing needs. We have, very importantly, also developed a transitional policy for the transitional pathway for children with learning disabilities moving into adult services. This has been done in conjunction with Social Services and the Department of Education. We have also spent the last year concentrating on developing policies for staff at Dr Giraldi and St Bernadette's, so that everybody is clear on the framework within which they have to operate.

I am particularly grateful to everyone who works in the disability service, because of the huge improvements that they have achieved in the service during the year.

Now turning to the final department of Social Services, and that is drug rehabilitation. This past year has seen considerable investment in the physical fabric of Bruce's Farm Rehabilitation Centre. The facilities have already seen a significant transformation, which has enhanced the safe and comfortable therapeutic environment we aim to create for people suffering from various forms of addictions, which will make it



more conducive to their successful recovery. However, this by itself would be futile if we had not addressed the underlying causes which were preventing many people from accessing treatment.

We have worked hard to simplify the onerous and archaic systems and processes that prospective applicants had to contend with in the past – cumbersome procedures that had never been given any thought by the previous administration. Now, all agencies that link into drug treatment from Social Services work together to ensure that applications from anyone wishing to be admitted to Bruce's Farm are dealt with expeditiously.

The results of the changes we have introduced speak for themselves. Since 2012, admissions to Bruce's Farm have increased year on year. In fact, in 2013, Bruce's Farm saw 49 admissions; the highest number in 10 years, Mr Speaker, and over double the number of admissions in 2011. That is how badly the old Bruce's Farm, managed by the GSD administration, was failing people with addiction problems in our community. *(Interjection by Hon. S M Figueras)* No, absolutely; I agree, Mr Figueras. Yes, I agree; particularly in the field of Social Services, I have to say.

I recently announced that we have re-established formal contacts with Broadway Lodge – *(Interjection by Hon. S M Figueras)* Mr Speaker, perhaps Mr Figueras might want to refrain from scoring own goals, because if he invites me to comment on the GSD's track record in Social Services I am happy to do so, but I would rather carry on with my speech. I recently announced that we have re-established formal contacts with Broadway Lodge, one of the longest-established and respected rehabilitation centres in the UK. This has opened a new and exciting chapter in the transformation of Bruce's Farm. We are currently working on developing a partnership, which will include staff training, consultancy and staff placements.

I have always advocated for the inclusion of the voluntary sector and ex-service users as important stakeholders in how the service develops, and since assuming office my open-door policy towards groups such as Families, Alcoholics and Narcotics Anonymous has yielded very real and positive results. During our refurbishment, numerous members of these groups have given of their time to undertake voluntary work within Bruce's Farm; something that rarely happened in the past. In my maiden budget speech, Mr Speaker, I referred to Bruce's Farm as being out of sight and out of mind, and clearly this is no longer the case.

I would like to announce today a new initiative that we will be introducing at Bruce's Farm, and that will be a top-up admission service, available to people who are in recovery, similar to a weekend retreat. It will be offered to anyone who wishes to take it up having undergone the 12-step programme, and the aim of this is to provide continued support to avoid relapse. In the past, I have referred to how we need to develop our community and outreach support for those who are unable to commit to the residential rehabilitation model for various reasons, and over the past year we have firmly established such a service, which is operated by two counsellors from Bruce's Farm who operate for part of their week from the Gladys Perez Centre. They provide an invaluable service not only for those who complete treatment but for those who suffer from the fallout of addiction, particularly their families.

One important and very significant development has been the addition of one further counsellor, who will be based within the community on a full-time basis. This additional post will also enable us to provide a service to the prison, where we will be able to roll out a comprehensive rehabilitation programme for the first time ever. This has created additional rehabilitation routes to complement the work undertaken at Bruce's Farm and will make decisive in-roads in addressing the well documented link between drugs and crime, which I referred to in my last Budget speech.

On the drugs awareness front, we have continued to work closely with statutory and official bodies, including law enforcement and various sporting associations. There are many events that the Care Agency has sponsored where the anti-drugs message has literally reached thousands of children. This includes the Mini-Olympiads in partnership with the Royal Gibraltar Police, as well as other events throughout the past year, such as football, basketball and volleyball tournaments.

The public will also become familiar with our high-profile campaigns that we have conducted with the Royal Gibraltar Police to address issues of concern, such as binge drinking, and at peak periods such as National Day and Christmas.

Our ongoing drug awareness workshops in all educational establishments from middle schools onwards have continued over the past year. The Care Agency has worked in close partnership with the very dedicated team at the Royal Gibraltar Police and recovering addicts to great effect to ensure the best possible outcomes for young people who may be exposed to the risk of drugs.

At a strategic level, members of the Drug Strategy Working Group, formed last year and led by myself, have continued to work together. We have attended key conferences in Strasbourg and Brussels at EU level, where we have established valuable contacts with the leading figures in various areas that will inform how we will develop our strategic responses to the challenges posed by drugs within our community. So far, Mr Speaker, this year our priority has been in getting our facilities and the services that we deliver right, so that we can now progress to working on these matters at a more strategic level.

Finally on the point of drugs, I would also like to announce that the Care Agency will be introducing a substance abuse policy for staff. We provide a service where we care for the most vulnerable, and we cannot risk that anyone be under the influence of either alcohol or drugs. More importantly, the policy is not aimed at catching people out, but rather offering support where people have an addiction problem. That is why it is imperative that resources such as Bruce's Farm and the Community Counselling Service work, as these services will offer support.

Finally, Mr Speaker, I am responsible for the funding of many charities and community bodies. I would like to refer to the Clubhouse, and I will echo what the Minister for Health said yesterday on the wonderful job this organisation is doing. We work very closely with them and support them. Last year, we provided them with temporary accommodation and rescued them from the dilapidating premises they had been allocated at Toc H, which quite frankly were abysmal, and this has made all the difference to the people to whom they provide a service, but we are working together towards other premises.

I would like to take this opportunity to thank all those charities and community organisations who work with me. I will not list them all, given that there are so many. Because they know that my door is always open, I am grateful for the meaningful engagement as we progress to improve services in consultation together, and I would also like to thank both unions for the work that we have done together this past year.

Mr Speaker, this Budget shows a real investment in services with tangible results, but the job is not easy as I am still dealing with many skeletons and gaps and problems inherited in the service. But a lot of progress has been made, and this is thanks to the dynamic teams that work with me and support me. Were it not for them, the changes and improvements to the service that I have referred to would not have been possible. I particularly want to thank the team in my ministerial office for all the work that they do continuously.

Mr Speaker, we will not lose sight of all that still needs to be done and we will not take our foot off the pedal. It is full speed ahead for us as we continue to meet all our manifesto commitments, as well as develop other necessary initiatives. Mr Speaker, we will continue to deliver. *(Applause and banging on desks)*

**Mr Speaker:** The Hon. Isobel Ellul-Hammond.

**A Member:** Hear, hear. *(Banging on desks)*

**Hon. Mrs I M Ellul-Hammond:** Mr Speaker, it gives me great pleasure to address Parliament on the Budget for the third time as Opposition Spokesman for Health, Social Services and Civil Contingencies. It is a duty and an honour for us on the Opposition benches to contribute to and vote on this vital discharge of the responsibility of Parliament.

Firstly, it is with an air of sadness that I shall broach the subject of the City Fire Brigade, and I find that I have to very precisely repeat my Budget message of last year on the non-delivery of three key manifesto commitments.

One, a new much-needed relocated fire station, where again there is no budgetary provision for it in this year's financial Estimates Book; but at least, Mr Speaker, we have a new park!

Two, the implementation of the review by Sir Ken Knight, the UK Government's Chief Fire and Rescue Adviser, of a new vision for the holistic operation and management of Gibraltar's Fire Service. Let us not forget that, despite all the Government's proclamations on publishing reports and transparency, we are still waiting, 19 months later, to see this audit review report of the City Fire Brigade which Sir Ken Knight conducted. And it ill behoves the Chief Minister to have chastised us at the last Budget about raising concerns for their non-publication of this report, and five others which they have still kept secret. The Members of the Government benches used to make sustained political play of the GSD Government's omission to publish the whole of the King Report. However, Mr Speaker, it appears once more that this is a case of 'do as I say and not as I do.' **(A Member:** Hear, hear.) This Government continues to refuse to publish reports commissioned by them and paid for by the taxpayer. So much for the new dawn, Mr Speaker!

And three, what about the delay in going live with the medical priority dispatch system – an essential pre scoop-of-the-patient triage system which will ensure that emergency ambulances are not called to incidents that are not emergencies, thus depriving those who really need them? This has lately become an all-too-regular occurrence. We have many reports of incidents where ambulances are called out to non-emergencies in order for patients to get seen quickly at A&E, avoiding the unfortunately extremely long waiting times which might otherwise be encountered. We also have reports, Mr Speaker, of genuine emergency patients having spent up to half an hour calling for an ambulance because all three are unavailable attending to other patients.

All these crucial commitments are still pending and still wanting – and I say 'sadly' because every fire officer and employee from the Department I have spoken to is deeply disappointed and disillusioned by the

empty promises of this Government. Our City Fire Service is a vital service. It is an essential service in our community (**A Member:** Hear, hear.) and they deserve better, but are ultimately being failed by the Government that – let’s not forget – offered all things to all men. (**A Member:** Hear, hear.)

No surprises there then, because alas, Mr Speaker, it could well be that the GSLP Liberal alliance considers that window-dressing our city (**A Member:** Hear, hear.) (*Banging on desks*) and spending money on vanity projects, such as the £4 million on refurbishing No. 6 Convent Place, are more important priorities in the grand scheme of the Government’s limited vision.

**Hon. D A Feetham:** A Venetian palace!

**Hon. Mrs I M Ellul-Hammond:** But at least, Mr Speaker, as you may have already heard, we have a new park!

With regard to the Health Services in Gibraltar, Mr Speaker, I must firstly commend the clinical team, who have so successfully expanded and improved upon the day surgery unit at St Bernard’s Hospital. More resources and a new, enhanced care system have resulted in an efficient and problem-free experience for patients. Well done, GHA.

The estimated budget of the GHA for this financial year now stands at £101.6 million. In just three years, the Health budget has increased by £12.4 million, an increase of around 14%. One might argue that, in itself, this is not unreasonable – that it shows investment in our community’s health services. This would be fine had it been planned, but the reality is that the increase was neither planned nor controlled. Spending for this past financial year, 2013-14, has gone over budget by £5 million, Mr Speaker; one of the 24 Government heads which have gone over their budgeted estimates and suffered from the poor financial oversight by the relevant Ministers because, Mr Speaker, throwing money at problems without thinking through the consequences is how this Government is managing our public finances. (*Banging on desks*) (**A Member:** Hear, hear.) (**A Member:** Yes!) Five million pounds over budget, Mr Speaker; no mean sum, especially when I quote the Hon. the Minister for Health from his Budget speech last year, who said, and I quote:

‘For many years... there has been a managerial failure to control spending leading to constant overspends of millions... this Government expects expenditure to be controlled and I have taken steps to ensure that this is the case.’

So what happened, Mr Speaker? A £5 million overspend, which contributes to the £50 million over estimate spend this last year by all Government Departments, Agencies and Authorities together. And as the Leader of the Opposition pointed out, in order to keep these expensive Departments running, with nearly 600 extra public servants employed these last two and a half years, recurrent expenditure now stands at £95.6 million more than in the 2011-12 financial year when this Government came into power. And, Mr Speaker, *no había dinero!* This is the Government that said (*Interjection*) there was no money, that Gibraltar’s public finances were in a ruinous state.

**Hon. D A Feetham:** The big lie!

**Hon. Mrs I M Ellul-Hammond:** Does the Government think the electorate is stupid? Is it the miraculous hand of God which has provided so bountifully (*Laughter*) since this Government came into power, or are they pursuing a relentless and populous stratagem which will mortgage the next few generations of Gibraltarians? (*Banging on desks*) (**Several Members:** Hear, hear.)

And on the subject of financial management, for a Minister who claims he is listening to his staff, he is obviously not listening well enough to his Finance Director. On several occasions and at several GHA board meetings, the GHA finance chief has raised concerns that the senior structure at his directorate, and I quote, ‘lacks the necessary robustness’ to guarantee the proper accountability of a budget that now runs at over £100 million. A lot of management restructuring to get rid of the non-locals or GSD supporters, but little focus on succession planning for the crucial Department, necessary to ensure budgetary control in order to avoid an overspend of £5 million.

Mr Speaker, I must emphasise that the Health budget represents about 20% of this community’s annual recurrent expenditure: one fifth of everything this Government spends. Lack of budgetary control has a very significant impact on overall Government expenditure.

**Hon. J J Netto:** Get rid of the finance Minister!

**Hon. Mrs I M Ellul-Hammond:** Let us examine in closer detail where this over-expenditure is occurring.

Sponsored patients saw a £1.9 million overspend this year, and spending is up 30% since the Hon. Minister took over the running of the GHA. But of course they have a manifesto commitment to implement, which includes, and I quote:

‘We will completely review the sponsored patient mechanism.’

and the solution to this is that now you can go for treatment to any hospital you wish outside of Gibraltar. In two years, the GHA has sent sponsored patients to 89 different hospitals outside of Gibraltar, Mr Speaker; 79 of which the GHA has no service level agreement with. This means it is very difficult to keep track on patients or vouch for appropriate standards, apart from anecdotal evidence, of course. And of those 79 hospitals the GHA has no service level agreements with, 21 are private hospitals. Private hospitals, Mr Speaker! GHA clinicians are baffled that we are paying over the standard National Health rate to send 114 patients, or patient episodes, to these private hospitals for little clinical reason at all. These private hospitals offer care that could be offered here, or in one of our tried and tested 10 hospitals the GHA has service level agreements with. Why would the Minister allow this new approach in the management of sponsored patients to develop, Mr Speaker?

We are also paying Xanit private hospital in Benalmádena over £¼ million a month for a service which St Bernard’s Hospital could offer by bringing in, as Xanit does, the clinical specialist from the Campo de Gibraltar and Costa area needed to treat the patients on the day. It is ludicrous that we should be paying such private healthcare rates when we could be keeping our patients in Gibraltar and bringing the specialists to them at St. Bernard’s Hospital, rather than continuing to send critical patients to Xanit. What could the GHA do to buy in clinical services for over £¼ million a month?

Economies of scale are not a forte of this Government, Mr Speaker. Spending money indiscriminately, whether it is sustainable or not, is more their style; a style lacking in courage and unnecessarily costly to our community. But at least, Mr Speaker, we have a new park and we will get a small boats marina for the bargain price of £24 million (*Laughter*) – *y no había dinero*, Mr Speaker!

The GHA spends around £30,000 per month outside of Gibraltar for specialist imaging, such as MRIs, PET, bone density and antenatal scans. Could it not be better used in training a few of our youngsters in these radiography fields, to purchase the necessary equipment ourselves and employ another radiologist for our own in-house imaging services? We presently have to subject our citizens to tiresome trips to Spain for regular scanning and MRIs because of the lack of vision to provide such essential services here at £30,000 a month. Financial planning and foresight is necessary, Mr Speaker: those economies of scale again.

The Health Minister, last year in his Budget speech, said that the GHA staff was healing from low morale from a lack of past GSD leadership. It would seem, Mr Speaker, that this healing is happening at an almost imperceptible rate. The Minister will be dismayed to learn that despite his efforts, including a couple of... shall we call them ‘entertaining’ appearances on the steps of St Bernard’s Hospital for the GBC open day, staff morale is reported to us as being lower than ever and a general malaise, stemming from the realisation that nothing much is changing, is setting in. You see, Mr Speaker, there are several indicators of an unhappy staff; a staff which is unable to shake off deep-seated discontent. They are rates of sickness and absence; the number of complaints made by the public; whether the staff are consulted in shaping their management and how top heavy management is; and the ability to recruit and retain specialist clinical staff.

A review of information provided by and described by the Minister as ‘of little benefit’ and ‘for no apparent effect’ in response to Questions I asked at the last session of Parliament in May, has revealed that sickness rates for all employees of the GHA is up from 2012 to 2013. In order to provide some context and better enable the electorate to assess the extent of the malaise at the GHA, according to local leading human resources specialists, the average acceptable number of days’ sick leave in a year for a private sector employee is 4.4. This is set as a golden standard to benchmark against. Mr Speaker, to highlight the point, in 2013 the GHA administration and support staff each suffered an average of 11.4 days’ sick leave a year. Medical and allied health professionals suffered 12.4 days off sick, and nurses 15.5 days off each on average for the year. The total number of days lost to sick leave during 2013 was 14,825; 14,825 days of paying for cover, or where the public missed out on a service. Including the whole of the GHA staff, that makes an average of 16 days a year missed by every GHA employee, compared to a golden standard of 4.4. These figures take into account uncertified leave, short-term and long-term sick leave. The picture is indeed grim, Mr Speaker.

Another indicator to show whether our Health Service is healing are complaints from the public. The number of formal and informal complaints is indicative of public satisfaction with the GHA, and if you look at the statistics there are no vast improvements or a reduction in complaints these last two years. In fact, 2014 has got off to a shaky start for the first five months with the number of formal complaints already reaching nearly half the number that were recorded for the whole of 2013. The number of informal

complaints for the first five months of 2014 are at 68; 76% of the number of recorded informal complaints for the whole of 2013.

Despite sickness rates and complaints, the GSD's manifesto commitment for a new GHA management structure has been implemented. This was to be the answer to all of the GHA's problems. The hon. Members opposite finally got their way. They got a new GHA management, which conveniently removed the three non-Gibraltarian and one local executive members whom they had pinpointed when in opposition as wanting out of the GHA management team, irrespective of whether they were doing a good job or not. So now we have an even more top heavy management, Mr Speaker, with a Chief Executive who is not contracted to deliver on specific targets within a time frame – and this is not about the individual chosen; it is about holding the Chief Executive of the largest community budget to account, answerable to the GHA board.

An extra operational layer of three unit general managers has been added to the GHA's management structure, plus an extra group of managers for clinical and corporate governance; all added to the existing GHA senior management team. And let's not mention the new GHA Strategy Development Group – a new management structure, Mr Speaker, which came from a £130,000 review, the report of which is still pending for publication and public scrutiny 19 months later; another report held in secret, Mr Speaker; a review of the GHA under new management which was set up in secret, with little or no consultation with clinical staff, only with a select few and imposed on GHA staff, despite their having no sight of the review report themselves, without the possibility to contribute.

Another indicator of a sick GHA which is not healing is how well it can recruit and retain clinical staff. When the GSLP Liberals were in Opposition, they made much stock of the fact that the GHA, under the management of the GSD, was spending large amounts on locum or relief cover. Mr Speaker may find it interesting that the estimate for spending on relief cover this year is £2 million, the same as the amount actually spent in 2011-12. (**A Member:** Hear, hear.) (*Banging on desks*) The Hon. the Chief Minister, in his Budget response last year, accused my analysis of being incorrect with regard to locum cover, while defending his Government's spend of £1.5 million that year; but it is creeping up again, Mr Speaker. Is this an indication that the Government's alleged success in turning the GHA around is attracting clinical specialists to work in Gibraltar and retaining them, or is the reality that they continue to face difficulties attracting doctors and nurses to work in Gibraltar?

One thing is for sure, Mr Speaker: if this Government wants its people in key positions or has to honour promised promotions or positions for services rendered or because of family connections, they will do so. Having moved the goalposts for promotion after the vacancy notice for one district charge nurse, the Minister or another Minister ensured that all three applicants were given the promotion, even though it was not clinically indicated, making the service top heavy with 30% of the district nursing staff as managers. Why? Cronyism, Mr Speaker – the GSLP logo, (**A Member:** Hear, hear.) (*Banging on desks*) a pattern we see repeated on the GHA complaints review panel and in every Government Department, Agency and Authority. By denying other GHA staff the right to apply for what turned out to be three jobs in community nursing, the GSLP Liberal Government ensured that one of their supporters would get the job, of course at the expense of the taxpayer. (**A Member:** Shame! Shame!)

So one must ask how the GHA is building a reputation for itself so it can attract new clinical staff. Well, unfortunately, we do not have enough Gibraltarians to fill the entire specialist clinical roles of the GHA, so advertising for these positions continues to be carried out outside of Gibraltar. For example, we have 16 specialist nursing positions presently vacant, where advertising for them will have to go outside of Gibraltar, as we do for doctors. Yet nursing and other GHA contracts of non-locals are being terminated after four years of work, disregarding any verbal or written contracts entered into with them under a GSD Government.

We are extremely concerned by the GHA's stance and pernicious policy, and equally that of the Care Agency, towards contract and supply workers with reference to variation, termination of contracts, length of short-term contracts, permanent and pensionable status and gratuities. Employment rights are changing. Employees are being targeted and discriminated against as the 9th December has become the new 1st July law. The way staff – especially experienced and well qualified specialist nurses on contracts – are being treated is causing stress and anxiety among their work colleagues and morale is at an all-time low: that unhealed malaise I mentioned earlier, Mr Speaker.

New working arrangements are being imposed without consultation or taking into consideration the interests of the patients who use the service. Most of the employees affected by the policy of this parochial and short-sighted Government are nurses in theatre, ICU, mental health and paediatrics. A continued exodus or cull of these specialists, fed up with this overly nationalistic and xenophobic policy, will have serious and detrimental consequences on the delivery of the high standards of care for the most vulnerable patients, potentially putting them at risk by replacing them with inexperienced staff, which undermines the available skill mix and will have serious consequences on the way we care for our patients and on manning

levels. This is where we can foresee problems in retaining staff or recruiting new ones into these short, insecure contracts; something which has already been happening in the Care Agency with care workers.

The behaviour of this so-called ‘socialist’ Government towards non-local EU contract workers, who have demonstrated a high level of professionalism, expertise and commitment to our Health Service and Care Agency, is disgraceful and shows little regard for the welfare of workers, Mr Speaker. (A Member: Hear, hear.) (A Member: Yes!) (*Banging on desks*) If Gibraltarians working in any EU nation in which they planned to make their home were treated in this way, we would be protesting *en masse* outside of Parliament in Brussels, Mr Speaker.

The Budget session is the opportunity for Ministers to laud what has been achieved in their Ministry the previous financial year and to promote their next lot of policies or initiatives for the financial year to come, supported by an estimated Budget, which is then approved by Parliament. So let’s go back to last year’s Budget to see if Dr Cortes managed to deliver on all he promised; or were they just empty words?

Well, for the last two Budgets, 2012-13 and 2013-14, the Minister for Health announced the following would be delivered within the year, but we are still waiting: a conclusion to the negotiation of the consultants’ contract, with a new contract drawn up and signed – despite the Minister’s announcement yesterday that it was ready, we wait with baited breath; the opening of a children’s primary care clinic at St Bernard’s Hospital – or did I hear the Minister say yesterday that extra children’s clinics would now open at the Primary Care Centre, so perhaps a change of policy there; we still await a new Mental Health Act brought to Parliament.

And most importantly – remember that noises about this have been made for the last five years – the medical complaints process was to be taken over by the Ombudsman’s office. We still await the necessary amendments to the Public Services Ombudsman Act, completed nearly a year ago, to come through Parliament. Hopefully, this will be presented at the end of this year, as the Ombudsman highlighted in a media interview a few days ago; but of course I must not forget – an improvement in the Minister’s eyes, no doubt – that the paid GHA Complaints Review Panel was repopulated by the Minister’s friends, many of whom are happy to publicly spout aggressive, vitriolic, anti-GSD rhetoric on Gibraltar’s social media.

The Minister last year also promised that the new mental health facility would open last October – seven months ago – and then in December he said it would open this spring – last month. Perhaps they are reviewing the size of the rooms after many concerns were raised that they are smaller than prison cells. Or perhaps – we *hope*, Mr Speaker – that their manifesto commitment for providing on-site sheltered accommodation for those patients who can be cared for in the community but need home supervision and support is being explored.

A stroke care protocol, a neurology service review and a management strategy for children with autism were also meant to have happened this last financial year, 2013-14. The stroke care protocol is still being developed, a neurology service is still being reviewed and certainly not enough for children with autism has been done for parents to be satisfied that the children are being offered all the support and therapies they deserve, Mr Speaker.

And where is the final realisation that the present GHA board setup – exactly the same as it was since 1987, but with even less candour from board members, as they sit in public – needs a new governance system? The Hon. the Chief Minister at the last Budget said proudly how people can now turn up and listen to what is going on at the GHA board meetings. He means listen to the silence, Mr Speaker! The Chief Minister was right in implying last year that, as an ex-board member, I should have admitted his governance needed changing, and if I may quote from my 2012 Budget speech, to refresh the Hon. Member’s memories, I said:

‘As an ex-GHA Board member, I note that the GHA Board process remains exactly the same – a process I disagreed with then and one which I was hoping to change, had I been given the opportunity.

If there was one lesson that came out of the 2008 global recession... it was that board governance... was unsuccessful in setting targets and holding chief executives to account. It was found that many boards tended to be incompetent groups of competent individuals. Their expectations, if stated at all, tended to be unclear and incomplete, and the executive reports reported against few or no criteria.

This was something I felt the GHA Board was also guilty of. In the absence of clear instructions or clear assignment of the Chief Executive, we found evaluating performance was an exercise in futility. The emphasis should not be on meeting in public; it should be on empowerment of the Board. Transparency is understanding how and why spending decisions are made. It is not just the production of data, presentations from the public which will be considered and the issuing of a multitude of press releases.’

Mr Speaker, this is why a GSD Government would have further empowered the GHA Board, financial managers, consultants and doctors to exercise greater control over spending choices, budgets and service prioritisation, to ensure the proper balance between medical services, value for money and budgetary discipline.

With regard to the GSLP Liberal Minister's way of leading through micromanagement and political interference, this has not allowed for our Minister for Health to cater for a clear separation of GHA activity from Ministry activity. Not a day goes by when we do not hear of the Minister's open-door policy to all, which ends in the interference of clinical decisions, helping individuals on a personal level, even though it means getting their preferred private hospital of choice. And this concern is not only levelled at the Minister for Health: we receive even more concerns in this regard, of political interference and micromanagement by the Ministry of Equality, Social Services and the Elderly, where every action at every level of the Ministry is paralysed until a final decision is taken by the Minister.

**A Member:** That is true.

**Hon. Mrs I M Ellul-Hammond:** And the Members opposite thought Sir Peter Caruana was bad!

But back to Health: an example of this political interference in clinical decisions is how, for a brief while over a year ago, natural procreative technology was suddenly advocated as an alternative to IVF and on offer privately via the GHA. The Minister hailed this in a press release as 'Government's commitment to healthcare goes beyond the NHS', where he showed surprise that I had questioned the validity of the GHA to pay for and offer such non-evidence-based, non-approved by NICE... or indeed a treatment available on the NHS. He even called me unreasoned and lacking consideration and sensitivity.

Well, thank goodness I raised the issue; and I know that clinical opinion and lobbying from within the GHA soon followed, because in answers to questions last month it seems that the Minister for Health has finally admitted the error of this political decision and NaPro technology is not on offer via the GHA, as 'access to this technology is currently under discussion' – the benefit of listening to your clinicians who know, Mr Speaker, before political interference or allowing third non-clinical parties to interfere in order to make the best clinical decisions for the patients.

Dr Cortes did listen to clinicians with regard to changing the Primary Care Centre appointments system to a one-month-in-advance system. However, as the Minister also agreed yesterday, it does not seem to be working satisfactorily because very little else has occurred to run alongside this new policy to support it. Every day, Mr Speaker, I have concerns raised with me about elderly citizens queuing outside the Primary Care Centre from 5 a.m. on the first day of the month in order to guarantee that they can get an appointment with their doctor; no more appointments available after 10 or 11 in the morning on the first day of the month, leading patients who genuinely need to review medication and control chronic conditions becoming lax about their own healthcare and not bothering for another whole month; the non-answering of phones to make an appointment on the first day of the month – patients spend up to three hours ringing the Primary Care Centre, with no-one answering the phone because all 60 lines are busy; the multiple booking of appointments with a doctor in the month by a now increasing amount of people, just in case they need them, as they know the available appointments will run out within hours – this leads to an increase of DNAs (did not attend), wasted appointments, as by the time the booked appointment comes round the patient concerned is not ill, and of course there is no cancellation list from which patients can feed into when DNAs or cancellations occur.

Why a patient cannot simply call at any time of the month to see their doctor, with a commitment to provide some form of a single medical appointment within say 72 hours, as in the UK, is unbelievable. Is this not the definition of a medical appointment: to see a sick person when they are in need? And patients who are unlucky in getting their prized appointment for the month end up in Accident and Emergency, swamping an overstretched service under enormous pressure, with only seven doctors 24/7 and often only three to five nurses. Nearly 50% of patients attending A&E should be seen by a GP, of which there are 17 in the Primary Care Centre from eight in the morning until five in the afternoon.

We understand that morale in A&E is very low: more of the GHA sickness, Mr Speaker. A&E has no management structure for the doctors or nurses. Doctors and nurses routinely work 12-hour shifts, with virtually no break, and they see 30 to 40 patients on a night shift – more during the day – and from 9 p.m. there is only one doctor and no back-up. The risk from mistakes is significant, and I go back to one of the indicators: staff turnover and sickness rates are high in A&E. Patients naturally are becoming more upset and aggressive in A&E, with complaints daily as to waiting times as it is almost routine for a three-to-five-hour wait in A&E daily.

The Primary Care Centre's current system is failing this community and the hospital; especially A&E is bearing the brunt. GPs are not given the space they need to focus on health promotion and education, which mitigates some attendance to GPs. The poor access to appointments and an A&E where care could be compromised: ultimately it is the patients who lose out.

Mr Speaker, the Government has had two years to audit and get the primary care appointment system and the A&E service right – vital first-point-of-contact health services that reflect on the rest of the GHA. It is unacceptable that they have failed so dismally to deliver, so let's spend less money on sending patients to private hospitals and instead invest in these frontline services. But at least, Mr Speaker – in case he had

failed to notice and so that he does not forget – we will have a refurbished No. 6 and we have a lovely new and green (*Banging on desks*) £5 million park! That is what matters, isn't it?

Gibraltar has about five and a half GPs per 10,000 of the population. This compares to about seven and a half per 10,000 of the population in the UK. Mr Speaker, the solution may be that we need more GPs; so some food for thought, as the Leader of the Opposition already mentioned yesterday. For the amount of £920,000 – the amount overspent by the Chief Minister on travel and entertainment this last year – we could have employed 10 more GPs for a year and the waiting list would have reduced by 33%.

Mr Speaker, along with the mental health facility at the former Royal Naval Hospital site, we also wait with baited breath for the opening of the Alzheimer and dementia Facility later this year perhaps; a facility which, after £12.1 million on converting the site, was nearly ready to open when this Government took the project over. For 16 months, the site ceased any activity, and now, after another £17.5 million to convert the conversion, the two facilities are ready and we must be awaiting, until later this year, the completion of the dementia day care centre – which is not a new concept, by the way, with more funding needed for that before the site is opened: £30 million and counting for whimsical changes and avoidable delays, Mr Speaker, *y no había dinero!* (**A Member:** Hear, hear.)

Notwithstanding the reckless devil-may-care spending spree of this Government, there is still no provision in the estimates for extra staffing to man the site, despite the training. Dates for these new facilities – first 18 months ago, then a year ago, then six months ago – were all expected opening dates. When will these two facilities finally open, Mr Speaker, and at what final cost? The Estimates Book includes no funding for the running and manning of the new facilities. Does this mean we may need to wait another year before the facilities fully open? Can the Government bear to add to the already extra almost 600 public sector workers who have been employed since they came into power? Or does the Government need to reign in overspending, as the Care Agency has also overspent its budget this last financial year by £3.7 million: by 17%.

Perhaps, Mr Speaker, the knowledge that the moment these facilities are filled one of the acute wards at St Bernard's Hospital will again fill with elderly long-stay patients awaiting a care bed – as Sir Peter Caruana predicted many a time when the then shadow Health Minister, Neil Costa, complained about the beds situation – is this what is stopping the Government from opening the facilities? Or maybe there is no more money to employ extra staff to run these facilities. We wait patiently. There certainly seems to be money to build a £24 million small boats marina, Mr Speaker! (*Laughter*)

Another site that was ready for use when this Government came into power was the former John Mackintosh Wing Home. It has taken two and a half years, another reconversion and another £4 million to finally release the property for social use. Mr Speaker, forward planning and vision are not strengths of this Government; more like 'making it up as we go along'.

At the past Budget session, Mr Speaker, the Minister for Social Services said that under her watch, through constant reviews and working closely with management, the Care Agency is much less of a beast when she inherited it. From where we are, it seems that this beast is still alive and kicking, because as with the GHA, there are certain indicators which demonstrate the low morale and unhappiness within the agency. Sickness rates, turnover of staff and recruitment and retention of staff all point to this. Like other GHA staff, sickness rates among elderly care nurses this last year was higher than for 2012. They missed an average of eight days each a year, and that is not taking into account short-term sick leave or uncertified leave. When compared to the human resources gold standard of 4.4 days, there are twice as many elderly care nurses off sick than there really should be.

Another indicator is the high turnover of staff at the Care Agency and Social Services Department, which over two and a half years has seen 64 people resigning under this Government's watch in what is now the tamed 'beast'. In comparison, 69 GHA staff resigned in that period, in an Authority with a third extra staff employed there than in the Care Agency. In the Care Agency, the loss of, on average since this administration took office, a constant two members of staff a month... These include 44 care workers – 15 who worked with the elderly and 29 within other areas of the Care Agency. (**A Member:** Terrible! Terrible!) Six social workers have also resigned from their position. This demonstrates a high level of dissatisfaction and low morale at the Care Agency, (*Banging on desks*) especially when the Children and Families team has been under immense pressure to cover caseloads and effectively undertake the full range of essential tasks necessary for the well-being of our most vulnerable. (**A Member:** Hear, hear.)

The persistent loss of staff has also required a high number of supply care workers from private sector providers, filling in the gaps in order to provide cover and a service to our most vulnerable. Even these private carers are not lasting long in working for the Care Agency. Difficulty in recruiting and retaining staff in the Care Agency also extends to these private care providers. The result is that many vulnerable people have been deprived of the benefit of a close working relationship with the workers they relied and depended upon. Stability, continuity of care, familiarity and security with a regular group of carers is constantly under threat. For the Minister to have argued that staff turnover was as high during the GSD's



time in office is nonsensical, because nothing has changed and this flies in the face of the taming of the beast that was the Care Agency.

Last Budget, Mr Speaker, the Minister proclaimed that the Children and Families team was developing an adoption and fostering policy and that they were undertaking a review of the Adoption Act. Despite a commitment to such a review, in two and a half years there have only been seven adoptions and seven foster placements. Most worryingly, the seven foster placements took place in the first six months of this Government's term of office. There has not been even one foster placement in the last two years. 'Worrying' because there are many families in Gibraltar willing to provide a safe and stable environment for children and young people during a difficult time in their lives and who, for whatever reason, cannot be looked after in their own home. Such a vital service as this, which the Care Agency should be committed to in terms of training and supporting adults as potential foster carers, has not been happening and it means we are denying our most vulnerable children the breathing space to get away from a very difficult life. The Children and Families team has been so overstretched and under pressure that they did not have the time or the will to offer this vital service. We now hope that the extra social workers will pick up on the slack, and we look forward to learn more of any new measures with regard to fostering.

Again, as announced at the last Budget, Mr Speaker, there is still no news on legislation to vet those who work with children in the voluntary sector. There is no news on the Challenging Behaviour Unit, or funding provision for it in the Estimates Book. It is good that our elderly are being provided with new facilities and options for domiciliary care and residential services, but it should not be at the expense of those vulnerable children who cannot defend themselves and who must rely on the state to make the proper and full provisions at their disposal and on their behalf.

Another vulnerable sector of our community – the disabled – are still waiting for the Government to 'urgently honour', as their charity representatives described it, their manifesto commitment which said that in their first year they would legislate to further protect disabled people using the terms of the UN Convention as a model. The Minister has recommitted to this today. Let's see how it is enacted later this year as announced.

Despite physical improvements in Gibraltar for those with disabilities, there is a way to go. Representations to us from those charities and those with mobility issues claim they are unhappy with the access from ramps on the beach to get to the seashore. They are unhappy that the disability stands at the Cavalcade and National Day do not cater for the families of those disabled to join them; and unhappy that there still is no appropriate, audited supported employment which actively and appropriately transitions those with special needs from education to employment and adult life, such as Project Search, a pioneering model that the Disability Society advocates.

However, with this Government's poor track record on focused and accredited training, audited apprenticeship schemes and the Future Job Strategy – which my hon. Friend, Mr Bossino, will have some more to say on during his intervention, Mr Speaker – I am not surprised that the Sheltered Employment Scheme also leaves much to be desired. (**Two Members:** Hear, hear.) (*Banging on desk*) One thing is throwing in the odd training day here, holding a conference day there and raising awareness by handing out leaflets, Mr Speaker; the other is actively working together with the groups and people who know what the real issues are, in order to design the services and provisions that really matter and that can make a difference in the lives of those with disabilities.

Again, Mr Speaker, the Minister for Equality announced the setting up of a Domestic Violence Forum last year, which she says does not yet exist, despite the Minister stating it did so in answer to Parliament Questions. This forum was to make recommendations and act on initiatives that would come from them in order to tackle this scourge. I now look forward to any initiatives coming from the now set up forum which will be set up, because last year 55 incidents of domestic violence were reported to the Police, and in the first five months of 2014 there were already 84 cases reported against persons ranging from the age of 13 up to 76. About half of the cases will be legally pursued, Mr Speaker, ending up possibly in persons charged, but more frightening is that these are only the number of *reported* incidents. The dark figure of unreported crime can be anything from three to five times that figure, especially with domestic violence. It is to all these voiceless and frightened victims that we have a responsibility to react and to make a difference, and as the Minister said in a press release last year, 'to ensure that such violence is entirely eliminated in Gibraltar'; which is why I welcome the psychological support for victims and any new preventative measures that we put in place.

In that same press release for the International Day of Eliminating Violence against Women, the Minister for Equality also said that:

'This is not a partisan issue and I trust that we will be able to count on the support of the Opposition for our work on this front.'

Well, they do have our support, Mr Speaker, and we would like to hear of the work that is being done in this area and to contribute where we can.

But not one policy in relation to women's equality issues has come from the Minister for Equality. The Equal Opportunities Commission is still three words on a manifesto page, despite a commitment today that it will be created sometime this year. The ideas, pilot projects and reforms remain elusive, despite press releases of the Minister attending a Women's Conference here, another somewhere else in the world, and another one somewhere else. The ideas are not brought back to Gibraltar yet. They remain abroad in those elusive conferences among those hallowed groups.

Interestingly, while the Minister participated in the British Islands and Mediterranean Region Commonwealth Women Parliamentarians' Inaugural Conference, her contribution was linked to the participation by women in politics to push for increased representation. She highlighted the critical role that current women parliamentarians can play in inspiring other women to enter politics. Let us hope that this is the case. If not, the Minister's words on Women's International Day:

'My aim is to mobilise meaningful change where this is necessary in order to achieve gender equality'

are not just empty words. So we look forward to the conference early next year and to see what comes out of it.

Mr Speaker, on 9th December 2011, Gibraltar experienced a new dawn. Dawn gave way to a cloudy day and the sun has scarcely shone in this community since. (A Member: Hear, hear.) Hanging above this community is a dark cloud of fear, control and secrecy, which engulfs Gibraltar as the GSLP Liberals' way beds once more into our society. Their answer to everything, as they figure out what they are doing, is to spend, spend, spend, and of course to blame the GSD. (A Member: Exactly!) The 'GSD could have done it in the last 16 years' argument no longer washes with the electorate. So much had to be done and was achieved by the GSD to pull Gibraltar up after 1996; and of course more remains to be done. But financial government is now the responsibility of *this* Government. They are spending money with reckless abandon, having inherited the GSD's golden legacy, Mr Speaker. What they do not seem to realise is that Gibraltar's public finances are not a bottomless pit. (A Member: Exactly.) What money we have we have because we still, as a community, have the resources available for the Government to spend. But one thing is clear: out-of-control spending must not be allowed to continue unabated.

As my hon. Friend, the Hon. Leader of the Opposition has stated time and again, including yesterday, the channelling of public money by Government through a private company, which is free to invest in whatever ill-advised project it decides and then use its private commercial status to hide its activities from public scrutiny, is scandalous and an aberration of the very concept of democracy and public transparency. (Several Members: Hear, hear.) (Banging on desks) This goes against all that European Governments – in particular, that of David Cameron – are successfully fighting to stop. This is a very worrying pillar stone of the Government's general *modus operandi* and more akin to the Governments of so-called banana republics than a community member of the European Union. (A Member: Hear, hear.) Even more seriously, it is a contemptuous affront and disrespectful to the people of Gibraltar. (A Member: Absolutely.)

However, thankfully for Gibraltar, Mr Speaker, the sun has now begun to set on this Government's term of office, and as dusk approaches the winds of opportunity are starting to blow. The winds of change, like a fresh westerly after a spell of muggy levanter on a sunny August morning, will soon rid Gibraltar of the transient visionless and hopefully short-lived 'leadership' of this community by the GSLP Liberals and usher in the dawn of a new GSD Government when the Chief Minister calls the next election. (Several Members: Hear, hear.) (Banging on desks and applause)

**Chief Minister (Hon. F R Picardo):** Mr Speaker, given the presence of the Minister for Europe in Gibraltar, I now need to recess the House until 2.30, and invite Members to return then. They can, in the interim, go outside where the sun, the last time I checked, was shining very brightly indeed and there was a very fresh *poniente* wind.

**Mr Speaker:** The House will recess to this afternoon at 2.30, when I think the Hon. Mr Gilbert Licudi will take the floor.

*The House recessed at 11.40 a.m. and resumed its sitting at 2.03 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 2.03 p.m. – 9.25 p.m.

Gibraltar, Tuesday, 1st July 2014

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# The Gibraltar Parliament

*The Parliament met at 2.03 p.m.*

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

[CLERK TO THE PARLIAMENT: P E Martinez Esq *in attendance*]

## **Appropriation Bill 2014 – For Second Reading – Debate continued**

**Mr Speaker:** The Hon. Gilbert Licudi.

**Minister for Education, Telecommunications and Justice (Hon. G H Licudi):** Mr Speaker, I have the honour to report to the House on the areas that form part of my ministerial portfolio, starting with Education.

The estimates reflect that the amount required in the year ending 31st March 2015 for salaries, wages and expenses is £43,309,000. The forecast outturn for the year ended 31st March 2014 is £38,831,000. There is, therefore, a proposed increase this year of £4,478,000.

It should be noted, Mr Speaker, that a significant part of that increase relates to scholarships. Hon. Members will note a provision for 2014-15 of £14,865,000 compared to a forecast outturn in 2013-14 of £12,396,000. That is an increase of almost £2,469,000 just in the scholarships bill.

2013-14, Mr Speaker, saw 240 mandatory scholarships being awarded as well as a total of 96 discretionary awards. As a result of the changes the Government has already made since being elected into office in respect of mandatory, distance learning and discretionary scholarships, the Department of Education has already implemented a bespoke student data management system which is capable of keeping track and intelligently make use of student career data and progress.

The Gibraltar Internship Initiative in Washington DC is going from strength to strength with a record number of applicants expressing an interest this year – more than 30, in fact, have applied.

The Initiative offers students a unique opportunity and experience in support of their professional development. Successful applicants will have the opportunity to intern in the executive suites of Fortune 500 companies, international organisations such as the Inter-American Development Bank, the World Bank and International Monetary Fund, for example, as well as in great American institutions such as the Smithsonian or the US Congress.

The Initiative also includes academic sessions and classes delivered by professors from top US universities. Students are matched with potential employers according to their needs and interests, thus developing their skills as well as enjoying an unforgettable experience with students from around the world.

The Department of Education continues to support the private and public sectors with their training and professional development initiatives. Professional qualifications such as ACCA and ACA are funded in partnership with the industry as well as qualifications for port and maritime operations. Government's own Human Resources Department has been supported in obtaining professional Human Resource management qualifications for key personnel. Income Tax, Department of Transport, GCID, Youth Service and Technical Services, to name but a few, have all benefitted from Government's continued commitment to fund professional development courses and qualifications.

The Kusuma Centre at St Martins was completed on 16th September 2013. The Kusuma Centre is annexed to the main building and has been funded by the Kusuma Trust, to which the Government is very grateful for its continued support on this and other projects.

The annex has a classroom for the older pupils in the school, which is equipped with all the necessary facilities to make the area self-sufficient for the educational and other needs of the pupils. It also has a therapy room which is used by the occupational, speech and physiotherapists for group sessions.

The Kusuma Centre enables pupils to acquire independent life skills as well as developing self-esteem. The extension comprises a large classroom facility with immediately adjacent but separate purpose-built shower/bathroom and toilet facilities, a store room and a comfort/safe space room. There is also a large therapy room which doubles up for multi-disciplinary clinics with paediatricians and visiting consultants. At the lobby entrance there is a therapists' office and additional toilet facilities.

Mr Speaker, the conversion of the Old St Bernard's Hospital site into two new schools is well under way. The old hospital premises will house both St Bernard's and Sacred Heart Schools, with the latter being renamed Sacred Heart Middle School once the new school opens.

As announced previously, the Government is fulfilling a manifesto commitment to re-locate Sacred Heart in a manner which will allow the school, over time, to take an equivalent number of students as other middle schools.

The First School will have eight classrooms as well as a range of specialised teaching areas and spaces specifically designed to cater for this age range.

The Middle School will have 16 classes, as well as dedicated teaching areas for music, ICT, technology, art and science, in keeping with the needs of older children. The headteachers of the two schools continue to be consulted and have been involved in the design process from the onset. The relocation will provide the children and staff assigned to these schools with modern, comfortable premises in an environment which is specifically designed to be conducive to learning.

A noteworthy feature of this school will be a central glass-roofed atrium, which will be available for students and teachers to enjoy either for social or educational purposes. Both schools will be fully networked and equipped with ICT resources and facilities. They will both be fully accessible in order to cater for pupils, parents or teachers who may have mobility issues.

The new building will also house a shared sports hall, with a play area on top of the hall for the First School. Both the sports hall and the play area will be available for community use. This can be accessed separately and will house toilets and changing room facilities.

Mr Speaker, as I have said before, this is an extremely exciting project. We will create much needed school facilities in this area as well as sports facilities for the community. This will be, in fact, the first Sports Hall that will be built in the central or upper town area.

The project also makes use of the existing iconic buildings built in the nineteenth and early twentieth centuries and which will be tastefully restored.

Mr Speaker, I will deal with minor works and refurbishment in schools.

(1) The flat roof at Bishop Fitzgerald Middle School, which serves as assembly point for the whole school, will be replaced during the forthcoming summer recess. The elevated escape routes will also be repaired. (2) Bayside School will have its drama studio floor replaced and the internal painting programme completed before the commencement of the new academic year in September. (3) The external façade of Bleak House will be repaired and repainted and the fire escape flooring repaired. (4) St Anne's Middle School will have its existing water membrane to the flat roof replaced in its entirety to prevent water ingress. (5) St Joseph's First School will have a covered walkway leading from the main building to the lunch hall in order to prevent the little ones from being exposed to the elements. (6) St Bernard's Nursery will undergo necessary internal and external works during the course of this financial year. (7) Rubber crumb flooring will be provided to the playing area at St Martin's Special School. (8) All exposed timber members at St Paul's First School will be treated with good quality wood primer and finished with a high performance gloss. And (9) a new fire escape route will be constructed for St Mary's School.

In the financial year ending 31st March 2014, the following works have been carried out *inter alia*: the new facilities at St Joseph's First and Middle Schools, which includes the new lunch hall, were completed at a total cost of £614,000; two new science laboratories at Westside School have also been constructed – the total cost has been £205,000; Westside School driveway has been resurfaced at a total cost of over £37,000; the windows at the external façade of St Mary's First School have all been replaced – the cost has been over £55,000; the works to provide the following schools with rubber crumb flooring have also been completed at a total cost of £155,000 – that is to Governor's Meadow First School, Hebrew Primary School, St Mary's First School and Varyl Begg Nursery; windows in the ICT and history area at Bayside School have been replaced at a total cost of £37,000; phased internal painting programme at Bayside school has also been completed at a cost of £46,000; the special needs works at Bishop Fitzgerald School to make access for pupils with mobility issues again that has been completed at a cost of £46,000; the Special Needs works at Bishop Fitzgerald First School have also been completed at a cost of £63,000; external repairs have been carried out at the Gibraltar College to its east and south stairwell of main building – the total cost has been £51,000; the toilet block at Sacred Heart Middle School was reconfigured and refurbished at a cost of over £12,000; the reception area at St Anne's Middle School has been relocated, a new storeroom constructed adjacent to the sports room, at a cost of over £21,000; St Paul's First School has had the east side fencing repaired, the west side debris netting replaced with a proprietary cover and the playground fence replaced with a brick wall – a total cost of over £55,000; and Notre Dame First School has had the deteriorated PVC tiles replaced at some classrooms, throughout all the school, at a cost of over £30,000.

Mr Speaker, this reflects the commitment we have entered into to carry out the necessary refurbishment to all the schools – a commitment which we have complied with during the course of the last financial year and, as I have already outlined, will certainly continue during the course of the next financial year.

Mr Speaker, I will deal with developing technology in schools.

Safer internet use: the Department of Education continues to engage with the Gibraltar Regulatory Authority, the Royal Gibraltar Police, the Citizen's Advice Bureau and other appropriate bodies in order to ensure that children and young people are fully aware of the potential dangers of careless internet use, especially in the light of the dissemination of personal data and content in social networking sites. Schools are kept fully briefed via programmed sessions aimed at children and teachers.

Smart boards: the continued financing of Smartboards has allowed us to have access to over 300 of these throughout our schools. These are housed mainly in classrooms but we will continue to increase their numbers and expand into specialist rooms. A regular maintenance programme for Smart boards was introduced last year and this is already showing benefits in terms of extending the shelf-life of relatively costly consumables such as the halogen bulbs in the Smart board projector pod.

Computer Science: a new national curriculum programme of study for computing in England will replace the old ICT curriculum and will set out to teach children 'computational thinking', as from September 2014.

The Advisory Service of the Department of Education attended a professional conference in London in order to keep abreast of developments in this field. The conference highlighted the changes that will take place within the primary sector to achieve this end. I am happy to report that some of the initiatives that were suggested as first steps at the conference, such as introducing children to programming, are already happening in a number of our first and middle schools. Early programming skills are already being taught through the use of software such as 'Scratch'. It is expected that all first and middle schools will be using this in the next academic year.

Tablets: schools in all sectors are looking to tablets as a means of improving teaching and learning in the classroom. Some teachers have piloted their use and it is an area which teachers are keen to explore. Having access to these is already throwing up very exciting ways of interacting with the pupils. First and middle schools are using them within the course of a lesson to allow the pupils to access software and data relevant to the lesson. They provide opportunities for pupils to practice or extend lesson objectives or to be engaged in active research through the internet. At secondary level pupils have been able to access course content and revision exercises set up by their teacher.

Maintenance: IT support and maintenance of ICT equipment in schools has undergone an enormous improvement – and I have already mentioned that to you in the course of Question Time, Mr Speaker, especially since the Government's IT and LD Department has taken over. All schools have reported that the response time to repairs has certainly improved.

Nurseries: applications for nursery placements are lower this year in comparison to last year, when we had 390 and in this year, 332, which comes up to 350 with late entries, have applied. There will again be a nursery place available for every application should parents wish to take up the offer they receive. Due to the fall in demand, however, it will not be necessary to open St. Mary's and Governor's Meadow nurseries in the afternoon, as was the case last year.

Special Educational Needs (SEN): in the UK the changes to the SEN Code of Practice 2001 are in the final revision stage. The Advisory Service recently attended a conference where the main changes for England were highlighted. The Department of Education is reviewing what the implications of the changes, if any, are for Gibraltar. The Advisory Service has also led a number of twilight sessions on dyslexia, for secondary teachers.

Special Educational Needs Co-ordinators in Schools (SENCOS) received additional training on how to support pupils with special educational needs in the areas of sex and relationships. This was a follow up to training they received last year on autism, where this sensitive and important issue was first discussed. In addition, the Autism Support Group Gibraltar recently held a 'Positive about Autism' Conference for parents, to which representatives from the Advisory Service and the schools were invited to attend.

It was important, Mr Speaker, to listen to parents' perspectives, as it helps to strengthen the parents/schools partnership. In addition, the Advisory Service has extended in-service training on autism to schools on request.

In May of this year, Mr Speaker, a small number of teachers along with a member of the Advisory Service attended a Hemispheres Think Write Handwriting Programme course which was organised for parents. The course focuses on helping children between three and eight years of age master the skills of writing. The cognitive framework of the Hemispheres Think Write supports children's learning by linking old and new learning together, expanding and categorising learning for ease of storage and retrieval, essential qualities for the development of automatic writing by the end of Key Stage 2.

English as a foreign or second language: Mr Speaker, due to the increasing number of pupils coming into our education system from all over the world, the Department of Education has now set-up a dedicated team comprising of a qualified teacher and two graduates to support schools with the teaching of English to non-English speakers.

Continuing Professional Development: the Advisory Service has also facilitated in-service in the following areas.

(1) Safeguarding Children Tier 1 Training – this multi-agency commitment, which education forms part of, has continued to offer training. (2) Dignified Care and Responsibility Training (DCRT) – this continues to be facilitated by the Advisory Service. Restraining children should always be a last resort strategy. DCRT is commended for its focus on de-escalation techniques and serve to reduce the need to physically restrain children. This course includes both the theoretical aspects, such as understanding aggression and aggression cycles, triggers, self-awareness and risk assessments, as well as the practical skills needed to safely restrain children.

(3) The new National Curriculum is set to roll out in the UK in September 2014. One aspect of the changes is in relation to the assessment and the abolishing of National Curriculum levels. Following attendance at a recent conference on ‘Effective Primary Assessment after Levels’, the Advisory Service will provide appropriate in-service training for the headteachers in the primary sector. (4) First aid courses in schools – this continues and is a part of a rolling programme facilitated by the Advisory Service.

(5) Mr Speaker, as I have mentioned earlier, health and safety audits of all schools were completed. We have this year entered into arrangements to train our headteachers and deputies in matters relating to health and safety. We are now able to provide the Level 2 Award in Health and Safety in the Workplace course of the Chartered Institute of Environmental Health for our school leaders. The course is designed to benefit our senior managers by providing essential knowledge on a range of issues. The course should highlight typical generic workplace hazards and suggest effective control measures. It is hoped that this should better equip the participants in all matters relating to health and safety and, furthermore, make them more aware of how their own actions can affect the health, safety and wellbeing of others. The ultimate aim is to train as many people as is deemed necessary in order to continue to safeguard the health and safety of all those who work within school communities.

Post-16 developments: Mr Speaker, in my Budget speech last year I emphasised that the public examination system in England was in a constant state of flux and that, accordingly, the Department of Education was keeping a close watch on 14-19 developments.

These developments in the UK are now gradually taking shape with a return to a more traditional examination system comprised mostly of terminal papers and doing away with the ongoing modular arrangement we currently have.

I am happy to report that the Director of Education and Senior Education Advisor attended a conference last November in London which dealt with these proposed changes. The Advisory Service has already held meetings with the senior management teams of both secondary schools to keep them abreast of these developments and to ensure that our schools are ready to take on the new challenges.

Mr Speaker, we in Gibraltar are justly proud of our examination results. It is acknowledged by all that our students do well and that we compare very favourably to other UK schools. Nevertheless, we should never become complacent.

This year we have undertaken a comprehensive analysis of our examination results with the aim of supporting those departments and teachers who most needed our help. The Advisory Service have met and spoken at length with some of the key players responsible for the constant assurance of quality. Where necessary, teachers have been sent on courses and conferences, to increase their understanding in all matters relating to education. In particular, specific subjects have been targeted. Furthermore, upon their return, teachers have been asked to brief others, sometimes across schools so that information is adequately disseminated.

Advisors have also spoken to heads of departments and observed lessons. The challenge, of course, is to ensure that children always learn to the best of their abilities and are afforded the best opportunities available.

But, Mr Speaker, our success of course cannot be measured just by examination results, important as these are. Our view, of course, is that education is about preparing our children to be the citizens of tomorrow; it is about awakening a passion for learning in all of them and getting them to enjoy learning for its own intrinsic value. The ethos should be on teaching to learn how to learn.

Our children therefore continue to enjoy a range of fascinating activities which we hope will contribute to this. Examples are: two drama practitioners from the famous Shakespeare’s Globe Theatre visited Gibraltar and carried out workshops and after-school sessions with students from both Bayside and Westside Schools and their drama groups; the Learning from Auschwitz programme continues to grow in strength and has attracted interest and participation from Year 12 and Gibraltar College students – pupils from middle schools were also invited to the first annual Holocaust Memorial Day; and the Young Enterprise Scheme continues to grow from year to year – in fact, the finals of the Company Programme were held last week. Furthermore, our pupils have also taken part in a wealth of competitions organised by the Department of Education. Amongst the many, the interfaith competition is worthy of special mention. There was real educational value here and the level of participation and commitment from teachers and students alike is testament to this.

Schools availed themselves of the opportunities offered by the speakers from the highly successful first Gibraltar Literary Festival. This year's Literary Festival, later on in the autumn, will include even more sessions from prominent speakers and writers specifically aimed at our young people. The Department of Education has been fully consulted in the choice of authors and personalities travelling to Gibraltar to talk to children about areas such as food, science, literature, language and history – and no doubt this year's festival will be another enormous success, as it was last year.

Furthermore, pupils have also participated in a wide range of worthwhile competitions. For example, the Gibraltar Post Office's letter writing competition which formed part of the Universal Postal Union International Letter Writing Competition; the Ministry for Culture's Spring Festival Logo and Short Story competition and the ever-popular Young Artist Competition; the Royal Gibraltar Police's Poster Competition which was part of their anti-drugs and promotion of sports campaign; and the Gibraltar Heritage Trust's 24th Annual Painting Competition whose main aim was to raise awareness of our heritage. There was plenty of participation by all our students in various schools in all of these events.

As part of their broader education, Gibraltar's teachers and pupils have helped to keep alive the generosity that Gibraltarians are famous for and have always prided themselves in, and have contributed to raise thousands upon thousands of pounds for both local and international charities.

We are very grateful – I have mentioned already – as always to the Kusuma Trust for their continued support in bringing outreach programmes in mathematics and science from both the University of Cambridge and the British Science Museum. This year we were once again visited by top British Universities who delivered their lectures and imparted sound advice to our senior pupils. Furthermore, our pupils have also participated in mock interviews designed to get them past the hurdle of even the most stringent admissions tutors.

The University of Gibraltar: Mr Speaker, plans to create a University of Gibraltar continue on track and are now at an advanced stage. It is envisaged that the University will open for business from September 2015, as per the Government's 2011 Manifesto commitment.

The legal framework establishing the University is also at an advanced drafting stage.

Mr Speaker, I am very happy to report that all institutions approached by the Department of Education have expressed their delight and enthusiasm at the opportunity of working with Gibraltar on the University project.

A number of meetings with senior staff and faculty members from the University of London have been held with a view to setting up collaborative undergraduate programmes. Working links between the Department of Education in Gibraltar and the University of London and the London School of Economics have been established; and as a result appropriate undergraduate courses, including computer science, law and finance, are currently under consideration.

Mr Speaker, as I announced recently, a Memorandum of Understanding with the University of Seychelles has been signed during my recent very productive visit to the islands and, as a result, there are now concrete plans and discussions to develop a joint Gibraltar and Seychelles universities Master of Science in the Marine Environment, designed to cover all aspects of the 'Blue Economy' and designed for those working or seeking employment in a maritime environment including shipping, renewable energies, fisheries, conservation and so on.

This will be a two-centre masters degree and it is envisaged that it will involve exchanges between Gibraltar and Seychellois students. We also expect that over time this unique course, offered in two exciting locations, will be very attractive to international students interested in this area. There will be other collaborative postgraduate programmes with selected internationally-recognised academic institutions, a number of which are already under consideration.

The University of Gibraltar, Mr Speaker, will also be a principal driver in the creation and development of a locally-orientated knowledge base serving to underpin the further development of the key elements of our economy. It aims to do this by becoming a centre of excellence and fostering and developing quality academic research. It will also act as a central hub for all aspects of Tertiary or Higher Education activity in Gibraltar. It will be something the whole of Gibraltar will be proud of. (**A Member:** Hear, hear.) (*Banging on desks*)

Mr Speaker, our citizens have always been very respectful of each other, celebrating what we have in common and respecting our differences. This all begins in our schools, through commitment and a quality education which goes beyond teaching just to pass examinations. It gives me a sense of pride to see our young people develop into the citizens of tomorrow, particularly when one looks at the problems which some countries in Europe and the rest of the world face, with emerging extremism and violence borne out of a lack of understanding for each other.

Mr Speaker, on a slightly less positive note, let me address an issue on Education by reflecting on a policy paper recently announced by the Opposition.

In the first paragraph of the Opposition's policy document on education and training they say and I quote:



‘We believe that significant changes...’

290 – and this is a quote –

‘... to our education system should be made... in order to meet the educational challenges ahead, to make our system the best it can possibly be and one of the best in the world.’

Mr Speaker, it struck me as a little odd that having been in Government for sixteen years, as they were, that this same party who had the opportunity of making whatever changes they felt necessary should just over two years later make a public statement calling for significant changes to the educational system. But especially so, Mr Speaker, when one has a quick peep at *Hansard* and reads what the Hon. GSD Minister for Education, at the time, said in his Budget speech in 2010, when referring to the teachers and professionals involved in the educational process and said, and I quote:

‘...it is through their hard work and dedication make sure that we have in Gibraltar an education service in both academic and pastoral terms, that could well be the envy of any community of our size anywhere else.’

300 An educational system which is the envy of any community – and the hon. Members opposite suggest now that significant changes are necessary.

But that is not all, Mr Speaker. Twelve months later in their last Budget, before the 2011 Election, the same Minister said the following, and I quote:

‘It is their joint effort... working in a well-resourced, safe environment that ensures that we have in Gibraltar an education service in academic, vocational and pastoral terms that could well be the envy of any community of our size.’ (*Banging on desk*)

305

Well, it seems he just repeated what he said the previous year. Mr Speaker, almost identical language in 2010 and then again in 2011; and no sign at the time of a suggestion that they felt the need for any change, let alone the significant change that they now call for.

310 So how is it and why in their 2011 Manifesto in such a short period of time after having had 16 years of opportunity to implement changes can they suggest the ‘significant changes’ that they now profess are needed.

Mr Speaker, the wording of the policy document is basically copied from their manifesto and released as a new idea – a new idea which they clearly kept to themselves whilst they were in office for 16 years. The contradiction in what they say and what they actually do is there for all to see and is evident in just about everything which the Opposition does – but that, of course, is not new at all. (*Laughter and banging on desks*)

315 Telecommunications: Mr Speaker, which is another of my areas of responsibility. I have responsibility for certain aspects of the work carried out by the Gibraltar Regulatory Authority under the provisions of the Communications Act 2006. The GRA is an independent authority which, under the Act, regulates the following areas: electronic communications, which includes broadcasting networks, radio communications and licensing of the radio spectrum; and international co-ordination of satellite networks and licensing.

There are seven companies operating under the regime set up by the Communications Act providing a variety of fixed and mobile networks and services.

325 Currently, there are two active mobile operators – Gibtelecom and Eazitelecom, trading as Shine – providing 2G and 3G services.

Gibtelecom is the oldest operator and is well established with a range of services. Shine is now offering two pre-paid mobile voice plans and 3G services to customers over their independent mobile network. Shine’s network covers over 98% of the geographical area of Gibraltar.

330 4G, Mr Speaker, which is short for ‘fourth generation’, is the fourth generation of mobile telecommunications technology, succeeding 3G. 4G aims to offer users faster, more reliable mobile broadband internet for devices like smartphones, tablets and laptops. Loosely speaking, 4G is around five times faster than existing 3G services.

335 A 4G system, in addition to the usual voice and other services of 3G, provides mobile ultra-broadband internet access. For example, to laptops with USB wireless modems, to smartphones and to other mobile devices. Conceivable applications include amended mobile web access, IP telephony, gaming services, high-definition mobile TV, video conferencing, 3D television and cloud computing.

340 But what does, Mr Speaker, all this mean in practice? The faster speeds mean that websites load quicker and that you will be able to stream videos and podcasts without first waiting for them to buffer. Plus, you will be able to download large email attachments or other content from the web much faster. Applications which need to download data, such as maps, will work more smoothly, especially when zooming in or out, as this generally requires a lot of data. The speed differential should be akin to switching from 3G to WiFi.

Mr Speaker, in December 2013, the Government, through the GRA, issued a public consultation on proposals to license the provision of 4G mobile communications services in Gibraltar. The focus of the consultation was on the process for licensing 4G services and, in this context, to set out the GRA's plans for the spectrum bands which should be granted access for the provision of 4G services.

The fees for the use of 4G spectrum have been considered and the current fees for 2G and 3G have been re-evaluated. The proposed fees have been arrived at considering, but not limiting to, the following factors: demand for spectrum; availability of the required bands; and interoperability of technology allowed in the band due to sharing constraints or international sharing agreements.

Built into the award process is a methodology that took into account of the possibility of interest from new operators as well as current mobile operators.

Mr Speaker, I am happy to report that both Gibtelecom and Shine will be rolling out 4G services and have accepted the minimum criteria required for the rollout, which includes: launch date – 4G operators will be obliged to launch commercial services within 18 months of licence award; coverage at launch – 4G operators will be obliged to provide at least 70% population coverage at launch; and population coverage to be achieved – 4G operators will be obliged to provide at least 95% population coverage within three years of service launch. These operators will be able to provide 4G services by October 2015 at the latest.

Mr Speaker, in order to gain a better understanding of the present issues that affect the local broadband market, a data collection exercise was undertaken by the GRA. The results of this exercise have served to provide a better understanding of network access and of pricing issues in Gibraltar. This information will provide a useful backdrop to weigh against any competition issues which may arise during the upcoming broadband market review process.

Under the provisions of section 22 of the Communications Act 2006, the GRA is required to send to the European Commission, the Body of European Regulators for Electronic Communications (BEREC) and other regulatory authorities in the Member States, a copy of a market review notification inviting them to make representations on the proposed measures within a period of one month.

The GRA attended a market review pre-notification meeting with the European Commission in Brussels which dealt with the retail access and calls markets.

Before any National Regulatory Authority (NRA) formally notifies its market reviews, they have the opportunity of meeting the regulatory co-ordination and markets unit of the Commission in order to informally discuss their market analysis and proposed Significant Market Power (SMP) designations.

Preliminary feedback on the NRA's investigation is provided by the Commission's team which enables the NRA to make any amendments to its notification before being formally submitted.

The GRA is currently undertaking various market reviews in the electronic communications sector and a consultation on the following retail markets was published in January 2014: (1) access to the public telephone network at a fixed location; (2) publicly available local telephone services provided at a fixed location; (3) publicly available international telephone services provided at a fixed location; (4) wholesale broadband access; and (5) retail broadband.

Markets will be defined, the state of competition analysed and if dominant players are established, SMP obligations will be imposed in the relevant markets.

Mr Speaker, the Satellite Division of the GRA is responsible for looking after the interests of the satellite industry in Gibraltar, ensuring compliance with the International Telecommunication Union (ITU) Radio Regulations, all other international obligations and representing the interests of Gibraltar at international meetings.

The Division also assists with the co-ordination of satellites and orbital locations filed by the UK Administration with the ITU, on behalf of the Gibraltar-based company SES Satellites (Gibraltar) Ltd.

As I mentioned last year, Gibraltar's new national digital TV network, replaced the analogue TV network which was switched off on 31st December 2012.

The arrival of digital television and the switching off of the analogue TV network has been a positive move for Gibraltar. Not only has this new digital service offered TV viewers with a clearer picture and better sound quality, there is also scope for additional TV channels, information services and high definition TV.

At present, Gibraltar has two television broadcasters and two radio broadcasters. Gibraltar Freeview, the entity which operates the digital network, is, as the Chief Minister has already said in his address, pursuing business opportunities with other broadcasters to offer new channels, for both TV and radio, and widen the choice of programmes and information services for Gibraltar and internationally.

The GRA, Mr Speaker, collects administrative charges from providers of electronic communications services and networks, radio communications licence fees and other reimbursements.

During the 2013-14 financial year, the total collected was £1,474,028.26, which was paid into the Consolidated Fund. This compares to expenditure for all of the GRA's Divisions of just over £1.5 million.

Mr Speaker, I turn to the area of Justice. I would start my contribution on Justice by taking this opportunity to thank Mr Justice Barrington Black for the excellent and important work he did for the

Judiciary in his acting appointment (*Banging on desks*) as Puisne Judge of the Supreme Court of Gibraltar. And I am grateful for the support shown by the Opposition on this.

He was brought in primarily for the purposes of clearing a substantial backlog of criminal cases, which in large measure he did, and for that I wish to acknowledge his work and praise him for his efforts. I wish him a happy retirement and the very best for the future.

In the same breath, I would like to congratulate Mr Justice Adrian Jack who has recently been selected for the post of Puisne Judge of the Supreme Court of Gibraltar and who will take up his appointment in August of this year.

The introduction of the Criminal Procedure and Evidence Act rightly introduces an expectation that court matters will be disposed of with reasonable time and it is for this reason that the Government agreed to fund a substantive post for a fourth resident Puisne Judge. On behalf of the Government, I welcome Mr Justice Jack to Gibraltar and I wish him every success in his appointment as a senior member of the Judiciary.

Mr Speaker, I turn to matters regarding legislation and I highlight some of the issues we have dealt with and are currently working on.

Hate crimes: Mr Speaker, last year I said in my Budget address that Government intended to introduce a Bill on hate crimes, which made specific reference to crimes based on sexual orientation and disability; providing that the courts must, where it is a contributing factor to an offence, take hatred – on the grounds of race, sexual orientation, disability or religion – into account as an aggravating factor when sentencing. This was done.

Furthermore, new offences of stalking and stalking involving fear of violence or serious alarm were legislated for, as were new powers for the Police, to enter and search premises in relation to cases of stalking, and introducing new sections on injunctions to protect persons from harassment, restraining orders on acquittal and a new offence of harassment of a person in his home.

Rehabilitation of offenders: the introduction of provisions on the rehabilitation of offenders was a manifesto commitment of the Government. Provisions for such legislation were included in the Criminal Procedure and Evidence Act 2011. However, such provisions were based on UK legislation, which had become out of date and no longer fit for purpose to help reformed offenders resettlement into society.

As a result, the UK changed their legislation in March of this year. This was based on research which suggested that the rehabilitation periods were too long and did not reflect the point at which reoffending tails off following a conviction. The changes in the UK meant that there was a very wide gap between rehabilitation periods in the UK and those in Gibraltar.

As an example, someone sentenced to six months' imprisonment in the UK had a rehabilitation period of four years, whereas someone sentenced to the same period of imprisonment in Gibraltar had a rehabilitation period of 10 years. As a result, I introduced a Bill in the last session of Parliament to ensure that rehabilitation periods in Gibraltar were modernised in line with current UK periods. The practical effect of the change is that those reformed offenders, who wish to go down the right path and contribute to society, are now better able to do so.

Companies: subject to the commencement of this legislation on 1st September 2014, Mr Speaker, the Government's manifesto commitment to introduce a much-needed and thorough review of companies legislation has been completed.

The review has involved consideration of proposals put forward by the Company Law Reform Committee set up by the Finance Centre Council and a consultation process including the issuing of a Command Paper. The Act, passed recently in Parliament, incorporates a number of issues which were raised also during the Command Paper consultation period.

Given that our companies legislation dated from 1930 – albeit amended from time to time – a major overhaul with a view to updating and modernising the legislation was required. There has been extensive work carried out in preparing the new legislation with much participation from private sector practitioners both at the preparation and the consultation stages. I am grateful to everyone who has contributed to this and, as I have already said, expect that the Act, together with the legislation passed to bring into effect the Insolvency Act 2011, will be commenced on 1st September 2014.

EU Directives: Mr Speaker, further to the increase in staff at the EUI Department, which I reported last year and which led to Gibraltar being for the first time in modern history up to date with the transposition of EU Directives, I am pleased to inform the House that a further four legal assistants have been recruited into the European Union and International Department during the course of last year in order to ensure that we remain up to date. This signals Gibraltar's commitment to compliance with international obligations.

Proceeds of crime legislation: During the course of the next financial year, the Government will introduce proceeds of crime legislation which, among other things, will allow the forfeiture or confiscation of assets arising from criminal conduct even in the absence of a criminal conviction.

Regulation of investigatory powers: Mr Speaker, the Government will also introduce, in the course of the next financial year, legislation to regulate the powers of law enforcement bodies to intercept

communications, acquire and disclose data relating to communications and carry out surveillance. Similar legislation was introduced in the UK in the year 2000.

The provisions of the legislation, which is currently being worked on and finalised, will include stringent safeguards – and it is important to stress that it will include very stringent safeguards – to ensure that the relevant investigatory powers are used in accordance with the rights in the Gibraltar Constitution and international human rights obligations.

Legal aid and legal assistance: Mr Speaker, as the House well knows, the Government has a manifesto commitment in relation to legal aid and legal assistance.

My ministry has been involved in a consultation process which has included the Bar Council, the Registrar of the Supreme Court and the Chief Justice. As I said only a couple of weeks ago, we are very close to finalising arrangements for a new system. This will provide a fairer and more cost-effective system which will benefit those in need of assistance and provide value for money for the taxpayer.

I expect to be in a position to announce and hopefully publish the changes which will be made before the start of the new legal year in October.

Mr Speaker, I turn to matters linked with the Gibraltar Law Courts. The past year has been an extremely busy one for our Law Courts. Notwithstanding this, the improvements in the performance and services provided reported last year, continue to be maintained and further enhanced.

The increase in the administrative staff complement, together with the appointment of an additional stipendiary Magistrate, has enabled the Magistrates' Court to hold second court sittings on at least two days per week. This has resulted in an unprecedented reduction of waiting time for hearings from six to eight months to now six to eight weeks.

For the Supreme Court, I mentioned some moments ago that this administration has recognised that for the administration of Justice to function effectively, both for the purposes of providing an efficient service to our citizens and also to effectively deal with finance centre commercial litigation, the minimum complement of judges required at the Supreme Court is the Chief Justice and three Puisne Judges.

The vast majority of applications received at the Supreme Court, continue to receive first hearing dates within five days of application and there continues to be no backlog of civil and family applications waiting for first hearing dates. Also the dates of those first hearings are typically within two to three months of the date of the application to the court.

In respect of criminal trials, it is worth noting that the two-year appointment of Mr Justice Black came to an end in April of this year, and during that time the court was able to set down for hearing two criminal trials at a time. This resulted in the criminal list being cleared. However, the ongoing lengthy criminal fraud trial which commenced in the first week of October 2013 has meant that during this time only one other criminal case can be set down for hearing and this has resulted in some element of backlog being created. Therefore in these terms, Mr Speaker, the arrival of Mr Justice Adrian Jack will mean that any backlog that has arisen should soon be tackled and cleared.

The electronic diary system for the Supreme Court reported on last year has now been installed and court staff has received training on its use. The system will become fully operational once it has been populated with all the necessary data.

The Gibraltar Courts Service website continues to be updated and developed. General forms for both the Magistrates' and Supreme Courts, which previously could only be obtained at the Law Courts counters will soon be available for download in pdf format from the Website. Furthermore, arrangements are in hand for the Supreme Court daily court lists to be uploaded and displayed on the website.

Mr Speaker, in addition to the Gibraltar Courts Service website, we also populate and update the judgments website. Many of the judgements pertaining to Gibraltar from as far back as 1812 are available for viewing. This is a very useful source of information which is available to use free of charge on the internet.

Counter services have also been enhanced with the introduction of facilities for the payment of court fees and fines via debit card at both the Magistrates' Court and Supreme Court counters.

Finally, in relation to the Courts, the Gibraltar Courts Service continues to look at ways in which to improve their services especially through the continuous training and professional development of all staff. Staff have already received training in probate processes and procedures and this training has resulted in probates and letters of administration being dealt with within one to two weeks, when historically this process took approximately 12 months. That is a dramatic change and improvement, Mr Speaker. (*Banging on desks*)

This year, the Gibraltar Courts Service will be looking at providing staff training in other areas in order to further improve the level of service to court users.

Mr Speaker, I now turn to HM Prison matters. Recent Prison Board inspections describe the atmosphere among prisoners as relaxed. There have been around 12 cases of indiscipline reported between June 2013 and May 2014, but most of them categorized as minor. This represents a four-fold decrease when compared to the same period for the previous year.

Although prison population figures are lower, management attributes such a marked decrease to the sterling work produced by prison officers and the rehabilitation and aftercare programmes now in place. Of these, I would highlight the support offered by the Ministry of Employment who provide counselling, welfare and work placement programmes for prisoners. Over 40% of the prison population is currently benefiting from these services in one way or another. Through such efforts some prisoners are being released with offers, already, of employment, some finding stable work for the first time in many years.

Mr Speaker, in respect of the prison population, figures for the first four months of 2014 have seen a gradual recovery in numbers following the marked decrease seen in 2013. Daily average inmate population figures for January 2014 stood at 50 prisoners but the figure for April is 58 prisoners. These statistics should not detract from the benefits being noticed since the introduction of the programmes I have already given details of. These are having a very salutary effect on the prison population. Recidivism is down and prisoners are giving the prison authorities very positive feedback.

Between June 2013 and May 2014 there have been a total of 14 female admissions and 4 juvenile admissions.

Mr Speaker, the prison was visited by his Excellency the Governor, Sir James Dutton, on 19th March 2014. His Excellency toured the facilities, and I accompanied him, and spoke to officers and prisoners. He appeared to be impressed with the facilities.

Prison management remains committed to the ongoing programmes on rehabilitation of offenders and enhancing educational and vocational opportunities to all those in custody, with a view to breaking the re-offending cycle and successfully reintegrating offenders back into society.

Mr Speaker, I will mention now matters related to international co-operation. There is significant international co-operation between Gibraltar and jurisdictions worldwide for judicial assistance. The most common types of requests are for service of process and the taking of evidence.

Under our laws, there are several methods that can be used to achieve a desired result. The most common is the Letter of Request (LoR), which is a formal request from a court to a foreign court for some type of judicial assistance.

A European Arrest Warrant (EAW) is sometimes used by EU member states to seek the arrest and transfer of a criminal suspect or sentenced person to the issuing state so that the person can be put on trial or complete a detention period.

In a recent case, the Portuguese authorities issued a European Arrest Warrant for the arrest of an individual in connection with drug charges. The individual was sought by the Portuguese authorities on drugs charges emanating from an RGP-initiated operation resulting in the seizure of 6,000 kilos of cannabis resin in Portugal and the arrest of a number of persons. The individual was arrested in Gibraltar and after a protracted appeal he was surrendered to the Portuguese authorities.

This case serves to highlight the importance of international co-operation and how absolutely necessary it is for judicial assistance to work in order to ensure the pursuance of justice.

Mr Speaker, I now turn to policing matters – the Royal Gibraltar Police (RGP).

Re-establishment of the post of Chief Superintendent: Mr Speaker, the Gibraltar Police Authority has approved the re-establishment of the post of Chief Superintendent. This reverses a decision taken some years ago to do away with the post.

The post re-establishes a needed rank between the Commissioner of Police and the three Superintendents, thereby providing the RGP with an improved management structure.

Gibraltar Police Authority Annual Report: Mr Speaker, the Government has outlined a number of strategic priorities, which have been taken into account by the Gibraltar Police Authority (GPA) in the annual policing plan, namely: the protection of children and vulnerable adults through the participation in the Child Protection Committee and multi-agency public protection arrangements and through education programmes aimed at informing children, in particular on certain dangers on the use of the internet; two, the continuing promotion of public safety in the context of zero tolerance with regard to drugs and violent crime and through neighbourhood policing initiatives to tackle anti-social behaviour; three, the development of an integrated IT platform for the criminal justice system to ensure an efficient use of resources and to adequately equip the RGP with a modern communications and management tool.

Mr Speaker, every year the GPA carries out an annual public satisfaction survey in order to engage with the community and gain feedback on the relationship with the RGP.

The latest survey revealed an increased public satisfaction in the RGP. This seems largely due to the effectiveness of the neighbourhood policing concept, the tackling of anti-social behaviour in our streets and residential estates and the noticeable increase in Police visibility on foot patrol. In addition, a marked reduction in complaints against the RGP has also been noted. This, Mr Speaker, is very positive feedback and is welcome news, indeed.

Support and thanks towards the RGP has been expressed by the public for the RGP's continued support for interaction, particularly with juveniles and young children, via social media.

On neighbourhood policing, Mr Speaker, the RGP continues to deliver this policy, responding to community issues, from district offices in residential estates. These offices serve as multi-agency bases in the community.

The Government continues to support the RGP in its many activities and initiatives with regards to this strategy. The initiative has already seen very noticeable effects in bringing the Police back into the community. Officers operating from district offices are very accessible and residents regularly turn to the neighbourhood policing teams whenever they have concerns.

CCTV system: Mr Speaker, last year I made reference to Government's continuing plan for the roll out of CCTV in public areas.

CCTV has been installed in many areas around town and has served as a successful deterrent and a useful mechanism to prevent and detect crime. The installation of the cameras has proved to be an invaluable asset to the RGP and has further strengthened its capabilities in combating crime and gathering evidence.

Following recommendations by the RGP and calls from residents requesting the installation of CCTV cameras in other areas around Gibraltar, the public CCTV programme has been extended to include mid harbour estate – a programme installation which has now been completed and the cameras are fully-operational. Infrastructure at Laguna Estate is in the process of being upgraded and, where necessary, created in order to allow for the installation of CCTV. Moorish Castle Estate and Glacis Estate will follow. Proposals for camera locations within the Government housing estates are drawn up by the RGP in consultation with the Estates' Tenants Associations.

Mr Speaker, the expansion on the use of CCTV in Gibraltar continues and is kept under review. The initiative has already served, as I have said, to detect crimes by helping to either identify suspects or provide the necessary evidence for a successful conviction. It has helped to deter crime and has removed anti-social behaviour altogether in certain areas which had hitherto been plaguing residents for many years.

New Police vessel: the RGP has commissioned the construction of a new 25-metre patrol vessel specifically built to their specifications. The vessel is being built in Croatia.

The acquisition of the vessel will substantially increase the RGP's marine capability. This is in addition to all the assets we have already provided the RGP, by the addition of a further large vessel allowing RGP the capability to remain out at sea for prolonged periods and being out at sea in conditions not generally suitable for smaller craft. The vessel should be in Gibraltar and, we expect, operational in September of this year.

Criminal Justice integrated software: Mr Speaker, last year I mentioned in my Budget address that the RGP, together with other Criminal Justice partners and Government's IT and Logistics Department, were engaged in setting up a fit-for-purpose IT infrastructure platform suitable for the whole Criminal Justice System. Such a system will serve to improve service delivery within the whole spectrum of Criminal Justice. This will proceed during the course of this financial year.

The solution provides a single integrated solution for Gibraltar's law and justice organisations for the use of the Royal Gibraltar Police, Gibraltar Courts Service, Attorney General's Chambers, prison service and probation service.

The individual systems will be used on a daily basis by multiple individuals within each of these law enforcement organisations, thus enabling the process of managing information for each respective Department in an integrated solution from which each organisation gains a benefit. It is intended that the solution will utilise common sets of data. The software will be designed to prevent double keying and ensuring that the data sets are of a high quality, thus reducing the likelihood of error through duplication.

RGP Dog Section: General Purpose Patrol Dogs (GPDs) are highly trained and specialist dogs. The dogs, under the instruction of their handlers, are a much-needed tool in everyday Police work and are used successfully in the tracking of persons and recovery of property.

The deployment of the dogs is a useful asset in circumstances where co-ordinated crowd control, for example, and the mass movement of persons is necessary.

Funding this year has been increased to cater for the training of the handlers and increased kennel costs, given the augmentation of the Section by three dog handlers from HM Customs who now form part of the RGP.

Protective equipment: Mr Speaker, the Government has made available funding, over a three-year period, to bring up to speed the RGP's protective equipment for officers, weaponry and ancillary equipment.

Almost £136,000 has been provided for the purchase of additional firearms and protective equipment such as stab proof vests.

Campaigns: Mr Speaker, the Government welcomes initiatives that focus on improving road safety and awareness. These campaigns remind all drivers of the personal consequences of driving under the influence of drink or drugs and that an accident can ruin your life or that of others.

A number of campaigns have been co-ordinated by the RGP in conjunction with relevant ministries. In particular, I would highlight the anti-drink driving campaigns and drug awareness campaigns.

Trainee programme: the Police trainee programme has proved to be very successful. The programme, delivered in conjunction with the Ministry for Employment, allows our youth access to a scheme similar to the Police Cadet scheme, which ran many years ago. It provides trainees with the ability to gain first-hand knowledge on Police work and, at the same time, provide the RGP with prospective candidates for employment if found suitable.

Small Island Forum: Mr Speaker, the RGP has reinstated the Small Island Forum – an organisation that has been inoperative for about 10 years.

Although the Forum has no particular formal status, it provides a convenient platform for the Chief of Police of the member small territories to meet and discuss matters of common interest and concern. The reinstatement of the Forum was instigated by Gibraltar and comprises similar jurisdictions like Jersey, Guernsey, the Isle of Man and now includes the Cyprus Sovereign Base area. Its main advantages are the sharing of experience, knowledge and processes of interest to small territories.

European Association of Airport and Seaport Police (EAASP): Mr Speaker, the RGP is a member of the European Association of Airport and Seaport Police.

The goal of the EAASP is to make safe international ports against threats of criminal activity and terrorism. The scope of their work includes promoting co-operation with international partners, delivering exchange opportunities between portal agencies and international ports, advising European and international policy-makers and promoting information exchange as part of a joint-funded project with the European Commission.

In April 2013, the RGP hosted the 40th annual conference of the EAASP in Gibraltar. This was the fourth time the conference had been held in Gibraltar and it saw the highest number of delegates attending ever.

Not only was it a good thing for Gibraltar to play host to the conference a fourth time, but shortly after the event, Commissioner Yome was elected President of the Association. The presidency of this influential Association is not only a significant personal accomplishment for Mr Yome, but also represents an important achievement for Gibraltar. The Government is very happy to continue to support Commissioner Yome during his presidency. [Banging on desks].

Mr Speaker, before I end my contribution I would like to refer to another matter in which I am involved and that is the small boats marina, which is clearly becoming very popular because Members opposite have mentioned it in just about every speech that they make. So they must be very glad that it is coming on stream. (*Interjection*)

The tender for this project was awarded after a European public tender process (*Interjection and laughter*) to GJBS – the most economically advantageous tenderer.

Work has already started in earnest and the project is on course for completion next summer. Once ready, it will allow many who currently have their boats on land, or who have had their boats removed onto land by the previous administration, or who wish to have a boat but cannot due to the lack of berthing facilities, to enjoy marine activities from fishing to water-skiing or simply enjoying a ride on our waters.

The 700-berth facility is the biggest project of its kind ever undertaken in Gibraltar. It will also provide a promenade for public use as well as an outer wharf of around 600 metres for commercial use by the Port Department.

This is a much-awaited and anticipated project. It will be another jewel in the crown and another feather in this Government's hat – a hat which is quickly running out of room with so many feathers already on it. (*Laughter and banging on desks*)

Mr Speaker, before I end, I would like to thank my staff and all those who work in the various Departments which form part of my ministerial responsibilities, for their support, hard work and dedication to their job throughout the year.

Public servants play an instrumental part in helping us lay a strong foundation for progress. They are committed to a cause greater than personal ambition, and each day they tackle many of our most urgent challenges and help us all move closer to a better Gibraltar. Recognition of the value of their work is important and I would like to take this opportunity to thank them for what they do.

Mr Speaker, let me end by saying that I, together with all of my Ministerial colleagues, continue to work enthusiastically to deliver on the manifesto pledges which the people of Gibraltar have entrusted us to fulfil. And we are, Mr Speaker, well on our way to delivering on what we set ourselves out to do and more that we did not even envisage at the time – a feat that some, particularly in the Opposition benches, claimed was impossible to achieve. This Government promotes and supports fairness, equality and transparency. That is how we do business and I am proud of our record and significant achievements so far which have brought about such a positive change which is already apparent and being felt across all areas in Gibraltar.

Thank you. (*Banging on desks and interjection*)

**Mr Speaker:** There is a character in *The Mikado* who has responsibility for virtually everything known as Pooh-bah. I do not know whether that accolade applies to the Hon. Mr Licudi. (*Laughter, banging on desks and interjection*).

The Hon. Mr Costa.

**Minister for Tourism, Commercial Affairs, Public Transport and the Port (Hon. N F Costa):** Mr Speaker, it is, as always, a real pleasure and a privilege to deliver my Budget address to the Gibraltar Parliament. This Speech, Mr Speaker, marks my seventh Budget contribution as a Member of Parliament and my third as Minister for Tourism, Commercial Affairs, Public Transport and the Port.

For all of the reasons that I shall develop, Mr Speaker, it has been a rewarding year and one where my teams and I have continued to painstakingly develop and cement commercial relationships, which I am convinced will stand Gibraltar in good stead in years to come.

Moreover, insofar as is humanly possible among the various business trips abroad, weekly meetings of Cabinet, monthly sessions of Parliament, functions, events and the tide of all manner of correspondence – which of course, Mr Speaker, now includes personal Facebook messages, WhatsApp texts, ordinary texts, in addition to e-mails and traditional mail – I remain as committed as ever and as accessible as I have always been to all members of our community and very interested in listening to their ideas.

Mr Speaker, in discharging the constitutional obligations with which the Hon. the Chief Minister has entrusted me, the betterment of Gibraltar and of our community is always at the forefront of my thinking and of my decision-making process; and it is with this guiding principle in mind that I turn to my different areas of responsibility.

With your indulgence, I will start with Commercial Affairs. As this House will know, the Small Business Unit and I have focused on the preparation of an Office of Fair Trading Bill. We have carried out a thorough and detailed consultation with the Gibraltar Federation of Small Business, the Chamber of Commerce, the Trade Licensing Authority and the Department of Consumer Affairs.

I take this opportunity, Mr Speaker, to thank every single individual who has reverted with constructive comments and proposed revisions. After such a wide-ranging process, I can confidently say that this Bill will make sound and robust consumer protection and business-friendly law.

I am, therefore delighted to be able to inform this House that the Fair Trading Bill will today be published as a Command Paper. I also wish to thank from this House, Mr Speaker, my solicitors and, in particular, Ms Sarah Miles, who with unfailing tact and good-humoured patience endured my legalistic pedantry and my numerous requests for revisions to revisions.

The importance of the Bill cannot be underestimated and no one will doubt, on reading the Bill, that it is, in fact, transformative. With its introduction, a long overdue single point of contact to set up a business will finally be put into place as rightly demanded by the Chamber and the GFSB now for various years.

The OFT shall provide for the various licencing and registration requirements handled by different Government Departments to be dealt with under one roof. The single point of contact will ease an applicant's present administrative burden by supplying the applicant intending to apply for a trade licence with all the relevant forms to be completed relating to town planning, development and environment permits, employment registration, registration of businesses, registration for trade licensing and registration for tax and social insurance.

The overall objective of the OFT is to enhance consumer confidence and, equally as importantly, to ensure a fair playing field in Gibraltar's market. There shall be specific consumer bodies designated to be able to submit what are known as 'super-complaints' to the OFT where it is considered that a market feature, such as the structure of a market or the conduct of those operating within it, appears to be significantly harming the interests of consumers. The aim is to strengthen the rights of consumers, as they may not have the individual access to the information to judge whether markets are in fact failing them.

Critically, Mr Speaker, the existing Trade Licensing Act of 1978 shall be repealed upon the implementation of the Act and a revised, streamlined trade licensing procedure will be introduced. The Bill introduces and gives practical effect to a statutory presumption that an applicant is able to trade in Gibraltar subject to obtaining the required trade licence in respect of that business in accordance with the new Act.

There is also a statutory presumption that, if the criteria required for the original trade licensing application is still met by the applicant at its renewal date and there has been no breach of the terms of the licence since it had been granted, a renewal will be granted by the Authority.

Just as importantly, the new Office of Fair Trading will be adequately staffed and resourced in order to provide the most professional and efficient service possible. In particular and crucially, Mr Speaker, the OFT shall employ a legally qualified director to give effect to the provisions of the Bill. Enforcement officers will also be deployed to ensure that the Act is being observed and to take appropriate action wherever necessary. I shall say much more about the objective and functions of the OFT during the course of the debate on the merits of the new law.



To other commercial matters, Mr Speaker. The Small Business Board, which the House will remember I established when I first came into office, continues to meet on a regular basis and carries on its valuable work of identifying problems faced by small businesses in Gibraltar and seeking solutions. In particular, the Board considers in detail, ways in which the Government can provide the most propitious environment for small businesses to flourish and, equally, or more importantly, depending to whom one speaks, to keep overheads to a minimum.

One such fundamentally important measure, of course, was already introduced by the Government, which was to freeze the prices of electricity and water during our first term in office – a measure which the Hon. the Chief Minister confirmed during the course of his Budget contribution. And, as I do not tire of saying, the prize freeze is not a policy that can be underestimated or underrated by the community, not least when one considers that the price of electricity and water would already have increased by 15% since our election – that is to say, Mr Speaker, 5% every year – had the previous administration continued with their plans in this respect.

And, naturally, this is not the only policy of the Government that will have an importantly beneficial impact on businesses' bottom line. As hon. Members will recall, the Hon. the Chief Minister, in his Budget address, announced that businesses that make early payments of rates will receive a 15% discount. Again Mr Speaker, another measure that will really help businesses.

In this regard, it is important to highlight that this important reduction in rates arose as a direct result of the recommendations of the Small Business Board to the Government. To my mind, such a result is a very good example not just of the continuous and close discussion with relevant stakeholders but of the real accessibility of Government Ministers and our willingness to react promptly to sound representations that benefit our business community.

Further still, the Hon. the Chief Minister yesterday announced a series of important import duty reductions to 0%, such as in respect of sunglasses, writing implements and mobile phones, which will be a welcome boost to Main Street traders.

Further to the seminars the Small Business Board organised last year on online shopping and on pricing and invoicing rules, the Business Support Unit has continued to look at ways to encourage business in Gibraltar. Gibraltar's very first 'Small Business Saturday' was organised in early December. Discounts and incentives were provided by traders in order to encourage local business. Events and activities were also provided for all members of the family. It proved to be such a resounding success with the trading community, as well as with all members of the family, that a Christmas extravaganza was also organised on the weekend before Christmas, to further stimulate retail trade.

The House will also have heard the very exciting measure announced yesterday by the Hon. the Chief Minister to set up a committee that will assist in the setting up of start-ups and supporting new and innovative businesses as a further means of encouraging new economic activity within our community. It will be my pleasure to lead this team in partnership with the GFSB and the Chamber of Commerce.

I turn now to my transport responsibilities, Mr Speaker. I am thrilled to be able to make the second announcement of my address, which is to say that Gibraltar's very own Bassadone Motors has been awarded the tender for the supply of 20 Man Lions City midi-sized buses. (*Banging on desks*)

The good news does not end there, Mr Speaker. I am assured by Bassadone Motors that the first four buses will arrive in Gibraltar on 29th September of this year, with four buses being delivered every week for five weeks.

In other words, Mr Speaker, Gibraltarians will enjoy an entirely modern, eco-friendly and fully accessible bus fleet. By way of even further good news, the complete package includes a 10-year maintenance and after sales service programme and the option to part exchange the vehicles after six years have elapsed. The latter could, of course, result in significant savings.

We on this side of the House, Mr Speaker, are confident that the Man buses are the ideal buses for Gibraltar's urban routes as these buses provide great comfort and safety. Additionally, they offer the facility of flexibility and reliability for passengers by having two doors – an entry and an exit – coupled with a maximum capacity for 61 passengers – 24 seated, 37 standing, one mother and child seat and two tip-up seats – with ample space for wheelchairs, making these buses really accessible and versatile. The body length of these buses is 8.8 metres. They are equipped with a special solution air conditioning system designed for regions that encompass hot climates, a state-of-the-art video surveillance system and a ramp that offers easy access to passengers with reduced mobility.

The technology and engines of the Man buses are based upon modern engine and injection technologies, ensuring compliance with the Euro 6 exhaust gas limits.

Additionally, as part of Government's strategy on accident prevention, Man will be offering professional training to all of our drivers. As a result, we are persuaded that this training will achieve fuel saving together with a decrease in vehicle damage.

I am also delighted to say that this new fleet of environmentally-friendly buses will meet all of Gibraltar's topographical requirements, given the hilly and sometimes difficult nature of our terrain.

Mr. Speaker, with these buses we will also see the introduction of the latest state of the art in Intelligent Ticketing System (ITS). This will not only provide statistical data, for my hon. Friend, Mr Figueras, to ravage at some point, but will also incorporate GPS and WiFi facilities, thus helping those members of our society who are visually and hearing impaired as well as those who rely on their Smart phones. The ITS will incorporate talking signs and it is envisaged that real time arrival information will be a reality at selected bus stops.

Once again, Mr Speaker, the Government is showing its unyielding commitment to invest in those areas of public services that bring about real improvements in the quality of service afforded to all of our citizens.

Mr Speaker, whereas the feedback received shows that the public is happy with the existing service and existing route network, I must say that we do receive requests for additional bus stops at different parts of Gibraltar.

Whereas I do not wish to anticipate the announcements that will be made on publication of the Sustainable Traffic, Transport and Parking Plan (STTPP), it will not have escaped the notice of hon. Members that the midi-sized fleet will increase by two buses, from 18 to 20. The Gibraltar Bus Company will also purchase smaller, but fully-accessible buses for certain routes. As a result, new routes will be introduced and these will be announced when unveiling the new STTPP.

As well as the buses themselves being wheelchair-friendly, a programme to improve the wheelchair access at bus shelters commenced following the successful implementation of access ramps in Market Place, underlining the commitment of this Government to enable those with disabilities to be able to access fully all the public services the Government offers. The work also highlights the Government's commitment to providing a high quality, accessible public transport service and, in doing so, making areas previously inaccessible, accessible.

All bus shelters that required works to enable them to be wheelchair-friendly have now been completed in places where persons with disabilities most needed these facilities. It goes without saying that we will spare no effort in ensuring that we remain sensitive to the needs of persons with disabilities and remove all obstacles, which might make their lives unnecessarily difficult.

Further still, Mr Speaker, on a separate but related matter, over the next months the general public will begin to see the installation of solar powered lights in most of the bus shelters following the trials at Market Place in keeping with the Government's environmental filter.

Mr Speaker, I now turn to my responsibilities for the Port and Shipping, and, in the first place, to the Gibraltar Maritime Administration.

The number of commercial ships on the Gibraltar Ship Register has increased to 322 overall at the end of 2013 and tonnage is also up, with a total of 3.4 million. The fleet is projected to grow again steadily this year, with new target markets identified.

Gibraltar remains an attractive registry for central and northern European ship owners, particularly due to the quality service given by the Department, local ship representatives and the reputation of the Gibraltar flag, which in March of last year achieved US Coastguard Qualship 21 recognition, one of only 20 recognised by the United States.

Mr Speaker, it pleases me to note that once again this year the GMA achieved US Coastguard Qualship 21 recognition and I am sure that the whole House will welcome and applaud such an important professional accolade. (A Member: Hear, hear.)

The Gibraltar Yacht Registry also continues to expand its fleet. The number of yachts on the flag has increased to 814 at the end of 2013. And, Mr Speaker, in a continuous bid to further stimulate yacht registration, I can make a further announcement. I am pleased to see the introduction of two new products: the registration of very large mega yachts, as well as registration of yachts under construction. The Yacht Registry will now offer the complete package for yacht owners of any type, vessel size and construction, opening up the possibilities of increasing not just the number of yachts but the diversification of the fleet type.

The Department's core infrastructure is also being improved, with an overhaul of the internal quality management systems and new database modules for online payments, accounting and certification currently undergoing testing. The GMA is one of the Departments at the forefront of our new e-government project. A Smart phone app is also being finalised and will be released at the end of the summer.

The Survey Division has been provided with two new administrative support staff to handle work volume, particularly with port state control matters, freeing up surveyors to undertake more revenue-earning work on board ships worldwide.

Furthermore, Mr. Speaker, the GMA's Seafarers' Section reported a record year for crew certification, with over 4,800 provisional and full-term endorsements issued in 2013 – a 20% increase in 12 months. The Department has prepared an online registration, submission and payment database to facilitate this service ever further.

The GMA also monitors and manages Gibraltar's cadet programme in the UK, co-sponsored with the bunkering companies, with five young persons presently undertaking training to be qualified British ship

officers. Within the next six to seven years, we will have a sizeable group of qualified masters and chief engineers returning to Gibraltar and contributing directly to the maritime cluster.

The GMA co-sponsored the IBIA seminar in 2013's London International Shipping Week along with the Gibraltar Port Authority and was actively engaged with the Gibraltar Maritime Day in London.

890 The Gibraltar Maritime Administrator, Registrar of Yachts and a senior partner from one of Gibraltar's leading law firms were invited to the World Congress of Ocean conference in Hangzhou, China, in September 2013.

895 The conference involved presentations and networking with clients from the yachting, marine insurance and ship management sectors. The GMA has been invited again this year and a more targeted marketing campaign is in the planning stages, taking advantage of contacts made in the region, as well as HM Government of Gibraltar's new representative in Hong Kong.

900 Following the yearly visit to Germany to meet existing clients and possible new ones, the GMA were invited by the German ship owners, along with seven other EU flags, to a two-day seminar in Hamburg and Leer in January of this year. This allowed the GMA to make two major presentations and, more importantly, meet many ship owner/operators on a face-to-face basis.

The Maritime Administration was accompanied by one of the local representatives and the quality services offered by the flag were highlighted. As a result of these presentations, the Gibraltar Ship Registry has been approached to register three ships from new clients over the last month, including a high value ship construction project.

905 The GMA is continually exploring new avenues to expand its business by targeting ship owners in Scandinavia and the Far East this year and in 2015. As a result, the decision was made to increase the Department's marketing budget by 30% in this financial year, to enable both the ship and yacht registries to expand their marketing presence. Looking forward, some major events hosted by the GMA are lining up.

910 German ship owners, Mr Speaker, make up around 70% of the Gibraltar fleet. This is indicative of the importance of the market. As a result, the GMA will be co-hosting a promotional event in Germany with the leading local representatives this September, in which all aspects of ship registration in Gibraltar will be marketed and there will be the opportunity for technical discussions with current and potential clients.

915 We are also hosting this year the Red Ensign Conference in Gibraltar, in fact which started today, wherein all the British maritime registries will gather and discuss a range of maritime topics, monitor quality standards and look at future initiatives. This important conference provides a useful forum for delegates to network and share best practices as well as an opportunity for Gibraltar itself to demonstrate what we offer.

920 Finally, my ministry, the GMA and representatives from the Gibraltar Superyacht Group will be hosting a yacht marketing event at the Cannes Yacht Show in September of this year, where a range of yacht stakeholders and businesses will be invited.

This will be a showcase event for Gibraltar's yachting industry, from marinas to company managers, financiers to agents. With these new resources, new services, online facilities and an increase in marketing activities over the next year, the Gibraltar Maritime Administration is positioning itself as one of the high quality attractive registries for commercial as well as leisure vessels in Europe.

925 Mr Speaker, I now turn to the Gibraltar Port Authority (GPA). The end of the financial year shows the GPA as being well within the approved budget with a total expense, including capital expenditure, of £4,808,653 from a total approved budget of £5,142,000, therefore making a saving of £300,347. Additionally, total recurrent revenue for 2013-2014 was £6,116,326 and when offset against the total expenditure, shows a surplus of £1,307,673.

930 In fulfilment of manifesto commitments, work continues to improve port facilities and infrastructure, including the provision of enhanced facilities for operational personnel.

935 The new mess room and facilities for launches and crews has now been completed at the old ferry terminal at Waterport. As well as welfare facilities for crew, this site will also provide sheltered berthing and workshop facilities for the port boats. Work is now under way to design the new port workshop, in conjunction with the new premises to be created for HM Customs which will be located at eastern section of the Waterport ferry terminal.

In yet further announcements, Mr Speaker, it pleases me to say in the House that work on the new port administration building, incorporating a better location for VTS and improved accommodation, has started, with the first stage of demolition of the old building well under way.

940 It is envisaged that the new port building will be completed within 18 months. This will represent a further substantial injection of capital investment in the Port in order to fulfil yet another important manifesto commitment of reversing so many years of chronic underinvestment in our port.

945 The new electronic vessel management system is now fully operational and is allowing ships' agents to input data remotely in order to provide the most recent information on a vessel's movements, further streamlining port operations.

In line with further manifesto commitments, we have also carried out an extensive review of our port charges and the House will have heard the excellent series of measures announced yesterday by the Hon. the Chief Minister.

It is my opinion, as well as that of the Capitan of the Port and of the Marine Officer, that these new raft of economic measures, together with a slight relaxation on the limit of number of bunker barges operating in the western anchorage, is likely to lead to an increase in activity levels and reinforce our competitive edge amidst the recent financial crisis world-wide and the competition from neighbouring ports.

It also behoves me, Mr Speaker, to mention the close consultation with and useful proposals of the Gibraltar Port Operators' Association that led directly to the series of economic measures announced yesterday by the Hon. the Chief Minister.

Mr Speaker, the House will remember that on 22nd May of last year, and as the Hon. the Minister for Justice announced a few moments ago, the Hon. Ministers for Health and Justice and I announced the 700-berth small boat marina project.

It pleases me tremendously to advise this House and small boat owners that this major project, to provide sufficient berthing to accommodate 700 small boats in accordance with another manifesto commitment, has now commenced.

The marina will be constructed in the mid-harbour area and will incorporate 400 six-metre and 300 eight-metre finger pontoon berths. It will have electrical and water points, secure entry to the pontoons and CCTV security cameras.

The introduction of the new reporting berth as part of this new project will realise yet another manifesto commitment. Plans are now being developed to accommodate members of the Port Authority, the Border and Coastguard Agency and Customs – the three agencies staffing the new reporting berth.

As the House will also undoubtedly recall, the reporting berth was removed by the previous administration, inexplicably so, as far as concerns those on this side of the House, removing this vital control on one of the most important entry points into Gibraltar.

On security, in addition to the new closed circuit television system that was introduced at the Port last year, enhancing both safety and security, the Government in conjunction with the GPA and technical services will be modifying the restricted area within the Port estate to comply with the UK Department of Transport's most recent recommendations.

And, Mr Speaker, no one, not even our political detractors can possibly doubt the Government's real commitment to our environment – and in particular, our marine environment. I take this opportunity to remind the House of the new and meaningfully deterring legal sanctions for polluters that I introduced last year, as well as the legislation, also enacted last year, making it mandatory that cargo transfer between ships must take place within British Gibraltar Territorial Waters under the direct supervision of the Port Authority.

Further still, last year the Port announced its participation in the Green Award scheme whereby a 5% reduction in tonnage dues is granted to all Green Award-certified vessels. As a result, the Port was presented with a Green Award reflecting the Port's corporate social responsibility by encouraging safe and environmentally-conscious shipping.

Even further still, the Environmental, Health and Safety Advisor, which is a post created by this Government, is providing a robust environmental, health and safety culture within the Port to ensure compliance with health and safety regulations and marine environmental legislation.

In addition to the Vikoma Alligator skimmer purchased last year, we have recently acquired 600 metres of oil spill containment booms, which will be pre-sited at both harbour entrances as well as the entrance to Ocean Village.

This is a major enhancement in our response time in order to successfully mitigate any impact of pollution to these areas. We have plans to complement this capability with the procurement of dedicated oil spill detection radars, which will enable timely detection of oil spills from vessels outside British Gibraltar Territorial Waters. Initial steps have been taken with the DPC approving in principle the proposed radar sites.

Finally, a strategy for marketing the Port and its activities is constantly under review, with greater emphasis on face-to-face meetings and the development of relationships with industry stakeholders. The business strategy for the Port goes from strength to strength, with the attendance of key personnel from the GPA to important conferences not only in the cruising industry but also in the bunkering world and wider marine community.

Mr Speaker, you will be aware that our very own Bunkering Superintendent, Mr John Ghio, spoke at the recent high profile 5th Annual European Bunker conference in Rotterdam, organised by PLATTS, the leading worldwide provider of energy, petrochemicals, metals and agriculture information.

This is a huge step in the recognition of the importance and reputation that the Port of Gibraltar holds world-wide, which this Government wholeheartedly supports. This was followed more recently by a

delegation from the GPA, led by the CEO and Captain of the Port, promoting the port at Posidonia, the maritime industry's global showcase that is held every two years in Athens.

The GPA is also looking into the possibility of hosting high-level conferences here in Gibraltar over the next 12 months to further enhance the port's profile across the shipping community. It also seeks to consolidate its reputation in the Mediterranean and northern Europe, and plans to participate in the principal global maritime event, the London International Shipping Week in September of next year.

Mr Speaker, we are confident that this forward-thinking marketing strategy, combined with the measures announced by the Hon. the Chief Minister, will reverse the moderate reduction in bunker activity which is a decline that started at the time of the global economic crisis as from 2009.

Locally, stakeholder engagement continues to be built upon with forums being developed to represent commercial and leisure activities. The GPA continues to engage in dialogue with all maritime businesses to ascertain how the local maritime industry is performing and how best we can compete in such a dynamic environment.

Further, Mr Speaker, the House will also recall the announcement made by the Hon. the Chief Minister that in order to promote the use of Gibraltar as a maritime jurisdiction, passenger tax at Gibraltar Airport has been abolished for passengers joining vessels.

Further still, Mr Speaker, in even more good news, the House will recall that the Hon. the Leader of the Opposition noted that bunkering charges were down this last financial year by 33% over the 2012-13 financial year on the basis of the estimates.

I am happy to report, however – and I am sure that the whole House will be delighted to hear, except the Hon. the Leader of the Opposition who is not sat where he normally sits – that revenue from bunkering charges is, in fact, up by 21.08%. *(Banging on desks)* Happy days, Mr Speaker, even when the Spanish authorities have – if I may put it as charitably as I possibly can – not missed a trick in trying to promote her own neighbouring port.

Last but by no means least, this House will be aware that Bob Sanguinetti is the new CEO and Captain of the Port and has now been in post for just over a month. Delighted to have returned to his homeland after a highly successful career in the Royal Navy, I am pleased to say he is wasting no time in settling in and is already providing the drive and leadership needed to continue the growth and development of the Port. *(Banging on desk)*

Mr Speaker, I turn now to tourism. I start with air connectivity and, in very brief terms, the relevant background since our election in December 2011.

As this House will recall, in 2012 easyJet operated its Liverpool service three times a week and Bmibaby, which launched a brand new route to East Midlands, operating three times a week. Both services were discontinued – for commercial reasons in respect of easyJet and the closing down of Bmibaby.

As a result, it is indeed encouraging, Mr Speaker, that despite the loss of these two routes in 2012, visitor arrivals this year decreased only by a very negligible 1.1%, reflecting, however, the growth of passenger numbers in real terms on the remaining existing routes.

Nonetheless and moreover, it will not have escaped the notice of hon. Gentlemen opposite that soon after the loss of these two routes Nicky Guerrero and I successfully negotiated with British Airways to increase the frequency on its London Heathrow schedules from seven to nine per week. We also successfully ensured that Monarch increased its frequency on its Manchester service to four per week all year round to offset the loss of the Liverpool route.

All of this, Mr Speaker, was in addition to negotiations with Monarch resulting in service to the Midlands being re-launched with flights to Birmingham three times weekly.

As a result the net effect was that the loss of six weekly services to the UK was turned into an increase of seven weekly flights by 2013 with both regions affected – the North West and the Midlands – achieving a frequency increase and a brand new service from Birmingham respectively.

Indeed, Mr Speaker, we continue to engage with airlines both for an increase in capacity on existing services, in addition to exploring the possibilities of opening up new links to regional destinations in the UK, as well as to other points in Europe. The latter being a particularly arduous task but one on which we have no intention to relent.

Mr Speaker, I am sure it will please the whole House to know that the Monarch Airlines Birmingham service, which this Government managed to secure after the loss of service from East Midlands, carried over 29,000 passengers in the first nine months of operation and continues to show increasing passenger numbers in this year, highlighting how regional links to the UK can and do work.

Winter seasons, where traditionally traffic slows down, has in fact shown an increase in passenger numbers. London Luton services this last winter increased to four services per week for the first time in a number of years and Manchester services continued to operate at four services per week all year round. British Airways continued growing its nine times per week service to London Heathrow and easyJet introduced larger aircraft on specific days of the week this winter.

It is in this light, Mr Speaker, that it greatly pleases me to announce that the Airport has recorded a 20.5% increase in passenger numbers in the first quarter of 2014, compared to 2013. (*Banging on desks*) (*Interjections and laughter*)

In real terms, this represents an additional 14,000 extra passengers compared to the same period last year. It is equally as important to note, if perhaps not even more so, that this growth, which I have just mentioned, has been in the traditionally slower winter months. This highlights my Ministry's and the GTB's ongoing commitment to the Airport by actively carrying out joint marketing campaign with airlines to promote Gibraltar.

It pleases me even further, Mr Speaker, to say that to the end of May this trend has continued with total passenger numbers up by 16.3% over 2013. I am sure the whole House will hope with me that this growth is sustained over the entire year and beyond.

Looking forward to this summer season, which started at the end of March, six destinations will be served from Gibraltar International Airport. Overall, services to the UK have increased by one weekly flight to London Luton over last year, with 33 weekly departures now on offer in the peak summer period. Sundays, like last year, still being the busiest day but now with seven services on offer.

Mr Speaker, we continue to constantly engage with existing and new airlines in marketing Gibraltar to them as a destination for business and leisure, especially in the light of new hotel stock and refurbishments in existing stock, which will attract a new category of customer visiting the Rock. Only last month I have held meetings once again with our current operators in London. In addition, our very able team at the GTB continue to attend the important Routes Europe development forum to meet with airports and airlines face to face.

Hon. Members can rest assured that our efforts are relentless in expanding air services in a very tough and competitive market. To illustrate how tough this job can be, in a recent television programme about Edinburgh Airport and in particular the first episode of the series, the route development team there noted that it can take up to five years for new routes to materialise, even for an airport the size of Edinburgh, which handled over 9 million passengers in 2013.

As the House will recall, however, not long after this Government came into office my team and I were able to secure extra services by British Airways, an increase in capacity from Manchester and an entirely new service by Monarch Airlines from Birmingham, which clearly reflects, beyond any shadow of a doubt, the constant work that is constantly being conducted behind the scenes in promoting Gibraltar.

Mr Speaker, the number of air arrivals and the growth that we are seeing this year, as I have just detailed a few moments ago, has also translated into noticeable growth in hotel occupancy. Indeed, in 2013 our hotel occupancy report shows that all arrivals at hotels increased by 3.4% over 2012. A not insignificant stride has been made in the category of Room Occupancy that increased by 1.7 percentage points and stood at 61% as an average for 2013.

It pleases me further to say that although the statistics will not be tabled at this House until next year, the first quarter of this year in terms of occupancy also looks extremely encouraging. Once again, Mr Speaker, our tireless efforts in working with UK based tour operators, airlines and the industry in general is yielding tangible results for our industry.

As I said last year, an advance in the provision and variety of bed stock in Gibraltar was necessary. The Sunborn Hotel has already opened for business and has brought a new product bracket in the form of five star accommodation to the Rock. (**A Member:** Hear, hear.) I am delighted to also report that the Rock Hotel's refurbishment programme is under way, that the Caleta Hotel is planning a major project and the O'Callaghan Elliott Hotel is also to undertake refurbishment works.

Mr Speaker, like with air services, I think it is important to also properly set out the historical background and context of this important business to Gibraltar. An objective analysis of the facts will, in itself, explain the present situation in terms of cruise liner calls and passenger numbers – unpleasant as that may be for those who only wish to make political and partisan mischief and operate wholly disingenuously, in a vacuum. (**A Member:** Hear, hear.)

In this respect, Mr Speaker, I take the opportunity to remind the House, and the Hon. Mr Bossino in particular, that the number of cruise calls went down in 2010, when they were in office, in 2010, by 64 calls over one year! (**A Member:** Shame!) 64 calls, Mr Speaker! Sirens, alarm bells and all other manner of loud, jarring and uncomfortable devices should have gone off in my predecessor's office that something had seriously gone wrong and try to determine the reasons for this shockingly worrying loss of business. 64 calls over one year! Staggering! Shocking!

**A Member:** It was the Government.

**A Member:** Hear, hear.

**Hon. N F Costa:** Well, I am just following your argument of last year.

Instead, the response of the GSD was to do nothing other than to continue to spend tens of thousands on a stand once a year that the figures clearly showed actually translated in a spectacular loss of commercial opportunities for Gibraltar.

1130 Mr Speaker, let me elucidate, mainly for the benefit of the Honourable Members opposite and the hon. Gentleman Mr Bossino's contribution in the House, that since our election we continue with our determined policy of one-to-one meetings and building up strong personal relationships with the industry.

In particular, the GTB and I have done everything humanly possible to assure cruise companies that Gibraltar is ready to listen to and address their concerns. And the signs are already bearing fruit that cruise  
1135 line companies are slowly once again increasing their calls to Gibraltar, (*Banging on desks*) as I have been able to illustrate by the series of press announcements. In this respect, I refer to my press releases in respect of Pullmantur, Thomson and Island Cruises and, most recently, Carnival UK.

But, Mr Speaker, as encouraging as the signs are, it is also the case that cruise companies have their own itinerary, commercial and other considerations for not calling at Gibraltar. An element of fluctuation in calls  
1140 and passenger numbers year over year is inevitable

The key, however, for me is that we do not leave any stone unturned in ensuring that all that can be done is in fact done. In this respect, Mr Speaker, I am firmly of the view, having spoken personally with the top cruise executives globally, and local agents, that we have done as much as we can do to attract cruise liners. Indeed, calls for this year as at today's date are scheduled to increase to 180, with passengers  
1145 numbers also anticipated to rise to 294,752 – that is to say, Mr Speaker, in real terms this year, 10,000 more passengers.

Once again this year, I have held meetings with senior cruise executives in the UK and Miami along with senior officials. This demonstrates the consistency that this Government has shown in promoting Gibraltar's assets as a cruise destination.

1150 Although the cruise lines are not yet in a position to move forward on the issue of cruise turnarounds, for their own commercial and itinerary reasons, we continue to pursue this opportunity and have once again pressed the case as hard as possible with three UK cruise companies earlier this month.

As I announced last year, Azamara Club Cruises, through their agents in Gibraltar, M H Bland, have once again held an AzAmazing evening in Gibraltar on 31st May. This has been as a direct result of the success of last year's visits and is also a testament to all those involved in the organisation of these events,  
1155 both in the public and private sectors. I am delighted that another event is scheduled for 5th September.

In addition, Saga cruises also held what they entitled as an Enchanting Evening at St Michael's Cave on 26th April, where passengers enjoyed a concert by the band of the Royal Gibraltar Regiment.

Mr Speaker, I am sure that the whole House was delighted to learn in February of this year that Royal  
1160 Caribbean International announced that its newest ship, Anthem of the Seas, will call at Gibraltar seven times in 2015 during its inaugural season. As I said in public at the time of this announcement, this sends out a very strong signal indeed that Gibraltar is a serious and committed player in this industry.

So as not to stand still in the passing of pro-cruise legislation, this year we also announced changes to the Port Rules that regulate the discounts on passenger dues for cruise ships calling at Gibraltar. The  
1165 amendment allows 'repositioning' calls from the Mediterranean to the Caribbean or vice-versa to benefit from a 100% markdown on passenger dues. There will also be further reductions applied, depending on the number of passengers on board the individual cruise ships, calculated cumulatively in respect of vessels belonging to a particular maritime line.

Mr Speaker, another initiative we have taken this year, after detailed consultation with all relevant stakeholders individually and via the UK GTA, is the amendment to the Marriages Act, which I am pleased  
1170 to note was passed unanimously by this House.

One of the main provisions is that under the new legislation a passenger ship's master is now allowed to conduct wedding ceremonies on board Gibraltar's registered passenger ships under a special licence. This will provide an added bonus to this industry as a whole and, it is hoped, will act as a further incentive for  
1175 ship owners to re-register their vessels under the Gibraltar flag.

Another of the changes in the new law is that couples married under special licence are required to spend at least one night in Gibraltar, either before or after the ceremony therefore creating more opportunities for the local hospitality industry within the market. There is the added flexibility that the visiting couple can spend the relevant night as the guest of a Gibraltar resident, rather than in a hotel.

1180 As I said in my press statement on this matter, this is yet another example of the Government's commitment to promote the Rock as a tourism destination and to be innovative in its approach to developing the activities of the Gibraltar Ship Registry.

We also continue to participate in those events and organisations that help to promote Gibraltar as a port of call to the cruise lines. Gibraltar, Mr Speaker, is highly respected at Medcruise and within Seatrade,  
1185 where we are often applauded for taking pro-cruise industry initiatives and for being very active in some of the ways I have just highlighted.

The feedback I receive at all meetings and events is that Gibraltar is good to the cruise industry and that it is a pleasure to see how a community welcomes cruise passengers wholeheartedly.

1190 The dedication of the GTB, the shore excursion agents, the shipping agents and all those involved in the industry undoubtedly shows the proactive stance that Gibraltar has in relation to tourism and reflects the dynamism and energy that we as a Government have brought to this sphere, so far, in our term of office.

1195 Mr Speaker, in respect of tourist sites receipts, the House ought to remember that the Hon. Leader of the Opposition noted that this head was down by 5%. It also pleases me to say that notwithstanding the very best efforts of Señores Margallo and Rajoy, tourist sites receipts are down only by 1.61% (*Banging on desks*) which reflects the sheer resilience of the economy.

Further still, in news that will hearten all Gibraltarians, overall global tourist receipts, even when including coach park receipts, is down only by 1.6%. (*Banging on desks*)

1200 Mr Speaker, let me tell those who would wish us harm from our own Parliament that it will take much more to strangle or kill our innate resilience, our love of our country and our entrepreneurial spirits than their disproportionate, unlawful and inhumane actions have tried to undertake. (*Banging on desks*) It is also a veritable testament to the unstinting professionalism, sheer hard work and undiminished dedication of the GTB and the private sector that these results speak for themselves.

1205 Mr Speaker, no-one can deny that the Government has invested in tourism in an unprecedented manner. The improvements in the first full financial year were there for all to see and have continued this last financial year. As a result, it will come as no surprise to Gibraltar – but it will nonetheless not deprive me of any pleasure in so announcing – that once again, for the third consecutive financial year, the Government will pledge an additional £1 million to continue to improve the existing tourist product. (*Banging on desks*)

1210 Mr Speaker, over three financial years this Government will have spent just over £3 million in improvements to the visitor attractions. In the six financial years previous to this Government coming into office, the GSD spent just over £1 million. Therefore we have invested 191% more in just three years than the previous administration did in six years – evidence, without any shadow of a doubt, of this Government's pledge to invest in the tourist product for the benefit of all.

1215 Works on the second phase of improvements at the Great Siege Tunnels have been completed. A highlight has been the opening of the Holyland Tunnel, which affords marvellous views of the east side of Gibraltar. Extra mannequins have been installed and existing ones re-conditioned. The ticket office at the Great Siege Tunnels has also been refurbished. The viewing platform outside the Tunnels has also been reinforced for safety reasons.

1220 At the 100 Ton Gun improvements include new fencing, a new staff room and a new entrance that provides greater accessibility to the attraction. At Jews' Gate the resurfacing of the viewing platform, which was started last year, has been completed along with the second phase of the replacement of the railings. At St Michael's Cave we have introduced new sound and light equipment, completed the second phase of the replacement of the hand railings and installed stair lighting. These improvements have enhanced the cave for all to enjoy and has had a remarkable effect on the tourist experience in one of our most visited sites.

1225 The GTB took over the running of the World War Two tunnels attraction last year and one of the first priorities was the complete refurbishment of this site. Other improvements are planned for this attraction.

New signs have been installed within the Upper Rock area for those walking to and from the Nature Reserve and are now in the process of looking at additional signs within the Nature Reserve.

1230 My aim, Mr Speaker, and the aim of the Government, is not just to enrich our existing attractions to reflect our steadfast commitment to the tourism product, important as that is, but also to restore a sense of ownership and of pride in the intrinsic wonders contained in our touristic pockets of excellence.

These are some of our national treasures and we must, all of us, preserve them. At the same time, as a Government we also believe it is our duty to provide the best possible conditions to our employees, which we are achieving in attending to well and very long overdue refurbishments to staff facilities all over the Upper Rock – a win for tourists, a win for us Gibraltarians and a win for our staff.

1235 Turning to beaches, last year I announced further improvements to our beach and bathing facilities. This year the list of initiatives increases to include: the provision of a lifeguard weekend service as from 12th April, with a full lifeguard service as from 7th June; the beach facilities, including showers, have been available on weekends as from 12th April and daily as from 1st May; new beach umbrella stores have been provided at Camp Bay and Eastern Beach; the complete refurbishment of the swimming pools at both  
1240 Camp Bay and Little Bay, including a new chlorination and filtration system – the pool at Camp Bay includes a new accessible ramp; waterparks have been installed at all the beaches – I confess that I have not tried these myself, but I am assured by numerous families that they are excellent fun and a very welcome addition and I do promise to try one of them very soon, and I ask the hon. Gentleman perhaps to accompany me as Shadow Minister for Tourism! (*Interjections and laughter*) I will let him choose his own bathing  
1245 wear; new walkways have been provided at Eastern Beach, Catalan Bay and Western Beach – the new material avoids imbalances in the surface and is more durable; the toilets, showers and changing facilities at Sandy Bay have been refurbished; the lifeguard post at Western Beach has been relocated; a new lifeguard



boat store has been provided at Western Beach; and new marine grade stainless steel steps have been installed at Camp Bay.

1250 Mr Speaker, once again, I repeat that no-one can, in any seriousness, doubt this Government's commitment to invest in projects that will be thoroughly enjoyed by the entire community and also by tourists.

Sandy Bay, I think, deserves special mention. Mr Speaker, as detailed in a press conference last week, major coastal protection and regeneration works have transformed Sandy Bay from a pitiful state into a  
1255 sensational beach, laid and enlarged with 50,000 tons of sand imported from Morocco.

Two curved groynes and a frontal breakwater have also been constructed to protect the beach from the full erosional impact of wave action and trap shifting sand. The project has been extended to include a submerged breakwater connecting the ends of both groynes.

1260 As I said recently, the achievement of an enlarged Sandy Bay, where there is now a permanent solution to protect the beach from disappearing, is an engineering feat in its own right. Our beach culture is vibrant and we are thrilled at the prospect of returning it to its former and magnificent glory.

I must, Mr Speaker, congratulate the Technical Services Department and all involved in this project for their efforts. (*Banging on desks*)

1265 Mr Speaker, perhaps here a brief parenthesis to just say that at a time when everyone is applauding the great strides made in the regeneration of Sandy Bay, some Members opposite thought to ask us whether there were spiders. I mean I wish there were arachnids that would turn me into Spiderman. Alas, there are no arachnids or other insects at the beach, (*Laughter*) but a magnificent beach instead.

1270 As the House will also be aware, the Gibraltar Bus Company also commenced a summer shuttle service last June to provide accessibility for the beach users of Sandy Bay. Once again, Mr Speaker, I take great delight in being able to announce more and more improvements to enhance what is a treasured Gibraltarian tradition and another important aspect of our tourism product.

1275 As I announced last year, WiFi hotspots have been installed at the following places: the Gibraltar Cruise Terminal; Queensway Quay; John Mackintosh Square; Casemates; the Frontier; St Michael's Cave; 100-ton Gun Exhibition; the Great Siege Tunnels; Moorish Castle; Europa Point; Gibraltar Museum; the Garrison Library; Eastern Beach; Catalan Bay; Camp Bay; Little Bay; Western Beach; New Coach Terminus facility; and Apes' Den.

The installation of the hot spot at Sandy Bay should be operational this month. Installations at Ocean Village started during the week of the 9th June. Limited coverage should be in place by 11th July with further access points added to cover black spots as from the following week. (*Interjection*)

1280 As I outlined last year, the Government has contracted with Gibtelecom for free access to a number of local websites at each location. Access to more general websites outside this 'walled garden' would be directed to Gibraltar's WiFi payment portal, where users would be charged online by the company at their standard WiFi rates.

1285 Mr Speaker, the first Gibunco Gibraltar International Literary Festival was held last October. It is my opinion, based on the numerous comments my team and I received from participating authors and attendees alike, that the event proved to be a tremendous success, with both speakers and audiences enjoying a literary feast for the senses.

1290 Further, this festival, certainly for us on this side of the House, is one of the many successful events that this Government has introduced with a view to encouraging event-led tourism, such as the jazz festival and the music festival.

One distinguished speaker, Booker Prize-winning author and poet Ben Okri, described the Festival as 'a triumph'. Not only did the festival attract some of the top writers in their respective fields, but it also provided national coverage in the UK media by showcasing a different aspect of Gibraltar.

1295 Following on the success of last year's event, I am delighted to say I am very much looking forward to the second edition of the festival, which will take place from 14th to 16th November. I recently launched the festival and revealed the names of some of the distinguished writers who will be participating in this year's event. I have no doubt that this year's festival will be just as good, if not better, than last year's; and I believe it will continue to develop on its success for many years to come.

1300 The United Kingdom Gibraltar Tourism Association (UKGTA) and the team at Gibraltar House in London continue to bring together all the tourism partners at their quarterly meetings. The Association has recently expanded to include the cruise companies based in the UK. This is certainly, Mr Speaker, an important development.

1305 Attendance is strong and the information exchanged in this forum is critical in the communication process between the GTB and the local and UK industry. It is a good opportunity to review the results of our deliberations, as follows: in August of 2013 Classic Collection holidays, one of the members of the UKGTA, announced for last summer to be up 21% on the previous year; in September of last year, and for the second time, Superbreak Holidays of the UK announced an increase of 300% year on year on bookings to Gibraltar; in March of this year another tour operator was added to the growing list of those featuring

Gibraltar in the UK – as my Hon. Learned Friend, the Minister for Equalities, Samantha Sacramento, noted in her speech, Enable Holidays, which specialises in organising tailor made vacations to meet the specific travel and accommodation needs of persons with disabilities, included Gibraltar in its latest online business brochure; Cosmos Holidays, part of the Monarch Airlines group, also started selling holidays earlier this year to Gibraltar.

Mr Speaker, it is evident once again that the GTB's constant support and dialogue with these companies has yielded tangible results. We will continue our steady approach to this so that the local tourism, hospitality, leisure and retail industry has no doubt that it is this Government that is delivering the results they expect from a vibrant touristic approach.

It is undoubtedly our concerted approach to joint marketing campaigns and the GTB's direct marketing efforts in the UK and in other markets, that have been yielding results in our overnight tourism sector, as reflected in the hotel occupancy survey. It is precisely this sector where more growth is encouraged. Overnight visitors contribute greatly to the economy and deliver an always welcome revenue stream to all those involved in the leisure, retail, tourism and hospitality industries.

Mr Speaker, before I conclude, I must thank all of my staff at my Ministry, the Gibraltar Tourist Board, the Gibraltar Maritime Administration, the Department of Consumer Affairs, the Gibraltar Port Authority, the Gibraltar Bus Company and the Business Support Unit for maintaining the, I must say at times, unforgiving rhythm of work they have come to expect from me and for their unstinting support in delivering this Government's exciting programme. It has meant a lot of work.

It is true to say, Mr Speaker, that it would simply not be possible for me or for any of the Members on this side of the House to have been able to stand in this House to make so many announcements or to report on the completion of so many projects without them. I owe them – all of them – therefore, a very big gratitude and I wish to do so from this House. And, of course, I take the opportunity to thank Mr Speaker, and the kind, patient and excellent assistance of your staff – namely, Frances, Stephen and Kevin.

Mr Speaker, on this occasion I take the opportunity to add my gratitude to the former Clerk of the House Mr Farrell, who in my opinion was a formidable, always professional and also a kind public servant and, of course, to wish Mr Farrell's successor, (*Banging on desks*) Mr Paul Martinez all the very best in his new post, which I know he relishes. I look forward to our future collaborations.

To conclude therefore, Mr Speaker, all objective commentators must agree that the Government has, in all of the areas of which I am responsible in this House, done as much as can possibly be done and acted always with the best interests of all of the entire community at heart.

Along with the rest of my Cabinet colleagues, I look forward to this new financial year and on working every day to improve on the results of the year before and to work tirelessly every day for our entire community. (*Banging on desks*)

**Mr Speaker:** The Hon. Mr Selwyn Figueras. (*Banging on desks*)

**Hon. S M Figueras:** Mr Speaker, I have the honour and privilege to rise to address this House on the Appropriation Bill for the third time, and will be dealing with the following areas of responsibility: justice, planning, transport and traffic. I am looking forward to an uninterrupted delivery, Mr Speaker, (*Laughter*) if all hon. Members agree. (*Laughter*)

Let me first thank the Hon. the Deputy Chief Minister for agreeing to rejig the order of speeches as a result of which I will be speaking in reply to the Government's addresses on planning, justice and transport leaving only traffic to come after me. I remain unsighted in that regard and I am wary of the possibility that there is likely to be announcements on findings or initiatives stemming from the sustainable Traffic and Transport Management Plan which may be significant and that I will not have the opportunity to address in this debate. (*Interjections*)

I deal first with justice, Mr Speaker. In the first place, I would like to associate myself with the comments of the Hon. the Minister for Justice in relation to Justice Barrington Black and Justice Jack. It is almost as if he did that on purpose to confuse the House, Mr Speaker.

I thank the Hon. Minister for his contribution in respect of that particular portfolio and take this opportunity to acknowledge that, despite their being clear blue water between Members on either side of this House in relation to a number of issues, I can happily say that my dealings with the hon. Member have been nothing but courteous, focused on the issues, and generally positive. I am grateful to the hon. Member for affording me that courtesy.

It has been also a pleasure to work opposite him in relation to the various bits of legislation that we have worked on and developments in relation to the Justice portfolios are many and varied. Many, if not most, of which are welcome equally on both sides of the House.

The hon. Member will recall the exchange earlier this year in relation to prison occupancy figures as well as my acknowledgement and congratulations in relation to the very positive developments those represented.

1370 The passing in this House of the Companies Insolvency Act recently is another accomplishment worthy of congratulations.

I am particularly pleased to note the announcement this afternoon by the Hon. Minister in relation to the Proceeds of Crime Legislation – an issue that I had certainly dealt with on a number of occasions in the past, not least last year during the Budget speech where it was received rather interestingly by the  
1375 Government Members.

I am also happy to learn of the Communications and Data Surveillance Legislation that the Minister has announced. I think it will not have escaped any of the Members here that the threat of terrorism is ever present, particularly in the context of recent developments in Iraq and the news that many British men are now participating in the aggression in Iraq and the threat that that itself represents in terms of their  
1380 brutalisation and return to the UK. So again I welcome that.

Although there are many areas of common ground between us, Mr Speaker, there is one issue in respect of which we do not seem to agree and one which I move on to deal with.

The GSLP Liberal manifesto contains a commitment to increase the limits of qualification for legal aid and assistance and to explore other mechanisms to ensure citizens have appropriate legal representation  
1385 when they need it. It goes on to say, and I quote:

‘Although there is a draft Bill already, these have not been increased for many years and a lot of people who should be eligible and need legal aid or assistance are not getting the cover.’

The long and the short of it, Mr Speaker, is that they have failed to deliver this commitment so far and instead made changes to our legislation which have effectively handed the benefit of gold-plated legal  
1390 assistance to a handful independents in one high profile place, ignoring the plight of all the rest of, as he said it, a lot of people who should be eligible and need legal aid or assistance but who are not getting the cover.

It is not like we have not made an issue of this either, Mr Speaker. The Hon. the Leader of the Opposition, when he shadowed this portfolio raised the issue in questions to the Minister in February 2012, generally about the reform, that the Government was contemplating and, specifically following the  
1395 publication of the Legal Aid Amendment Rules in June 2012, the Minister confirmed that it would affect just that handful of defendants in cases caught within the definition of exceptionally complex cases involving fraud.

In the Budget debate that year, the Hon. Mrs I M Ellul-Hammond alluded to the plight of single parents  
1400 in saying that, and I quote:

‘Despite my hon. Friend, Mr Feetham, having prepared Legal Aid reform legislation, waiting to be implemented, it is shocking that this Government has only published new rules to expand Legal Aid that enables defendants, accused of complex fraud crimes, to hire expensive specialist lawyers at public expense. No thought has gone into, or takes into account, the plight of single parents, mainly women, who are not entitled to Legal Aid if they own the family home or a car. This blanket rule penalises lone parents struggling with mortgage payments, and with paying legal fees in order to pursue erring partners in their duty of care as a parent.’

The Hon. the Leader of the Opposition, as Shadow Minister for Justice in 2012, also alluded to it.

‘Finally, on justice...’

1405 – and I quote –

‘... in relation to Legal Aid, we simply do not agree with the recent legislative changes made by the Government which help a handful of defendants in one fraud case.’

The Hon. Minister for Justice conceded indeed in answer to a question I posed barely two months ago, and this is still within the quote,  
1410

‘... that there were also non-fraud cases which are exceptionally difficult and complex. In the premises, the logic for extending the recent Legal Aid rules to exceptionally difficult and complex non-fraud cases is, in my respectful view, unanswerable.’

1415 He went on to say or ask:

‘Why the Government has chosen to assist a handful of defendants in a fraud case, only they know, but it is certainly not the right and it is certainly not the fair thing for them to do. We urge the Government to therefore do the right thing and extend those rules.’

In answers to questions, the Hon. the Minister said that they were not going to reform legal aid in a piecemeal fashion; but, with respect, that is in fact exactly what they did. Their failure to bring legal aid reform to this House is all the more mystifying given that they have indeed managed to conduct consultation, draft, publish and pass legislation in relation to many other areas and yet somehow have so far managed to avoid bringing the Bill for legal aid reform to this House.

They managed to stretch to issuing Amended Legal Aid Rules, effectively granting one group of defendants in one case in the jurisdiction unlimited legal aid.

So, Mr Speaker, they managed to bring, amongst other initiatives, the Smoke Free Environment Act, the Civil Partnership Act and the new Companies Insolvency Acts – I mean no mean feat – but they have not managed to bring before this House a Bill for legal aid reform.

The Hon. Minister inherited draft legislation which had been prepared in consultation with the industry and made to that draft Bill such changes that circumstances or policy dictated today. What it cannot do, with respect, Mr Speaker, is to take the better part of three years in Government, reviewing and considering draft legislation – one which the Hon. Mr Licudi told us he had in February 2012 – sit on it and fail to bring changes to the system which are needed in this community. (**A Member:** Absolutely.)

Now, Mr Speaker, in relation to this, the Hon. the Chief Minister will likely say in his reply that it is the height of hypocrisy that we should be demanding such reform after only three years of their Government when the party I form part of was in Government for 16 years and in particular the Leader of the Opposition was the Justice Minister for the last four.

Mr Speaker, the fact is that the draft legislation was at an advanced stage of readiness and would already be law had we been returned to office in 2015. What the Chief Minister will likely do is to accept that they have taken too long in this already but say that that is okay because the GSD never did it in 16 years, Mr Speaker. As is his style, he will validate his acts or omissions by reference to the omissions he claims himself to deplore.

What he will be saying, Mr Speaker, is that they will continue to take their jolly time until such time when circumstances, whatever those may be, permit them to bring the Legal Aid Reform Bill to this House even if it means that many in this community continue to suffer the unfairness of being unable to challenge estranged partners who refuse to allow them to have contact with their own children simply because they have a job which helps them to get by but which excludes them from getting legal assistance. (**Several Members:** Hear, hear.) (*Banging on desks*)

This issue, Mr Speaker, has been brought to the fore – How very melodical of the Chief Minister! The issue has been brought to the fore not just because general reform is long overdue, but because this Government's amendment of the Rules to, effectively, benefit defendants in just one case – (*Interjection*) yes, *one case* – ignoring all other possibilities for reform which they could have introduced, simply brought the spotlight to shine brightly on the Government's lack of general action in this respect.

They have taken one area of legal aid and made a single change by regulations which has been for the benefit of exceptionally complex cases involving fraud – a euphemism, Mr Speaker, for one case; just the one case. (**A Member:** Absolutely.) They have made one change to a regime that requires, by their own admission, wholesale reform. Well, why, Mr Speaker? Why? Why haven't they extended this to exceptionally difficult cases not involving fraud? Cases which the Minister himself has accepted in this House do exist.

In fact, in a reply to a supplementary question asked by the Hon. and Learned Sir Peter Caruana back in October 2012 as to whether they were going to extend this legal aid benefit to complex cases not involving fraud, the Hon. Minister insisted that his answer was – rather unhelpfully I think you will find – and I quote:

'No, we will do it, because we are considering Legal Aid and Legal Assistance reform generally so we will do it at that time.'

That, Mr Speaker, is rather a confusing position to adopt. What is it that they are going to be doing? Are they going to extend the benefit or are they merely going to consider it?

I take the opportunity to ask the Minister once more: will this Government be extending the benefit of the Legal Aid Amendment Rules of 2012 to exceptionally complex cases not involving fraud? And if they are not, why not?

Last year, Mr Speaker, the Hon. the Chief Minister criticised me for not focusing on figures but, with your indulgence, I will regale him with just a handful.

The spending by this community on legal aid and assistance in the following financial years was as follows: in 2010-2011, £623,202; in the financial year 2011-2012 the spending was £1,049,863; 2012-2013, the financial year after the change to the Rules, £2,210,557; in the last financial year, Mr Speaker, the one that we are here to debate, the expenditure has been £2,659,000 –

**Hon. D A Feetham:** The goose that laid the golden egg.

**Hon. S M Figueras:** I suspect, Mr Speaker, that the staggering amount of £2.7 million in forecast outturn this year will probably turn out to be significantly more. The estimate for next year is £1.6 million. I wonder whether, given the circumstances of the near conclusion of the case in point, we will see a significant reduction in the costs to the taxpayer of this one change of Rules to cover one group of defendants. How many custody or access hearings could be paid for with £2.7 million? (**Several Members:** Hear, hear.) (*Banging on desks*)

I now turn to planning, Mr Speaker, I am grateful to the Hon. the Deputy Chief Minister for his address in respect of this area of responsibility. Now, the Opposition benches are often lambasted for the delivery of set piece debates which do not respond to the speeches delivered by the Ministers, usually before the Opposition Members replies. That is not the case today at least in respect of one of my portfolios.

Imagine my delight, Mr Speaker, when upon hearing the Hon. the Deputy Chief Minister's intervention I found I would have to change nothing about this part of my speech for the simple reason that the Minister had treated us almost literally to a reread of last year's speech. I was able then to print a copy of the Minister's speech yesterday, which I found in the *Hansard* from last year to confirm that as a matter of fact little seems to have happened beyond this point last year which was worthy of note, except of course for more meetings of the DPC and applications, which the Minister reviewed in his figures.

But the spending spree continues, Mr. Speaker. The Planning Department's expenditure for the year 2012-2013 was a little over £800,000 and the estimate for the last year was just a little over £1 million. The fact is that they have spent over £1.5 million. '*Y no habia dinero*'. There was no money. (*Interjections and banging on desks*) I shudder to think what the hon. the father of the House makes of the profligacy of the many Government Ministers –

**A Member:** That is why he is not here.

**Hon. S M Figueras:** – spending like there is no tomorrow.

Mr Speaker, I acknowledge that two and a half years in and from the beginning of their term of office the GSLP Liberals have indeed opened up (*Laughter*) the planning. (*Laughter and banging on desks*) I hope the hon. the father of the House has had the opportunity to hear that last comment.

Mr Speaker, as I was saying, I do acknowledge that two and a half years in and from the beginning of their term of office the GSLP Liberals have indeed opened up the planning process locally in a manner which we did not contemplate in the GSD's manifesto in 2011.

The GSD believed furtively then, as it does today, in the value of a planning process such like it was created by the GSD during their term of office, which allowed objectors to file their objections to projects for consideration by the DPC in closed meetings.

Some will recall the demolition of the North Gate of the Dockyard under the cover of a long weekend by the previous GSLP administration as an example of how things had been done until 1996.

The development of the process by the Government now includes the expansion of the DPC's membership and the opening of meetings to public. It now publishes minutes of these meetings, although there is still some delay in relation to their publication, which is something that I have raised in the House in the past. And the Government runs projects by the DPC for guidance and advice but nothing more.

This policy, Mr Speaker, has been somewhat hit and miss. It was the Hon. the Speaker's predecessor who presided over the exchange relating to the fiasco with the Grand Battery demolition... which demolition project went before the DPC *after* the wall had been demolished.

A similar and convenient circumvention of Rules, which after all do not yet apply to the Government, was also the Order of the Day in relation to and the presentation of Charles Bruzon House to a meeting of the DPC.

The Deputy the Chief Minister also cited in his speech this morning two projects in his address as examples of the success of this policy – the Sunborn and the refurbishment of the housing estates. Well, all they do is prove that they paid lip service to the DPC and its concerns in relation to the Sunborn but that ultimately that project was completed as it was always going to be. The done deal, Mr Speaker. (**A Member:** Hear, hear.) As far as the housing estates are concerned, (*Banging on desks*) the Government wants to rewrite history, much like the Hon. the Chief Minister tried to do yesterday with the GSD's legacy, but to no effect.

What the Government now calls the start of the public consultation in relation to Laguna, Glacis and Moorish Castle Estates was actually a press release, Mr Speaker, number 455 of 2012, announcing a major refurbishment of housing estates. A statement that set out as another done deal that, and I quote:

'There will be an additional residential floor added to above each of the buildings in the three housing estates.'

It went on, Mr Speaker.

‘This means that the roof problems being experienced by many of these buildings will finally be tackled once and for all.’

Well, that went well, didn’t it, Mr Speaker?

1540 The Deputy Chief Minister went on to confirm in that statement that the Cabinet had given the green light to the proposals and that he was very pleased that they were moving forward. No mention of public consultation, Mr Speaker – none – just a reference to the fact that they were putting the project before the Commission, not to public consultation.

1545 What they then had to do was to backtrack – not for the last time – when the volume of resistance from the tenants associations and in the social media grew too loud to bear; at which point they succumbed to the populist approach to any resistance; and this, Mr Speaker, notwithstanding the fact that they must have, when they announced the projects, been of the agreed view that their plans were going to deal with a specific need in the community or at the very least seemed like a good idea at the time on which they will have had the benefit of input from the Government’s own advisors.

1550 I suppose the taxpayer should now be grateful for the near half a million pounds being spent on social media monitoring, Mr Speaker. (*Laughter*) Government by social media. It is like a direct line to Convent Place (*Laughter*) There is no need to write in; there is no need to have a meeting with anyone in Government. I mean sometimes, I will be perfectly honest, I recommend to constituents who come and see me with a particular issue or stop me down the street not to raise it in this place because the last thing I want  
1555 it to become is a party political thing, which happens very easily and it just has the result of it being side-lined. My advice often these days is put it on Speak Freely or whatever Facebook discussion/ribbing forum you prefer. (*Interjections*) The effects are sometimes immediate, Mr Speaker, but what a terribly dangerous thing that really is.

1560 Returning to planning, their signature manifesto commitment in this area, i.e. subjecting Government projects to DPC approval, not just for opinion and guidance, one of the many on the list which could have been made a reality with the stroke of a pen remains elusive. Why is that, Mr Speaker? Simply because they could not run the risk of coming up against refusal of the DPC in respect of any of their many projects.

1565 They say that they will make such projects subject to approval within this term of office and as part of the overhaul of the town planning legislation. We say that the delivery of that manifesto commitment has been conveniently and quite cynically tied up with the other developments in town planning practice and legislation to allow them the excuse and, more importantly, the time to get cracking on with the projects.

1570 Their wish to retain control over the biggest projects – projects with a community-wide impact – is evident in the application by the GFA – technically not a Government of Gibraltar project – in relation to the Europa Point Stadium. Presented to the community at large as another done deal, the Government quickly moved to quell any unrest within the DPC about the impact on Europa Point by stressing that Europa Point is the only plot of land the Government will give the GFA. End of discussion.

1575 Incidentally, Mr Speaker, I have to say that my jaw almost fell through the floor when I read GOHNS’ statement in the context of the Europa Point Stadium suggesting that they were okay with the idea of this gigantic project, (*Laughter*) alright with the impact it was going to have on the area, yet clearly forgetting the issue that they had had with some random shrubbery back in 2011 when the previous administration sought to beautify the area and the Hon. Dr Cortes, Minister for the Environment, who is unfortunately not in the Chamber this afternoon, headed the society.

1580 The Europa Point Stadium project might as well be a Government one because, for all the openness of the discussions about it and the televised meetings – interesting though they were – the Government is saying it will only essentially allow the building of the Stadium at that site and the DPC will probably, on that basis, find itself with no choice but to allow the project to go ahead. To do otherwise could be, given the Government’s stance, to say no to a Cat 4 Stadium in Gibraltar.

1585 But, Mr Speaker, frankly, if it is the Hon. the Chief Minister’s view that the Stadium should be built at Europa Point then he is entitled to that view, as he should be entitled in our view to steer and sometimes even direct that projects should happen in a particular way or in a particular place. That is as much his right as it is his obligation as the political leader of this community.

1590 The Chief Minister, however, wants to be able to have it both ways. He appoints the Town Planner as the Chairman of the DPC but his own projects are not subject to his and the DPC’s approval. He relinquishes control over most applications but keeps it over the most important projects until he is done starting them. He is at once the generous leader but ‘*cuando conviene*’, when it is convenient, Mr Speaker, he can push a project through quickly, as was the case with Charles Bruzon House; and although it is not strictly a Government project, as I am sure he also hopes will be the case with the Europa Point Stadium.

Another of the policies of this Government is that the Town Planner should chair the DPC. The Town Planner is therefore charged with the responsibility of making decisions which, although well qualified to

1595 make he or she, Mr Speaker – because this is not about the person of the Town Planner, whoever that may be from time to time, it is about the office of the Town Planner itself... the office of the Town Planner is not politically accountable for making those decisions.

1600 An example of the difficulty this raises is found in a planning application for 2,000 square metres of office space which was rejected back in 2012 on the basis that a member of the Commission had taken issue with the idea of demolition in principle. Notwithstanding the conversation that was held highlighting that the building that would replace the demolished one would be built for purpose and that the building to be demolished was of little, if any, heritage value. The project was refused on the basis of an in-principle problem with demolition generally.

1605 It is not to say, Mr Speaker, that had the Town Planner not been the Chairman that the project would have been given the green light, but it would have been down to a political decision taking into account the needs of the community, the impact of the project and the very urgent need for office space.

We would certainly, as was GSD policy in 2011, continue to publish minutes of the meetings of the DPC. We would further, as previewed by our statement on enhanced democracy last week, seek to involve the Opposition in the DPC as well.

1610 Our policy in respect of leadership of the Commission, however, remains firmly that of returning chairmanship of the Commission to the Minister with, from time to time, responsibility for planning. The GSD's policy in relation to the issue of Government projects requiring approval of the DPC also remains that Government projects should not be made subject to the approval of the DPC, though we will, as a GSD Government did at the time, take the opinion and the advice from the DPC as this Government does now.

1615 There can be no denying, however, Mr Speaker – and hon. Members will want to pay attention – that certain changes to the planning process in Gibraltar have been welcomed by the public; in particular, the public meetings of the DPC. On that basis, this Party would not seek to turn the clocks back in this respect and would, in recognition of a new expectation in relation to the public holding of meetings of the DPC, continue with this policy when returned to office in 2015; because you see we are not in politics to rule supreme or to leave only our mark on this community in the same way as we would not, if returned to office, take to Commonwealth Park with a bulldozer and some tarmac as our first act of Government. (Laughter) For the sake of tearing down any GSLP legacy projects, we will continue to hold meetings of the DPC in public.

1625 The Chief Minister and the Minister for the Environment should rest assured there really is no need for a Commonwealth Park Act, as they have proposed. They may be imputing to Members on this side of the House their own bad faith but I can assure them that the gimmick that is the proposed Commonwealth Park Legislation is as necessary as it will be effective in the long run.

1630 Although I do not shadow Environment any more, Mr Speaker – my hon. Friend, the Hon. J J Netto, doing such sterling work in this regard – I will deal with Commonwealth Park this morning in response to comments made by the Minister yesterday for a couple of reasons, (Laughter) mainly because I shadowed the Minister's portfolio for a while and, secondly, because this is a good opportunity to correct some of the misrepresentations which the Minister has made about the GSD's position in relation to the park.

1635 Mr Speaker, for the record and hopefully for the last time, the GSD does not take and never has taken issue with the idea or concept of the park itself. In fact, it looks very nice. I will be perfectly honest – I have no issue accepting that. That is not the point. Members opposite have always misrepresented this, probably because they cannot fathom the possibility of the GSD not knocking a project *per se* or because they prefer to do what they can to ensure that the electorate is unable to make up the nuance of our issues with the park.

1640 You see the point is, Mr Speaker, that we have only ever taken and continue to take issue with the fact that they were and continue to be dishonest with the electorate. '*Y no habia dinero*,' there was no money. (A Member: Exactly) There was nothing left in the kitty and yet, despite their own play on how many important social and infrastructural issues had been ignored for as long as they claimed and the Chief Minister's own address to the Nation citing the doomsday memo, nothing got in the way of commencement of works on the park. A vanity project if ever there was one. One thing I have to say, and have said already, is it looks very good and I will visit soon on one of my many walks with my family because I actually enjoy walking.

1645 Which brings me on to another point: I may not be an environmentalist, Mr Speaker, but I do enjoy a casual and leisurely walk or cycle ride either here or across the way in Spain. I get around on my bicycle or, when it gets a little too warm, on my moped – so not in my car. So although I am not an environmentalist, Mr Speaker, and I would never want to be considered one either. It may be that other Members present and members of the public will be pleasantly surprised and do well and probably feel a whole lot better for it for making just some of the decisions I make on a daily basis because, as I have discovered, the green way is often the fun and healthy way too.

1650 Returning to conclude what I want to say in relation to the park, however, Mr Speaker, there is no cynicism here, other than that on the Government benches. It was them who knew all along that they would not provide two floors of parking under the park and dealt with it (A Member: Hear, hear.) by just adding

the proviso in (*Banging of desks*) relation to the geotechnical survey which they did not even carry out. They have since been manically playing around with a jigsaw that is Gibraltar to find space for, and I quote, 'double the number of car parking spaces as there had been in Commonwealth Parade'. Wherever a flat plot of land has appeared in the area, down has gone the tarmac and paint to create temporary car parking facilities. In fact, work seems to be starting on the Marriott, which will give rise to a new shortage which they will now have to re-provide somewhere else.

And if by hounding, Mr Speaker, the Hon. the Minister for Environment means the questioning and holding to account of Ministers in this House, then he can rest assured that we will continue to hound him as he throws the taxpayers' money around as if it grows on trees, on parks and plants and trees and anything else he fancies on a given day.

Finally, in relation to the park, Mr Speaker, and in reply to the Minister's comments yesterday, relating to his involvement with Wildlife Gibraltar Limited – and again I say it is unfortunate the Hon. Minister is not present but his team is adequately represented – I am grateful that he confirmed that we were only asking pertinent questions and that there had been no suggestion of impropriety. We have noted that he has never taken fees for directorship of the company.

**Mr Speaker:** May I intervene at this stage?

**Hon. S M Figueras:** Yes, by all means.

**Mr Speaker:** I think it is pertinent if Members are going to go over that ground again, of the question of a Member having a personal financial interest or not, that I should direct the attention of Members to page 76 of Erskine May and I am going to quote what is written there:

'Disclosure and registration of personal financial interest.'

Now, should there be a *lacuna* in the Rules and Standing Orders of this Parliament then of course we go by the Rules and Standing Orders for the House of Commons, as explained in Erskine May.

'The House has two distinct but related methods for the disclosure of the personal financial interests of its Members: registration of interests in a Register which is publicly available; and declaration of interest in the course of debate in the House and in other contexts.

The main purpose of the Register is to give public notification on a continuous basis of those financial interests held by Members which might be thought to influence their parliamentary conduct or actions.

The main purpose of declaration is to ensure that fellow Members of the House and the public are made aware at the appropriate time when a Member is participating in the proceedings of the House, of any past, present or expected future financial interest which might reasonably be thought to be relevant to those proceedings.'

So I would ask the hon. Member to consider very, very carefully the provisions of Erskine May and then to reflect on whether he should continue to raise the matter. My view is that he should not.

**Hon. S M Figueras:** Mr Speaker, I am grateful for the indication and for the Chair's assistance in reviewing the relevant parts of Erskine May. I was in fact going to say, before the hon. Chair assisted in the way that Mr Speaker did, that I was not actually going to revisit his direct interest in the company –

**Mr Speaker:** But does the hon. Member realise that the proper thing would have been for the Hon. Minister at the appropriate stage in the proceedings of this House – in other words when the item came up – for him to have declared an interest, if he did have an interest in the matter. He did not have to do that a week ago; he did not have to do that at Question Time. The requirement in Erskine May is that he should so at the appropriate time in the proceedings so that Members and the public know where the position is.

Now, he is not involved here. He has spoken already. He is not involved. It might be appropriate for the hon. Member later in the proceedings, if there is an item of expenditure with reference to Commonwealth Park, to do so.

**Hon. Sir P R Caruana:** Mr Speaker, I rise purely as a backbench parliamentarian and in making this I do so in the context of the implications of what Mr Speaker has said for Parliament. I want to make it very clear that I make absolutely no imputation in relation to the matter as it affects the Minister for the Environment or the facts relating to it.

As Mr Speaker has just read out, Erskine May relates to conflicts in the parliamentary work. The award of a Government tender is not Parliamentary business; it is business by the Executive by the Government outside of Parliament and the Rules of Parliament do not apply to the conduct of Ministers, of their work as Members of the Government outside of Parliament. First point.



1710 Second point: I would urge Mr Speaker to consider a most unusual position – if the Opposition was unable to challenge the Government on potential conflicts of any Minister in relation to the work of the Government and the decisions of Ministers in relation to conflicts of interest not as parliamentarians but between their functions as Ministers and their private commercial interests.

1715 Now, I repeat – and I will every four sentences if necessary; we are all intelligent people and I do not think I need to – that this is nothing to do with Dr Cortes or the circumstances that have arisen about which I express no view. (*Interjection*) Yes, of course.

1720 **Chief Minister (Hon F R Picardo):** Mr Speaker, I recognise the way in which he is making the point, and I am not going to try and speak about that aspect of it, but there is one aspect of how this debate has arisen, which I think is relevant to what Mr Speaker is saying and the reason why Mr Speaker is saying it, which I think the hon. Gentleman does not realise, and thence why he is making these points with which I think we can all agree.

1725 It is that Mr Cortes had spoken about this issue and the award of the tender etc, and when the issue arose it was put to him that he had not... or he was asked about an interest; and the point that I made at the time – and I think it is the point that Mr Speaker is making now – is that, in speaking about the award of the tender, if he had had an interest... in other words, in speaking about it here in Parliament, if he had had an interest then the Rule required him to speak to that interest before he continued. That is how it has all grown and thence the reason why it is parliamentarily relevant.

1730 **Hon. Sir P R Caruana:** I am grateful –

**Mr Speaker:** May I also add that the Hon. Minister had of course discharged his obligation by informing the Clerk of the House with respect to the Register of Interest. He had acted correctly in that respect so that matter is... we have reached closure on that. But then the matter was raised of his interest... whether he had a continuing... during the course of Question Time. Okay?

1735 Now, he dealt with that matter, satisfactorily. He gave an explanation here in the House. I fail to see the need for the hon. Member, having regard to what Erskine May has to say, to revert back to it.

**Hon. Sir P R Caruana:** Mr Speaker, if that is your ruling so be it. I am sure in the context of this debate no harm will be done to anybody by just moving on.

1740 I repeat – and I am grateful to the Hon. the Chief Minister for the clarification that he has made – a distinction has got to be drawn between the purposes of the chapter from which Erskine May has been cited. Registration of Members' interests in the contexts of parliamentary business means that, if you ask questions on a matter in which you have a financial interest, you could be called to order, or worse now with the new regime in the UK, if you have not declared an interest in it and if, as a Member of the Government or perhaps even as a Member of the Opposition, if you move legislation, in other words, that is the parliamentary business to which I believe that material read from applies.

1745 Whether it is capable of being extended simply to participating in a debate... but I think in my own personal view – and of course it is for Mr Speaker to rule and not for me; I am just expressing a view as an outgoing parliamentarian – that it cannot mean that in a case in which the Opposition wished to raise... Now, whether debate is the right place to do it or whether you would bring a motion or whether you should ask questions, that is another issue about the appropriateness of the procedure.

1755 **Mr Speaker:** I think that in the context of what has happened, if the matter had not been raised during Question Time and the Minister had in fact had an interest, he would have been obliged during his speech on the estimates to have declared the interest. That would have been the appropriate stage in the proceedings of this meeting. (*Interjections*) That would have been the appropriate stage in the proceedings of this meeting for him to have declared an interest. The matter arose earlier during Question Time and he disposed of the matter.

1760 **Hon. Sir P R Caruana:** Mr Speaker, it is just that I was just going to speak to that question and your own contribution prevented me from finishing.

1765 The point that I am making is that you cannot, by declaration of an interest, sanitise an act of improper Government conflict of interest decision. It is a confusion of one thing with the other. The question of the declaration of interest in terms of the conduct of parliamentary works so that you can then go on to do it, despite your interest, is a wholly different issue to the situation that would prevail, if it were to arise – and I repeat I do not say it does in this case – if there were a genuine case of ministerial abuse of power, it would not be either an obstacle to the Opposition to raising it, nor would it sanitise it on the part of the Minister that he had declared his interest.

I think there is a confusion of two wholly different issues here and that is the only point I want to make.

1770 **Hon. Chief Minister:** Mr Speaker, if I might? I think the hon. Gentleman's distinction is absolutely appropriate and there is no challenge on the part of the Government, but you see he is speaking to an issue which did not arise and is not the context in which Mr Speaker is making the point.

There was never any ministerial conflict because there was never an interest which gave rise to the conflict and that I think has been accepted in the context of this debate.

1775 There was, it appeared, the outside of an allegation that the Minister had spoken in Parliament about something in respect of which he had an interest, without having declared the interest. And the Minister's point was to say, 'When I had the interest I declared it; when the interest changed I declared it. I did that before I spoke on the subject.' What Mr Speaker is saying now is, under Erskine May's Rules, therefore he had nothing to declare in the context of a parliamentary debate. Forget the issue of a ministerial decision because the issue did not arise. And for that reason I think Mr Speaker is absolutely right to bring to our attention that particular paragraph.

**Hon. Sir P R Caruana:** If I could just add one thing and again, if I were to make criticism of the factual situation affecting the Minister of the Environment it would not be financial corruption. I mean you do not have to go that far to have a view that it might have been better done differently. And this is a genuine parliamentary debate.

1785 I know that Dr Cortes and his family and his wife have had a long standing and very successful – if I might say so for Gibraltar – association with the Alameda Gardens and many other things, and I suppose it is an extraordinary coincidence that might only happen in a small place like Gibraltar, that such a person could end up being the Minister for the Environment with responsibility for the very same Alameda Garden and other things that he has been interested with.

1790 But it nevertheless does provide with a legitimate area for political discourse in which different people, without making any accusations of impropriety against Dr Cortes, might well have different views. For example one bit just comes to mind to me which I think cannot be excluded by any idea of registration of conflict of interest is: some people might ask themselves, well, how is the Minister going to supervise this agreement?

1800 I mean Dr Cortes is on one side of the agreement and a member of his close family is on the other side of that. I have no doubt that he would find a way of doing it. He will delegate it to an official and the official will no doubt have... but there are issues which are of *bona fide* political debate which do not touch on whether there has been impropriety, either in the award process or in the Hon. Dr Cortes' status as Minister or in the fact that his wife remains a shareholder or whoever is the shareholder – some member of his family.

1805 There are issues of genuine political discourse about whether both sides of the contract are not so closely related that it makes enforcement and administration of a contract – which may not be necessary because it might all be so efficiently done, that there is never any disputes... but if there were, how would they be resolved? I suppose the Government will put in place some sort of mechanism to ensure that and that presumably would be the Government's answer in any discussion on the subject.

1810 **Mr Speaker:** Erskine May of course then goes on, in the section on the Register of Members' Financial Interests. There is provision there for any financial interests of the spouse or partner or any close member of the family. That is also covered in Erskine May and I do believe – I have not seen the Register of our own Register until I made my own declaration at the appropriate time but I have a feeling – that there is also provision there. There must be provision there because I was a Chairman of the Select Committee at the time – nearly 40 years ago – and it was based of course on the Register of the House of Commons.

1815 **Hon. Chief Minister:** Can I just deal with the – ?

**Hon. Sir P R Caruana:** I beg your pardon, Chief Minister.

1820 Mr Speaker's last intervention suggests that either I have not made myself clear in the point that I am making or that he does not agree with me.

If my point has any merit, the question of the Register of Members' Interests is irrelevant to this matter, to the extent that the Register of Members Interests is relevant, that's my point –

1825 **Mr Speaker:** No, no it is not. I tell you why it is not. It is not because the Hon. Minister, in answering the question the other day, made a reference to it and that was surely uppermost in the mind of the Hon. Mr Selwyn Figueras. He knows that the Minister did so.

1830 **Hon. Chief Minister:** Mr Speaker, if I might just deal with... (*Interjections*) The hon. Gentleman has raised a point which goes beyond the debate that we are having, which is the issue of Ministerial conflict, which I think is the point that I take from him.

What Mr Cortes was saying in the context of the answer to that question – I think the hon. Member was not here at the time – was that he had not been involved in the award of the tender. In other words, he was not involved in relation to the tender which could have given rise to a conflict of interest if he had also had an interest in the company and then he disclosed the issues which related to his interest.

1835 So both in terms of the determination of the tender the ministerial issue, he had not been involved and, second, in terms of the parliamentary aspect of the debate or the question about how that tender had been awarded, he declared the interest as it had been. And I think that deals with both heads.

1840 Now, what happens with enforcement? Well, very simple, Mr Speaker. I mean the hon. Gentleman will have come up against this issue on a number of occasions, I am sure, when he was in Government and there were issues which involved individuals who had relatives that were involved in business. And I am sure it is very easy for him to understand how it was dealt with. There are Rules which deal with conflict so if one is dealing, for example, with contracts awarded to one's brother-in-law, one enforces those contracts in a way that ensures that one's brother-in-law gets no advantage from the fact that he is one's brother-in-law.

1845 We had a number of instances where successful tenders – tenders is too generous a word – where direct allocations of contracts under the previous administration involved – and again I am not suggesting there was anything improper – people who had filial relationships and the rules as to how those contracts were managed would have been those that we adhere to as to conflicts of interest, which I am sure they were aware of, which is the codes on conflict which we looked at when we were preparing this ministerial code that we will be bringing to the Select Committee. It is actually quite easy to deal with those.

1850 The hon. Gentleman himself had a close relative working with him and there would have been issues there to be dealt with.

So I think the rules are settled as to what you do in that situation. We are going to bring to the Select Committee those rules so that they become the Rules of the Government as a ministerial code of the Parliament as a parliamentary code and of the Public Service as a public service code.

1855

**Mr Speaker:** May I just say, by way of conclusion, I was not making a definitive ruling; I was just drawing attention to the provisions of the Rules in Erskine May. And I think there is a need to be guided by this because otherwise there is a danger of overstepping the mark. That is all I was meaning to do.

1860 I can make a definitive ruling if Members should so wish, but that was not my intention. The intention was to warn the hon. Member to keep within the bounds of Erskine May. That is all.

1865 **Hon. D A Feetham:** Mr Speaker, I am not going to rehearse any of the arguments either by the Hon. Sir Peter or the Chief Minister but just simply to say this: that this is the second year in a row that the hon. my colleague, Mr Figueras, has been substantially interrupted in the presentation of his speech. That is the second year... May I – ?

**Mr Speaker:** Interrupted by whom?

1870 **Hon. D A Feetham:** May I – ?

**Mr Speaker:** Interrupted by whom?

**Hon. D A Feetham:** Mr Speaker, may I finish?

1875 **Mr Speaker:** No, no, no. Answer that question before you finish. Who has interrupted him?

**Hon. D A Feetham:** Mr Speaker, your... Mr Speaker has –

1880 **Mr Speaker:** The Chair has. The Chair...

**Hon. D A Feetham:** Mr Speaker interrupted him last year. May I finish –?

1885 **Mr Speaker:** The Chair is entitled to interrupt the most senior Member of this House, the father of the House, the Chief Minister, and anybody else, should the Speaker consider that he is transgressing the Rules of the House. That is what the Speaker is here for.

He does not have to wait for a Member to finish his intervention in order to do so, because the whole purpose was to draw attention. I thought that there was a danger that the Hon. Selwyn Figueras was skating on thin ice and he may not be aware. I do not think I was very much aware when I was a Member of the provisions of Erskine May, but I am today because it is my business to do so.

1890 So I would ask the Leader of the Opposition, because really my intervention... I mean I did not want to provoke a controversy this afternoon. That was not my intervention. I was giving sensible guidance and I

think the Leader of the Opposition must not transgress and go further than he should, because I am not sitting on either side of the House; I am here in the Chair to carry out my functions as required by the Rules, and that is what I have done this afternoon.

**Hon. D A Feetham:** Mr Speaker, I –

**Mr Speaker:** I would rather he left it at that, but if he wishes to carry on I will not stop him.

**Hon. D A Feetham:** Well, Mr Speaker, I have not suggested otherwise. Mr Speaker appears to have got the wrong end of the stick yet again in fact with the point that my hon. Friend, Mr Figueras, was going to make. (*Interjection*)

Mr Speaker, the point, the sole point that I was going to make is last year there were substantial interruptions with my hon. Friend, Mr Figueras. This year, unfortunately, for whatever reasons, there again has been an interruption. Mr Speaker has read from Erskine May and the sole point that I was going to make, before Mr Speaker asked me the question that he did, was that in fact Mr Figueras was just simply going to make the point that the Hon. Sir Peter Caruana had made in the course of exchanges, and therefore he could move on.

That is the only point that I was going to make, bearing in mind, Mr Speaker, that this is the second year that there appears to have been controversy. (*Interjection*) Quite frankly, I believe unrelated to Mr Figueras.

**Hon. Chief Minister:** Mr Speaker, if I may, can I just invite the hon. Gentleman to accept that we have listened to Mr Figueras and have not interrupted him because there has been no reason to? We would quite happily have interrupted him if we felt that there was.

But can I just invite him and every Member of the House to consider that when we interrupt each other, we interrupt each other, but when Mr Speaker asks us to sit he is actually usually just giving us guidance or asking us to stick to the Rules. And can I just invite him also to think that the discussion I have had with the Hon. Sir Peter Caruana has actually been a very useful one about the issue and not one that we should have wanted to avoid.

**Mr Speaker:** Perhaps Mr Selwyn Figueras would care to carry on.

**Hon. S M Figueras:** Mr Speaker, I am grateful, and will say only that, as the Hon. Leader of the Opposition has indicated, the arguments raised so eloquently by the Hon. and Learned Sir Peter Caruana are in fact the only arguments that I was going to be dealing with in that respect.

As it is clear... and I was going to concede of course the point that had already been rehearsed; and only in reply, Mr Speaker – because this had not originally been in my set piece speech – only in reply to the comments that the Hon. Minister himself made yesterday and brought to this debate. It was the only reason why I was going to be dealing with that particular point.

However, I am satisfied that the point is sufficiently well made and debated and will move on, Mr Speaker.

In relation to transport, I now turn to my... I had just dealt with planning – in case everyone else had forgotten, given that it has been so long since I was actually dealing with that particular point – I am now turning to my shadow responsibilities for transport.

I continue to enjoy a very positive discourse with my hon. Friend, the Minister for Transport, and I turn first to our buses.

I am grateful for the announcement that the new buses will be with us in short order. As we have discussed, the current fleet has provided the community with a bus service to be proud of for coming up on 10 years, I think it was; and, despite the servicing needs of an ageing fleet, the service is still one we can mostly be proud of.

In talking about the buses, however, Mr Speaker, a quick review of passenger numbers is quite *apropos*. There has been a decline in the number of bus passengers generally, Mr Speaker, in the order of about 13% year-on-year between 2012 and 2013. And this is taken from information that is available online and a brief comparison that I have made.

It is interesting that there may be a variety of factors other than the buses themselves suffering from a general lack of appeal in respect of those figures, clearly. I mean one could speculate that the number of passengers on our buses might be detrimentally affected by the issues we have been experiencing since our neighbours to the north started applying additional pressure at the border.

A review of bus passenger numbers suggests, Mr Speaker, if there has indeed been such an effect on the numbers, it was in fact a beneficial one, interestingly enough. Bus passenger numbers were, for the period of time between January and July of 2013, down on the same period in 2012. In fact, in July 2012, the number of passengers on the buses was 238,000 and, in the month of July 2013, a comparatively few

190,000 used the buses – a decrease in the order of 50,000 passengers in the same month year-on-year or 20% less. (*Banging on desk*)

1955 In August last year, however, one can observe how the numbers, year-on-year, equalise and how, from September to November, passenger numbers are indeed up last year, on 2012. I suspect this had a lot to do with the cross frontier workers and tourists are likely leaving more of their cars in La Linea to avoid the worst of the queuing following commencement of works on the artificial reef, which I note is forecast to have cost us in the region of £241,000 last year, but in respect of which there is only a token figure of £1,000 provision in respect of next year. I suppose that will have to grow ever slightly bigger to replace the concrete block we seem to have lost yesterday, Mr Speaker.

The above notwithstanding, the number of bus users overall is down 13% between 2012 and 2013. Again I only have the figures from January to May for this year and it shows that for the same period this year the picture has only marginally improved.

1965 I am hopeful that, with the introduction of the new buses – which the hon. Member has indicated today, but I can confirm that he had revealed to me in private earlier certainly – would start as early as September this year. We might see an increase in appetite for the use of public transport, because frankly, Mr Speaker, the more people we have in buses, walking or cycling, the less people we will have in their cars and that will accrue to the benefit of us all.

1970 As far as the expenditure on public transport is concerned, I would like at this stage to raise a point about the treatment of the contribution to the Gibraltar Bus Company at Head 44 of the Estimates Book. Mr Speaker, historically – which is to say until this year – we have always been provided with a breakdown of which company has received what – and perhaps the father of the House might be able to assist in this in terms of the Chief Minister's reply whenever that may come – we have always been provided with a breakdown at Head 44 of which company has received what by way of contribution out of the consolidated fund.

1975 As an example, we know that, of the £17.7 million that Government contributed to its own companies last year, £2.7 million went to the Gibraltar Bus Company for the 2013-2014 financial year. And that £3.7 million went to the Gibraltar Car Parks and so on. All we know this year is that the forecast outturn for this entire head at head 44 is £20 million and that the estimate for next year is £25 million. What we do not have is an analysis of where that has gone or is going.

Another point I would make, Mr Speaker, is that the expenditure of the Government-owned companies is nowhere to be found and would add that, to see this information or at the very least have the breakdown I have just referred to, would be very helpful indeed.

1985 Having dealt with the buses, Mr Speaker, I will turn to talk about cycling generally and the GibiBike scheme specifically. Financial cover for this project is to be found at subhead 5(zq) within the Improvement and Development Fund, on a list of disappearing Heads – much to my dismay, Mr Speaker. There was no provision for this last year and it is disappointing to see its departure from the Estimates Book due for next year.

1990 You see, Mr Speaker, the Hon. Minister for Transport – a Minister with whom, as I have already said, I enjoy a very positive relationship and in whom I have discovered a politician genuinely willing to work with his counterpart in Opposition; there are others too – and I have been at loggerheads on this issue since the very beginning of this Parliament.

1995 I have appreciated and continue to appreciate that he is happy to keep me informed of developments in a variety of matters without the need for those matters to come before this House on a monthly basis. But we do disagree I think on the importance of an urban bicycle rental scheme like GibiBikes was. You see, Mr Speaker, it is patently obvious to me and the rest of my parliamentary colleagues on this side of the House that part of the political strategy of this Government has been to dismantle those parts of the GSD legacy which could, in their view, reasonably be dismantled in addition to the other strategic elements of knocking what they could not and blaming us for all that may have gone wrong during their term of office.

This is clearly not an indictment on the Minister himself, Mr Speaker, but on the policy that he has adopted as part of the Government, ostensibly in consultation with the Cabinet in relation to the GibiBikes.

2005 Mr Speaker, I will concede that the scheme, as created in 2011, became problematic soon after launch. Its difficulties, both practical and contractual, which made it difficult for the scheme to succeed, notwithstanding its popularity and the growing membership it enjoyed, despite quickly becoming a sub-standard facility.

I bemoaned and continued to bemoan its demise, mostly because I am of the view that had there been genuine political will to either keep it alive or to provide an alternative, not beset by the problems of the original, it could have been so.

2010 It would not have been without its costs, Mr Speaker. I recognise that. If one were to speculate, given the cost of the original scheme, that a new one might have set us back between £300,000 and £400,000, would it not have been a valuable and worthy investment, particularly in light of the many other projects where this Government is spending so much more?

As a solution designed to get people out of their cars and on to an eco-friendly alternative for getting around, GibiBikes was ticking all the boxes and if they were willing to spend £3 million on Commonwealth Park, £23 million on a small boat berth marina and were looking at spending in the order of £5 million – well, that is pure speculation – for new buses, why then could they not justify the expense of a new urban bicycle rental scheme?

I suspect that there may have been some concern for the Hon. the father of the House's health had he been approached for approval of an expense of that order for the survival or replacement of a GSD legacy project and that occupied, as he must have been, with the projects in his own manifesto, that the Minister for Transport was certainly not going to allow himself to be distracted further by something of our own making. I understand all that, Mr Speaker, I do, but it would have been the right thing to do and I would have done nothing but congratulate him and his Government for investing in that.

It is unfortunate that I am standing here today and that Gibraltar has effectively in that respect taken a step back when such an important step forward had been taken in 2011.

I also note, from a review of the Hon. Minister's intervention last year, that the bus company had created a website – and this is a point that may be of interest to the Hon. Minister. He also mentioned that a Facebook page and a mobile-optimised version of that site had been created and of these things I know a thing or two.

Whilst I congratulate the Hon. Minister and the bus company on the Facebook page, which is very convenient and very useful in terms of keeping its passengers up to date with information and impact on the service, I regret to say that the website – certainly from a mobile perspective when really it would be at its most useful when you are on the move and you need to get information about the routes and other relevant information – leaves a lot to be desired. From the fact that the information it contains is cumbersome and unhelpful, to the fact that the mobile optimisation has clearly – and this is important – been done using a freely/cheaply available online converter, Mr Speaker, it does leave a lot to be desired.

In fact, I think a cursory review of it by the Minister, even now, will help him to see how third party advertising lumped in with the use of this kind of free mobile conversion tool online is present on the page and, frankly, does Gibraltar's image and that of our bus company probably no favours whatsoever. So I would urge the Hon. Minister to review that at some point soon.

In relation to the issue of taxi drivers and the quality of the taxi service, Mr Speaker, I have been having a number of meetings with a variety of representatives from a variety of organisations – all of them stakeholders in the successful delivery to Gibraltar of an integrated public transport infrastructure in which we all work together to deliver the best solution for Gibraltar Plc as part of the Opposition's outreach programme.

I share the Government's wish that the initiatives that they have set upon in consultation with the industry will prove successful. As part of our continuing outreach programme, I will continue to meet with these representatives from all sectors affected by matters of public transport and will clearly keep a watchful eye on developments in this area and raise those issues which I may consider worthy of note.

One thing is clear, Mr Speaker: it does this community no favours for the political representatives in this regard to be unnecessarily at loggerheads and I believe that working to assist rather than to hinder efforts in this area can help bring benefits to the community at large.

I now turn, Mr Speaker – rather briefly I will admit, given the lack of an address from the Traffic Minister himself before mine – to traffic.

Fortunately on traffic, Mr Speaker, there really is very little of note to speak of, other than in relation to the Sustainable Traffic and Transport Management Plan. The Plan has been heralded as the answer to all the traffic questions this community may have, but it seems that only the Government and a few other select people actually know what is contained within it.

As an example of the lack of activity there is a provision of £155,000 in the improvement and development fund for this year for traffic enhancements, yet only £10,000 has been spent. Why the lack of spending? Everyone else was doing it, Mr Speaker.

I also note that nothing has been spent on motorcycle safety campaigning either which, given the implementation of the Driver Licencing Directive potentially allowing individuals access to large powerful bikes without the EU required level of experience, would I think be even more important. I am not persuaded and neither am I satisfied that the implementation of the third Driver Licencing Directive – a matter which I have raised in this House on a number of occasions, Mr Speaker – has been done in an EU-compliant way. It is a matter that I fully intend to have reviewed when the GSD is returned to office in 2015.

The Sustainable Traffic and Transport Management Plan is a matter of some mystery and intrigue, when it should really be something that we are all aware of as an exercise that they claimed would be conducted in public. All that was done in public was to stop people by the roadside at peak travel times for a few weeks last year and nothing else has been heard about it.

2075 I said it last year in my address to this House and I will say it again: this is clearly about the GSLP Liberal Government applying taxpayers' money to the purchase of some inspiration for the traffic section of their 2015 manifesto. They had nothing left to give, Mr Speaker; hence the search for ideas.

2080 On that basis, and until such time as we have had sight of the initiatives that stem from the study – it may happen in five minutes' time – we will only be able to assess the value of this expense standing at around £340,000 when we know what impact we will observe in the daily traffic difficulties most in this community experience.

2085 I will certainly be happy to congratulate – and do congratulate, in fact – the Government for the construction and delivery of the multi-storey car park at Eastern Beach which, from personal experience, is a welcome addition in the area. The development of that site, prompting the construction of the parking, is certainly something for which many will be grateful. Just one cautionary note: given the Government's stance on all things Spanish and the current situation, it might do well to procure English language printed tickets for the facility.

In conclusion, Mr Speaker – (*Interjection*) Yes, yes, very droll. (*Interjection*) Indeed. Penny wise, pound foolish.

2090 Mr Speaker, I will now take a couple of minutes to conclude, in saying that this is the third occasion on which I have the honour and the privilege of addressing this House on the Appropriation Bill. An opportunity to speak to the electorate in a manner which enables the Opposition to express its view on all aspects of Government activity and, where appropriate and indicated, to provide the electorate with a glimpse of what they can expect from their Opposition, should they seek to entrust us with Government office in little more than a year's time.

2095 The Chief Minister, in his Budget address as Leader of the Opposition in 2011, accused his predecessor of being concerned with nothing but the Election. He said, and I quote:

'It is just plain and simple, plain and cynical election: election, election – using taxpayers' money to buy taxpayers' votes.'

He made that charge just three years ago from these Opposition benches and yet the last two and a half years their whole term of office have been characterised by a spending bonanza, Mr Speaker. (**A Member:** Hear, hear.) Buying votes from the off, '*y eso que no habia dinero*', there was no money.

2100 I suppose it is a case of easy come, easy go, Mr Speaker, because everybody knows that the reality is that this Government inherited a community with solid public finances and an economy growing steadily in difficult global conditions, so of course he embarked on his spending spree, exhibiting all of the hallmarks of the original GSLP administration with a vision for re-election and nothing else.

2105 The Hon. the father of the House must be beside himself with anger at the loss of control over the public finances. (*Interjection*) It pains me to say it, Mr Speaker, but I will. At least in this respect Gibraltar might have been in safer hands had he been able to hang on to the purse strings. (*Interjection*) It is almost as if the fox has been put in charge of the hen house.

2110 On another note, you will recall that, in my address to this House last year, Mr Speaker, I took the opportunity of raising a number of issues in respect of which I then offered this party's view of how they should and could be dealt with. I was, last year, the only Member – and it seems this year so far – to be interrupted in this House on a number of occasions – which interruptions, Mr Speaker, with respect, you rightfully declared inappropriate, given the Opposition's decorum during interventions by all other Ministers last year and generally in this House.

2115 Just today, Mr Speaker, the Hon. Minister has now announced the Proceeds of Crime Act that they will be seeking to pass during this financial year, which is a source of satisfaction for me, particularly in light of the reaction that a suggestion of such legislation received last year. In fact it was one of the causes of the interruptions, I seem to recall.

2120 The Chief Minister then took it upon himself to launch into a personal attack on me for having had the temerity to suggest that not everything about Gibraltar under GSLP liberal rule is as perfect as they would like for us to believe it is. He prefaced his attack by saying how he had still retained some affection for me, Mr Speaker. It is probably for the better that he had because I cannot imagine, or rather I shudder to think, how much more he might have embarrassed himself if he had not.

He makes a point of misinterpreting my light-hearted approach to all but the most serious issues that we deal with here, as a lack of seriousness or respect for the whole of this place.

2125 It was somewhat surprising, if I am honest, Mr Speaker, to observe how personally he had taken what I had carefully constructed to be as balanced and positive an intervention as I could muster, without being accused of laying the groundwork for crossing the floor.

His reply last year was in stark contrast with when the Hon. the Chief Minister was sat on this side of the House and yearned for things to be done differently. He would say things like, and I quote:

‘Would that we could do that, [Mr Speaker, in relation to the]... debate on the state of the nation, without having to watch the Leader of the House in his reply perform the spectacle of hurling insults to those of us assembled on these benches (A Member: Hear, hear.) and not answering the substance of any of the points raised.’

2130

Funny then, Mr Speaker, how just last week on Wednesday afternoon – and I am trying to be sombre just so that he gets that I am actually being serious about it and that I am not being light-hearted – (Interjection) a week ago, in relation to supplementaries being asked in respect of, I think, the first question of the day, the Chief Minister said from a sedentary position, ‘*deja que los coja*,’ – ‘wait ‘til I get them’, Mr Speaker, in English.

2135

In this morning’s session he said ‘*me voy a hartar con ellos*’, from a sedentary position – ‘I am going to have my fill with them,’ from a sedentary position. (Laughter) I cannot think of a better translation, if I am honest, Mr Speaker. It is rather a charitable one I think, frankly. But I mean really, what is that all about? (Interjection) A threat, of what exactly? A tongue lashing. I mean who does he think he is?

2140

I mean he is a man, Mr Speaker; no more. One who happens to lead this community, and proudly so he should, of 30,000 by virtue of which position he owes everyone in this Chamber and the rest of the community at large the duty of directing the community’s affairs for the benefit of everyone in it.

But to hear him utter those words last week, Mr Speaker, as if they might strike fear in our hearts and dissuade us from our line of questioning, it was a sad indictment of what I fear he appears to have become – relishing the opportunity he would soon have to show everyone who is boss.

2145

The thing is, Mr Speaker, that his reply last year, his general demeanour and approach to business conducted here, exemplified by his throw away comments last week, only confirm that in his brief term of office so far, the Chief Minister appears to have been consumed by the office which he holds, acting like he has been in that chair for most of his professional life and not, as is the case, a few short years.

2150

The Chief Minister has readily on a number of occasions sought to justify his venom in this House by saying that his predecessor sought to ruin him and that the Hon. and Learned Sir Peter Caruana had charged him with being unfit to be Chief Minister.

Well, Mr Speaker, that was in response to precisely the same charge he levelled at the Hon. Sir Peter Caruana himself, quoting De Gaulle and saying that he had all the spite but none of the statesmanship. Mr Speaker, I wonder whether he considers his reply in the Budget debate last year was statesmanlike.

2155

In reply to the hon. Member’s charge, the Hon. Sir Peter Caruana explained that, both by a combination of the ignorance he displays and the deceit to which he sees fit to resort, he is unfit to be Chief Minister of Gibraltar.

If I have learnt one thing in the short time that I have had the honour of serving this community in this House, in particular during the hon. Member’s reply in the Budget debate last year is that separating personal from political is something that the Chief Minister is either unable or unwilling to do. (A Member: Hear, hear.) (Banging on desk)

2160

What is more, Mr Speaker, I have learnt that the Hon. and Learned Sir Peter Caruana’s judgement of the current incumbent of No 6 Convent Place may have been, but by reason of his venom and unflinching determination to eliminate anyone who may speak out against his politics, (A Member: Exactly) and frankly, to my disappointment, entirely spot on. (Interjection)

2165

If last year’s reply by the Hon. the Chief Minister was personal, Mr Speaker, this year I expect nothing less from the hon. Member. I would have thought that he would want to denigrate insult and attempt to humiliate us even more.

2170

Judging by the reaction to last year’s diatribe, he should feel free to go ahead and do his worst. Each insult and every poisonous remark helps us to show the rest of the electorate the serious problem that afflicts our community at the heart of our Government: (A Member: Hear, hear.) (Banging on desks)

The Chief Minister, Mr Speaker, might recognise some of those last few words (Interjection) He himself wrote and delivered the same words as part of his address in this House in 2011, on the eve of the last election. How fortuitous then that already we can use the hon. Member’s own words against him. That, Mr Speaker, appears to be the measure of the man.

2175

Thank you, Mr Speaker.

Several Members: Hear, hear. (Banging on desks)

2180

Hon. Chief Minister: Mr Speaker, that might be a convenient moment, I think, to recess for a few minutes, but if I can just give the House an indication, it is my intention to sit late tonight because tomorrow there are a number of other engagements in the evening and the House will not be able to get through much business. It is my intention to stay tonight until about 8.30 p.m. or 9 p.m.

2185

I am told that there are refreshments and biscuits inside, *y deja que los coja, me voy a hartar con ellos!* (Laughter) and I think, with that, the hon. Gentleman and I can enjoy doing something together.



**Mr Speaker:** I think we should now recess until 6.20 p.m.

*The House recessed at 3.55 p.m. and resumed its sitting at 6.20 p.m.*

**Appropriation Bill 2014 –  
For Second Reading –  
Debate continued**

2190 **Mr Speaker:** The Hon. Joseph Bossano.

**Minister for Enterprise, Training, Employment and Health & Safety (Hon. J J Bossano):** Mr Speaker, I am happy to report to Parliament that the number of Gibraltarians in full-time employment went up again in 2013 to reach a new record high of 9,225, the highest figure since employment surveys started.

2195 **(A Member: Hear, hear.) (Banging on desks)**

In October last year the Employment Survey showed 681 more Gibraltarians in full-time employment than in October 2011, and I anticipate that there will be a further increase in the current year.

2200 To put this figure in context, I will remind the House of the performance of the Members opposite, who are so proud of their 15 years and so critical of our two years in this field. In the 15 years between October 1996 and October 2011, the Employment Survey Report records an increase in the number of Gibraltarians in full-time employment of 4.1%. In two years, from October 2011 to October 2013, the increase has almost doubled their 15-year performance, coming in at 8%. As I have said, I am confident that the survey for 2014 will produce a new record high.

2205 The GSD has always compared their performance with that of the GSLP when in Government, provided it suited them to do so, of course. Well for the record, the increase in Gibraltarians in full-time employment between October 1988 and October 1996 was also better than the 15 years of the GSD: 5% in eight years compared to 4.1 % in 15.

2210 We beat their performance before, Mr Speaker, and we are doing it again. And there is a very simple reason for this. This aspect of our manifesto has always had a very high priority for us. What is the point of a growing economy and a growing labour market, if the jobs are going to outsiders rather than our own people?

2215 The GSD way was to deny what was happening, and to welcome the dependence on imported labour – at least it was like that until 2011. In 2011, Mr Montiel explained that the Government was now distributing construction works to building contractors participating in the scheme. These approved contractors, we were told, were getting work on condition that they co-operated with the Employment Service in securing jobs for its unemployed, and that this had ensured that jobs were available to those persons on the long-term unemployment lists who were willing to work in this particular important industry – his words.

Mr Montiel was telling the truth when he told Parliament that the conditions attached to get into Government contracts were as follows:

2220 (1) All labour had to be duly registered prior to commencing work and throughout on terms no less favourable in any respect than CATA terms, and the use of Detached Workers was not permitted.

2225 (2) Participants would be required to employ a certain number of workers specifically identified to them by the Employment Service from their client base. Such specifically identified workers could not be dismissed during the currency of the construction contract without the Government's approval. In the case of construction and labour contract companies, such persons – and indeed all other labour – had to be engaged on terms that were at least as favourable to the employee as CATA terms on every issue covered by CATA terms.

In the case of companies that participate in the Scheme, other than construction companies, pay had to be at least in accordance with the statutory minimum wage, and all other terms as per law.

2230 (3) The use of 'labour hire' companies would not be allowed, except with Government consent in its absolute discretion. Without prejudice to such absolute discretion, the Government will not consent to the use of any labour contractor that is not registered to participate in the Scheme.

2235 Without prejudice to this absolute discretion, and subject to the aforesaid, the apportionment by value that the Government contractor had to carry out with its own labour, the Government would permit the use of the labour contractors that are registered under the Scheme, but the Government contractor would remain fully liable and responsible for their performance and compliance.

(4) Any contractor or subcontractor who is found with any employee in breach of the law, unregistered for tax or social insurance, or in breach of the terms of the Scheme would be removed from the Scheme, and any outstanding contract terminated.

2240 (5) Any contractor, whose subcontractor or any other subcontractor or labour contractor, who is found on the construction project with any employee in breach of the law, unregistered for tax or social insurance or in breach of the terms of this Scheme would be removed from the Scheme and excluded from the contract.

2245 The onus thus on the Government contractor was to ensure that all the labour engaged in the project, whether employed directly by them or the subcontractor, or a labour contractor or anybody else, fully complied with the aforementioned conditions.

These conditions continue to be the same today – they still apply.

It is difficult to envisage a more comprehensive and watertight set of rules. It gives almost total control over the hiring and the firing of workers by private companies, on all Government contracts.

2250 There are two points I wish to make in relation to this, Mr Speaker. Firstly, although the conditions announced on paper were very tough, the theory and the practice were two different things. This is what is known as the GSD way of doing things: announcing just before the Election that you are going to take very tough action to give priority in the construction sector and elsewhere to the local unemployed, and then doing little or nothing about it.

2255 As far as I can tell from what we found from the records in December 2011, the net effect of this was that there were four approved construction companies with Government building contracts amounting to several million pounds who had taken on between them six unemployed persons – and given them work as labourers. It did not seem much of a result for such a tough policy.

2260 At the time, in 2012, I was prepared to give the previous Government the benefit of the doubt. After all, I had welcomed the initiative from the Opposition benches when it was announced as evidence that finally the Government was accepting my arguments of 15 years, that action had to be taken to increase Gibraltarian participation in the construction industry, which participation had been falling since 1996.

2265 So perhaps only six unemployed Gibraltarians were taken on as labourers because the unemployed could not be persuaded to work in this industry since at that time the GSD was theoretically forcing employers to take on labour whether they wanted or not, and Mr Montiel was telling Parliament the following:

2270 ‘Many areas of employment in the private sector are not attractive enough to the local unemployed. As I have stated in the past few, if any, are clamouring to replace foreign labour in the private construction market, catering, hotels, shops, bars or restaurants. Indeed, many of the long-term unemployed, offered the opportunity of a job under the construction or other supported schemes, have either rejected employment or simply been unable to sustain work on permanent employment’.

2275 As we now know, it *is* possible to provide employment for Gibraltarians in these areas, not least because if it were impossible, as the previous Government claimed, in effect almost the whole of the private sector would have to be operated on imported labour.

Mr Montiel, as well as having such views on the employability of Gibraltarians in the local market, had an expectation that returning graduates would find jobs by themselves. He told the House:

2280 ‘the reality is that of the vast majority of graduates, those who do not immediately find employment do not register as unemployed because they seek specific professional jobs. Other graduates that register for employment constitute a very limited number: currently there is only a handful of returning graduates registered unemployed.’

2285 Mr Caruana as Chief Minister in 2011 was even more specific than Mr Montiel. He said there were only six graduates seeking employment and that what the Opposition was trying to do was to patronise them with unnecessary offers of employment in manufactured non-existent jobs when the economy was entirely able to absorb them into real jobs.

2290 Well, we now know that none of this was true, Mr Speaker. As I have told Parliament in the past, we assumed that Parliament was being told the truth in 2011, and did not expect to find as many unemployed graduates as we did in 2012. If the Chief Minister of the day is saying there are only six, one can assume that maybe there are 12 – but what you do not expect to find is 60.

In fact, we have finished up taking on over 160 – 160 in the 27 months the Graduate Scheme has been in operation. All of them were unemployed when they were taken on – all 160. A hundred have now completed a period in the company and of these, 91 are currently in other employment and nine have left Gibraltar.

2295 What we found in December in the local workforce is the parallel of what we found in respect of graduates. There was a backlog of unemployed Gibraltarians, who had given up hope of finding employment. The very opposite of what the GSD was claiming in Parliament, namely that we had exhausted the supply of Gibraltarian employees and should be encouraging an increase in the number of frontier workers.

2300 So, at the same time as they were saying that there were no unemployed graduates, they were saying that there was no unemployment in terms of other persons interested in the available jobs and trying to justify this false statement by incorrectly quoting a number of statistics.

2305 The Parliament was told in 2011 that there had never been more jobs created for Gibraltarians than in the 15 years of the GSD. This in itself was a novelty in 15 years, because for the previous 14 years the hon. Backbencher regularly lambasted me for putting our people first, saying it was the worst type of jingoistic xenophobia – one of the very nice things he used to say to me when he was Chief Minister.

**Chief Minister (Hon. F R Picardo):** You must be missing them!

2310 **Hon. J J Bossano:** I do miss them! (*Laughter*) He can always call me jingoistic again today from the backbench.

But he claimed that there were in 2010, 1,316 Gibraltarians in jobs that had not been there in 1996.

So in 2011 when he said this was exceptional it was the year of his conversion to my jingoistic preference in wanting priority in employment for Gibraltarians.

2315 The number that he gave us was not true then; however, it became true in October 2012 when the increase between 1996 and 2012 reached the figure of 1,341. The 1,341 was made up of 861 Gibraltarians in full-time employment, and 480 in part-time employment, compared to 1996.

Since then, the 1996 numbers of jobs has increased even more to reach a figure of 1,467. I can well imagine the song and dance the GSD would have been making of this figure if they had achieved it.

2320 They arrived at the figure that they quoted in the 2011 Budget, Mr Speaker, by comparing the October 2010 total, which was the figure available in that year, from the previous year's survey, which was made up of full-time and part-timers with the equivalent figure in October 1996 of 9,390.

2325 But of course, as the Survey Reports make clear, these are the numbers of *jobs* not the number of people in jobs. So we need to distinguish between full-time jobs and part-time jobs. The 1,316 figure quoted in the Budget of the GSD by the then Chief Minister, then turns into an increase in number of Gibraltarians in full-time employment of 260 in the period, from 8,207 in 1996 to 8,467 in 2010, 260 full time, an average increase of less than 19 a year in a 14 year period – not much of a record to boast of, Mr Speaker.

2330 Part-time employment in the same period showed an increase from 1,183 to 2,239, namely 1,056. However most of the so-called 'part-time jobs' were not jobs at all: this was when the policy decision was taken that Community Officers should not be limited to unemployed males over 60, but be offered to any 60 year old male still in employment provided their income from their full-time job did not exceed £20,000. When this policy was introduced in 2009 it was immediately reflected in an increase of 196 more Gibraltarian in part-time jobs, and by 2010, as I told Parliament in 2011, the figure had reached 700. So in reality the additional number of jobs in part-time employment went up between 1996 and 2010 by 356, excluding the 700, an average of 25 part-timers per year.

So their 14-year record was an average of 90 in full-time and 25 in part-time.

2340 The Surveys no longer include the 700 Community Officers as part of the employment market or part of the private sector, and therefore the figures that we are looking at in this year's and last year's Reports exclude Community Officers and provide a better and a more accurate picture of the increase of Gibraltarians in employment.

Central to the philosophy of the GSLP has always been the relationship between employment and economic growth.

2345 The party has always been committed to a high level of economic growth and as a consequence providing high levels of employment, given that the earnings from employment are an important contributor to the size of the GDP.

2350 Throughout our days in Opposition, the reaction of Mr Caruana was to belittle my contributions to the budget debates, expressed most explicitly in 2009, when he made clear that my absence for the first time since 1972 from this Parliament in the debate on public spending was not something the GSD lamented, since as far as they were concerned my contributions were not something that they missed. For them, everything I had to say was worthless.

For Mr Caruana I was an economic illiterate, not even an economist. In spite of spending longer than anyone else studying our nation's finances and participating in the debates, it seems I had learned nothing.

2355 In the 2007 General Election when we were debating the prospective economic situation I predicted that the GDP in that year would come in at around £800 million, and that it would grow to £1.2 billion by 2011 – figures which were included in our 2007 manifesto.

The GSD way was reflected in their leader's reaction sitting next to me in GBC, next door, on the eve of polling day. His reaction was to ridicule my figures as sheer fantasy. Eventually two years later, or so, the 2007 GDP was published – and the figure was £804 million. Now, seven years later we have the final figure for 2011 and the result is £1.16 billion: £31 million less than what I had claimed was possible in 2007.

2360 (*Banging on desks*). (A **Member**: Hear, hear.) Not bad for an economic illiterate! (*Interjections*) Back of an envelope!

The rate of growth under the GSD between 2007 and 2011 has been 45.4% – impressive, 45.4% – and not the 50% I claimed in our manifesto.

2365 In 2011, the GDP estimates made by us whilst in Opposition was that the economy would come in at £1.1 billion and the result that we now have is, as I have said, £1.169 billion.

We are committed to achieving a 50% growth in 4 years and the published target figure is £1.65 billion, which as the Chief Minister said in his opening statement yesterday, is likely to be exceeded.

2370 This has been rubbished before, during and after the General Election. Such was the level of ignorance in such matters shown by the hon. Backbencher when he was Chief Minister, and in charge of our economy, that he kept on arguing that it was impossible to achieve annual growth of 10%, even when it was actually happening under his very nose. In 2011, it grew by 10.9%.

The growth achieved in the election year, was 10.9%, higher indeed, than we had suggested, but totally expected given the publicly funded public works programme and the housing construction programme in the run up to the election, that we are fuelling this growth.

2375 When I used to challenge the figures that the Hon. Mr Caruana used to quote and suggest that he might be wrong, he used to get very upset with me, Mr Speaker.

The idea that he could be wrong in anything he said or did was anathema to the hon. Member.

2380 The growth in the economy was happening not by design but as an inevitable consequence of borrowing and spending on capital projects, and it was highly dependent on the activity of the construction sector as I will demonstrate later on. And it is not exactly as it is happening now, as I will demonstrate later on. (**Several Members**: Hear, hear.) (*Interjection*)

2385 This was not the first time we had capital investment-led economic growth. The first time was between 1988 and 1992 under the GSLP, but in that period it was not financed by public debt increases and public works spending. It was much healthier, because it was the result of the largest foreign direct investment in Gibraltar's history creating infrastructure in land, buildings, housing and telecommunications which made possible the post 1992 restructure of our economy away from MOD dependence.

2390 Of course, when this was being done by investors from outside bringing in *their* money, the GSD way was to denigrate the result and call it an optical illusion. When it was done by them, by borrowing and spending our money in many areas where there was little or no return, simply to create a feel-good factor in advance of an election, it was an economic miracle.

The growth in the economy in 2007 to 2011 was, as I have said, more dependent on construction work than that of previous years. This is reflected in the share of the labour market taken by the construction sector which was as high as 15.4% in 2011 compared to 11.4% before 2007.

2395 In the last two years, construction has accounted only for 9.3% of the labour force, although it is likely to be higher in the current year. However, the average over four years will still be eventually less than in the period 2007 to 2011 – if I get my figures right again...

2400 As I pointed out last year when the Opposition generally – and GBC particularly – was making a big issue of the reduction in the number of jobs shown in the October 2012 survey, the reduction was not because we had an economic crisis as some would have it, but because the pre-election 'building boom' was over. The job losses were the inevitable result of the completion of a flurry of construction projects.

In 2014, we can expect a substantial increase in the construction labour force which will then be reduced after the current housing estates are completed.

2405 So if we look at our economy and how it is growing by reference to where the economic activity is reflected in job creation, we see the construction activity taking up a smaller share in 2012 and 2013 than it did in 2011, and the labour market growing outside the construction sector.

2410 Reflecting construction growth industry, in the non-construction sectors produced jobs of 18,813 in 2011, 19,511 in 2012, and 20,774 in 2013. So if we ignore construction – which can fluctuate depending on the volume of work that is going on – and we look at the rest of the economy, what we see is employment in the two years between 2011 and 2013 growing by 1,961 jobs, non-construction – 10.4% increase. Non-construction jobs in two years.

The employers providing these jobs increased in the same period by 158 and, of course, there was also organic growth from existing businesses.

By contrast between 2010 and 2011 the jobs created outside construction were 560 – just 3%.

2415 If we compare growth in the non-construction sector of the economy over 2 years – 2009 to 2011, so we have got two periods of 24 months – the growth is 5.1% in the two years of the GSD, or less than half what has been achieved between 2011 and 2013.

Excluding construction jobs, in fact the increase in the rest of the economy of 1,961 jobs is higher in the two years 2011 to 2013, than in the four years of the GSD from 2007 to 2011, when the non-construction sector went up by a total of 1,603.

2420 So, Mr Speaker, the remark from the sedentary position, as Mr... Selwyn likes to say, that we were doing the same thing is manifestly wrong! (*Laughter*)

The importance of this comparison is that it is indicative not just of higher growth but of more stable wider spread industrial coverage.

The other side of the coin in job creation is the level of unemployment.

2425 In January 2012, when we took over, the number of persons registered unemployed was higher than in the same month in the previous year. Throughout 2012, registered unemployment was higher than in 2011, and this continued to be so until mid-2013. It is only since the third quarter of 2013 that it has fallen below the level of 2011.

2430 This is as we expected and predicted during the election campaign, given that the numbers registered as unemployed did not reflect the real number of jobless. This was admitted by the Members opposite during the election, when they said it would cost £11 million a year to pay £1,000 a month to all jobseekers unemployed, implying that the numbers affected were in the 1,000 range, rather than the 450 range, the published figure.

2435 The fact that they knew this to be the case in 2011 did not stop them from claiming in 2012 that I had created the unemployment when I took office.

I put it to you, Mr Speaker, if Members opposite behave like this, is it that they do not realise that what they are saying cannot possibly be true? Is it that they are so incapable of understanding simple arithmetic in opposition, that they can no longer make the same calculation that they used to make in Government?

2440 The workforce, we used to be told, is made up of those in employment and those registered as seeking employment. So if one goes up, the other one must go down. If there is a relatively stable number of Gibraltarians available for work, then more unemployment in 2012 should have been reflected in less Gibraltarians employed – but Members know that the opposite is true.

In 2012, the number of registered unemployed Gibraltarians was higher, and the number of Gibraltarians with jobs was also higher. So how can this be possible?

2445 I remind the House of the argument used by the hon. Backbencher, when he was Chief Minister to prove it was impossible. He told us that we must understand that in a population that is not increasing in numbers as far as Gibraltarians are concerned, and which is getting older so that more and more of those numbers fall into retirement, it was hardly surprising that the number of Gibraltarians going into work cannot rise.

2450 In other words, since the total available number of Gibraltarians does not rise, the numbers entering work cannot rise, or can only rise very slowly. Mr Caruana informed us, it was impossible for him to increase the number of Gibraltarians in employment because in effect, he was telling us they simply did not exist.

He said:

‘I know they expect me to solve everything in this community, but this is something I cannot do anything about.’

2455 Those were his words, and he explained why it could not be done. He said it would require real mirages to produce more Gibraltarians of working age than the mothers and fathers have chosen to create through the normal procreation process – which we all understand what that is!

2460 Well, Mr Speaker, in 2012, the number of Gibraltarians of working age with full-time jobs increased, and the number of Gibraltarians registered as unemployed also increased – both increased. Unemployment did not go up because people who were working under the GSD lost their jobs in 2012, as the GSD propaganda machinery immediately started claiming at the beginning of the year. By their version, it seems as if in 2012 I had achieved what the former Chief Minister admitted was impossible for him to achieve.

Given that he has never, ever admitted to being wrong or mistaken about anything in the 15 years he was in Government, it gives me great pleasure to explain how, finally, I have done something which he said he was not able to do.

2465 Let me hasten to add that it is not the case that I was able, over Christmas 2011, to breach the normal procreation cycle, as he put it, and produce more newly-born Gibraltarians of working age in January, in excess – (*Interjection and laughter*) that is normal now, Mr Speaker (*Interjection*) – in excess of those that were already there in December.

2470 They were there then; and they were already throughout 2011, and it was hidden unemployment. They were there between 2007 and 2011 when the number of jobs in the economy was going up and the number of Gibraltarians with full-time jobs was coming down. They were there between 2010 and 2011 when Mr Caruana discovered that the cleaners in his office were frontier workers and introduced a requirement that all the cleaning contractors should employ locals, who clearly already had to exist unemployed in order to be given the job; and also, when the construction companies were told that if they wanted government contracts they had to employ Gibraltarians who were already unemployed. Or is it that all these new workers were suddenly going to come in existence out of nowhere in breach of the normal procreation process?

2475

So if I did not create a new generation of Gibraltarians of working age on 9th December 2011, how did I manage to do what Mr Caruana said he could not?

Simple, Mr Speaker: I will now explain how many Gibraltarians of working age there were in 2012, who presumably were not in existence in 2011, according to the then Chief Minister; and I will tell the House how I arrive at my estimate of the numbers involved.

As I have previously told the House, the practice before 2012 was to run vocational training schemes, the so-called VTS, from Bleak House and to have a quota of persons on the VTS work experience placements for up to 12 months. The opportunity to join was based on being on a waiting list until someone else finished and vacated the place. However, the numbers involved were allowed to go up in the second half of 2011 in the pre-election period resulting, at one point, in up to around 400 VTS placements. Even then there were still some 70 persons waiting to join in 2012. Those on these waiting lists were deemed not to be seeking employment and did not register as unemployed.

We included them in the unemployment list and we offered them a placement in the Employment & Training Company after February 2012.

The VTS Scheme paid those on it between £265 and £450 a month depending on age. We started the training programmes with a salary of over £900 a month, between two and three times the salary that was previously being paid, making it much more attractive and therefore encouraging more people to come forward.

Thirdly, there was a political commitment to encourage Gibraltarians to seek employment and we had an influx of long-term unemployed who had previously given up hope of finding work, which increased the numbers registering from lapsed, in the first nine months of 2012.

In other words, the combined effect of our initiatives did not increase the numbers without a job, but the numbers available for work and registered that previously were unrecorded. Let me show some evidence of this.

The House knows that I believe it is more accurate to monitor the labour market by reference to the numbers in full-time employment than by looking at the total number of jobs including part-time jobs. This was something that I consistently argued from the Opposition. The number of part-time jobs is misleading as an indicator.

I have given the example of how community officers positions were extended from the previous practice of being available only to persons registered as unemployed, and moved to being offered to those already in employment, with wages below £20,000 – half of the private sector workforce is in this bracket. It enabled the GSD Government to claim that more Gibraltarians than ever now had jobs. If anything, what was happening was that more Gibraltarians than ever now had *two* jobs assuming the part-time role was accepted as employment which in fact it was not.

When the GSD was arguing that the number of Gibraltarians with jobs was going up but could go up no higher because we had run out of people, the numbers in full time employment was actually going *down* from 2007 to 2011.

In October 2011, the position was that the workforce, made up of persons registered as unemployed and persons in full-time employment was 8,907. The position a year later, calculated on the same basis, shows that the workforce had grown by 600 persons to 9,588.

This position in 2012, clearly demonstrates that Gibraltarians available for work, was being understated by about 500, because as I have pointed out, and as was previously argued by the GSD Government, the workforce is made up of all the people unemployed and all the people employed. So, when there are 600 more people employed and unemployed than there were the year before, it must follow that there were 500 people unrecorded and 100 recorded.

If, in fact instead of using the full-time figure, we use the part-time figure, that the GSD prefer, we get a smaller increase between the two years, but not much difference. The comparable figure now goes up from a total workforce of 10,650 to 11,250, and on this basis the increase is just under 600 between 2011 and 2012.

In 2013, unemployment started coming down as employment increased, showing that the unregistered supply of labour from 2011 was now considerably reduced. The total workforce still went up but now the increase was about 100 compared to the 600 or so between 2011 and 2012. This is what indicates that the 2012 increase was inflated because it included 500 persons already there from 2011 but previously not recorded.

So the indications are that what we would expect in terms of normal, average year to year growth of the workforce is not zero as was argued before, but 100. And if you get in one year suddenly 600 more people available, which is made up of those working and those unemployed, then the 600 cannot all have been produced out of thin air in one year.

Lack of training in construction skills has been an element in the shrinking share of construction jobs held by Gibraltarians between 1996 and 2011. Although there is a cyclical element to the demand for construction skills and therefore some of that demand has to be met from outside at peak levels, the core

level of work should eventually be made up fully by local labour. Historical data suggests that this core workload requires around 1500 construction workers predominant on maintenance work.

The lack of Gibraltarian labour was established by the studies carried out by us in 2012 and later that year we set up a separate construction training company dedicated to providing the supply of local workers that the industry required. We set out to ensure that we could fill vacancies from the local unemployed and give effect to the policy put in place for Government approved contractors by the previous administration.

We need to start by looking at what was already there in terms of training.

The Construction Training Centre was built with the use of EU funding and took its first trainees in 1996. From 1996 to 2011 a total of 245 trainees were involved, for example in the wet trades, where the greatest skills deficit existed then and now – now worse. Thirty six out of the 245, in the whole of the 15 years, completed Level 1; 42 completed Level 2; and 6 completed Level 3. Six in 16 years.

As we were frequently told by the previous Government, the Level 2 is considered sufficient to obtain employment and be paid the craft rate in the industry – but it is well known that employers frequently argue that the trainees are not skilled enough to be able to work alone after completion of Level 2.

The output of 48 at Craft Level or higher – that is 42 with Level 2 and the six with Level 3 – 48 in 16 years equates to an output average of 3 a year. It is hardly surprising therefore that we discovered a chronic shortage in this area when we did our skills audit and found that only 7% of the wet trades in the private sector was provided by Gibraltarians and 93% were non-Gibraltarian.

Since our training is demand driven, it was obvious that this was the area to encourage people to take up training in. We also found that employers favoured City & Guilds as the awarding body and wanted masons, that is, people who could undertake all four skills: brickwork, rendering, plastering and tiling, rather than just one.

A third element in the strategy adopted to improve results was to place trainees in the industry *before* starting in the Training Centre so that it would hopefully result in higher numbers completing the course. This idea was like that which has been done in teacher training for years where potential candidates are introduced into the school environment before they start teacher training so that they can understand what is involved in the job.

Increasing the pay for trainees to the level of minimum wage – over three times the level at which it was being paid to a 16 year old under the previous scheme – also made the training more attractive. Of course the members opposite have criticised this just like they criticise everything that has been done so far to improve skills and increase employment for Gibraltarians.

Well I am happy to report, Mr Speaker, that in the first year 73 trainees took Level 1 City & Guilds in the wet trades, and 60 were successful in obtaining their Level 1 in one module, 53 in two modules, 50 in three modules, and 47 were successful in all four modules. Those completing all the Level 1 modules will be going on this year to obtain Level 2 and then will be able to enter employment on the craft rate. Those who were not successful in one, two or three of the modules will have the opportunity to do again the missing modules.

All trainees are currently in employment in the construction industry.

Clearly, this is only the start of a wide-ranging training programme which will progressively address the skills shortages we have identified which are not limited to the areas that I have just drawn attention to. It involves other construction trades and other industry areas.

I have said the construction industry has had a declining number of jobs held by Gibraltarians throughout the years since 1996. The table for all employees in the Employment Survey for that year, 1996, showed that in the private sector 541 of the jobs in construction were held by Gibraltarians – in 1996. By 2010 the Employment Survey available in the Budget of 2011, when the GSD finally admitted they had to do something and announce the requirement for Government contractors to take on and give employment to Gibraltarians, the figure had dropped to 479.

In the year to October 2011, in the run-up to the Election, when the huge construction boom was taking place, the Gibraltarians in the construction dropped even further to an all-time record low of 423 – October 2011. Clear evidence that their tough line with the construction companies announced in the Budget was a paper tiger, Mr Speaker. Little wonder they now attack us for carrying out what they promised to do but never intended to see through, because it was just a vote catching pre-election gimmick.

By October 2012 in our first 10 months we started recovering the lost ground. Gibraltarian jobs went up to 452 a 6.8% increase in 10 months. In this year's Employment survey report for October 2013 Members will see a further increase to 486, 14.9% higher than the level at which it was left by the GSD in 2011, and also higher than the level at which it was in 2010. Clearly we still have some way to go to get back to the 1996 where the level was 541 but I am confident that the 2014 Survey in October this year will show a further increase getting us closer to the target, and clearly shows that it is possible for Gibraltarians to get jobs and hold them in the private sector in the construction industry.

Important as this area is for the reasons explained above, it is not the only training taking place.

Mr Speaker, Mr Bossino last month issued a statement which claims that there was a lack of good quality, or indeed of *any* training. (**A Member:** Shame!) The best is still to come! (*Laughter*)

This is a matter of judgment and obviously Mr Bossino is here reflecting (*Laughter*) the GSD way. The construction training, as I have spelt out, is providing training and jobs on a scale that never existed before, and which they previously said was not possible – not that they did not want to do it – because Gibraltarians did not want to work in this industry. That was their excuse.

The skills deficit that he claims exists did not come about in the last two years: it has been the result of the previous 15 years and the facts are there to prove it, I have just given them to him. But I do not expect him to admit it.

What is, however, totally unacceptable is that he should accuse me of something which is not true and he has made up. He said then that he had been sharply critical of the abandonment of partnership agreements which the GSD had negotiated when in Government with some of the major companies in the private sector.

Not true, Mr Speaker.

Not true that he had been sharply critical of this, prior to last month, when he said it in May. To my knowledge he has never made any mention of this before, so he has not been critical of it, sharply or otherwise.

Not true that I have abandoned any such agreement because I have no knowledge of any such agreement having been in existence on 9th December 2011. I have not seen any list of any major companies in the private sector that have entered into any such agreements. I have not been provided with lists of trainees in any such major private sector companies out of the 400 who were in training in November 2011.

The only training I am aware of, outside construction and the engineering in Gibdock, was provided by Gibtelecom who was 50% state owned. This training has continued for those already there. Initially the position was that the company felt it was not able to offer employment to those completing training, but subsequently it has agreed to offer contracts for a fixed period of time. The requirement for skills specific to telecommunications will be kept under review in the light of the expansion that may be possible for this industry from now on. Like all training it will be linked to known job opportunities.

The old VTS, which accounted for the bulk of the 400 or so trainees in 2011, was a work-based scheme. Training included a 12 month work placement with a local company to gain hands-on experience and training in real job situations. Typical placements included messenger work, manual work, retail sales, hotel and catering in the private sector, and office work in the public sector.

In 2011 there were a number of individuals in the public sector who had already spent many years on VTS gaining experience, but had to compete with better qualified competition for jobs when vacancies were advertised. A number of these individuals are still in this position. Most of the others were in areas of the private sector where Mr Montiel had said that few, if any, were likely to want to work. I do not know why he was training them!

The VTS was totally discredited, in our view, because employers treated employees as ‘parked’ with them, in many instances when they had no real need for them. In other cases, because employers were using them as free labour and recycling them with replacements every year.

Although we had reports of this in Opposition we never came to the conclusion which Mr Bossino has now come, namely that the employers in question did not have their names published by the then Government, because they were GSD cronies subsidised by the GSD by being supplied with free labour. (*Banging on desks*)

I do not believe they were. (*Laughter*)

Mr Montiel has admitted that there was abuse of the system by the private sector, in this Parliament – he admitted it here. However his defence was that it did not exist under the GSLP before 1996, it was because there was no VTS training in place. According to the GSD only 28 of this work experience trainees found employment at the end of the year. Of course, there was no requirement to employ them, nor was there a known vacancy prior to the placement being agreed.

The Employment Training Company has replaced this and has achieved to date, a much higher rate, of the order of 60% in trainees obtaining employment after the training period.

Therefore 28% was very high quality and our 60% are dead end jobs. So what are they proposing? That we go back to the old discredited system?

In addition to such placements there has been structured training provided in the following areas outside construction: Hairdressing NVQ Level 1; Literacy, Numeracy and IT; bus driving training; Introduction to Elderly Care and Dementia; Level 1 Basic Construction skills; ASDAN; Customer Care; Health and Safety; First Aid Courses; Book Keeping OCR; training courses for the maritime sector; Level 1 Basic Carpentry at HM Prison; Police Cadets Scheme; meetings with the Insurance Institute to set up online exams; and the Merchant Navy Cadets, which are funded by the bunkering companies and not by my Department.

There is an important contribution to the training programmes that we ran for the unemployed which is derived from the European Social Fund (ESF), especially in areas of identified categories such as the long-



2660 term unemployed. The person that has been co-ordinating this programme, Mrs Jenny Garcia, who was previously placed in Bleak House and previously to that in the Education Department has had long experience and expertise in coordinating with the UK, the allocation of European Social Funds for Gibraltar. As part of this work she has to ensure that the training we are giving qualifies with the EU funding criteria and qualifies as to content and the eligibility of beneficiaries.

2665 I hope the hon. Member opposite understands that the training programmes that are offered to the unemployed are put together by professionals who were there before 9th December 2011, and know what they are doing, and have got a lot of expertise. Therefore, if I have to rely on advice as to the quality of what is being provided I think I choose to be advised by the highly-respected professionals in my Department rather than the self-serving partisan views of the hon. Member opposite, if he will forgive me for saying so. *(Banging on desks)*

2670 The net movement of employers registered with the Employment Service is reflected in the numbers at the end of each month. This figure shows a regular increase on a year-to-year basis. In September 2011, the number of employers was 3,560 and increased to 3,972 a year later.

2675 There was another increase in the year to September 2013 when it reached 4,168 and a further increase to 4,321 by the end of March 2014.

This is supposed to be the net effect of new businesses coming in minus the removal of businesses no longer trading. However, I am not confident that this is the case and so we could be talking of in excess of 761 new business start-ups in the two and a half years from September 2011 to March 2014.

2680 My concern about the accuracy of the data is that it is quite possible, just as it is with employees, that records may still include businesses whose activities are no longer there, and have not been removed. Although I have been trying to get the system more up to date and accurate this has not yet been achieved to my satisfaction and I am hopeful that it will improve as we go along.

2685 An important source also of funding is the ERDF programme in which we have again obtained funding for business start-ups. The success in obtaining the allocation we have is entirely due to the efforts of the unit and in particular the accumulated expertise of the Director, Charlie Collinson, who is highly respected in UK and EU by his counterparts.

2690 The contribution that the unit makes in dealing with EU funding should not be underestimated. In the context of the level of capital and recurrent expenditure it may seem small beer, but it is quite unique. Most Government Departments spend money and a few collect taxes, but the EU programme unit brings inward investment. It facilitates and enhances the attractions of Gibraltar by topping up with EU funds private or public capital investments.

They are a small, self-contained unit. They get on with their job and they produce results. And I want to thank them for doing so well and requiring so little of my time to do it. *(Banging on desks)* The results they have obtained for Gibraltar – not me – are as follows.

2695 During the last financial year 14 EU co-funded projects were approved with a value of £5.3 million. The current EU co-funded programmes recently finished resulted in the following: 81 EU co-funded projects; 372 new jobs created; 39 jobs safeguarded; 41 new business start-ups; and £5,518,042 of private sector funds entering the economy as a direct result.

2700 The new programmes are currently under negotiation and envisaged to commence in September/October 2014.

2705 Mr Speaker, progress with the Savings Bank continues and we hope in the current financial year to have in place, and in operation, the facility for the electronic use of accounts which will permit the Government to credit payments to accounts and for account holders to withdraw cash from ATMs. I would not wish to put a date on when exactly this will be in place because it is in the hands of the technical people whose brief it is to do it as soon as possible, subject to being confident that it will work as intended.

As Members already know, the funding of the 100% commutation for Civil Service final salary pensions, on terms which I recently explained in detail in answer to a Question, is proceeding well with most people settling for commutation levels below 100%.

2710 I do not see why something that enables civil servants to benefit from more than 25% commutation if they so wish, should not be supported by Members opposite, especially when at the same time it helps to fund the returns to savers available from the Savings Bank. 100% commutation is now available for both public and private pension arrangements and it is only Members of this Parliament that are still subject to the old limitation of 25%.

2715 It will therefore be necessary to make provision for pensionable service in this House to be included in the new arrangements.

2720 The GSD Government, in fact, at one stage announced their intention to convert the Gibraltar Savings Bank into an annuity pension provider. They said they would be publishing details of the scheme within a few weeks on having made the announcement. This never materialised, but I recall the Hon. Mr Caruana telling us at one stage that it could become a very big business, bringing to the Savings Bank hundreds of millions of pounds – which presumably would not be considered public debt.

So the idea of expanding the role of the Bank in an area related to pensions, in principle, was acceptable to the GSD at one time before we came up with a similar idea.

The GSD Government, in fact, at one stage announced their intention and we have now proceeded to do something similar in linking savings to the provision of the opposite of the annuity, which is in fact like a reverse annuity.

The forecast out-turn for the financial year 2013-14 was estimated at £50 million surplus and £45 million of this is to be transferred to the Social Assistance Fund to provide a grant to Community Care in order to increase the reserves of the charity. As the Chief Minister announced, we expect the figure in fact to be higher than £50 million.

I need to remind the Members opposite again this year that they were responsible for deliberately running down the reserve of this charity in the 15 years they were in Government. This was defended on the basis that once the reserves run out, the work of the charity would be discontinued and the pensioners would receive an equivalent payment as a statutory entitlement from the statutory benefit fund which the GSD claimed would provide more protection for pensioners.

Although at the time it was announced, I stated on behalf of the Opposition that we did not believe that what they were saying was possible, I confirmed we would support it if we were shown how it was going to be done. Since 2011 we have offered to proceed with the implementation of the GSD alternative if it is capable of providing the benefits to pensioners that they claim.

I have found no trace of any such plan or legislation in preparation in my Department. This House was told by the then Chief Minister that there had been some slippage in the drafting of the necessary changes which would be implemented in 2012 after the General Election. If the House was being told the truth then I have to point out that the refusal to share with us the solution to what was described as a ticking time bomb is indefensible. If there is still a ticking time bomb time out there, then the responsibility for it rests entirely on their shoulders.

Mr Speaker, I have taken note of the views expressed by the Leader of the Opposition which, as he said yesterday, happened when I was not in the House to hear them.

I hope he accepts that it was not that I was avoiding listening to him, and that I was away because I had not yet had time to put together my own contribution which I am now delivering.

He does not risk my wrath by reminding me of the fact that he used to listen to me in the past and that he still subscribes – he tells me – to some of the policies I advocated; on the contrary I welcome it.

I particularly welcome that he still believes in prudence in public spending and in looking after the interests of future generations by providing for a rainy day fund when we enjoy surpluses. That is certainly a major departure from GSD policy, whose former leader when he arrived in Government after 1996, ridiculed the concept and stated, ‘The rainy day is today’ – and started spending as if there was no tomorrow.

What was a novelty in our days in the 1990s under the GSLP has now become a norm for many countries in the world and many have set up rainy day funds. I have to say that I am sorry that his deputy, who used to listen to my speeches in his youthful days, does not seem to have retained any of my ideas or think them as worthwhile any more. I hope he keeps him firmly in check and does not allow him to drag the GSD back to the spendthrift days of the hon. Backbencher. *(Laughter)*

In closing, Mr Speaker – *(Interjections)*

**A Member:** You certainly do need someone here, that’s for sure! I am not letting him go though!

**Hon. J J Bossano:** There are a number of points I wish to make in relation to the areas of expenditure for which I am responsible.

The number of posts shown in the Head 24 in the Employment Department shows a reduction of 24 AAs. This is for the reasons that I explained last year when the newly recruited AAs were initially charged to my Department pending their deployment during the course of the year. Of the 25 posts therefore only one has remained in the Employment Service, the others have been distributed to various Departments and are now charged to Personal Emoluments sub-heads wherever they have been placed.

The two Government owned companies, Gibraltar General Support Services and Gibraltar Cleaning Services previously shown under Head 14 Environment are, in this financial year, included under Head 24 Employment and Labour. All three Heads of Expenditure, 23, 24 and 25 – Hon. Members opposite will be happy to hear – have kept within their approved budgets in 2013-14 and show little change in 2014-15.

Mr Speaker, there is a final thought I want to share with Members opposite. I am proud of what I am doing to help people into employment, and proud of the fact that we are providing ever more training opportunities to increase the number of Gibraltarians in jobs in key areas of our economy. Proud that we have given help to some more mature, long-term unemployed to set up their own small business and earn a livelihood. I am grateful for the co-operation we are getting from many employers and proud of the

commitment shown by trainees and the success rate we have obtained. Though I will not be satisfied for as long as there is somebody able and willing to work and still unemployed through no fault of his or her own.

2785 The work that I do, Mr Speaker, is sufficiently rewarding for me to be happy to devote seven days a week, 12 hours a day to the task. This kind of commitment is the GSLP way of doing things, abandoned by the Leader of the Opposition – partly, it seems – when he converted to the GSD way. Early in 2012, when he joined me on a television debate, he was still talking the GSLP way when he said he wanted what we were doing to succeed, and that he would be the first one to welcome it.

I am still waiting for this to happen.

2790 I can tell Members opposite that if they cared for our country and our people half as much as I do, they would be happy to see success. They would be happy to see our efforts succeeding and get as much satisfaction as I do. Every day with one single Gibraltarian less on the dole and one single Gibraltarian more in employment, irrespective of his or her political view, should be a source of satisfaction to all members on both sides of this House.

2795 Let me therefore share one final statistic with Members. Last Friday was one of my happiest days in Government since 9th December 2011. On Friday, three Gibraltarians registered as unemployed and 20 registered their terms of engagement as employees. This means more than a drop in unemployment. To me this is more than a statistic. This means there are 20 fellow citizens who will be taking home a pay packet at the end of this month and three whom I will have to do my best to find a job for.

2800 Even though it is abundantly clear that more is being done now than has ever been done before, the only thing the hon. Members opposite do is try and find fault. Well, I have to say to them that if they put partisan political interests before what is in the best interest of our people it does them no credit, and it does not say much for them, Mr Speaker, as sons and daughters of our nation. (*Banging on desks*)

2805 **Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, it is an honour and absolute privilege to present my first Budget address in what is our Government's third Budget since the General Election of December 2011 in relation to the areas that form part of my ministerial responsibilities – namely, Financial Services and Gaming.

2810 But before doing that, Mr Speaker, I hope you will allow me to say that it is an even bigger pleasure to be speaking after the Father of the House, a man who has again today demonstrated his total commitment to Gibraltar and its people, and has been doing so, Mr Speaker, for an incredibly long period of time. I was proud to have sat in this Parliament with him and indeed, Dr Joseph many years ago, and I am equally proud today to still listen and learn from everything he does.

2815 Mr Speaker, in effect, the Father of the House is the architect to the economic system that we have enjoyed ever since he first stood in Government in 1988. From entering with an MoD spending of over 70% in our economy, to leaving it with less than 10%, introducing home ownership to Gibraltar, introducing the Europort investment which many across the floor described in those days as a white elephant, to the introduction of community care, in all of these things today, Mr Speaker, we still enjoy the fruits of his labours, of his thinking and of his sheer care and dedication for Gibraltar, (**A Member:** Hear, hear.) and for that, Mr Speaker, I shall always be grateful. (*Banging on desks*)

2820 At the same time, Mr Speaker, I think it is only right to make an observation on a number of the things that have been said from Members opposite, if I may. The Leader of the Opposition who obviously will have agreed with everything I have said, because whilst all these things were happening he was on the same team, yesterday referred to, Mr Speaker, to illustrate in effect the doom and gloom that the Members opposite wish to paint the Gibraltar of today in, quoted some numbers which I thought were quite staggering. Mr Speaker, he said that tourist sites were down 5%; bunkering charges 33%; ship registration fees 17%; Eastside anchorage 45%; Upper Rock visits 3%; yacht arrivals down 13%; coaches arriving 33%; and Gibraltar Museum revenue 27%. This to give a picture to the people of Gibraltar, Mr Speaker, of an economy in sharp decline, despite, as is usual, everything that he had heard for the three hours previously from the Hon. the Chief Minister hitting a quite realistic and accurate depiction of a totally different scenario.

2830 Mr Speaker, why issue or deal with these numbers to give an impression that everything is going down, especially so, Mr Speaker, when the Museum entrance charges that the Hon. the Leader of the Opposition refers to in its totality is £22,000? He tells us that £22,000 is going down by 27%. In fact, Mr Speaker, his numbers are totally wrong, because like him, I am not very good at maths, (*Laughter*) so I asked somebody else to have a look at the maths –

**Mr Speaker:** I am prepared to give the Hon. Member some lessons, if he wishes!

**Hon. A J Isola:** I would be grateful, sir!

2840 And I sought some advice from my Department and asked them to have a look at these numbers, and what they came back to me with, was in fact the real figure, in terms of the Museum entrance charges being

down, is that it is not 27%; it is 0.17%, which amounts to the grand total down of £39, Mr Speaker. (Laughter) (A Member: Ruined!)

2845 When you consider that he also said the bunkering charges were down 33% and in fact, as my Hon. Learned Friend, Mr Costa corrected, and said it was up actually 21%, that £122,000 extra kills the £39, the £4,400 that were short on coach terminal fees and the £52,000 which were short on tourist site receipts. So much, Mr Speaker, for the Big Lie.

2850 Mr Speaker, when they then come and tell this Parliament that the spending is out of control – 1,000 homes – clouded in improvements to all the estates, £100 million; small boats marina; Gibraltar International Bank. Mr Speaker, I struggle to understand how they can say those things, when those very things were in their own programme and manifesto in 2011.

2855 Indeed, when we issued a press release, Mr Speaker, on 16th December announcing the Bank, the first thing the Opposition did was come back and say, it was their idea to do the Bank. But they seem to complain when we come to Parliament and vote for £25 million share capital into the Gibraltar International Bank, because we want the Bank to be strong and secure, and well above the regulatory capital that is required.

2860 Mr Speaker, I have always held the view that to be involved in politics there are two fundamental criteria that you require to have, the first of which is a good sense of humour and the second to do the right thing for the right reasons. Over these past months, Mr Speaker, the Members opposite in Opposition have issued a series of very interesting policy documents in three areas which I believe will test anyone's sense of humour and certainly, Mr Speaker, they tested mine.

The first of these is the policy document on education and training which my hon. Friend the Minister for Education, Gilbert Licudi, has already highlighted and considered. Well, Mr Speaker, the Leader of the Opposition can pant, but he has got a little way to go!

2865 If one then considers, Mr Speaker, the Members' opposite recent policy paper on housing, it is equally staggering, equally inconsistent and equally amusing because having spent 16 years in Government, having built houses for sale and indeed for rent, and at the end of that process having allocated many, many hundreds of flats, when they finish, they then come to the people and publicly say that the allocation of houses from now on should be means tested.

2870 Mr Speaker, it is almost like complaining your steak has not been properly cooked after you have eaten it. Another staggering statement to make, Mr Speaker, and frankly a little late to have such a thought, if in fact that was a genuine view and not just an attempt to say something new.

2875 But Mr Speaker, the most staggering policy document of all is one that they launched recently entitled 'Enhanced Democracy'. Because, Mr Speaker, this is the party that in their election manifesto of 1996 promised more meetings of Parliament, talked about a democratic deficit and promised the people of Gibraltar many things which in 16 years they simply failed to deliver.

Mr Speaker, I quote from their 1996 manifesto:

2880 'House of Assembly; there will be regular and frequent meetings and question times... The House of Assembly must be the true expression of democracy at work in our community.'

Mr Speaker, when you consider that in 2007 there were two sessions; in 2008 three; in 2009 three; in 2010 three; and in 2011, Mr Speaker, barely two, how on earth can we take them seriously and how can they now talk of 'enhanced democracy'?

2885 This in effect meant that the Opposition could only ask questions of the Government, as we now do on a monthly basis, twice in one year. And now these same people are coming to the people of Gibraltar and saying that they want *enhanced* democracy. Mr Speaker, I do not know if they have woken up one morning and suddenly learnt what the word 'democracy' means, but assuming they understood that word these past 16 years, I would be intrigued to discover what they mean by 'enhanced'.

2890 But Mr Speaker, 'Enhanced Democracy' does not stop there. They also call for a Public Accounts Committee, and I quote:

'to have oversight on how our money is being spent'.

Well, Mr Speaker, I then wondered what, if anything, they thought of this idea in 1996. Surely not. Surely not, Mr Speaker! Well yes, I am afraid so and again I quote from their 1996 manifesto:

'We will appoint a Public Accounts Committee in the House of Assembly to scrutinise Government expenditure of your monies.'

2895 (Interjection) Sixteen years later, whilst they were in Government, Mr Speaker, has there been a Public Accounts Committee?

So Mr Speaker, one thing is very clear: they are only interested in democracy, enhanced or otherwise, when they are in Opposition, because they had 16 years to do it and they chose not to. Why now do they seek to copy their policies of 1996 and try and sell them to the people as new? Why was it not important when *they* were in Government, Mr Speaker?

2900 In truth, if you scroll down through their policy document, what in effect they are seeking under the umbrella of democracy, is a bigger role for the Opposition. They call it a broader role, Mr Speaker.

But Mr Speaker, there is still more. Point 2 of their proposal contains their idea – now in Opposition – to have a member of the Opposition sitting on statutory bodies, and they suggest having a seat on the Development and Planning Commission, because they believe that that would be, and I quote, 2905 ‘appropriate’.

So what did they promise the people in 1996? Yes Mr Speaker they did, and I quote again from their manifesto of 1996:

2910 ‘We will initiate an open and modern planning process...’

And they also said this:

‘Gibraltar is our home. It is wrong that decisions which radically affect our surroundings should be made so secretively that you only learn about demolitions...’

– and then it talks about construction and developments –

‘...once it is too late.’

Well, Mr Speaker, I like to be fair and they did indeed introduce a requirement – as the Hon. Mr Selwyn just mentioned, if I may call him that (*Laughter*) – to provide for a requirement for public notice of all 2915 applications and the right to object, but they still maintained secretive meetings behind closed doors and they never instituted an open and modern process.

But they had no need to worry, Mr Speaker, because we have now done what they waited for 16 years to do. Mr Speaker, they obviously like the system and they now want a seat.

Mr Speaker, for a party who when in Government allowed the Opposition to ask questions twice or at 2920 the very best three times in a 12-month period, when the meetings of the DPC were held behind closed doors and in secret, and when the Members of the Opposition were not even extended the courtesy of an invitation to a Government drinks party, it is staggering how in such a short period of time they have come to the view that in fact the Opposition has a real and much more important role to play in local politics – and of course, Mr Speaker, in the exercise of our democratic system.

2925 Well how very convenient, Mr Speaker. What they really mean is ‘enhanced opposition’, not democracy – and after 16 years in Government with little democracy and nothing enhanced, now that they are in Opposition they have suddenly remembered they forgot to set up the Public Accounts Committee. *Pa’lante*, indeed! (*Laughter*)

2930 Finally Mr Speaker, before I move on, I believe it is entirely appropriate to congratulate my Hon. and Learned Friend, the Chief Minister on his recent appointment to Queen’s Counsel, but particularly so, Mr Speaker, because it has been granted on the recommendation of our recent visitor today, the Minister for Europe and I quote:

2935 ‘in recognition of his distinguished role as an advocate for Gibraltar both internationally and domestically, and his commitment to the rule of law’.

Well, Mr Speaker, so much for the noise from the other side of the mishandling of our affairs this past year. Maintaining my sense of humour, Mr Speaker, I make that two QCs for the Government and one for the Opposition, all of course, Mr Speaker, richly deserved.

2940 Moving to Financial Services, Mr Speaker, I have to say that what this Government found in December 2011 was that in financial services there was a total lack of adequate resources of the office of the Finance Centre, and a lack of adequate funding, which in effect meant that we had a huge amount of catching up to do as opposed to other jurisdictions, like for example Malta, who had been investing heavily in resources and funding to raise the profile of their jurisdiction.

2945 Mr Speaker, the estimate for this year for marketing is £350,000, but will be reviewed and I believe will result in the highest investment spend in our history for the financial services sector, quite apart from the huge investment already made in our Senior Executives tasked with the marketing of our jurisdiction.

2950 Mr Speaker, the financial services sector accounts for some 14% of total employment and contributes around 20% to our GDP. Overall, there has been an increase in employee jobs in the finance sector this past 12 months of some 123 jobs.

Mr Speaker, I have always believed that it is important to give credit where credit is due and certainly the previous Government's Income Tax Act of 2010 delivered to Gibraltar a conclusion of the transition from the offshore to the onshore, which is absolutely fundamental to our success as a financial services jurisdiction. The industry has grown consistently these past years, but the problem was, in my opinion, Mr Speaker, that without an effective plan to review our product range, be innovative in the creation and exploitation of new areas of business and then not, most importantly, have a serious plan to develop our international presence and raise our profile, we were running a risk that we were simply slipping further and further behind. That is our assessment, Mr Speaker, of what has happened and of what we intend to put right.

As a result, Mr Speaker, when I took over from my Hon. and Learned Friend, Mr Gilbert Licudi, some 12 months ago, I carried on the work that he had started and focused on a number of areas.

Firstly, Mr Speaker, we continue to listen and engage heavily with the Finance Centre Council, the individual associations all the professional bodies, and indeed individual firms engaged in financial services business, to gather from them what they believed our core products were, which markets they believed we should be focusing on and indeed how we should be attending to the raising of our profile in this space.

Mr Speaker, that threw up a whole raft of different issues including, I must say, the need for a five-star hotel, curiously, as clients of these firms were dissatisfied with the quality of the hotel stock as the lack of a serious five-star proposition was prejudicing the ability of their clients not just to visit Gibraltar but indeed to host conferences and functions here.

Mr Speaker, the financial services community and indeed the gaming community were delighted by the arrival of the Sunborn and very many conferences and functions have already been hosted on it, to the betterment of Gibraltar Plc.

Secondly, Mr Speaker, we engaged as promised the four 'Jimmy's', as they were then known, Senior Executives working in the finance centre in specialised areas and one based, working from Gibraltar House in London.

Thirdly, we reviewed our product range and this of course is an ongoing process – the introduction of QROPS which is proving to be a successful and profitable area of business for our sector. We are shortly, in fact in this session of Parliament, introducing QNUPS, after further discussions with HMRC. We have also introduced the new Companies Act and Insolvency regulations, superbly driven by the Hon. Mr Licudi, and we will also shortly be introducing a series of legislation requested by STEP in 2010, which we are now finalising. All designed to enable our sector to keep up with competing jurisdictions and indeed stay ahead in certain areas.

Fourthly, Mr Speaker, we refreshed and rebranded the Finance Centre, now known as Gibraltar Finance, with for the first time its own website, social media connectivity, new branding, all of which now give the professional look and feel the sector has been calling for.

Fifthly, and perhaps most importantly, Mr Speaker, we have completed our first ever business development plan. A business plan developed hand in hand with the sector, having first heard in detail from them what we should be promoting and where they thought we should be going and finalised with their total support.

Why, Mr Speaker, is this so important? Well, for the first time ever, the financial services firms know exactly 12 months in advance what we are going to be doing during that year, which conferences we are going to be attending, supporting and indeed speaking at, and of course, Mr Speaker, which jurisdictions we are focusing on and in what areas.

So, Mr Speaker, the insurance community know where we will be all year, as do the funds and the private client community, also. This has involved a complete review of every single conference and event in the market, and selecting the events we believe will be of most benefit to our players.

Finally, Mr Speaker, we will shortly be announcing that we propose to engage the services of an international public relations firm to assist us specifically in the promotion of our financial services industry by addressing the trade media for each of our sectors, better informing the public of what we have to offer and raising our profile in the right places.

Mr Speaker, I strongly believe that the combination of the new Gibraltar Finance team working to our Business Plan, with our innovative website and social media outreach, together with the private sector supporting all of these efforts and now a leading PR firm beating the drum for Gibraltar, we will at last be equipped to support this important sector of our community like we have never done before. This investment is and will continue to pay dividends for the benefit of all.

Mr Speaker, I believe it is appropriate at this stage to express my thanks to the Senior Executives for their work, expertise, innovation and support in these past 12 months, Mr Speaker, as well of course as the remainder of the team at Gibraltar Finance who each in their own way play such a critical and pivotal role in the work that the financial services sector depends on us to do, across a whole range of areas, both in Gibraltar and abroad, in dealing with our marketing and logistics, as well, of course, as handling all our Cat

2 and HEPSS applications. They are the ones who ensure that all of our events go as smoothly as those members of the public that have visited will know they do.

Mr Guy Canessa, Mr Speaker, is a quiet man in the team who with very much care and attention to detail cares for all of our exchange of information matters and is our much valued technician. I must also, Mr Speaker, thank Mr Jimmy Tipping, the Finance Centre Director who drives Gibraltar Finance forward, working with the remainder of the team and always having an uncanny ability to pre-empt so many of the issues that come across my desk on a very regular basis. He has been especially good in his support to me in my dealings with HMT and HMRC, as well as of course with all OECD matters. He has been in the game for some years and his knowledge, expertise and calm approach have been invaluable to me. I am grateful to each and all of the team, who do a stunning job for the sector.

Mr Speaker, we have repeatedly said that our philosophy of compliance with international standards is one area that we are committed to and believe strongly in. Our position on exchange of information, TIEAs, FATCA are all well stated, as is our desire to ensure notwithstanding these, that a level playing field with our competing jurisdictions is maintained. There is no question that the environment in which our financial services sector has worked and will work in the future continues to change at a pace that few would have dared to predict.

However, Mr Speaker, that is the brave new world in which we work and it is essential in our view that we remain in the mainstream in implementing and adopting these standards. Every challenge brings with it opportunity and I have every confidence in the ability of our professionals to embrace and benefit from these challenges.

The Parliament will also be aware, Mr Speaker, that we have recently had our Phase II review by the OECD which will report back at a meeting in Paris in September, which follows on from the Peer One Review in 2011.

Mr Speaker, as at 21st March 2013, Gibraltar had implemented all of the recommendations contained in the Phase I review and we now await the results of the Phase II review, which we expect later this year. We will continue to work closely with the OECD until the completion of the Report. I must also report that we are shortly to issue a full consultation document on the merits of the central register of beneficial ownership, as has been announced previously and contained in our published action plan, and further Mr Speaker, as to whether such a register should be public or otherwise. Mr Speaker, although we have already engaged in direct consultation with the sector, we have felt it appropriate to extend this consultation process more generally, and the documentation will shortly be released to the public.

Mr Speaker, as the Chief Minister has already mentioned, the Gibraltar International Bank was announced last December and the works are ongoing to make this a reality later this year. Although for a number of reasons the building works have been slightly delayed, all other aspects of the new Bank including its technology platform, its management team and its systems and operations are on course to be concluded in anticipation of the building works being completed.

Mr Speaker, there is no question that the number of credit institutions not just in Gibraltar but around the world are reducing and therefore more than ever, Mr Speaker, there is a need to ensure that Gibraltar will have the banking facilities that it requires and deserves not just for our people but for our business community as well. I am grateful to all those associations and professional bodies that have welcomed and supported the announcement of the establishment of this Bank, and I look forward to continuing to work with them in the months ahead. In particular, Mr Speaker, the Gibraltar Bankers' Association and the Finance Centre Council have been most helpful and supportive in this process.

My sincere thanks also, Mr Speaker, to the Banking Committee who have supported and advised us in putting this project together, and to all those professionals who are working with us to deliver this to our community, including of course our CEO and COO.

Mr Speaker, over the past 12 months – dealing now with funds and asset management – our Senior Executive in this field, Mr Philip Canessa has worked very closely with us and of course, Mr Speaker, with GFIA, the Association, and has exhibited, attended and/or delivered a presentation at a range of conferences and events, including Invest 13 in Geneva, the Bloomberg Hedge Fund Start-up in London, the Fonds 14 in Zurich, the Euro Hedge Summit in Paris and the Hedge Fund Start-up Forum in London. In addition to those, Mr Speaker, we also attended in early June the highly regarded GAIM 2014 event in Monaco, where I was afforded the opportunity to deliver the opening address at its plenary session.

Further, Mr Speaker, in April this year, Gibraltar Finance supported a hugely successful private sector organised funds conference, here in Gibraltar, on board the Sunborn which was sponsored by several local financial services firms. Mr Speaker, around 50 Swiss asset managers attended, and the feedback on the conference received from delegates, sponsors and local firms was enormously positive. A further conference for Swiss asset managers will be organised in the future, and I was particularly pleased by this initiative, which we were delighted to support.

Mr Speaker, it has always been our Government's desire to attract conferences to Gibraltar, particularly when we are able to bring so many Swiss asset managers to see the jurisdiction, as they did, meet the professionals and understand our unique strengths in this area.

Mr Speaker, moving forwards, Gibraltar Finance will further be attending and exhibiting at the Hedge Fund World Asia Conference in Hong Kong, at Invest 14 in Geneva and the Hedge Fund Start-up Forum in Zurich.

Mr Speaker, I am sure Members will agree that no effort is being spared to raise the profile of our funds sector internationally, whilst at the same time maintaining very close contact with all local professional firms to ensure that our product range is updated and relevant in this sector.

Mr Speaker, in the area of private clients, the Senior Executive has been actively involved both domestically in working closely with the sector, as well as internationally in raising the profile of our jurisdiction and promoting Gibraltar as a place to do business. I am delighted to report, Mr Speaker, that significant progress has been made in a number of long outstanding initiatives such as, for example, concluding the Capital Requirements Directive, the Customer Safeguard Accounts legislation and work continues, Mr Speaker, on the STEP legislation which I referred to earlier. Five pieces of legislation which have been pending since 2010. Mr Speaker, it is appropriate also to thank those professionals who have and continue to assist us in the drafting and preparation of this important legislation.

Mr Speaker, I am also grateful to my Hon. and Learned Friend, Mr Licudi, for steering the introduction to Gibraltar of the Companies Act 2014 and the regulations relating to the Insolvency Act. I have only partially been involved in that process, which he has driven with some skill and patience, in bringing all the various parties together to complete the passage of that Bill and which has delivered to Gibraltar a consolidated, modern and updated piece of legislation which has been welcomed by all practitioners in the private sector.

Mr Speaker, with regards to business development, our Senior Executive has also attended a series of conferences in London, Birmingham, Manchester, Geneva, as well as numerous privately arranged forums and meetings in Leeds and privately arranged meetings in Amsterdam and Rotterdam in support of private sector initiatives. In addition, Mr Speaker, a number of seminars have been hosted in London at Gibraltar House.

Mr Speaker, you will note that our marketing in the United Kingdom has not been limited to London, at the specific request of the private sector, and we have now extended this with visits to Birmingham, Manchester, Leeds and these will most certainly continue.

Mr Speaker, I would also like to refer at this stage to the work of Mr Paul Astengo in driving through the entire re-branding of the project that Gibraltar Finance has been through, as the contact point in delivering this very well received change not just in relation to the branding, Mr Speaker, but also of course to the website and our presence in social media. To give you an example, our combined social media audience has grown from some 50 persons in 2013 to now in excess of 3,000. This is an important medium, as our ability to communicate with some 3,000 people, cheaply and efficiently enables us to keep all of these participants updated and in many cases enabling the recipients of these messages, Mr Speaker, to further distribute them through their own systems and networks. Our database, Mr Speaker, has also increased to some 2,800 contacts who can be contacted and sent updates as and when developments arise in the sector. This interaction at every level is a vital component part of the work of Gibraltar Finance, which is most certainly not limited to attending functions, conferences and events.

Mr Speaker, since September of 2013, our Senior Executive in London has been in post and has proactively marketed Gibraltar not just in London, but using this as a base to meet financial services players in the north of England, in the south of England and indeed in the west of England. Mr Victor Galliano has hosted and attended a series of events at Gibraltar House, both individually and in support of other members of the Gibraltar Finance team. He has been involved in actively promoting Gibraltar as a jurisdiction for credit institutions and has succeeded in attracting interest in this area, one of whom, Mr Speaker, will be arriving in Gibraltar next week to engage with our regulator in discussions.

In addition to marketing in the UK by making direct contact with professionals there, he supports the other Senior Executives whenever necessary and indeed attends events and conferences with them.

Mr Michael Ashton is the Senior Executive in Insurance and Pensions and we have worked closely together in considering new areas of business for the insurance and pensions community, in diversifying our existing insurance base and exploring how better Gibraltar as a jurisdiction can service the insurance and pension sectors.

Mr Speaker, Gibraltar has been hugely successful as a motor insurance jurisdiction and that growth has continued from the work undertaken by the previous administration and now accounts for some 16% of the UK motor market. We are keen, Mr Speaker, to continue to develop this sector, not only in the United Kingdom, but indeed on a pan-European basis and enquiries in this area are increasing. But Mr Speaker, we must also work to diversify our insurance offering to other areas where we hope to replicate, in time, the success of our motor community.



Mr Speaker, there has also been an enormous effort both on our part and on the part of Gibraltar Finance to finalise discussions with the United Kingdom to allow portfolio transfers of run-off or legacy insurance to take place between the United Kingdom and Gibraltar. This has been a long process and has been pending for too many years. I believe, Mr Speaker, that we are close to finalising these discussions and I believe that I will be able to announce shortly that this type of business will soon be able to be managed from Gibraltar.

We believe, Mr Speaker, that there is an opportunity for Gibraltar to develop expertise and attract new business in this sector, as we have done with other EU jurisdictions, including the Republic of Ireland. We believe the timing is right to engage in this business, as the implementation of Solvency II will undoubtedly lead to a greater interest in transfer and legacy portfolios to run-off specialists.

Another area, Mr Speaker, which excites us enormously is the rapid growth in the global insurance linked securities market (ILS). This market, Mr Speaker, looks set to see the catastrophe bond and insurance-linked securities sector hit a major milestone before the end of June with record issuance of over \$10 billion coming to market in a single 12-month period. We have been working hard, Mr Speaker, since last summer to position Gibraltar as an alternative jurisdiction within the European Union and have been greatly encouraged by the support and contribution that a number of the major ILS participants in the world have extended to us to ensure that our guidelines, when formally published, will be fit for purpose, competitive and attractive to the users in this industry. I expect before the end of the summer, Mr Speaker, that we will be able to issue our own ILS guidelines, and I very much hope that this will be yet another significant new sector that we will introduce for our insurance, legal and accounting community. Mr Ashton's work in this area has been extraordinary.

Further, Mr Speaker, our QROPS sector continues to grow with a record number of schemes now in place and with these showing every sign that they will continue to grow well ahead of one of our competing jurisdictions, being Malta.

Mr Speaker, we are also consulting the sector and the regulator closely in relation to legislation that we hope to introduce to further improve and enhance our regulatory environment in the area of pensions, and I hope before the end of the summer to also have these proposals available for consultation.

Mr Speaker, as you will be aware, there is an amendment to the Income Tax Act which will be considered during this session and which seeks to introduce to Gibraltar the new product of QNUPS.

Mr Speaker, in addition to these areas, Mr Michael Ashton has attended a series of events and conferences in Hong Kong, Bermuda, Manchester, New York, the recent Gibraltar Day in Bermuda which he put together, all of which continue to raise in a serious and professional manner Gibraltar's appetite for business in the insurance sector.

I have to say, Mr Speaker that the visit to Bermuda was extremely successful, and I am delighted to report that a number of the people that we met during our visit have already been in contact with our regulator.

Mr Speaker, I believe it is also important at this stage to ask you to note that our regulator currently has before it a number of new insurance company applications and indeed an insurance intermediary application. I have absolutely no doubt, Mr Speaker, that these numbers will increase as Gibraltar's profile in this area continues to grow. I must thank Michael Ashton for his professional and expert knowledge in this area who continues to drive the marketing sector of this effort with such great style and success.

In conclusion on financial services, Mr Speaker, there is no doubt that as a financial services jurisdiction, we will need to work harder than ever before to catch up on the lost years where unfortunately – and I genuinely mean unfortunately – our investment in business development and raising Gibraltar's profile fell short of where we believe it should have been. However, Mr Speaker, with the renewed vigour and energy that this Government has brought to the Finance Centre Department, now known as Gibraltar Finance, we will catch up and we will maximise our ability to attract new business to Gibraltar. **(Several Members: Hear, hear.) (Banging on desks)**

Mr Speaker, I must thank Mr Marcus Killick our outgoing CEO of the FSC for his 10 years of work in driving the Commission forward in the manner that he did and also welcome Samantha Barrass who joined us in February. We will be working closely together to improve what we have and how we deliver these functions, but more of that on another day. I must also thank the members of the Board of the Financial Services Commission and the Chairman for their work. They enjoy our confidence and support.

Mr Speaker, moving on to gaming, Gibraltar continues to be established and recognised as a world leader in remote gambling. It is an industry undergoing constant change, development and challenge, and those principles apply as much now as ever before. We have continued to operate as the Members opposite did, in carefully scrutinising new entrants and believe this is in the best interest of our community and operators.

In October last year, this Government hosted the first business breakfast for remote gaming industry professionals in the City of London. The initiative was built into the Gibraltar Day in London programme of events, which for the first time was extended to include this community. Over 80 key players in the

industry, including chief executives, directors, lawyers, accountants and telecommunication providers attended. We look forward to revisiting the event again later this year.

3195 Mr Speaker, the Government has been attending the ICE Conference in London for a number of years now. This year I attended in February and met a series of operators and suppliers with interests in Gibraltar. In particular, I met with representatives from four companies who wish to pursue licensing in Gibraltar. Two of these have now completed that process and the other two are in train. It is my expectation that at least two further licence applications will be submitted in the near future and others may well follow.

3200 In the last year, we have continued to strengthen the base of the industry with the addition of six more licensees, and we expect that pattern of modest growth of high quality suppliers to continue, but also for some further consolidation of businesses to take place as markets mature and more and more jurisdictions seek to directly licence and regulate the industry.

3205 As of 31st March 2014, there were 30 licence holders in Gibraltar, although since that date two of our smaller licensees have been subject to takeover by other Gibraltar licence holders. Five of the remaining 28 are pure game software suppliers to customer-facing operators located here and in other places; 18 are exclusively or almost exclusively customer-facing operators; and five are 'hybrid'. The distinction is not just a matter of detail. I mention it because it is an illustration of the increasing diversification and complexity of the remote gaming industry and why we will look to develop and amend our arrangements in the near future, as other jurisdictions amend and adjust their own.

3210 More and more companies providing specialist business services to the traditional remote gambling companies are seeking to establish themselves in Gibraltar. These are significant and equally complex industries, which support the industry. They look for the traditional benefits of doing business in Gibraltar and to use the internationally recognised Gibraltar brand as leverage. We should look to ensure that we properly and effectively embrace these industries, where it is in our mutual interest to do so.

3215 Mr Speaker, it will not have gone unnoticed that there have been significant changes with regards to the land based casino. Its acquisition by a world-leading group of gaming companies earlier this year reflects again the quality and status of this facility and they are most welcome to Gibraltar. The casino continues to employ in the region of 160 management and staff, and the House will be aware that it remains a viable and popular venture, offering a variety of services to our community.

3220 Mr Speaker, as at the end of March this year, there were over 3,000 employees in the remote gambling sector in Gibraltar. This is an increase of 387 on the same date last year and a similar increase to the preceding 12 months. In terms of GDP contribution, gambling and betting activities are estimated to contribute 25% to GDP and represent some 14% of total employee jobs. This includes all employers trading in gambling activities.

3225 The Government revenue from remote gaming tax for 2013-14 has decreased slightly to £11.6 million from £12.1 million in 2012-13. This is attributed to the consolidation of licences held by one licensee from four to two. Without this consolidation, the tax would have increased by approximately £500,000.

3230 PAYE from remote gambling operators totalled £22.8 million for the year – an increase of some £4.6 million from the previous year, which can be attributed to the substantial increase in employees as a whole in this sector, with particular reference to three of our larger licensed operators.

Corporate tax received from gaming operators for the same period currently stands at £28 million. This represents an increase of £10.8 million from the figure stated last year, which can be attributed to notably higher corporate tax payments effected by four of our licensed operators during the financial year.

3235 Mr Speaker, I would highlight, that under the current rules, corporate tax payments are requested twice a year – in February and September. These payments could reflect both payments based on actual profit, with submission of accounts, or on account payments based on the previous years' profits which could result in over or underpayments in the numbers that I have given the House.

Overall, direct Government revenues from gaming, PAYE and corporate tax from gaming operators have again increased this year.

3240 It goes without saying, that as we host and licence most of the world's major remote gaming operators and suppliers, we must ourselves ensure that our legislation and regulation keeps apace with industry and global developments. We are working closely with the GBGA and having regular meetings with them to ensure that our legislative framework remains fit for purpose, and reviewing generally our gaming proposition with operators.

3245 All will be aware that during the last year, and continuing to date, discussions and representations have been taking place about the impact of the UK Government's proposals to licence, regulate and tax remote gaming operators located outside Great Britain, but supplying services to consumers in the UK. I will not repeat the arguments, but I will say that we would be affected by this course of action, since the supply of the lion's share of such services emanates from Gibraltar.

3250 This Government has continued to make clear to the authorities in the United Kingdom that these proposals, individually and collectively, have serious weaknesses in their development and delivery, and have the capacity to cause irreparable harm to what is currently a world leading industry. But these

representations are not just for the benefit of the industry in Gibraltar or its consumers, who also stand to pay a heavy price as regulatory standards lessen and more poorly regulated jurisdictions become the new baseline for others to follow. The loss of business to unregulated markets and an increase in the grey market will harm not just Gibraltar, but of course the UK Government and its consumers, which the Act is intended to protect. We know Gibraltar operators will comply with the law, but the further fear of other operators not complying with the UK proposals makes the position even more challenging, as the level playing field reputable operators seek will fail to be achieved.

I should also mention the continuing licensing and regulatory demands faced by the Gambling Division. Earlier this year, two vacant regulator posts were filled. The unit is now up to its full complement of six staff and the Gambling Commissioner. The Division will shortly be moving into new accommodation at Europort that will better cater for their needs. Regulators from across Europe and indeed, the rest of the world, regularly visit Gibraltar to see our set-up. Gibraltar is probably the best regulated jurisdiction in the world for remote gambling activity, and we are very happy to share our ideas and best practice in regulatory ethics.

Mr Speaker, characters no less eminent than the Governor of New Jersey lays claim to Gibraltar's status, with his wish that his own state may soon become the primary remote gambling hub for that continent. The challenge of course is to bring the rationale and method to fruition, which is something we wholeheartedly support, as it improves the reputation of the industry worldwide.

We have all seen, Mr Speaker, the very many steps forward taken by the industry since the inception of gaming as far back as 1996. We must, nevertheless, be prepared for and be sufficiently flexible to accommodate steps back. Although, even at this very late stage in the development of the UK Government's proposals, their impact on the Gibraltar-based industry is still unclear, with the industry continuing to grow in terms of licensees and employees against this highly visible and well publicised series of proposals.

Mr Speaker, whilst some companies will trim back operations at a particular point in time for a particular reason, we also see expansion amongst other operators. This is the dynamic nature of the Gibraltar gaming community, and one which we are now accustomed to and embrace. We will continue to work closely with the GBGA and indeed the individual operators with whom I meet regularly. We are a listening Government and the gaming operators will bear testament to that statement, as we continue to work together to meet the challenges and opportunities that lie ahead.

I must, Mr Speaker, thank our regulator, Mr Phill Brear and his team for their complete professionalism in working with the industry and providing us with practical and incisive advice on the sector at all times. We are privileged and most fortunate to have him with us.

The Licensing Authority under Lorraine Britto must also be thanked for their consistent and quiet good work in keeping everything to date and to the greatest detail. I cannot understate the importance of this sector to our community, or indeed our Government's commitment to it.

A further innovation this year, Mr Speaker, has been the introduction of a Liaison Department within my Ministry. The thinking behind this was to facilitate, originally for the gaming community, all the interaction between the operators and Government Departments. We were keen to improve the efficiency of our Departments when dealing with operators to avoid delays and assist us in resolving any difficulties they experienced, such as for instance with work permits, residence permits, detached worker permits, the Hospital or indeed any other Government Department. The initiative was warmly welcomed by the gaming sector and it has proved to be most helpful to them.

As a result of this success, Mr Speaker, we have decided to extend this function to include the financial services sector, where it has been equally well received and being used more and more. The Liaison Department is managed by Lizanne Olivero and is now considering many of the processes we have to see if these can be improved to facilitate the process further. The detached worker permit is one example of this having now been completed. I am grateful to Lizanne and Tania for their continued great work and commitment to this function.

Mr Speaker, I cannot close without thanking Julian Baldachino my Senior Officer, Lourdes Piri my Secretary and the remainder of the team, who 12 months ago welcomed me into the offices of my Hon. And Learned Friend, Mr Licudi, which has been my home this past 12 months. With no fuss and complete professionalism, they have just got on with the job, and I am extremely grateful to each of them.

Mr Speaker, in conclusion, we have made huge strides in all of these areas since December 2011. We face challenges across all areas, as the world of commerce is more competitive and more mobile than ever before. But today, Mr Speaker we have the assets in place, the will to move forward, and the commitment to invest in making our growth a reality. In real partnership with the private sector I believe we have a good story to tell and it really is incumbent on us, Mr Speaker, here and now, to leave no stone unturned in the delivery of that message. We intend to continue to work closely with the GBGA and the operators, and the Finance Centre Council and all professional firms, to ensure that these two areas of enormous importance to our community are given every possible support and opportunity to continue to grow.

Thank you, Mr Speaker. (*Banging on desks*)

3315

**Chief Minister (Hon. F R Picardo):** Mr Speaker, may I with a short congratulations to the Hon. Member for his maiden speech, invite the House to recess for five minutes, for a comfort break, before we come back and take one more speech before we adjourn?

3320

**Mr Speaker:** The Hon. Mr Bossino will take the floor? (**Hon. Chief Minister:** Yes.)  
Very well. We will have a short five-minute break.

*The House recessed at 8.05 p.m. and resumed its sitting at 8.24 p.m.*

**Appropriation Bill 2014 –  
For Second Reading –  
Debate continued**

**Mr Speaker:** The Hon. Mr Bossino.

3325

**Hon. D J Bossino:** Mr Speaker, this is a debate on the Appropriation Bill and as such, it is not purely a debate on the figures. It is in reality, as the Hon. the Chief Minister I think said in his first Budget speech when he was on this side of the House, an opportunity for all of us to take stock as to where we are and where we are going in respect of our respective areas of responsibility. In effect, it amounts to a State of the Nation debate.

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In relation to areas of responsibility, Mr Speaker, I have many. Since I assume responsibility for Financial Services when I was appointed Deputy Leader by the Leader of the Opposition, I shadow now a total of seven areas, spanning four different Ministers, or 40% of the Cabinet. I promise that the speech will not be as long as it ought to be, given the time that we are still in this House.

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Mr Speaker, as has been a constant theme in the contributions made by my hon. friends, recurrent expenditure in each of the Departments which I shadow have been the subject of increases, save for Social Security where the payments to the Social Security Fund no longer features as an item of departmental expenditure to the tune of £9.5 million as explained by the Hon. the Leader of the Opposition.

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The Leader of the Opposition on Monday has already made a reference to the astronomical increase that there has been in terms of recurrent expenditure. All of this from a Government which electioneered on the strength of an argument which said that we were in the midst of financial ruin. Who can forget the Hon. the Chief Minister's statements frantically describing what every man, woman and child would owe in debt, or his Ministerial Statement to the nation on 18th January 2012, which he claimed he was forced to make from No.6 given the seriousness of the position as he put it? Who can believe them now?

3345

Who can accept that with the very little new and real investment which has come to the economy in the wake of the arrival of the New Dawn, something which the Chief Minister promised when he was first interviewed as Leader of the Opposition in 2011 would arrive shortly after December 2011, which is the date that the election was held? Is anybody able to accept that they are able now to relish in a spending spree?

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Does the answer not lie or not rest in the fact that they were less than candid at the time of the election and that in fact, what they inherited was not financial Armageddon, but a treasure trove which they are showing no compunction in spending at will? (**A Member:** Hear, hear.) (*Banging on desks*) That is the answer, Mr Speaker, they know it to be true and the electorate know it to be true.

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We were served on Monday morning with what can be described as nothing other than an apology, an excuse by the Hon. the Chief Minister for the first, I would say, 80% of his almost three hour speech, for the continuing high level of expenditure to which he would be subjecting this community in this financial year.

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Mr Speaker, I was criticised last year by the Chief Minister for not dealing with the figures as well. Well, that of course is not true. I reviewed diligently the Budget Book at the time, as indeed all my colleagues have, but if I had not, then he should have been well advised not to have encouraged me to look at it again, because it makes very depressing reading for him.

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It is not directly one of my areas of responsibility, but I will be permitted just for one moment to dwell and refer to one particular item of expenditure. It was indeed referred to by my hon. Friend the Leader of the Opposition in his delivery: Head 2(13) relating to protocol and entertainment, where we see that there is a forecast outturn for 2013-14 of £1.05 million, when the estimated expenditure was £320,000 – a difference of £730,000. Talk about sticking his snout in the trough! (*Laughter*)

This was from a man who used to analyse like a forensic accountant the former Chief Minister's travel arrangements. Whether he used the VIP lounge became matters of national importance for him. Of course, we now know that he was not necessarily behaving in this way because he wanted to make political mischief, but in fact because he was green with envy. He was probably thinking, **(Several Members: Hear, hear.)** 'You just wait until I am Chief Minister!' because he really is making the most of it, isn't he?

Let us look at some of the Departments, just some of them for which I have shadow responsibility.

(1) The contribution to the Borders and Coastguard Agency has increased by £887,000 from an actual expenditure of £3.8 million to £4.7 million.

(2) Civil Aviation had an estimate of £2.5 million with a forecast outturn of £3.2 million.

(3) In Employment and Labour, the actual expenditure for 2012-13 to the estimate for 2014-15 has increased by £2.5 million. A Department which itself has seen a 15-fold increase in expenditure. **(Several Members: Oh!)**

(4) The estimated figure for 2014-15 for the Port and Shipping Head is also up from the forecast outturn for 2012-13 by £713,000 and as indeed the Hon. the Minister for the Port said earlier today during the debate, the market budget is up by 13% of the GMA.

(5) Financial Services too, there is an increase whichever way you look at it, but the comparison between the estimate for 2014-15 and actual expenditure for 2012-13 amounts to £340,000.

Finally, Mr Speaker, (6) Tourism had an overrun for 2013-14 of £485,000 with a difference of £740,000 between the estimated figure for this year and the actual expenditure for 2012-13. Figures which had themselves already overrun last year by almost half a million pounds.

And that is, Mr Speaker, without even mentioning the £14 million expenditure expected from the IDF fund under the Boat Moorings – presumably that relates to the small boat marina for this financial year. And these are not matters which are outside the Government's control. The Hon. the Chief Minister referred to, I think, fuel costs and tuition fees. These are all matters which are very much within the Government's control. *Proof* that just in my areas of responsibility they have been able, in two years, to spend their way through this Parliament when there was apparently no money in the first place. **(Several Members: Hear, hear.) (Banging on desks)**

Mr Speaker, in relation to Tourism, one of my areas of responsibility, what we have heard of the Minister's contribution has to be seen in the backdrop of the very much increased expenditure that I referred to. I mean, it would really be a very sad and worrying case of ministerial incompetence if he was unable to account for some measure of success, because he really is throwing money at it, isn't he? But one is duty bound to remove the spin and look at the hard facts as shown by the statistics, as best we can.

Because there is certainly one attribute which the Minister has and that is the ability to use fantastically sounding adjectives to hype things up. We see them time and time again during the course of his previous speeches and in press releases, and we saw it again today. We have heard how 'satisfyingly dynamic' his year has been, or how he has been in 'hot pursuit' of new airlines, or how he has pursued a 'vigorous policy' in this and that –

**Chief Minister (Hon. F R Picardo):** That was last year.

**Hon. D J Bossino:** 'Resounding success', 'very exciting measures' – that was this year **(Several Members: Hear, hear!)** *(Banging on desks)* The man has really lost his true vocation in life.

But let us look at the hard facts, shall we? I think that is important to do so, if one is going to have any objectivity, as he referred to during the course of his intervention. A constant, irritable – I am sure for him – reminder on the occasion of each of the Budget speeches I have given in this House, in my three years in this House, is my reference to the cruise line industry figures.

The Chief Minister last year patronisingly pointed out to me in his reply that my exposition of the poor cruise industry figures was misconceived because, silly me, I should have realised that cruises were booked a year or so in advance, so that I was being critical last year of the last Administration's performance. Well, quite apart from the fact that that particular argument is no longer available to the Minister, because two years in and despite the Minister's much vaunted one-to-one meetings and marketing strategy, the figures in comparative terms to when the GSD was in office have in fact gone down.

But you see, it was the Minister himself in his first Budget speech in 2012 who used what he described as improved cruise passenger arrivals as a result of his new found marketing policy. At that stage, i.e. May 2012 the figures were indeed looking as if they were on the rise. Little was he to know at the time that the final figure for 2012 was going to be 33,253 in terms of passenger arrivals lower than in 2011. You see the figures cannot be used when they suit you and not when they do not – 2011, Mr Speaker, being the benchmark. Are we going to have agreement in relation to that, because that is certainly the benchmark which the Hon. the Chief Minister used during his intervention?

So let us make those comparisons and I will do so during the course of my intervention in relation to Tourism. Because the *hard fact* based on the figures is that as far as the cruise passenger arrivals are

concerned for 2013, there is absolutely – borrowing the Hon. the Chief Minister’s phrase – nothing to write home about. Cruise liner arrivals, although higher in terms of cruise vessels arriving than in 2012, at 179 compared to 173, the figures still represents eight less than the position in the benchmark year, 2011. And such a distance away from the top figure of his predecessor at 238.

As I have told him before, in this House and outside of it, the magic is not in the total number of cruises, welcome as a higher number may be, but in how many passengers they bring. It is here where the picture is not as rosy as he would let us believe with his ‘spin-esque’ use of language. The total figure for passenger arrivals for 2013 has come in at 278,129 – a full 47,000 less than when we left it and 13,700 less than in 2012. And even his expected figure for 2014, let us see if it materialises, which is around the 290,000 mark, will be less than 2010 – the lower figures which he quoted with a lot of drama which actually came in at 303,000.

I am sure the Minister regrets much of what he said in 2012. You see, a much more politically mature – if I may so – position to have adopted is to have recognised the sterling work of his predecessors when the GSD was in office and then said, ‘Look, I will try my best and improve on that, on very firm foundations’, and then say, ‘Look, it may take me two or three years before we reap the results of my one-to-one marketing strategy, my new found marketing strategy.’

But he has placed so much store on his personal contact form of marketing and was so quick to attribute the success of that policy to the misleading increased figures he saw when he gave his first Budget speech in 2012 that I feel compelled again this year, Mr Speaker, to expose the fallacy of what he has been arguing up until now. (A Member: Hear, hear.)

He really needs to work out something else to reverse a potential downward trend, which I have referred to. This is all the more so when we look at the lower figures coming through the frontier. We saw about 657,925 less people arriving by land in 2013 than in 2012. If you look at land frontier visitor arrivals, the position in 2014 does not promise to get any better, if a comparison is done with the positions in April 2012 and April 2013: 222,000 less motor vehicles coming through if one compares the April to April figures for the two years I have just referred to as well. There are also less visitors to the nature reserve, which actually brings me to a point which I have made previously in press releases, about the need to devise a well-thought-out strategy to get more people here.

The cruise liner industry is certainly a potential revenue earner, as is of course our airport, but more thinking needs to go into how to bring new markets here, especially and precisely because of the difficulties that we are facing at the frontier and the intention behind it, which is to put pressure on us economically.

This issue came into sharp focus with the small business Saturday campaign which the Hon. the Minister referred to and was conducted during last Christmas. Whilst a welcome initiative, it cannot be a replacement for new fresh markets coming to our shores. What that initiative brought was really the same market, the Gibraltar market to our streets. I mean there are so many articles which one same individual can buy.

Roundabout that time, interestingly I came across an article from the UK Travel Association, which reported that an estimated, I think it was something like almost four million Britons would be heading overseas during that Christmas and New Year period, with Morocco interestingly being one of the favourite destinations. Could that market not somehow, if there is forward planning and a proper marketing strategy, not be marketed to bring those visitors here on a short-stay destination, and I offer that to the Minister for his consideration.

In terms of revenue raising, the Minister has stated quite boldly in the past in this House that his aim was and I quote, ‘to make the GTB self-funding so that the savings made to the taxpayer can go towards social essential services such as health, education, social services, etc.’ The fact is, despite what the Hon. the Minister for Financial Services has just said, that site receipts are estimated to be £3.5 million for 2013-14, whilst the estimated expenditure for that same year is at £4.4 million. He is out by £1 million!

Whilst the position of the last GSD year was that revenue stood at £3.3 million and expenditure at £3.2 million. A more balanced position indeed and more in tune with what *his* own stated aim is.

Mr Speaker, I take the opportunity now to comment on some of the figures revealed in the Tourist and Hotel Occupancy Survey Report of 2013, which were laid before Parliament only last week. But here too, we see some figures which seriously challenge the spin which we have heard the Minister deploy in his speech.

We see that the tourist expenditure in Gibraltar from those coming via cruises has gone *down* again from the position in 2012, from £10.5 million to £9.97 million. A figure in 2012 which had itself reduced from 2011 which showed expenditure at £13.16 million.

The expenditure from yacht visitors is also down from 2012 and many of the previous years to that one. Expenditure from visitors from Spain is, as one would expect, considerably down from 2012, bringing the overall tourist expenditure down from 2012 from £245 million to £207 million. Interestingly, for the period between 2003 and 2013 covered in the report, it is still the 2011 figures which are the highest – again that benchmark.

Although I have covered these figures in detail previously, these show also that the overall air, sea and land arrivals are down by 1.1%, 5.1% and 5.8% respectively in each category.

3490 Just pausing there for one moment, in relation to land arrivals, when I heard the Minister for the Environment say that he had every intention to continue with his reef laying programme, you could almost hear the entire community groaning, 'Oh, please don't! Please don't! Spare us!' People are not staying here, Mr Speaker, because of his wonderful parks. People are staying here because they are *locked* in Gibraltar – or does he not appreciate and realise that?

3495 Although the hotel occupancy survey will be the subject of greater analysis over the next few days, I would point out that the room nights sold, albeit higher than in 2012, remain lower than the position in 2011. It is welcome to see that the room occupancy rates are slightly higher than they were in 2012 as the Hon. Minister mentioned earlier – I think it is about 61% – although still not as buoyant as they were in 2003 to 2005 where the average for those three years stood at 67%. That is the benchmark he should be  
3500 working towards, under the GSD Administration. The number of arrivals is also slightly up on 2012 but still slightly lower than in 2011.

Given the figures I have referred to, they really do put into perspective, the hon. Member's statements at last year's Budget, where he said the Government shares the Chambers' view, i.e. the Chamber of  
3505 Commerce, that tourism is the lost pillar of the economy, which can remain resilient in times of economic hardship. If it was lost, I am not sure that the Minister has found it and if that is his definition of resilience, then please God, I hope he is with us on this one.

Last year, the Minister announced that a project would start soon and one which had been planned for some time now, which was the Lester Hotel. This is what he said last year – I am not sure if it was featured in his speech on this occasion – explaining that this would add to the current four-star hotel offer in  
3510 Gibraltar. I know that we have had many debates in the past in this House, certainly in the time that I have been here, but references have been made to previous Parliaments about what the word 'soon' means. But again, the Minister's statements need to be questioned when a year on, there appears to be no movement in relation to this particular project.

Mr Speaker, I take this opportunity in relation to my Ports areas of responsibility, the appointment of the new Gibraltarian Captain of the Ports, Mr Bob Sanguinetti. We all know that from this side of the House, that he has a very hard act to follow in Captain Roy Stanbrook and we wish Mr Sanguinetti all the best in his endeavours.

But in relation to the Ports, I am afraid that I also have to report to the House bad news, because the figures simply do not support the picture, again, which the Hon. Minister seeks to paint and there are some  
3520 warning signals in respect of them which I would ask him to heed.

The number of ships which have called for bunkers has dropped as at May 2014 from the comparable position in May 2013, the figures being 2,300 compared to 2,576, with a difference in gross tonnage of some 11 million. Although I note that the forecast outturn for 2013-14 in respect of Port arrival and departure tax and bunkering charges are up from the estimated amount, the overall expectation appears to  
3525 be that the GPA, the Gibraltar Port Authority, will be less of a revenue earner than previously if one goes by the estimate figure for this coming financial year.

The Minister has denied in the past when I have asked him questions in this House, that there is any political pressure from Spain and I trust therefore that this is the case. But the Government should do everything within its power to reverse what appears to be a downward trend, given the importance of this  
3530 particular area of activity to the economy.

I take this opportunity too to acknowledge the sterling work which has been done by the Gibraltar Maritime Association led by Mr Richard Montado. Here we have seen increases – it is true – in the number of vessels registered in the last two years, (*Interjection*) which is a continuation of the increases which can be seen since 1997, after we came to office. The figure then was 27 vessels with a gross tonnage of  
3535 330,000. The figure now stands at 332 vessels with a gross tonnage of 3.4 million.

But here too, Mr Speaker, the Minister is still to beat the increases presided over by the GSD between 2001 and 2002 when, for example, there was an increase of 45 vessels and between 2008 and 2009 with an increase of 38 vessels being registered. His increases were 11. (*Interjections*) This is from the information which is published on the website.

3540 However, where we are also seeing a downward trend is in the number of ships calling. The overall figure, which includes bunkers, for 2011, stood at 275 million gross tonnes and for 2012 it was 277 million gross tonnes and for 2013 it stands at 254 million.

Yacht arrivals are also seeing a dip from the 2011 figures with an almost reduction of 1,000 between 2011 and 2013.

3545 In aviation, another of my areas of responsibility we see how there has also been a reduction in the number of scheduled flights, at least on the 2013 figures that I have seen. I have seen, although it is gratifying that there has been a greater use of the airport and, other than as a very attractive backdrop to the

Chief Minister's appearances on Spanish TV, given the slight increase in the number of passengers arriving in it from 2012 under the UK scheduled flights for seats used. Here too, more must be done.

3550 The Minister has previously referred to widening links to other destinations. These need to be established. We have seen how the Marrakesh flights, which were welcomed with so much fanfare by the Hon. the Minister for Tourism and if I recall correctly and accurately, also the Hon. the Chief Minister, it appears to be faltering with very low factors.

3555 But I take this opportunity to refer to the recent press reports, and indeed to the Deputy Chief Minister's comments yesterday, regarding the despicable actions by the Kingdom of Spain with regard to the Gibraltar Airport's exclusion now in relation to the Association Agreements with Georgia, Moldova and the Ukraine. These actions on the part of Spain represent a flagrant breach of her obligations under the Cordoba Agreement for 2006 and we in the Opposition condemn them wholeheartedly.

3560 Mr Speaker, I now turn to my other area of responsibility Employment. The Minister for Employment, the Hon. Mr Bossano, appears not to realise that I am now charged with this responsibility on the Opposition benches. He appears not to realise that the former Hon. Mr Lewis Montiel is no longer in this House. He appears not to realise that the former Chief Minister is now a former Chief Minister, he is a backbencher. We are now led by the Hon. Mr Daniel Feetham. Why does he continue to lambast these two individuals? (*Laughter and interjections*) Is he living in the past? Is he unable to look into the now and into the future?

3565 And I must say just by way of comment, when I heard him say at the end of his intervention, it really sounded like a political swansong on his part. I mean is he leaving us? Is he retiring? Is he not standing for the next election? (**A Member:** No, no!) I was getting somewhat emotional almost! And we had it also from the Minister for Financial Services.

3570 **Hon. Sir P R Caruana:** Now, that would sound like a pitch for the Chief Minister's job.

**Hon. D J Bossino:** Or perhaps indeed, a pitch for the Chief Minister's job, if he is not in fact resigning.

3575 **Hon. Chief Minister:** He would only have to ask. (*Interjections*)

**Hon. D J Bossino:** And just as a final comment, Mr Speaker, in relation to what he said again at the end of his speech in connection with his policies, (*Interjections*) any criticism on our part would be interpreted almost like an act of treachery. But that is the nature of the man. Those of us who have seen him and observed him politically for many years know that to be the case.

3580 The hon. Gentleman will no doubt recall when during the course of my Budget intervention last year, the first time that I made an intervention in relation to Employment, I described him as a leopard which never changes its spots and his retort, under his breath – he will recall, he is already nodding – was that those were good spots. Well, I and indeed the majority of the electorate on eight out of the eleven elections in which he has stood – and he is very fond of statistics – 73% worth of elections have agreed with my assessment and not his, that those spots are not good spots. (*Interjections and laughter*)

The Hon. the Chief Minister and the Deputy Chief Minister – (*Interjections*) Exactly, the Hon. the Chief Minister and the Deputy Chief Minister agreed once upon a time with my assessment when we supported the Gibraltar National Party in the 1992 and 1996 General Election, (**A Member:** Hear, hear!) (*Banging on desks*) or has he forgotten that, Mr Speaker? (*Interjections*) Oh, Mr Speaker, very few.

3590 On the last occasion, I referred to his many outlandish statements which he made, which included some like Gibraltar being at the time when there were 12 nation states in Europe, the 13th nation state. I also referred to a statement he made publicly during this term of office, that he would *eradicate* – those were his words – he would eradicate unemployment. I think it was in a debate he mentioned earlier in January 2012.

3595 Those of us who have observed the hon. Member in his political career for many years will know that he is prone to making such statements, even if he then fails to deliver. But you see, the same happens with his manifesto commitments. The parties now in power have made a song and dance of the primordial importance which they lay on the delivery of, as they have described them on umpteen occasions, they are very specific, time sensitive, manifesto commitments. But when it comes to the hon. Member, what he does in practice very rarely reflects what it says on the tin. It was therefore important to analyse what was in fact promised to the electorate at the last General Election – an electorate which in many respects was hoodwinked into believing that what was promised would be delivered.

3600 At page 25 of their New Dawn manifesto, under the title 'Future Job Strategy', it states very clearly that as from 1st February, there will be a new dedicated training strategy with a maximum of three years and a guaranteed full-time job on completion. It then goes on to read, and this is the purposely confusing bit, that all trainee employees will be covered by contracts of employment with a wholly owned Government company.



Just dealing with that last point first, for those of us on this side of the House who were following employment matters very carefully at the time of the election, it was very clear that the impression that was sought to be given was that the full time job on completion would be within a Gibraltar-owned company. Ask the Hon. the Leader of the Opposition and the PDP, Mr Elliott Phillips, who had participated in a debate during the course of the election and put that interpretation to Mr Licudi, who was in that debate – and that was not challenged by the Hon. Mr Licudi during the course of that debate. (**A Member:** Absolutely.)

But you see, this is not what in the event was rolled out on 1st February 2012. But perhaps, let us give them the benefit of the doubt. On the very strict analysis of those words, Mr Speaker, it is possible that what in fact has been rolled out is what was described in the manifesto – although this is rather odd, is it not, given that the hon. Member clearly falsely describes himself as being a plain speaker and borrowing one of his favourite phrases, calling a spade a spade? Why did he not use clear language in this case? The answer must lie in that he wanted people to give the words the alternative and more electorally favourably interpretation which I described earlier.

The important part of the text is that, however, which refers to and I quote again, ‘a dedicated training strategy’. This it clearly is not, despite what I have heard the Minister say barely two hours ago. There is nothing in the nature of a strategy in the Future Job Strategy. It would have been different, Mr Speaker, if the hon. Member had set out a detailed plan from day one on how he was going to provide training, training with proper qualifications within a certain period of time, which would give our young people the opportunity to better themselves and acquire transferrable skills, to obtain real and sustainable jobs, with good prospects for the future. Proper vocational training that is what they are asking for and that is what is required. But this alas, was not what has been on offer and the fact is that there simply is no strategy for this.

The House will recall when the hon. Member claimed that initially the trainees would be employed for a period of 11 months. Three years, albeit set out in terms of a maximum period, but suddenly three years did not quite sit well with the hon. Member. It then became a variable period: it was not quite three months, it was six and depending on how long the training would be required and now it is pretty much a standard three-month period. No evidence, Mr Speaker, there of any forethought of any forward planning of any, dare I say it, strategy.

And why do I say supposed training, because in the main, based on the information which has been provided to date in this House, there is simply no substantive training involved in the FJS. What the hon. Member is providing at great expense, and he knows that this is a dividing line between his party and my party, given that it has been the subject of public debate, this is nothing other than a very expensive placement programme running just in salaries – just in salaries, Mr Speaker, and there are added costs – as at April 2014 at £12.606 million.

Then he claims that there are all these companies in the private sector that are so infused by his strategy that they are almost queuing up outside his offices at the ETB or Town Range or wherever he may be in any given moment, eagerly awaiting to sign his partnership agreements with him. I have asked him, both in this House and outside of it, for details of who these companies are, but he flatly refuses to provide them. (**A Member:** Hear, hear.) (*Banging on desks*) What evidence, Mr Speaker, can he show other than numbers on a piece of paper that the private sector is genuinely engaged?

On the basis of the anecdotal evidence that I have from speaking to people in the private sector, and not just in the construction industry, because we cannot forget that although the hon. Member has an almost obsession with the construction industry, according to the manifesto commitment the FJS is not limited to that particular industry. There is no evidence, Mr Speaker, that this has been welcomed by them.

Speak to the stakeholders out there, speak to the retailers up and down Main Street: it would seem that those companies which he is referring to as being participant in the scheme are simply doing so because in the main they will be receiving Government work. Indeed he has said so himself. He has admitted so himself, quite blatantly, that as part of the deal, if you want to set up a company and have it registered in Town Range at No. 6 – although we see very few of those companies being added on to that list – and yes, Members of this House will remember that nobody knew about this until we carried out a search in Companies House, of the existence of such companies – the quid pro quo is that you do take on these trainees but there is no genuine effort –

**Minister for Enterprise, Training, Employment and Health & Safety (Hon. J J Bossano):** Mr Speaker. Point of Order.

That is not true. I have not said so and I challenge him to say when and where.

**Hon. D J Bossino:** Mr Speaker, this is not a genuine effort. This is not a genuine effort by the private sector to engage with the state in assisting our young and unemployed in bettering themselves, by obtaining recognised qualifications. It is far from it. The scheme, on the basis of the evidence that we have, is nothing

other than an artificial scheme supported with large amounts of public money, millions of pounds as I referred to earlier, in order to get people into jobs without any regard or account being taken of their medium to long-term future. What a shoddy way of dealing with people's lives! What short-termism and lack of foresight!

Mr Speaker, just to deal very briefly with the final paragraph of his page 25, under 'Graduate Employment', it is in very clear terms on this occasion. It says:

'Gibraltar graduates who have decided not to take up the statutory entitlement of a Post Graduate Scholarship and wish to return to Gibraltar...'

That is the qualification. It does not say 'graduates who are also registered as unemployed'. Did he not expect that there were going to be more than six or more than a handful?

**Hon. Chief Minister:** So you could apply.

**Hon. D J Bossino:** No, because it has to be returning graduates. I returned some years ago, as the Hon. the Chief Minister knows. (**Hon. Chief Minister:** Exactly.) And then he says that they will be given a three-year contract as research assistants and will be involved in undertaking the research work of the Department... Many of these – I certainly know of a few – all they are doing is filing. What type of research work is involved there, Mr Speaker? (*Interjections*) Again, it does not do what it says on the tin, Mr Speaker.

But he does not need to hear this from me. He does not need to hear this from Members of the Opposition. Does he not realise that very few people are with him?

I refer in particular to the very courageous move made by the Young Members' Committee of Unite the Union who put their heads above the parapet and criticised the fact that there is simply no vocational training in Gibraltar, and what were they treated to, Mr Speaker? (**A Member:** Hear, hear.) They were treated by the Government to a rather despicable statement suggesting that this was done under the influence of the GSD. That was the implication, pointing the finger at one of these young individuals, accusing that person of having GSD affiliations – a very sad state of affairs indeed, but one which forms part of the political make-up of the hon. Member.

Mr Speaker, he has questioned that the GSD entered into partnership agreements with the private sector. Has he not seen them? It was publicly available in the press. They may not have been the subject of a formal written agreement with a seal on it, but they were certainly... He himself mentioned the Gibtelecom Scheme, but there were others, with electrical companies. I have got them here: with electrical companies, with gaming companies. What were they if not agreements, Mr Speaker?

And in relation to the Health Service as well: the Minister for Social Services portrays the *three-week* courses as a revolution in training, if I quote her. But there were in fact agreements with the relevant entities which provided participants with NVQs.

Only last week, we saw how the Editor of *The Chronicle* had this to say about a part of the Government's policy and how it impacts on expenditure generally. He said:

'The provision of summer jobs, the graduate schemes, are great for short periods and keeping these youths out of the true unemployment figures, but true employment for young Gibraltarians, especially graduates flowing back home, requires sustained development of the economic machine.'

And that must be right. It is the private sector which can best provide real and sustainable jobs for our young people.

But there is no real engagement with the private sector, as I said earlier, and instead of using public money in the manner that he is doing, he should encourage and enthuse a *willing*... because that is what we found when we were in Government: it was a *willing* private sector to participate in the investment in real and proper training and sustainable employment. Only then will they go some way to plug the skills gaps he is talking about. And we are not against good workplace-based training which subjects trainees to rigorous assessments. What we are against are expensive 'make work' schemes.

I would encourage the hon. Member to re-engage with the private sector as we did when in Government, where we entered into the partnership agreement with companies which I referred to earlier. And Mr Speaker, the hon. Member is very fond of describing the GSD scheme as the 'so-called' Vocational Training Scheme. Well, I am equally as fond of calling his scheme the so-called Future Job Strategy, or as many are describing already as the 'failed job strategy'.

But going back to the question of whether there is any proper and real engagement of the private sector, if that had been the case, why is it that his Department has been unable even to persuade the Sunborn to take a substantial number of trainees, in an area where he himself has recognised as being one where there is a dearth of local people wanting to engage in this type of work, in an area in which, if all the promises made by the Minister for Tourism are to be believed, will see further hotel growth in the immediate future –

from a private sector employer who has been the beneficiary of public money in a very big and real way. Money to the tune of an excess of £30 million and yet not even they can be persuaded to participate freely and willingly and enthusiastically in their training scheme. Mr Speaker, what a joke!

3735 Why is it that despite the promise by the CEO of the Sunborn that he was placing 200 foundation jobs, whatever those are, with the ETB where the CEO was wanting to embrace the local – as he quotes in *The Chronicle* piece on this – the local employment market, talking of providing training locally and yet a mere 46 Gibraltarians had managed to secure jobs as of May this year. Does he not recall his words in this House when he said that he was and I quote:

3740 ‘totally committed to ensure that every single Gibraltar resident that, as a result of the policies of the government, has been faced with an avalanche of competition from out of Gibraltar will not be put in that situation from 1st Feb on...’

3745 i.e. 1st February 2012. Another cast iron guarantee which seems made of a more malleable metal than he professes.

But let us go back to page 25 of the manifesto, under the heading Skills Audit. There is another promise to carry out a full skills audit of the labour markets which they claim would be undertaken in the current financial year, i.e. 2011-12, to prepare the final action plan of the Future Job Strategy from April 2012. What a reneging of such a clearly worded manifesto commitment – one which is not open to any possible alternative interpretation than what it actually says! And I am not sure whether the Hon. the Deputy Chief Minister’s duties as the box ticker of manifesto commitments include the crossing of some of them out. (Laughter)

3755 Because I am afraid, Mr Speaker, that there is simply no wriggle room out of this one. They are in such difficulty that the hon. Member, who is not a particular fan of lawyers, actually had to rely on the Hon. the Minister for Justice on one of his interventions to defend him, by using as much legal imagination as possible in defence of the indefensible. Why do they not just admit it, they pulled the wool over people’s eyes and they continue to do so?

3760 And all this begs the question: what is the final action plan of the FJS which we were all waiting with baited breath would be implemented by April 2012, because the skills audit was not finished by then? Or is it just that what has been dished out for the last two and a half years is not in fact the final action plan after all?

3765 Mr Speaker, I have noted in the Budget Book that it is proposed to reduce quite considerably – and the Hon. the Minister for Employment mentioned it earlier – and dramatically the staff complement at the Employment and Training Board from 38 to 14 and he explained the reasons for that. (Interjections) But what is going on at the ETB? What is going on at the ETB? It actually, for the first occasion featured in the Ombudsman’s Report this year, where the Ombudsman said:

3770 ‘I have to make special mention of the Employment Service where there has been a significant increase in complaints during this year. The average complaints for the years 2010 to 2012 were 6 per annum, whereas during 2013 we have recorded a total of 23 complaints. The nature of the complaints has ranged from lack of replies when seeking information to alleged unprofessional treatment and dissatisfaction regarding claims for payments under the insolvency fund.’

3775 (Several Members: Oh!) And it goes on:

‘It is hoped that this increase has been due to a transitional period of staff changes and/or shortages. As Ombudsman, I will closely monitor the trend over the coming months and if there is no change I shall have to meet with senior management to express my concerns and offer the assistance of my office to identify and address pockets of concerns.’

3780 What is going on at the ETB which requires a dedicated public officer to liaise between it and the gaming industry?

3785 The Hon. Member for Financial Services will recall that he made the announcement in a debate which I had with him on GBC back in January and this is something which I welcomed on the spot. But does the fact that this is required in the first place not speak volumes as to the lack of service which has been provided by the ETB for which the hon. Member is ultimately ministerially responsible?

**Hon. D A Feetham:** There is the Ombudsman on the unemployment list next week! (Laughter)

3790 **Hon. D J Bossino:** And then we will move on to the Labour Inspectorate. No mention made of that. Here there very clearly is a difference in approach, but perhaps more importantly Mr Speaker, in mind-set between them and us. We have seen how the Minister has no compunction whatsoever to appoint, by gazetted notice, some six individuals as labour inspectors under the statutory authority of the Employment Act. These individuals have quite important and draconian powers under the Act as Labour Inspectors – but yet they are trainees. They are trainees and I make no comment as to their competence or otherwise, but the

fact that they are trainees suggests that they do not have and have not had the benefit of a fully-fledged appointment and should have had a fully-fledged appointment under law.

They are not professional public servants, for example, who were the ones doing the job before. Who is to stop any of these individuals from exercising the right to enter premises or seek the disclosure of documents? There is absolutely nothing to stop them. And this coupled with the fact that the original complement of civil servants, Mr Speaker, is no longer there.

And all of this combined together must result in a poorer service being provided and therefore, importantly, unscrupulous employers getting away with much, much more than they would otherwise have ordinarily do, (**A Member:** Hear, hear.) (*Banging on desks*) because the Minister has suggested that the intention is that the trainees are to be limited, even to carry out research. Who is doing the inspecting then?

And finally, in relation to this area of responsibility, just to comment on the employment survey again tabled last week of 2013: what we see here is a continuing increase in public sector employment, to the tune of £7.8% from last year, which itself had already grown by 9.1%. It is interesting to note that, despite the Minister's stated policy, the growth in the number of Gibraltarians in jobs has been reduced from 5% in 2012 to 1.2% in 2013 – i.e. 126 more.

Although we see more Gibraltarians in the construction industry, for example, than Spaniards – a bee in the Minister's bonnet – one would need to see how many of these are employed, or rather one would need to see that many of these are employed for the public sector, we see a considerable jump from 162 to 261 in 1999 in the number of full-time Gibraltarians employed in the construction industry under the wholly owned Government company section.

Interestingly, there is also a jump under the same section in the Public Administration industry bracket, between 2011 and 2013 from one – yes, *one* – to 150 for Gibraltarians employed. So the totality of Gibraltarians employed in wholly owned Government companies, i.e. in the public sector, has grown from 491 in 2011 to 908 in 2013, with in excess of 500 more Gibraltarians than in 2011. Again, I need to repeat – in wholly owned Government companies. Many of these, Mr Speaker, I assume will be accounted for by the fact that they are employed by the FJS scheme companies, which rank as Government companies.

Yet the total for full-time jobs in the private sector, and using football speak, shows Spain beating Gibraltar 581 to 452.

So, Mr Speaker, the conclusion to make, is that the increase in the number of jobs for Gibraltarians in the construction industry is being driven by the public sector and therefore with public money. Arguably, even those in the private sector could actually be driven by public money, given our view of the reality of how the FJS actually works.

Mr Speaker, I will deal briefly with one of my other areas of responsibility, which is financial services. I must say that I was somewhat surprised by the Hon. Minister for Financial Services' adversarial approach at the beginning of his speech. One would have been forgiven for thinking that he was venting his frustrations, I think, dating back to 2000, when he was last a Member of this House, going back to 1996. (*Interjection by Hon. D A Feetham*)

The fact is his areas of responsibility are I think something which – one of those areas I think which ought to enjoy cross-party support. I think it is important to dwell on some of the main areas which are impacting on this area.

In relation to gaming, one of the threats which we continue to face is that of the point of consumption tax, I think it was referred to by the Minister in his intervention. The issue must be one of the central ones of concern for the local gaming industry, an industry which continues to be very much welcome in Gibraltar, as he rightly pointed out.

The need in my view to ensure a steady and responsible growth in this area has been the subject quite rightly of cross-party consensus. We did it in our time and the Government now continues to follow in that policy, and I welcome that.

The Opposition notes recent press reports which revealed that the Gibraltar Betting and Gaming Association had written to the UK Government and the Gambling Commission a letter before action. Mr Howard, the President of the GBGA was quoted as saying that the new law, which reportedly seeks to establish the UK Commission as the industry's world-wide regulator, would, with the planned tax changes, drive consumers to the un-regulated or poorly regulated market. The hon. Member will recall that was the subject matter of our debate on television back in January.

This issue of course is a central one in the analysis which the GBGA also made in its study of the impact of the UK Governments point of consumption proposals, I think if the hon. Member has had an opportunity of reading that particular document.

I encourage from this side of the House the Government to do all it possibly can to assist in ensuring the industry's continued presence locally. In this regard, it is of, I think, crucial importance – and the softer issue has actually come into sharper focus – and to ensure that these continue to work well, for example the broad band connectivity, electricity supply, banking, accommodation and frontier flow. All these things need to be addressed by the Government.

One further development has been the setting up of the Gibraltar International Bank, also referred to by the Minister. We have debated at some length in this House matters relating to the regulation of the Bank, as well as its setting up. The Chamber of Commerce has said in the press, by emphasising the importance that the Bank operate on an arm's length basis, independently of the Government and under proper management and subject to all the rigours of FSC regulation and supervision that would apply to every other bank in Gibraltar. We on this side of the House agree with this analysis and will be keeping as far as we can and are able, a watchful eye, particularly in relation to the Bank's lending terms and whether they are commercial, especially in the light of the expected demand and requirement that there will be for lending once the new housing estates come on-stream. We will also be looking at how the Government Bank seeks to invest its retail deposits and regulatory capital.

I also raise briefly, Mr Speaker, the imminent arrival into our Statute Book of the Solvency 2 directive on insurance which regulates, amongst other things, the amount of capital that insurance companies in the EU must hold to support its business. The concern here is how the more stringent capital requirements will impact on smaller Gibraltar insurance companies. This is an important consideration, because whilst the Gibraltar insurance industry has grown considerably over the last 14 years in particular, it has still predominantly, I understand – I am not an expert in the field – but made up of small insurers operating within the constraints of a lower capital base and the larger players operating either in Gibraltar or elsewhere.

According to the latest statistics, in relation to insurance, the sector employs 240 people, the majority of whom are in fact Gibraltarians. The industry is obviously also an important net contributor to Government coffers in terms of corporate and PAYE tax and other fees such as rates and rents. For all these reasons, this is a matter which will require considerable sensitivity in terms of approach from both the Government and indeed the regulator.

The issue as reported in the press is of concern to those in the industry locally. One of our local insurance stakeholders has openly accepted the logic behind Solvency 2, but equally has concerns about the timescale to achieve compliance with the requirements that, to quote him, 'some people in the industry need to have a wake-up call.'

I note that the Government is working with the Gibraltar Insurance Association and the FSC in a Joint Steering Committee, dealing with the transposition of the directive. We welcome this on this side of the House.

We also note that the industry has recently been asked to contribute towards the regulatory costs of implementation of Solvency 2 through a direct levy which they have agreed to.

Just pausing there for one moment, Mr Speaker, in relation to the FSC, I take this opportunity to welcome the arrival of Samantha Barrass as its new CEO, who replaces Marcus Killick, who I know was well known to the hon. Member opposite. Mr Killick's work over 10 years on the job has to be recognised and acknowledged and we do so from this side. The ability to secure a fine but crucially important balance between proper regulation, but at the same time the flexibility which is required to make our financial services industry work, is one which we hope that Ms Barrass will be able to emulate.

And Mr Speaker, to conclude, the Hon. the Chief Minister said, going back to the beginning in his budget intervention, that this was a ground-breaking budget and indeed game changing. Indeed it is – I had better get it right! *(Laughter)* It is game changing in three respects. First, it is the budget with the highest level of expenditure ever. **(A Member: Oh!)** Secondly, it does not give us the full picture of where our finances are. **(A Member: No!)** Thirdly and finally, the net public debt in monetary terms is the highest ever.

Perhaps the Hon. the Chief Minister should gloat less about his record and start to govern this community responsibly before it is too late.

I am grateful, Mr Speaker. *(Banging on desks).*

**Hon. Chief Minister:** Well, Mr Speaker, actually I have been looking forward to that one, but I feel very let down and disappointed. Mr Speaker, after that damp squib of a speech, can I suggest that the House adjourn to 9.00 a.m. tomorrow morning?

## ADJOURNMENT

**Thanks to parliamentary staff;  
Thoughts in memory of Sir Joshua Hassan**

**Mr Speaker:** Before we adjourn to tomorrow morning, there is a couple of points I want to make. One is to thank the staff of this Parliament who have arrived here this morning well before we did and who will

not be able to go home until after we have left, on what has been a very unusually long day. (*Banging on desks*)

3915 And secondly, this afternoon while I was looking through some papers in connection with the manuscript of my memoirs, I came across the fact that on 1st July 1983, Sir Joshua Hassan and I were travelling back from London that day after a historic meeting with Margaret Thatcher, and half an hour earlier, the Hon. the Leader of the Opposition had drawn my attention to the fact that today, 1st July, is also  
3920 17 years since the death of Sir Joshua Hassan and he who was described as the Father of the Gibraltarians, perhaps we might spare a thought for him.

I now propose the question which is that this House do now adjourn until Monday at 9.00 a.m. (*Banging on desks*)

I now put the question which is that this House do now adjourn until Wednesday 2nd July at 9.00 a.m. Those in favour? (**Members:** Aye.) Those against? Passed.

3925 The House will now adjourn until Wednesday 2nd July at 9.00 a.m.

*The House adjourned at 9.25 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 9.00 a.m. – 1.19 p.m.

Gibraltar, Wednesday, 2nd July 2014

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# The Gibraltar Parliament

*The Parliament met at 9.00 a.m.*

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

[CLERK TO THE PARLIAMENT: P E Martinez Esq *in attendance*]

## Order of the Day

### GOVERNMENT BILLS

#### **Appropriation Bill 2014 – For Second Reading – Debate continued**

**Clerk:** Sitting of Parliament, Wednesday, 2nd July. Second Reading of the Appropriation Bill 2014. Budget speeches continue.

5      **Mr Speaker:** The Hon. Paul Balban.

10      **Minister for Traffic, Housing and Technical Services (Hon. P J Balban):** Mr Speaker, It gives me great pleasure to stand here today to deliver my third Budget address. Time and tide wait for no man and this is becoming so evidently clear now. How time flies. One would be forgiven to think that on this side of the House one should be getting increasingly nervous, as our end of tenure looms ever closer. Surely, our political shadows should already be rubbing their hands together in view of this waning time, before what they feel should be a feeding frenzy on a banquet of unfulfilled manifesto commitments, but alas for them there should be no left-overs, not even a morsel to be devoured.

15      We are doing well, Mr Speaker. This Government, true to its word, is doing extremely well. I will only speak for the ministries that I am responsible for but everywhere we turn change is now most definitely in the air. Gibraltar is being transformed and it is there. Change is now glaring in our faces.

20      Mr Speaker, a year on from my last Budget speech where I announced the construction of low cost affordable housing as being one of our major flagship manifesto commitments. Well, I am now happy to report that this has now become a reality.

25      Ground was broken only months ago and the Aerial Farm Site, soon to become Beach View Terraces, is already there looming right in front of our very eyes, growing day by day. I do not think that people prior to this summer were so aware that we had progressed so far in such a short amount of time, but now, as we follow our daily exodus to the beaches, it is there – Beach View Terraces. Truly affordable homes! Something which was born during our last tenure in Government – a concept that was sadly never equalled successfully by our predecessors.

30      Mons Calpe Mews is also on track and running on schedule, as announced. In no time at all we will also see this starting to take shape. Both of these new estates are truly low-cost and affordable. Where else would someone be able to buy a one-bedroom flat for £27,600 or a 4-bedroom flat for £73,360. Surely, the only complaint would be, and has been, that people want more of these types of flats, the demand has been that great! There were over 3,000 applications for these 895 flats. The demand has been so great simply because of the dismal record of our predecessors when in Government. People who have been given the chance to purchase are truly ecstatic, and are now eagerly awaiting their new homes.

35      Mr Speaker, as a result of the success of these new projects, it is clear that we cannot stop here. In fact, we will not stop here, we will carry on building low-cost homes as there is clearly a need and demand for this type of housing initiative, not only for those who are on the waiting lists but for the many upgraders who have also shown a clear interest in purchasing as they have outgrown their homes and now require larger accommodation. These families have shown an interest in releasing their properties to Government for subsequent sale.



Mr Speaker, this Government does not give priority to those who wish to purchase 100%. There is already a housing market out there for speculators – but not this market. We work strictly by the criteria that we announced and hold firm by this. Priority has been given to those applicants who were on the housing waiting list on or before the 9th December 2011; after this, those who were on the pre-list on these dates, followed by those who were on the Housing List after 9th December. Then those who are currently tenants of Government flats will be allowed to purchase and then upgraders will also have an opportunity as long as flats are still available.

Our counterparts may criticise, as they would have done things differently. They did in fact do things differently – very differently. They sold to the highest bidder. They sold to those who chose to buy 100% over and above those who could only purchase 50%. That was their policy. Nevertheless, they were very successful in one other thing – and I think that no one could deny them of this – and that was allowing the waiting list to rise and rise to around 1,500 – the level that we inherited on 9th December 2011, when it was this Government who had brought the housing waiting list to an all-time low of 459 back in 1996.

Mr Speaker, also in keeping with our manifesto commitment on the construction of flats for the elderly in the style of Albert Risso and Bishop Canilla House, we have already announced two more blocks which will be purpose built for these specific needs. The professional opinion of occupational therapists and other relevant professionals have been consulted so that these flats will suit these exacting needs. The flats will be spacious and completely wheelchair accessible. As already announced, one block will be within the Mons Calpe Mews Development and will be known as Sea Master Lodge. The other will be Charles Bruzon House constructed at Europort Avenue. A total of 143 flats will be available within these blocks. We are also working on new Albert Risso-style accommodation on the site of the old Queen's Hotel.

Mr Speaker, our policy of holding regular meetings with the Tenants Association continues. Either I or senior members of my Ministry continue meeting with the established Tenants Associations on a regular basis. These meetings reinforce our contact with the tenants and many issues are highlighted and sorted out during these meetings. This keeps my Ministry in touch with the real issues that concern our tenants and affords early warning of existing and impending problems for immediate remedial action. Tenants Associations express their appreciation for this platform from which they can communicate their problems directly to senior Housing ministry officials who are truly empowered to assess such matters and take swift corrective action. In this way, tenants may have more regular contact with the ministry by way of its ground staff, who are the ones who deal with all the important day-to-day issues and this greatly speeds up the process of getting work done.

Mr Speaker, a complete restructuring exercise of the Reporting Office was carried out last year in order to maximise this Office's efficiency and effectiveness in dealing with the numerous day-to-day reports and counter enquiries from members of the public. The Reporting Office has established a close relationship with the Housing Works Agency's Customer Services Support Office, resulting in an efficient exchange of information that truly benefits Government tenants.

All customer enquiries received at the Reporting Office are dealt with within the same working day, where possible, and the success of this endeavour is evident in the significantly reduced incidence of customer calls directly to the Agency.

Mr Speaker, I am happy to say that since we addressed this matter we have not received one single complaint relating to the non-reply of phone calls. On the contrary, we have now received praises for the way that the calls are being handled.

We keep monthly phone statistics to ensure a good and efficient service to the public. We now also have an email address where persons can make reports directly to the Reporting Office without having to make a phone call or coming to the counter in person.

Mr Speaker, El Turno has now been in operation for over a year and tenants are happy with this new service being provided. Government is now considering the possibility of extending this to other estates in the near future. A team constantly oversees that the service runs smoothly and are quick to tackle any emerging queries so as to ensure a seamless operation. This is yet another commitment which this Government has fulfilled, making the lives of residents more comfortable.

Mr Speaker, as I announced last year, Her Majesty's Government of Gibraltar is committed to targeting practices of anti-social behaviour within Government Estates that affect many law-abiding residents. One key issue of major concern resulting in anti-social behaviour was directly related to tobacco concealment, especially within Glacis and Laguna Estates. In this respect, the Government has embarked on a programme of placing CCTV cameras in strategic locations within these estates. This scheme is in its initial stages but will develop as the refurbishment works of the estates progress.

The Government has also introduced a number of measures to eradicate the sale of tobacco from within these estates. The collector of customs has exercised his discretion in keeping with the Government's declared policy and views on the public interest. This has been applauded by tenants and their respective associations alike.

It was very disconcerting, evoking strong feelings of fear and insecurity, witnessing individuals stripping to their undergarments or dismantling their vehicles in order to conceal tobacco. Tenants feared for their safety and that of their children, and rightfully so. These persons on many occasions would challenge anyone who tried to detract them from their activity, at times showing violent or threatening behaviour to those who complained or even challenged them. These estates, Mr Speaker, are now a better place. Furthermore, tobacco can now only be sold at reduced quantities between the hours of 8am and 8pm, and there is an increased presence of both RGP and Customs personnel in what are known as hot spots around Gibraltar and other Government Estates.

At Mid-Harbour's Estate, CCTV cameras have already been installed both in the garage and podium levels in order to curb anti-social behaviour at these locations too.

Mr Speaker, in last year's Budget speech I announced the erection of scaffolding to signify the commencement of a massive investment in the external refurbishment of our existing housing stock – housing stock which had been forgotten and neglected for many years.

Today, I can proudly announce that the rewards of this investment are becoming increasingly apparent as projects gather momentum. Indeed, my staff and I receive encouraging feedback from tenants of the estates undergoing refurbishment. No-one could possibly deny, irrespective of which side one sits, that this will totally transform Gibraltar. The estates being tackled at the moment will be visible from afar and are the first buildings one sees shortly after crossing the frontier into Gibraltar. The first block to have been unveiled at Laguna Estate, Rodney House, shows the impressive and remarkable change that Gibraltar was crying out for. It was most definitely time for change.

The change within these estates will also see the installation of lifts in the vast majority of blocks, which will make life to the many residents so much easier. These works are not simply aesthetic but they will tackle the serious issues that rip right into the fabric of these ageing blocks: water penetration, dampness, lack of ventilation and other symptoms of neglect.

Mr Speaker, the rolling programme to refurbish and embellish Government's historically neglected housing estates has also now seen the complete refurbishment of Kingsway House in Alameda Estate, including an upgrade of its lift facilities as commenced by the GSD Government. True to our word, we have respected and continued with these works. The refurbishment of Red Sands House is now well underway and is estimated for completion in October this year. Picton House, Victoria House and Alameda House will successively undergo the same treatment in due course.

Mr Speaker, at Laguna Estate the refurbishment of Rodney House, as just mentioned, is only awaiting its lift, which will be fully operational in a few weeks. Smith Dorrien House is at an advanced stage of refurbishment and Mallard House, Forbes House, Landport House, Orillon House and Bayside House are well underway.

A further four blocks – these being Maidstone House, Blackwatch House, Nelson House and Causeway House – are currently in the initial phases. We are on target and we will deliver as promised.

At Moorish Castle Estate, Castle House, Ince House and Wall House are in the intermediate phases of refurbishment and the construction of the first monopitch roof is soon to commence at Castle House. Works on Tarik House are also scheduled to commence shortly.

Mr Speaker, at Glacis Estate, George Jeger House is already in its intermediate stages. The refurbishment of Referendum House and Constitution House, which includes the provision of individual lockable storage compartments along each communal corridor, is currently in the initial to mid-phase and progressing well.

Work has also been carried out at Varyl Begg Estate as part of the continuous embellishment programme. The Ministry for Housing has carried out the refurbishment of the internal courtyards of Alert House, Repulse House, Valiant House and Royal Sovereign House. These consisted of the repairs of spalling concrete to the corridors and staircase slabs, the repainting of all balustrades and letterboxes and the cleaning and re-fixing of the existing gutters.

The demolition of the existing access ramps and the construction of new ramps, which complies with all current regulations and disability requirements, are also being undertaken. All existing bin stores have been extensively refurbished and upgraded throughout the estate and are now completely waterproof, tiled, painted and have self-closing and lockable doors.

The pending refurbishment of Varyl Begg Estate includes an upgrade of its surface water drainage systems, road resurfacing and re-paving. Also included is the demolition of inadequate access ramps to be replaced by new disability access ramps constructed to approved specifications. The area will also see the re-painting of its parking bays, which have now worn away.

Mr Speaker, not only has this Government concentrated on the projects and commitments announced within its manifesto and in the run-up to the 2011 General Elections, but we have also tackled other building refurbishment projects that have been seen to be in need of works and maintenance.

Other Government housing stock undergoing or scheduled for refurbishment include: St. Joseph's Estate, Anderson House, Sandpits House and New Police Barracks.

The external refurbishment of St. Joseph's Estate is now complete. Essential external repairs have been undertaken to St. Joseph's Estate, which includes a much-needed toddlers playground in the area, the re-surfacing of pavers to access walkways to the middle and upper area of the estate, the upper east area parking bays to the estate have also been re-surfaced and the drainage rationalised to prevent ponding.

Extensive repairs to retaining walls within the estate have also been undertaken including the rearrangement to the slope angle of the stairs to the common areas. The replacement and re-levelling of the pavers throughout the estate to improve the drainage of surface water has been completed.

This is currently phase one of several refurbishment phases to be undertaken to the estate. Subsequent phases will include extensive repairs to several roofs in order to eliminate the long-standing water penetration problems being experienced by some tenants of the estate.

These works are scheduled to commence shortly. Other phases will include the redecoration of the building façade, railings, staircases and extensive repairs to the entrance doors.

Mr Speaker, Bado's Building is now completed.

Gibraltar General Construction Company Limited (GGCCL) has been engaged to assist in clearing the historical inherited backlog of external works, pensioners' bath to shower conversions and GHA Occupational Therapy conversions; and I am happy to say that there is a marked improvement in the turnover of works. In this way, it is possible to make allocations allowing people to acquire their much-awaited home sooner.

The GGCCL has extended its role to provide further assistance to the Housing Works Agency (HWA) in tackling the most labour-intensive internal repairs. Close co-operation between these two Government entities has seen the secondment of experienced HWA operatives to optimise GGCCL's growing industrial-operations capability.

The current Self-Repair Scheme represents a vast improvement over the scheme in operation under the previous administration, in terms of accountability, financial control and service delivery. Whereas before tenants were issued with local purchase orders which could be easily abused – exchanged at suppliers for unrelated items of similar value – the current scheme requires a site visit by a senior Housing Works Agency operative to assess the requirement, type and quantity of materials to be issued. The senior operative also provides professional advice, care and attention throughout.

Following the initial assessment, the requisite paperwork is raised to draw the required materials from Housing Works Agency stores and materials are delivered to tenants' homes at a pre-arranged date and time. The paperwork provides an audit trail to verify proper accountability for all materials issued under the Self-Repair Scheme.

Indeed, the success of the current Self-Repair Scheme is reflected by increase in demand and the positive feedback received from tenants availing themselves of this service. Government has increased funding substantially this year to satisfy growing tenant-demand. This shows our ongoing commitment to all Government tenants.

Mr Speaker, the activities of the Housing Technical Division and those of the Housing Works Agency will, at long last, be amalgamated with the transfer of Housing technical staff and assets to the Housing Works Agency. This will facilitate a seamless flow of activities across the full spectrum of construction disciplines from conceptual, through planning stages to final execution of works. It is envisaged that this merger will create a synergy that overcomes the typical operational barriers that exist between competing organisations to augment the value of services extended to Government tenants.

Mr Speaker, I will now turn to my other areas of responsibility as Minister for Traffic and Technical Services.

As part of this Government's projects, a further two car parks were opened in 2014. Firstly, South Pavilion car park, which offered 43 parking spaces on a monthly rental basis. This facility has been greatly welcomed by residents of the area.

Without a doubt, the one building that I am proudest about so far – and I say so far because Beach View Terraces could, in my opinion, surpass all expectations – has to be the high quality construction of Eastern Beach car park and its completion in record-breaking time, on 9th June 2014 (*Banging on desks*) just before the bathing season. Mr Speaker, this is a sign of the times – a sign of a new Government with a new style of working.

As most stood in awe and disbelief at how remarkable GJBS had constructed this splendid parking facility in time and on budget, and where absolutely no compromise had been taken on the quality of materials and workmanship. This car park stood, offering a total of 436 parking spaces on three different levels, of which two floors are protected from the unrelenting summer heat.

Users are delighted to be able to find free parking at the beach, mostly out of the scorching sun. Parking will be free during the daytime hours for beachgoers from 8am and 10pm. After this time there will be a charge to ensure that the intention of this car park remains – that is as a beach parking facility and not a long-stay free car park.

In the future, the new contactless e-ID card will provide the access key to this parking facility. Parking facilities at Catalan Bay have also been extended onto an area of reclaimed land adjacent to the present car park – allowing for a further 100 parking spaces, bringing the total to 328.

Western Beach car park was opened 21st August 2012, providing a total of 109 free parking spaces. A further 78 spaces were gained at the New Air Terminal car park by extending the available space by successfully relocating Air Terminal staff to an alternative parking facility within the confines of the Terminal Building itself.

These spaces will operate as Pay & Display during the busy hours when aircraft arrivals and departures place a large demand on parking space. After this time, these very spaces will become free to allow overnight parking for persons wishing to avail themselves of this facility – hence, despite the closure of the old Air Terminal parking facility, a net gain of 70 overnight spaces have been gained in this area.

Mr Speaker, turning my attention to traffic now, I would like to report that the new criteria for granting frontier passes to those persons who have a medical condition has been a great success. The assistance of the blue badge Medical Advisory Panel reviewing the medical conditions of frontier pass applicants ensures that the information provided is accurate and up to date. This new Government development secures the integrity of the scheme.

Mr Speaker, the introduction of the Motorcycle Compulsory Basic Training Course for riders is now well underway and being delivered in-house by our qualified driving and vehicle examiners. The course structure covering a mix of verbal instruction and practical training is a tremendous success. Feedback from the public at large has been extremely positive.

Notwithstanding, as part of Government's initiative to further reduce motorcycle accidents, the Reach for Life campaign will very shortly be introduced. This campaign will offer essential tips to our riders so that they ensure that pillion passengers, especially and specifically small children, sit appropriately on the seat with both feet on adequate and secure footrests.

The demand for the issuing of the new photo card driving licences continues to be on the increase, yet the waiting times for the issuing of these driving licences is at an all-time low – around five to six working days. This, combined with an extra business counter being provided in the offices, will ensure an improved service for businesses and the public at large. On the technical side, the Vehicle Licensing Department has also recruited two new vehicle testers, replacing promotion and retirement. This recruitment has reduced the roadworthiness appointments immensely to around nine days.

Mr Speaker, notwithstanding the above, the Driver and Vehicle Licensing Department continues to use information and communication technology as a tool to achieve better customer services. The general public is now able to access a number of online services and applications via the new e-Government portal; to name but a few are: roadworthiness test bookings – the MOT, driving test and theory test bookings. Furthermore, the Department is also working on a service to purchase personalised number plates online.

These services will allow people to access and pay for such facilities at any time and from the comfort of their own homes. This comes as a wealth of new market footprint coverage opportunities for the Driver and Vehicle Licensing Department that will appropriately cater for market demands and service requirements.

As part of Government's initiative to provide personalised support to assist applicants wishing to undertake the new driver certificate of professional competence, initial qualification training provided by the Department is ongoing and continues to be a success. In the past year, 18 drivers have successfully passed the bus licence and eight drivers have successfully passed the lorry licence.

Moreover, Government, in an effort to ensure that all directive requirements are met, is continuing to deliver the 35-hour periodic training for existing drivers. 2014 is seeing the delivery of both the bus and lorry CPC.

Government is confident that all the outstanding training will be brought up to date by August of this year, shortly before the directives deadline of September 2014.

Mr Speaker, the carriage of dangerous goods by road can involve the risk of traffic accidents, taking into account the safety requirements of vehicles transporting dangerous goods and, in accordance with the Transport (Carriage of Dangerous Goods by Road) Regulations 2010, Government has taken the initiative and provided training to a number of the Department's technical staff in order to qualify them for the issue of an authorisation certificate to vehicles carrying dangerous goods within Gibraltar under conditions laid down in these Regulations.

Qualified persons from the Vehicle Operators Services Agency in the UK have delivered this course. At present, seven officers have taken and successfully passed the course and are now authorised to issue ADR certificates, the other five officers will be attending the course throughout 2014.

Mr Speaker, further to and in keeping with our manifesto commitment, I am satisfied that all the relevant outstanding EEC regulation and amendments have now been transposed. Furthermore, and in anticipation, the Department is now studying future directive proposals in order to expedite their swift

implementation as and when the need arises. To this end, I can proudly state that to date the Department has successfully completed all the commitments as set out in our manifesto.

Mr Speaker, as stated in our manifesto, there is a great need to extend and regulate the provision of parking bays for disabled persons in Gibraltar. In this regard, Government is planning on introducing meaningful changes to the blue badge scheme. Part of these changes is to ensure that the badge holder is aware of his/her responsibility in guaranteeing its proper use.

This review has formed part of the Traffic Plan. As stated, Government is always looking for ways in which to improve the blue badge scheme and therefore in consultation with all relevant authorities and associations this system will be looked at on a yearly basis with the initial and first year of operation being based on overall statistics and feedback from users of the scheme.

This system will look into the individual use and highlight any misuse of the blue badge permit. Government is confident that the data gathered will suggest whether these changes to the blue badge parking scheme have been a success, in addition to highlighting any need for further improvement.

Furthermore, in an effort to support our citizens with mobility problems, Government is presently looking at increasing the number of disabled bays and also increasing the size of the present parking bays in order to assist and facilitate those persons with severe mobility problems. The number of disabled bays available has increased since December 2011 from 92 to 115.

Mr Speaker, I would now like to turn my attention to Technical Services. During the past financial year, the Technical Services Department has, as is customary, been involved with a number of projects covering a wide range of areas under their defined responsibilities, such as highways maintenance and works to the main sewer, as well as coastal protection and rock fall prevention works and works for other Government entities.

On the coastal works side the main project, which Technical Services has been responsible for delivering over the past year, has been the beach protection and regeneration works at Sandy Bay. Two curved groyne have been constructed on either side of Sandy Bay, joined by an underwater breakwater which has completed, with the last few quantities of rock armour being placed along the central section.

In addition, the regeneration of the beach is now complete through the importation and placing of 55,000 tonnes of sand. The Department has had to overcome a number of challenges to deliver this project, some of which were non-technical in their nature and I give credit to them for the manner in which this has been seen through to completion. Sandy Bay has seen a major transformation arising from the completion of this project and in so doing we have honoured yet another of our manifesto commitments.

Turning now to cliff stabilisation and rock fall protection projects, the Department completed the project to clear the rock fall protection bund at William's Way. This area had suffered a major rock fall and landslide a few years ago and, even though the bund did its job at the time, it required clearance in order to fully restore the retention capacity of this protection measure. This has now been successfully achieved.

Assessments and designs for slope stabilisation works above Windmill Hill Road were also completed and works have recently started on this project as part of the Government's on-going cliff stabilisation and rock fall protection programme, which will continue during this financial year.

Mr Speaker, with regards to Highways Maintenance, the works programme has continued apace over the past year with ongoing repairs to roads, footpaths and retaining walls.

Resurfacing works have been carried out during the past year to Fountain Ramp and City Mill Lane, as well as the surfacing of a new car park on Devil's Tower Road. The replacement of pelican crossing lights and equipment has been undertaken in a number of locations working jointly with the Gibraltar Electricity Authority and this programme will continue during the coming year. The Department also continues with its ongoing annual programme in liaison with the GHA Occupational Therapy Department and the new Equality Department, with regards to undertaking improvements to our roads, in particular pavements, with a view to making pavements more disability-friendly.

As in previous years, the Department continues to successfully manage road closures and diversions on the public highway, both for its own in-house works and for all other utility companies and contractors, in a manner that balances the need to undertake works against allowing vehicles to circulate. The increased construction activity generated by new projects makes this task ever more difficult. Road closures are avoided during peak times wherever possible, and after hours and weekend work is the default condition imposed on contractors in order to minimise inconvenience to the public.

Mr Speaker, as stated last year, a comprehensive major resurfacing programme has been prepared by the Department, aimed at tackling the under investment in road maintenance over a number of years. Work on the first phase of this programme has already started. This first phase involves the full resurfacing of Rosia Road and Line Wall Road – two of our main roads which have not seen full resurfacing for countless years.

The works will be undertaken at off-peak times and weekends, thus avoiding the traffic disruption that would inevitably ensure should these works be carried out during normal working hours.

The second phase of the highways resurfacing programme will include the resurfacing of Queensway from Ragged Staff roundabout up to and including Waterport roundabout, as well as the Sundial and Harbour Views roundabout.

This Government has been well aware of the constraints posed by the importation of asphalt via the land frontier and this has been the traditional method used in the past ever since the production of asphalt ceased back in 1990. Hence, this administration was clear that if a highways resurfacing programme was to really work then we would need to revert to local production which would allow us to dictate when resurfacing work took place and not only when it was possible to import. In this way, it is possible to keep traffic disruption to a minimum by working during the quiet hours. Advance notice has been given to utility companies so that all non-emergency works could be carried out prior to the commencement of these works to avoid the re-opening of newly-resurfacing roads.

Road users will no doubt be able to feel the difference after so many potholes and uneven surfaces, which we have tolerated but never got used to.

Mr Speaker, true to our manifesto commitment, we were surprised that Dudley Ward Tunnel, which had remained closed for many years since a tragic accident caused by rock falls, had re-opened at a cost to the taxpayer of £10 million, yet certain essential works which would make the tunnel safer were simply ignored.

Mr Speaker, I am happy to state that we are now putting these things right. We have worked closely with the essential services to ensure that their needs and general health and safety concerns were addressed. Works have now started in providing a new firefighting main and emergency telephones along the full length of Dudley Ward Way tunnel in line with our manifesto commitments. Mobile phone coverage will also be provided and during the coming year the ventilation requirements will be assessed with a view to improving the current situation as much as possible, working within the constraints imposed by this ex-military tunnel. Yet another manifesto commitment box is in the process of being ticked.

Mr Speaker, moving onto sewers, during the past year works to provide flood prevention measures along the southern end of Fish Market Road were successfully completed, as well as the second phase of similar works at Wellington Front. The third and final phase of the Wellington Front project will be completed during this financial year and, once finished, the habitual flooding that affected this area during periods of concentrated heavy rainfall will no longer be a problem.

The state of Gibraltar's main sewer and storm water drainage networks remains a matter of great concern for this Government. The lack of investment and neglect in the past of this unseen, yet essential aspect of our infrastructure continues to cause problems, as evidenced by the need to undertake major repairs to a collapsed storm water culvert on Europort Avenue. This has now been completed and the road reopened.

Funding is once again being provided this year to continue with the sewers rehabilitation programme started last year. This involved, amongst other works, the de-silting and inspection of the main sewer along Line Wall Road. Arising from this, work will start shortly on the relining of a section of said sewer and this will be progressively extended to other areas.

Funding is once again being provided for the purchase of equipment in order that the operational ability of the Garage and Workshop is enhanced. They will continue to provide a service to maintain the fleet of Government vehicles, including the refuse collection vehicles.

Over the past year, the Department has also delivered other projects including the demolition of the old air terminal complex, which was completed, as was the conversion of the magazine located at Ragged staff car park into what will become a transport museum.

Mr Speaker, a major project which Technical Services has been instrumental in delivering is the new Commonwealth Park. Even though this is under the remit of the Ministry for the Environment, it has been driven through all its stages by Technical Services in yet another example of inter-ministerial co-operation. Everyone is justifiably proud of what has been achieved in creating this oasis in the centre of our city for the enjoyment of all. (*Banging on desks*)

Mr Speaker, this brings me to a major manifesto commitment under my Ministry, working in conjunction with the Ministries for Public Transport and the Environment, in the form of the delivery of a new Sustainable Traffic, Transport and Parking Plan for Gibraltar. Work on this project continued throughout the past year with the completion of the data collection stage involving a variety of public surveys ranging from interviews at car parks, on buses and at the roadside right up to individual households throughout all of Gibraltar. Online questionnaires were also available.

The data obtained was collated and analysed and then used to create a traffic and transport model for Gibraltar as existing. From this, potential options to bring about changes in the way Gibraltar moves have been developed and assessed. These will form part of the Plan, which the Government will be making public in the near future.

Mr Speaker, as can be seen, Technical Services Department will this coming year continue to deliver on their defined responsibilities maintaining public infrastructure and will continue supporting and providing

400 technical input across the board throughout all relevant Government Ministries and Departments in all manner of projects, large and small, in order to deliver on the Government's extensive and comprehensive programmes.

Mr Speaker, I am fully confident that the Ministries under my responsibility are right on target to fulfil all our commitments as set out in our manifesto and in our pre-election campaign. We are on target, Mr Speaker, and I am confident that we are on target to complete all of them.

Mr Speaker, finally, I would like to conclude my contribution to this budget address by thanking all of my staff who have worked hard to see our dreams and ideas slowly become a reality. Thanks go not only to those who ensure the rolling out of our commitments, my senior members of staff, but also to those who go by unnoticed, who perform the valuable function of assisting at counters, having to put up with difficult situations, carrying out MOT's, repairing our Government fleet of vehicles, repairing and maintaining our housing stock, managing our car parks, maintaining our highways and our sewage infrastructure, to ensure our construction projects progress to schedule, all my technical staff and all office and clerical staff helping to make our essential departments tick.

In particular, I would finally also like to thank my personal ministerial staff for all of their help and support during the past year.

Thank you. (*Banging on desks*)

**Mr Speaker:** The Hon. Steven Linares.

420 **Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Mr Speaker, I have been a Member of this House for 14 years. It is a great honour and privilege for me to deliver my third budget speech as the Minister for Sports, Culture, Heritage, Youth, Utilities, Postal Services, Fire and Rescue Services, Refuse Collection and Civil Contingencies.

I will commence with Culture and Heritage. The House will recall that during my last budget speech and more recently in my contribution during the Second Reading of the repeal of the Gibraltar Culture and Heritage Agency Act in March, I explained the mess that we inherited in relation to the Gibraltar Culture and Heritage Agency. I outlined, amongst other matters, the way in which the previous administration gave wage hikes to people just weeks before the last General Election. (**Two Members:** Shame!) (*Interjections and laughter*)

430 I cannot help but mention to the Hon. the Leader of the Opposition that when he mentioned the fact that the Culture and Heritage budget had increased this year from £3.8 million to £5 million, which represents a 31.6% increase, he should consider the fact that the forming of the Agency, which was their doing, it cost the taxpayer an increase of 100% – i.e. from £1.9 million to the £3.8 million. (**Two Members:** Oh! Shame!) It has been a long process to undo the structure that we inherited.

435 I need to say that the Government is conscious of the fact that it was not the fault of those who signed up to work for the Agency, since I would have signed up too. It is the previous Government that must take the (*Interjections and laughter*) Absolutely – yes, you laugh, of course! (*Interjections*) Yes. And now I am a Minister and I have inherited that. It is the previous Government that must take the political responsibility for their actions. (**A Member:** Hear, hear.)

440 So undoing this mess took courage and good will from all parties. I am pleased to say that we will be signing contracts within the next few weeks, which will map out the future for the Culture and Heritage in Gibraltar.

The Heritage Division part of the repealed Gibraltar Culture and Heritage Agency will be run by Knightsfield Holdings, as it has been for the past 20 years. The Ministry for Heritage will be responsible for other heritage issues. The Government is happy to say that we now have an archaeologist employed in the Ministry to help us with our now well-established heritage filter. I explained this last year.

We will also count on the professional expertise at Knightsfield Holdings, should we require it.

450 Since the heritage filter on Government policy was established and given that the Development and Planning Commission became an open forum, there was a need for an in-house archaeologist to advise us on these matters. On a day-to-day basis the Ministry will also be charged with upholding the issues that will arise after the coming into force of the new Gibraltar Heritage and Antiquities Act. The indications are that this Act will be in our statute books some time this year. We have been working very closely with all stakeholders on this Act and it is very encouraging to see that at last there is light at the end of the tunnel. This is something that the Heritage Trust has been pushing for years before we came into office. They have been fully involved and consulted.

455 The Government's relationship with the Gibraltar Heritage Trust is a positive one. There is plenty of contact between my Ministry and the Trust. I regularly meet with the Chairman and the CEO and they know that my doors are always open for them.

460 We have been able to work closely on many projects. These include: Hardings Battery, the Giralda Gardens, Grand Battery and many others. The Gibraltar Heritage Trust can now also boast new modern,

state of the art offices and retail premises in the centre of town. The Main Guard has been restored with the contractor working very closely with the Trust throughout. I am happy to say that their new premises have been able to successfully blend the old with the new.

Our manifesto states:

‘HERITAGE TRUST

We will re-establish a relationship and co-operation between the Heritage Trust and the Government. We will not seek to interfere in the business of the Trust at all.’

465 We have delivered on this promise.

The restoration of a number of other sites have also taken place during the last financial year. These include: parts of the Charles V Wall; the bunker at Eastern Beach, which is being put into good use by the Blue Fin Club; the ARP Shelter opposite the Museum, which was totally abandoned. This Second World War Shelter had debris inside from when the King’s Bastion Leisure Centre was constructed. Little or no  
470 regard was had at the time of the heritage value of this particular place. It has already been refurbished.

The Montagu Bastion Chambers on Line Wall Road is yet another place of historical interest which was abandoned. Many people were not even aware that it existed. By liaising closely with the Trust we have been able to not only restore this beautiful place but also to house in it the Gibraltar’s Exhibition of Modern Art (GEMA). (*Banging on desks*) It is currently holding the Little Constellation project.

475 Another project which has already started is that of Wellington Front. It is yet another of our manifesto commitments that is well on its way. Wellington Front will be restored to its original glory. All outhouses that were constructed after the original period will be knocked down. Some of the Second World War features will remain. Work on its historical problem, which was flooding of the area, has now been completed. All the area will be beautified and the vaults will house some clubs, scouts premises, and other  
480 leisure amenities.

Our Manifesto stated:

‘WELLINGTON FRONT

Wellington Front needs to be entirely refurbished in order to make the most of the City Walls and provide premises for clubs and societies that need to be centrally located. This will also involve having to deal with the problems of flooding in very wet weather.’

We are on the way to delivering this promise.

The Northern Defences was put out to the public for expressions of interest. These have now been gathered and the Government is in the process of looking into the possibilities that this site can offer.  
485 Needless to say that the heritage value of this whole site will be taken into consideration together with its commercial potential as a tourist and leisure area.

As is now known, my offices have moved to the City Hall. This iconic building which housed the housing department is yet another building which had been left to deteriorate. It will now be restored.

The fact that my offices are now there is in line with our commitment to heritage and fulfils a manifesto  
490 commitment which states:

‘CITY HALL

We will move the housing department out of the City Hall and into purpose built offices. The City Hall will then be exclusively used for cultural and historical events.’

We have delivered on this promise.

The bid for the UNESCO World Heritage Status will be an important area of action during this financial year. The nomination will be put forward in January 2015 and the process of inspection and evaluation will follow.

495 We are currently engaged in the process of preparation of the nomination dossier, management plan and accompanying documentation. The House will be aware that the nomination will be put forward on our behalf by Her Majesty’s Government in the UK. We are in close contact as partners in this bid.

UK advisers have been out to Gibraltar and form part of a Steering Committee, which we set up last year. The Steering Committee is made up of members of the Government Departments and other  
500 stakeholders, including the MoD, GONHS and the Gibraltar Heritage Trust. It meets quarterly to evaluate progress with the bid – the next meeting being this Thursday, tomorrow.

I should first tell the House that Government, following the recommendation of the Steering Committee, and taking into account comments made by the UK Technical Evaluation Panel, agreed earlier this year to an extension of the site’s boundaries. The site to be nominated now includes the cliffs above Gorham’s  
505 Cave, right up to the peak at O’Hara’s Battery, and the Catalan Bay Sand Dune. Put together, this area represents an exceptional landscape, which has survived since the time of the Neanderthals.



We are working on stabilisation of the cliff area directly above Gorham's Cave to ensure the safety of persons working in the caves. We are removing all metal and other rubbish, which has accumulated on the beach as a result of winter storms, and the old scaffolding has been removed and will be replaced. The steps leading down to the site are being repaired.

There are caves along this path, which have been vandalised over the years and we will be undertaking works to remove graffiti. I sincerely hope that the importance of these caves comes to be appreciated by all.

It will be possible to view other areas of the site from various vantage points on Sir Herbert Miles Road. It is not intended to open Gorham's or Vanguard Caves to a large number of visitors. These caves are too sensitive and would be adversely affected. However, the Government will consider limited viewing by small groups with guides.

In addition to this, the plan is to provide viewing platforms at the 1st, 2nd and 3rd Europa Advance Batteries, so that visitors to Gibraltar can enjoy the sites without causing damage. Similar arrangements are in place in a number of existing World Heritage Sites. It is also part of our strategy to encourage tourist visits to the site by boat. The best view of the site is from the sea and it is from here that it is best understood. We will offer the possibility of small groups landing to see Gorham's Cave with professional guides.

During the course of this financial year we will be opening Parson's Lodge as an interpretation centre. Here we will offer interpretation for tourists who can then visit the caves either by road to the Europa Advance Batteries or by boat from a future refurbished Rosia Pier.

In addition to the Neanderthal story, Parson's Lodge will tell the story of the relationship of people and the limestone of the Rock – from caves to tunnels and batteries. This financial year will see a number of projects to restore and bring to life other sites and areas of historical and heritage interest. We will be announcing these, as and when they are completed.

A new company has been formed by former employees of the Agency. Gibraltar Cultural Services (GCS) is based on the same principles as the Environmental Agency Ltd and Land Property Services Ltd. They will be able to organise and maintain cultural services.

Properties such as the Ince's Hall Theatre, Gustavo Bacarissas Galleries at Casemates, Central Hall, the Fine Arts Gallery, the John Mackintosh Hall Complex including the theatre, committee rooms, etc, the Mackintosh Hall Library, Casemates Square, The Mount for bookings only at this stage, and changing room vaults at Casemates will now be under the auspices of this company. They will also be responsible for the administration of a number of committees, for the management of the art collections, and for the management of the premises held by clubs and associations.

GCS have been and will be running, supervising and monitoring the events which have traditionally been in our social and cultural calendar. These include: the New Year Celebrations & Fireworks; Young Artists Art Competition & Exhibition; Drama Festival, in which we now have international groups participating; Logo Competition for the Spring Festival; Short Story Competition; Spring Art Competition & Exhibition; the Miss Gibraltar Pageant; Spring Festival, which now extends to eight weeks; Zarzuelas which are now four; Book Crossing Days – maximum of three; Summer Nights increased from six to eight or even ten weeks; supporting the SDGG in all celebrations to do with National Day and week; National Week Classical Concert, which will be reintroduced this coming year; the International Art Competition & Exhibition; Poetry Competition; Autumn Cultural Programme; Saturdays Arts & Crafts market at Casemates.

They will also be responsible for the Calentita night and fireworks. The House will know that the date of these events was changed to a Saturday, so that our Jewish community could also take part. The event was improved even further this year. It was extended into Market Place, where a long table and benches was introduced and even marquees were put, for the first time. The Government has received very positive feedback on the Calentita night.

All the above improvements to events fulfil the manifesto commitments which states:

'CALENTITA

We will maintain and improve community events such as Calentita, which are already taking place.'

Once again the Government has delivered.

GCS has during this time of change been involved in many new and exciting events and projects. The Little Constellation project is proving a very useful forum with which to foster cultural links with other nations. The Ministry of Culture is fully participating in this event, which comprises other comparatively small countries, such as Andorra, Cyprus, Iceland, Liechtenstein, Luxembourg, Malta, Monaco, Montenegro and San Marino. It also includes European geo-cultural micro-areas, including Canton Ticino from Switzerland, Kaliningrad from Russia, Åland Islands, Faroe Islands, Jersey, Guernsey and Gibraltar.

The project is based on an intensive dialogue between these two identities through the privileged eyes of contemporary art practice, by the Little Constellation Network. This is an international network of

contemporary art – based in San Marino – which aims to organize and promote projects with a specific focus on current artistic research activity in these small states of Europe. It networks with all these countries to find out how Modern Art is influenced by their size.

‘Listening to the Sirens’, which is the current project underway in Gibraltar, is of a cultural dialogue between two territories – San Marino and Gibraltar – that share a common path of research and interest in contemporary visual culture. The Exhibition is currently open at Montagu Bastion, which I said before, will now house the Gibraltar Exhibition of Modern Art (GEMA).

The GCS has also been involved in a number of other events such as: this year’s Holocaust Memorial Day; the Queen’s Baton Relay in May, together with the Gibraltar Commonwealth Committee; the Literary Festival, working closely with the Gibraltar Tourist Board that leads on the event. Through the good offices of members of the Gibraltar Tourist Board and the GCS, it is now possible for local artists to participate in the Royal Academy Cultural Exchange that has seen local artists enter into competition for participation at the Royal Academy Summer Exhibition 2014; participation by local artists at the Biennial of the Young Artists from Europe and the Mediterranean – *Mediterranea 16* – Summer 2013; Organising Festival of Lights, which will now include the switching on of the Christmas Lights, that will now become an annual event. The GCS will also be charged with supporting the Cavalcade Committee for this January event; organising the Small Business Saturdays in December as they did in 2013, in conjunction with the Ministry for Tourism.

In all these events we strive to emphasise the environmental awareness and more importantly to make all these events inclusive to all our community. Very recently the Government was gifted by the MoD the entire content of the HMS Rooke Library. Soon these books will form part of the John Mackintosh Hall collection. I would like to thank the MoD for this and I am sure that it will definitely add more value to the already vast collection at the John Mackintosh Hall. We would also like to thank the John Mackintosh Hall Trust who have funded books which students at GCSE, AS and A2 levels can use. This has been achieved by working closely with the Department of Education who were able to advise on the books that were required.

There has been a vast improvement in the facilities at the John Mackintosh Hall over the past couple of years. All the changing rooms and dressing areas for the theatre have been refurbished. All the committee rooms have been transformed into bright, pleasant areas with the state of the art equipment. The Charles Hunt Room is used to hold meetings of the DPC in public. It is also used by others as a conference room. The reception area has been painted and new furniture has been purchased. All the wooden and metal balustrades have been restored and painted.

The John Macintosh Hall celebrated its 50th anniversary this year. It is therefore very fitting that all these refurbishments have been carried out at this time.

Mr Speaker, an exhibition took place in April to celebrate this occasion. During this financial year we intend to continue to improve and maintain the John Mackintosh Hall. There is in the estimates, waiting for the approval of the House, an amount specifically for purchasing artwork. The Government was recently able to acquire six artworks by Gustavo Bacarisa, which will now form part of its collection.

The Garrison Library has also been able to develop. The staff there have been able to secure a project called ‘Bordering on Britishness. What it means to be a Gibraltarian’. They have been able to help in the organisation of many cultural and political events. Events such as the Literary Festival and the meetings of the Foreign Affairs Committee. They are further involved in the digitisation of documents.

Mr Speaker, the reforms and changes that have been made were carried out in full consultation with the employees. At all times, we have been able to work together to unravel the great mess that was the Gibraltar Culture and Heritage Agency. (**Several Members:** Hear, hear.) I wish to wholeheartedly thank all those at GCS, Knightsfields Holding Ltd and the Garrison Library for having engaged on this matter in such a positive manner.

Moving on, Mr Speaker, to events which are being organised by the Ministry for Culture. It can be seen that our commitment to have an annual mega-concert is well and truly fulfilled. This will be the third year in which the Ministry will be involved in organising of what is easily the biggest event of our music calendar. The Gibraltar Music Festival is attracting many top international artists to Gibraltar. (*Interjections*) I can take it, it is okay. It is just that they do not like what they are listening to, it is okay. Never mind!

The brand name of the Gibraltar Music Festival is attracting international attention. This year we have a line-up which is second to none: The Script; Rita Ora; John Newman; Tony Hadley, from the very well-known Spandau Ballet; James Arthur; Roger Hodgson, from the famous band Supertramp; Clean Bandit; Maxi Priest – a legend in the world of music; plus our very own Adrian Pizzarello, Headwires, Georgia Thursting, and Orfila. The Festival will run as it did last year from 12.00 midday to approximately 12.00 midnight and it is geared for all ages. This year again children under the age of 13 will be able to go free, when accompanied by their parents.

The Gibraltar Jazz Festival, which continues to attract people to Gibraltar, will now also go into its third year. Last year we saw the Blues and TV Jazz star, Jules Holland and his band perform in the Queen's Cinema. This year the production team is working to have a great line-up, which will be announced soon.

Mr Speaker, another event which is attracting a lot of interest abroad is that of the Gibraltar World Music Festival. This is a festival that exposes music from around the world. This year the Festival's theme was Chindia. The festival saw musicians from Japan and China, who played eastern music with traditional instruments from the east, from Israel with musicians playing percussion instruments, and from the UK, which had a fusion of Hindi and modern music. This Festival attracted interest from abroad and I would say that more than half of the audience that filled the Cave came specifically to Gibraltar to see this show. It also exposes the multi-cultural aspect to Gibraltar, of which we are so proud.

All the above and all the sport events which I will mention later are in line with the policy of the Government of Events-Led Tourism.

We have been able to work closely with the Gibraltar Tourist Board so that these events are marketed abroad with the GTB network. We also use social media websites and other marketing tools to be able to announce these events in order to attract people to Gibraltar. So the above fulfils the following manifesto commitment:

**'JAZZ FESTIVAL**

We will promote a jazz festival in which the Government will sponsor an international act. This will also help to showcase more widely the great talent already available in Gibraltar in this field. The Gibraltar Jazz Festival will be part of the Spring or Summer Events. The first festival will begin in 2012. This will be in addition to the mega concert we will organise each year.'

The only innovation to the manifesto is that we have decided, with the jazz fraternity, that the best time of the year for this festival is in the autumn.

**'MEGA CONCERT**

As we committed ourselves to doing in the last elections, a GSLP Liberal Government will sponsor an annual music Festival for our youth. The concert will be promoted internationally and will count with the use of Government facilities as well as financial backing.'

Again, Mr Speaker, we have delivered on our commitment.

Mr Speaker, I move on now to my responsibilities for Sports and Leisure.

As Minister for Sport and Leisure and Chairman of the GSLA, it gives me great pleasure to see more and more people taking part in sporting activities. The reason could well be the success of the GFA in obtaining membership of UEFA. This seems to have spilt over into other sports to encourage greater participation.

Children are starting to get interested in sport at a younger age. It is incredible to see that in a population of 30,000, we have registered 40 sports: 22 of these are internationally recognised in one way or another and there are approximately 8,300 sportsmen and women registered in all sports associations. This represents close to 30% of the population involved in sports.

These figures do not include those who practise sport but are not registered under a specific association. For example, it does not cover those who do Batuka, Zumba, attend fitness classes, etc. For this reason, facilities need to be adequate and maintained in a fit and proper state for our participants not only to enjoy their chosen sport, but to be in a position to excel in it.

The fact that participation levels have increased and that standards are rising has increased the demand on the Ministry of Sport and on the GSLA. For this we need to move the GSLA, as an authority and institution, to another level.

In relation to facilities, Mr Speaker, I am pleased to say that we have been able to refurbish many parts of the Bayside Sports Complex, which were in desperate need of repair. The Old Victoria Sports Hall has seen a transformation. The Hall has seen the refurbishment of all changing rooms and toilet facilities. The corridor areas have all been painted and the Hall has had all the roof girders and walls refurbished and painted.

All the hot water that serves the changing rooms at the Tercentenary Hall is now heated via solar panels. A monitor at the entrance to the Hall shows the amount that we are saving on electricity by using this system. The aim is to extend this to the whole complex.

The main pitch and pitch No. 2 have been resurfaced with a new FIFA Two Star astro-turf pitch. This astro-turf is also valid for International Rugby matches and we have been able to see a number of them already.

The lighting system has been upgraded which has seen an increase in Lux from 200 to 1,200 which means that it now complies with the proper standard to have events televised. Some of the old turf has been recycled to the 5-a-side areas at the complex. The three Padel Tennis Courts have been resurfaced. The

boathouse area and the slipway is now being used by the Jet-skiing Association. Jet-skiers can now place their jet-skis in this area and use the slipway without affecting the day to day running of the complex.

675 Mr Speaker, during this financial year, we will see a number of other facilities within the Bayside Complex, which will be built and/or refurbished. This includes the stay and play area. Offices will be built below the hockey stands, and new build within the area where the staff car park is now located. This will include changing rooms for officials, press conference rooms, media rooms, VIP and new bar areas. The bar facilities will be changed to a proper built cafeteria, sports bar area will be located at the entrance to the  
680 Tercentenary Hall. This will replace the existing bar which is called 'El Murga'.

The hockey lights that I mentioned last year have already arrived and will be in place during the summer. We have now been able to work with the Education Department in order for the allocation of schools for community use to be extended beyond 31st May and we will also soon be able to make these facilities available during the summer.

685 The skate park, which was situated in Landport, has also been relocated in the car park by the east entrance to the stadium. We have been able to rearrange the whole area in order to provide bar facilities and more parking.

The GASA swimming pool, as I said last year, has been transferred to the GSLA. It has been transformed to the extent that it is unrecognisable. It was a complete mess. There was, for example, no air treatment system and this was affecting the health of users. There were broken tiles in the changing rooms and main spectator areas. There was no disabled access to the spectator stands, to highlight only but a few of the problems.

690 Mr Speaker, I am pleased to announce that we have completely refurbished the whole building. We have re-designed and improved the changing rooms for all. We have provided a new accessible toilet. We have built new offices for the staff and for GASA. We have increased the space available for participants by the poolside by building an extension to the pool to accommodate swimmers in competition.

And more importantly, Mr Speaker, the pool is now an example of how we can use sustainable energy and make vast savings in order to maintain the operation of all systems in the pool. Mr Speaker, we have placed solar panels on the roof and installed a system that now powers and controls the temperature of the  
700 water in the pool, heats the water for the showers in the changing rooms, and powers the air treatment, pumps and filter system.

The system is also producing more electricity than it needs for all this and we are therefore going to extend it to the other pool. The savings are considerable. As an example, the GSLA had to spend an average of £2,500 per month on diesel to power the filter and the pump system and now we spend zero. (*Banging on desks*) Zero.

705 Currently, we have been making savings to the tune of £104,000. A projection of the savings was done before the system was put in place and it was envisaged that the investment made would be paid for within five years. It is working so efficiently that now this investment will be paid for in half that time, i.e. in two and a half years.

710 So not only have we got all these systems running for the pool, which was badly needed, but we are making savings of approximately 85% of the running cost of keeping the pool. During this financial year we will continue to improve on other facilities within this complex, namely the senior citizens pool next door.

Mr Speaker, we had a manifesto commitment that stated:

'MID-HARBOUR BATHING

We will explore locating a bathing platform in front of the Mid-Harbour Estate so that people can swim.'

715 After exploring this possibility and having had more professional advice about the location, the Government decided that the best place for this was the Bathing Pavilion next to the GSLA pools. Mr Speaker, it is with great pride that I can announce that the Gibraltar Bathing Pavilion is near completion. My Ministry have led on this project, which will be handed over to the Tourist Board for them to run in the same way as the beaches, once it is complete. (*Banging on desks*) I am also very grateful to the Project  
720 Manager, Mr Chris Riddell.

The general public will be able to enjoy swimming and leisure facilities second to none in a short period of time. A floating solution has been constructed which includes two 25-metre swimming pools, two toddlers' accessible pools, recreation areas, outdoor bar, lifeguard and first-aid posts, exercise areas, restrooms, showers, and dressing rooms. and a number of other facilities which will make up the Bathing  
725 Pavilion. All the above accessible to all. (**Several Members:** Hear, hear.) (*Banging on desks*)

Mr Speaker, on another matter, the House knows that the GSLA have been involved in constructing and maintaining of all parks in Gibraltar. New parks and play areas have been constructed at Catalan Bay, Schomberg Estate and Vineyards Estate. The construction of the Catalan Bay Park fulfils a manifesto commitment which states:

‘CATALAN BAY – THE PARK

A children’s park has been provided but in a relatively unsafe area which is difficult to access with prams. We will re-provide it in a safer area in consultation with the residents.’

730 A number of meetings took place on site with residents in order to ascertain their needs and now the new park is ready.

In this year’s estimates, we have allocated funds to complete the manifesto commitment in relation to Catalan Bay which states:

‘CATALAN BAY – STREET LIGHTS

We will ensure that all areas in the Village are well lit – in particular the areas giving access to the Caleta Hotel.’

735 Mr Speaker, the GSLA has also refurbished a number of parks and ball playing areas in: Laguna Estate; Edinburgh Estate; Europa Point; Varyl Begg Estate; Chilton Court; and the Park opposite the Trinity Cathedral. The refurbishment of this last park is yet another manifesto commitment that states:

‘DUKE OF KENT HOUSE PARK

We will maintain and upgrade the park and playgrounds in the square opposite the Duke of Kent House.’

Mr Speaker, fulfilled.

740 A number of other playgrounds are currently being refurbished and/or are under construction – I see that the hon. Member is getting fed up, it is too much he cannot take it, you see! – Sir William Jackson Grove; Harbour Views; Waterport Terraces. This is a manifesto commitment, which is ongoing.

We can now say that we have a team of three workers who are specifically charged with the maintenance of the Parks. They have been provided with workshops, vehicle, tools and resources to allow them to go around the parks and tackle issues of general maintenance.

Mr Speaker, our manifesto states:

‘CHILDREN’S PARKS

The children’s parks have only been upgraded in an election year, before they were neglected. They have cost a massive amount of money. They must be looked after. We will ensure that existing children’s parks are properly maintained and refurbished as necessary to encourage that the investment made using public money endures as much as possible.’

745 There are more manifesto commitments in the field of sports and leisure that have been fulfilled and are ongoing. These are: Elite Athlete Assistance; Sports Injury Clinic. It will be seen in the estimates that on page 188, Gibraltar Sports and Leisure Authority, Appendix J, Payments (28), an amount has been earmarked for both these items. These items have also been discussed in the Gibraltar Sports Advisory Council (GSAC) on a number of occasions. The GSAC are in the process of defining who is an Elite  
750 Athlete in each sport, since they all differ from each other.

Further we are currently working with stakeholders in order to see the best way in which we can have sportsmen and women tackle injuries in a way in which they can return as quickly as possible to continue practising their sport.

755 Assistance for Non-Recognised Sports: this is an ongoing item, which I can say we are currently engaged in delivering. The sports concerned know that they have our full backing to be able to achieve their goals by being recognised internationally. Our staff at the GSLA is there to help them by advising them on how to establish themselves in a manner which will be acceptable to the international organisation they would like to join.

760 Paint Balling Park: the paint ball park is ready and this amenity will be included as part of the sports summer programme. We are also awaiting for the paint balling fraternity to organise how they will run it. It will enable them to organise competitions and at the same time will allow the public to participate in this leisure activity.

765 Chess: we will continue to support the chess tournament, which is a great event, as we promised in our manifesto, and further we have been able to support the local chess association as and when they have needed our help. The Gibraltar Chess Open has become the biggest open chess tournament in the world. It has been recognised as the best organised tournament in the world. HM Government will continue to support this event. We have also had the opportunity to support the 3rd Junior International Tournament, which is held in August here in Gibraltar. I would like to thank the organisers and the sponsors for the way in which they have developed and supported this tournament.

770 Mr Speaker, works are well under way to relocate the Pistol Shooting from its present location to the area of the Retrenchment Block. The GSLA are involved in the sponsoring and the facilitating of events, such as the Wildcats British Championships, Backgammon International Tournament and Ten Pin Bowling

Mediterranean Challenge Cup. The Gibraltar Darts Trophy is an event which is organised by the Ministry for Sports.

When analysing the value of organising and sponsoring these events, it is important to understand, what are the benefits to our economy? In doing this analysis which has been done using all sporting events and the well-tested formula of expenditure by tourism, we see that over 15,000 bed nights have been sold. Multiplied by an average of £100 minimum per bed night, it means £1.5 million a year which the economy benefits. These figures are not inclusive of all other events such as the Gibraltar Music Festival, the Jazz Festival, the World Music Festival, the Literary Festival and others.

Mr Speaker, the deficit of the King's Bastion Leisure Centre continues, but I am happy to say that we have been able to reduce this from the levels it reached under the previous administration. This has been achieved by terminating the contract that the previous administration gave to King's Bowls. This was an OPEX + contract. It meant that the company running the ten-pin bowling facilities would do so by having all its costs paid for and on top of that a 30% mark-up was added on. So we had a situation where the more the company spent on costs, the more they would earn in profits!

We have been able to terminate the contract and we have awarded it to the company running the catering in the centre, but this time with the cost greatly reduced and no 30% mark-up on costs. Further, we have been able to reduce by half the amount that used to be paid to the GSLA for the running of the centre. The centre will soon be run by the people who are currently managing it. We are hoping that during this current financial year, we will be able to reduce the costs of the centre and at the same time provide an even better service to the general public.

Before I end my contribution in relation to the sports, I would like to acknowledge the good work that has been done by the retiring CEO of the GSLA, Mr Joe Hernandez. (*Applause and banging on desks*) He has been active in this field of work for over 25 years. He was involved with sports within the Government first and then in the GSLA. He has been a civil servant for nearly 38 years. Thank you, Joe.

In the past year, the whole of the Gibraltar Youth Service has undergone a number of significant changes, more noticeably within its structure and staffing arrangements. The administration role of the Gibraltar Youth Service has moved to the main offices of the Ministry for Culture where the staff continues to provide support for the Youth Service.

Through this support the burden on youth workers of having to do administrative work is greatly reduced, which means that they can now concentrate on producing and running programmes for our young people. The management and total complement of the youth workers in the service has increased and has been restructured. What was the Team Leader's post is now that of a Principal Youth Officer. The posts of two Senior Youth Officers to assist the Principal Youth Officer have been created and the complement of Youth Officers has increased from four to five.

Therefore in total we have moved from having one team leader and four youth workers to eight in total to concentrate and direct youth work. This has fulfilled numerous recommendations from the Gibraltar Youth Service Review of 2008, which has never been tackled by the administration of the Members opposite.

Recommendation 11 of that Report states:

*'The Service should consider its staffing requirements and structure with the aim of*  
*a) making the post of the Senior Worker more manageable, reducing the post holder's operational responsibilities to enable more strategic development*

– i.e. the reforms of the administration –

*'b) allowing management responsibility to be delegated to full time youth workers, consistent with their current grades'*

– i.e. creating the two senior youth and community post workers –

*'c) increasing the part time paid establishment, with staff on appropriate permanent contracts to be negotiated, as the most cost effective way of increasing the direct delivery of youth work.'*

– i.e. increasing the complement with the permanent youth workers to do this.

Recommendation 12 of the Report that they never put into place, Mr Speaker, read as follows:

*'Up-to-date job descriptions should be provided for all posts in the service.'*

By renaming and creating the posts the job descriptions have been re-evaluated and they are now clear as to the role they are to fulfil.

Mr Speaker, the interviews for four new Youth and Community Workers have already taken place and the ones selected are in the process of joining our team soon.

In relation to material resources, I am happy to tell the House that the Youth Centre has undergone some significant refurbishment and now, in addition to its new front entrance which is now visible from Line Wall Road, it boasts a new kitchen, complete paint redecoration and it also offers a separate project/resource room.

The Laguna Youth Club has received a new air-conditioning system. The Plater Youth Club has received a fresh coat of paint. This year more funds have been made available to continue the refurbishment programme.

Since 18th January this year the Youth Centre has been opening during the weekends. The Youth Service is analysing this initiative to see how this is working with a view to opening all other youth clubs. This fulfils another manifesto commitment as follows:

**‘YOUTH CLUBS**

Resources will be made available for.... youth clubs to open at weekends.’

Mr Speaker, I am pleased that the Principal Youth Officer has also met with the newly established Unite the Union Youth Section. During the year 2013-14, the Gibraltar Youth Service has offered young people a wide variety of personal development opportunities and fun activities. These include: a film project; an Easter project; a Spring fun-day at the Plater Youth Club; Aquapark/Tivoli trips; Clean Up the World; *Isla Mágica*; Halloween events; cycling marathons to raise money for GBC open day; residential weekends, which was the Plater Youth Club and Youth Centre organised a ‘feel good’ residential weekend that took place at the Retreat Centre; Christmas and Cavalcade events; trips to Sierra Nevada.

Mr Speaker, the Youth Service team has been very committed to continue operating the four youth clubs. In addition to normal club opening hours, the team has also worked closely together to offer young people the opportunity to take part in new community projects with outside organisations. These include the Luce Foundation project; the PSHE... and Personal Support with both Bayside and Westside Comprehensive Schools and the College of FE; Social Services training programmes; safeguarding children; working close with the Royal Gibraltar Police neighbourhood policing units in the areas of the four youth clubs.

All four youth clubs combined resources under the Youth Service in order to provide a trip to *Aventura Amazonia* in Marbella during May and the Luce Foundation Summer Camp took place at the beginning of June.

The Youth Exchange project for a partner group from Wales is to take place this month in July and the Youth Service is supporting the Cheshire Homes flag day this coming weekend. A group of young people also took part in a Heritage Trust project to plant trees in the Upper Rock in March 2014.

It is obviously clear, from all that has been done above, that our manifesto commitment has been fulfilled. This reads as follows:

**‘THE YOUTH SERVICE**

We will work with the Youth Service and Youth Workers to provide better facilities and more frequent events at Youth Clubs – where the work being done keeps young people out of trouble.’

Despite the fact that we have fulfilled our manifesto commitment, the Youth Service will continue to develop to deliver quality programmes for young people and more importantly programmes that they... identified with. For this reason the Youth Advisory Council will be re-established as from September and a new Active Citizenship programme is currently being planned, starting in the autumn of this year.

As the hon. Members can see, the Youth Service is an extremely busy organisation and it has provided a wide range of activities for our young people. With the new Youth and Community Workers in post in a few weeks’ time, we hope to continue our success and look forward to an even busier and promising year ahead.

Mr Speaker, I now move on to my responsibility as Minister for Utilities. I will start with electricity. The House will recall that the GSD had made arrangements to build a Power Station at Lathbury Barracks with a company called ETDE. ETDE was in a Joint Venture with Volker Stevin. The station was to cost approximately £126 million and was to be fuelled by diesel. This project would have made us rely on diesel for the next 30 years.

The price of diesel is increasing by the day. It would have meant that electricity bills which are currently subsidised by the Government to an average of 40% would have had to be increased by 5% to the consumer each year for 20 years. This would have been unsustainable. Talk about prudent management of taxpayers’ money!

On top of that, as the House knows, diesel is far from environmentally friendly. These are some of the untold truths before the general election. The power station planned by the Members opposite did not go

through the planning process. (*Interjection*) It was not subjected to press or public scrutiny. *Anda! Pa'lante!* (Laughter and banging on desks) Indeed, consumers were not even told about the increase to them in the cost of electricity. The then GSD Government kept this a secret. Yes – *pa'lante!* (Laughter and interjections)

Even if this contract had gone ahead, Mr Speaker, the GSD's power station would not have been fully functional even today. (*Interjection*) Generating capacity would have been diminished. It *is* true – absolutely true! Mr Speaker, he is now saying that what I am saying is not true! It *is* true, because of the time that it would have taken to have done the Lathbury Barracks, you see. Therefore, today, there would not have been the power station functioning. True. It was untrue. And all the untruths that the Hon. Member's side did not say during the general election – that is the untruths.

**A Member:** The Big Lie.

**Hon. S E Linares:** Generating capacity would have been diminished after the fire at Waterport Power Station. There would have been a real possibility that areas would have been cut off for certain times during the day on a permanent basis until the power station was complete. It is for this reason that we took the decision to bring in the turbines and more recently the new skid generators. Now we have 55.8 MW installed and 40.8 MW available at any given time which is enough capacity. I know that the hon. Members are getting jittery about all these truths that we are saying.

**Several Members:** Hear, hear!

**Hon. D A Feetham:** Would the hon. Member give way? Hadn't we better take your speech as having been read already?

**Chief Minister (Hon. F R Picardo):** That is so disrespectful, Mr Speaker.

**Hon. S E Linares:** Mr Speaker, I was working – for the hon. Member to know – (*Interjections*) since he has made the allegation that somebody must have prepared this for me –

**Hon. D A Feetham:** I have not said that, Mr Speaker.

**Hon. S E Linares:** Implying. And therefore –

**Mr Speaker:** Will the Hon. Minister... do not give any credence to that remark and just carry on.

**Several Members:** Hear, hear! (*Banging on desks*)

**Hon. S E Linares:** Thank you, Mr Speaker, for acknowledging that it was –

**Mr Speaker:** You should not take any remark into account. As if, nothing had been said. Just carry on.

**Hon. D A Feetham:** Because I did not make the remark.

**Mr Speaker:** No, right, fine. (*Interjection and laughter*)

**Hon. S E Linares:** Mr Speaker, as the Chief Minister announced on Monday, the contract for the construction of the new power station has now been awarded to Bouygues Energies & Services. The cost of the contract will be £67,958,000 to construct an 81 MW power station in the North Mole Road after the completion of the competitive tender process.

The power station will house six MAN engines – 'MAN' is the make, Mr Speaker – half of which will be gas only and three other MAN engines will be dual fired. This will include best available technology to deliver the more resilient and secure electricity generation supply in Gibraltar. The company has awarded the power station contract to the parent company of ETDE.

ETDE was the company who, in a joint venture with Volker Stevin, was awarded the construction of the power station at Lathbury Barracks. The power station at Lathbury Barracks would have supplied 65 megawatts of power and would have been, as I mentioned above, single fuelled, diesel only. This award not only provides Gibraltar with approximately 30% more installed generating capacity but it is also almost half the price than Gibraltar would have paid if the Lathbury power station would have been constructed using the same company.



So not only are we paying *half* the price with *more* capacity, but the new power station will operate using natural gas, with diesel as a back-up. The use of natural gas as the main fuel reduces air-borne emissions considerably and it also costs about a third of the price of what diesel currently costs. This makes this option a win-win for Gibraltar in financial, technical and environmental terms.

Mr Speaker, an additional incentive which we are considering is the fact that we could, for a further £8.5 million, incorporate a heat recovery system which would produce more electricity or even produce water at no cost in consumption.

Water: continuing with Utilities and therefore as Chairman of AquaGib, I can report that the company has been able to maintain and improve all levels of services. A total of £11.3 million has been undertaken to ensure that infrastructure for the provision of potable and seawater supply and sewage is maintained to customers.

The RO plants producing the water are also maintained despite the fact that the cost in electricity consumption is exorbitant. I will go on to explain a little on this later. The service to clients is now greatly enhanced by the creation of a website. Now customers can pay their bills and make applications for the supply of water online. This is another part of the e-Government initiative, which has been taken on by AquaGib and which was launched during this financial year. In addition to the recurrent expenditure, AquaGib has continued to invest on capital projects as part of its assets replacement plan.

This aimed at maintaining and improving the water infrastructure assets as provided for in their contract with HMGoG. During this period a total of £598,000 was spent on capital projects. This has included two major projects to extend the AquaGib potable and seawater networks to areas of Gibraltar, which had previously been supplied by the Ministry of Defence's water distribution system. The fact that the MoD was responsible for the infrastructure and the customer was AquaGib has been a problem that has existed for many years and has never been tackled.

There were many customers who were within the MoD infrastructure but who complained to AquaGib when they had a problem which could not be solved in a timely manner. The successful completion of the projects has enabled AquaGib to have a full control of and provide increased levels of service to customers in these areas. The two projects of this nature include the building of a new potable water pumping station located within the Waterworks, and a new pumping main from that station to AquaGib Middle Hill Potable Water Service Tank. This has enabled AquaGib to provide its own potable water supply to customers in the Middle Hill area of the Upper Rock.

The other has been the extension of AquaGib potable and seawater mains from the junction of Middle Hill Road to Europa Road/Lighthouse area. This has enabled AquaGib to provide its own potable and seawater supply to customers in these areas.

Mr Speaker, I am pleased that in conjunction with this project Technical Services, with the same contractor, have been able to construct a pavement along the road leading to St Bernard's church to near the old 1772 Club. Walking to the bus stop from Elliot's Battery, Europa Terraces and Europa Mews is now much safer. I know that, because I live there.

The Multi Stage Flash (MSF) Desalination Plant, which was producing fresh water through a process of evaporation and condensation undertaken by multiple stages, was built in 1980. This was operated by 15 employees. In 2008, under their watch, it was decided to decommission the MSF Plant and replace it with RO plants. One would have thought that the employees currently operating the MSF would be deployed to operate the RO plants. No, that was not the case. What happened was that the previous administration agreed to have these men continue on shifts, fixed overtime and allowances, despite the fact that there were was no distiller to operate. Overheads and maintenance costs also continued. The fact is that in 2008 an approximate £1.2 million *per annum* has been spent.

The worst thing about this is that it was even agreed to maintain the manning levels. This meant that when one employee retired or moved on he had to be replaced by someone else to be employed to do nothing. Further the company that set them up, the RO plants, were also contracted to operate them at an annual cost of approximately £400,000. So we have a situation where 15 men are without work to do and being paid whilst the company pays two operators to run the RO plants. The cost of this disaster has been an expenditure of £1.6 million per annum. This is what we have inherited from the hon. Members opposite.

I can now say that this issue is close to being resolved with the co-operation of the union, the management and more importantly with the employees.

I now move on to my responsibility as Minister for the City Fire Brigade. During the past financial year, a number of officers from the City Fire Brigade have attended various courses at the Fire Service College, UK. These have included Fire Safety Engineering, Fire Safety Smoke Control for Inspecting Officers and Fire Safety Smoke Control design. Numerous officers have also attended the Incident Command Courses at levels 1, 2 and 3. There has also been Heavy Goods Vehicle Rescue courses, a Hazardous Materials and Environmental Protection course. Two Recruitment courses were also attended, in May 2013, February 2014, were five firefighter recruits successfully passed their training.

Eleven members of the brigade attended a breathing apparatus maintenance course provided by Dreager, in Newcastle UK, and two officers attended a Tunnel Safety Conference. Additionally, various locally run courses were attended, which include two officers completing the Blue Light Driving Instructor's course delivered through the Customs Department. Four officers attended the Maritime Casualty Handling and Survival at Sea courses provided by the GHA and the Port Authority, and all three watches have attended presentations on security awareness delivered by the RGP.

During the year there have been seven promotions within the City Fire Brigade: one Divisional Officer for Operations and Training, one Station Officer, two Sub Officers and three Leading Firefighters. The brigade has provided Fire Safety Courses to 334 persons from 32 different companies and organisations – for example the GHA, Post office and the Gibraltar Bus Company.

Ten fire drills have been undertaken by the fire Brigade in different Government and private buildings, and Community Fire Safety talks and advice has been delivered on 12 occasions to schools and other agencies. The Fire Safety Department has also carried out nine Fire Investigations into the cause of fire at various incidents; 438 building applications have been processed and issued with fire safety requirements; and 180 building applications have been completed, inspected and approved.

A new initiative of focusing fire safety advice in areas which have recently experienced a fire has been introduced – known as Hot Targeting. This provides residents of the affected area with booklets and advice, and has been well received by those affected.

Operationally, the brigade has responded to 1,598 calls from 1st June 2013 to 18th June 2014. These can be categorised as 369 fire calls, of which 100 were actual fires, 252 false alarms with good intent and 17 malicious calls. The Brigade has also attended 948 Special Services, 550 of which were emergencies, for example: 352 lift rescues, 6 rescues of persons, 19 road traffic collisions, amongst others, and a further 428 Special Services classified as requests, which include entry into locked premises, flooding and rescue of animals, amongst others.

The City Fire Brigade Ambulance was dispatched on 281 occasions in its commitment to the Health Authority as a third ambulance, and the Brigade control room mobilised the GHA Ambulance on 4,901 occasions.

One of the most noticeable fires during this period was the fire that occurred at the Waterport Generating Station. This involved three appliances from the City Fire Brigade, the recall of 18 firefighters for the incident and to maintain fire cover for the rest of Gibraltar, the assistance from the Defence Fire Service. The incident impacted on the whole of Gibraltar due to the interruption of electricity, but what would have been a disastrous incident was dealt with by the Brigade within a few hours.

Electricity supply – thanks to all the new generators and the capacity that we have – was restored within a few hours later without injury or loss of life. (*Banging on desks*)

Yesterday, we had an unfortunate incident of a fire breaking out at the workers' hostel in Devil's Tower Road. All workers were evacuated and have been housed temporarily at the Queen's Hotel. I must add, as I stand, Mr Speaker, that yet another incident happened last night. It was near midnight when one of the boats in Queensway Quay also went on fire and I can now say that I was in touch with them all night, whilst I was preparing my budget speech. I thought I would add this on the Queensway Quay and also...

It is due to the fact that the City Fire Brigade are in the front line and are valued by the present Government, the announcement made by the Chief Minister is recognition of this. They might be in the fire station for weeks and months, but then when it comes to the crunch, we might get in one night, two fires.

This pay rise will mean a 5% increase plus the elimination of the 3% abatement – i.e. 8% more in the wage package. We are at present still working at the Audit Report which includes terms and conditions with staff. I would like to congratulate them all, and all the essential services, and in particular the Fire Brigade, for the professional way in which again they tackle situations and the exemplary service that they provided Gibraltar.

Mr Speaker, I now move on to my other responsibility of Civil Contingencies. During the last financial year, HM Government has invested substantially in the development and modernisation of the command and control unit necessary for disaster management. This will increase the infrastructure available to the front-line emergency services, through the purchase of this command unit. The state-of-the-art Joint Command Unit is expected to arrive during October and user training will start immediately.

This year Government is investing substantially in developing a modern C3 Co-ordination Centre as part of the major works currently taking place at No. 6 Convent Place. Investing in both the Joint Command Unit and in the new facilities within No. 6 will ensure that we can adequately respond to a major incident in an efficient and co-ordinated manner.

Meetings of the Civil Contingencies Committee have taken place frequently. There were six during 2013 and three during the current year. The last one took place only last Wednesday. There have also been a number of one-to-one meetings between myself and the C3 co-ordinator. In addition, I have attended C3 organised events, such as security training for all Government Departments' security officers and specific presentations.

Meetings of the C3 and exercises which are conducted now were virtually non-existent before December 2011. Staff at the Civil Contingencies Office are engaged in updating response plans and in consultation with others, planning both table top and full scale exercises. Two of these exercises have already been held, involving all relevant responding agencies and, where appropriate, the MOD involved.

During 2014-15 the facilities available to the Civil Contingencies organisation will be greatly enhanced. It is without doubt a far cry from the state I found the Civil Contingency when I was honoured by the Chief Minister to be its Minister. A bunker that was not fit for purpose, that when we have a power cut all the power would cease and therefore communication to the outside world would not exist.

Mr Speaker, I now move on to Refuse Collection – another of my responsibilities. We are in the process of working with the unions and their representatives on a number of issues which we hope to resolve amicably during the current financial year.

In relation to the postal services, Mr Speaker, as I mentioned in last year's budget address we have had to implement an EU Directive, which will mean the liberalisation of postal services. We are working closely with all stakeholders on how we can achieve this without affecting employees and at the same time improving the service and making it cost effective.

Renegotiating the collective agreement, in full consultation with all affected, is one important part of this jigsaw. We have also been able to re-grade the management post. We had four ML4s and now we will soon have one ML3 and three ML4s. This has been a long-standing issue which I am glad to say has now been resolved with the unions, staff and management. The postal service is yet another Ministry that is undergoing e-Government changes. A contract has been signed by the Royal Gibraltar Post Office for an Electronic Point of Sale (EPOS) with Escher to install computers for our counter clerks at 104 Main Street.

After the refurbishment of the Main Street Post Office later this year, we will have electronic receipts, chip and pin, scanning and universal counters for all products, including Redirections and PO Boxes linked to the new ID card system. The Royal Gibraltar Post Office is now a member of .post which aims to integrate the physical, financial, and electronic dimensions of postal services to enable the facilities of e-post, e-finance, e-commerce and e-government services. The UPU became the first United Nations organisation to obtain a sponsored top-level domain from the Internet Corporation for Assigned Names and Numbers (ICANN) in 2009.

.post uses the latest internet security. It is the first STLD to be 100% secured by Domain Name System Security Extensions (DNSSEC), a set of codes for securing the Domain Name System (DNS), the global database system that translates a computer's fully qualified domain name into an Internet Protocol (IP) address. It is the most secure STLD on the net right now. You can trust a .post domain is not taking you to a fake postal website.

The postal services have now got their own website. They have introduced a number of customer care improvements, including the new and improved Global Customer Service System run by the International Postal Corporation.

Mr Speaker, as is the norm now with our New Dawn Government, our environmental filter means that we will soon be purchasing electrical vehicles and three-wheeler concepts. The electric DXP three-wheeler is a convincing response to a variety of postal delivery needs and is considered safe due to it having three wheels. Mr Netto might laugh but it is the most environmental vehicle that there is in the market. I am sure as the former Minister for the Environment, he really welcomes this, because this vehicle has had very few accidents, when compared with the traditional ones. It is tried and tested and low maintenance with less emissions and quiet operations. It is more responsive, easy to manoeuvre, high load, with trailer 270 kg plus per driver, low running costs, significantly higher efficiency in postal deliveries and EU licences. It also boasts a TÜV quality certificate.

Mr Speaker, we will introduce new and improved definitive stamps that are self-adhesive. We will be a rebranding the registered services between tracked services and countries that only receive a signature service, with new bar-coded labels. We are working towards the introduction of a new and improved express letter service – currently, we are still negotiating with Royal Mail. That will have a new barcode.

Later this year, we are going well in an insured service within the EU, with the registered letter service that will be introduced. We will have a new bag tracking system called CAPE Vision.

Mr Speaker, I am happy to say that the Postal Services organised a hugely successful CEO Postal Forum conference here in Gibraltar, where issues such as sharing best practice were discussed. All delegates thought it was great value for money, not for profit. Postal countries that attended were the Vatican, Seychelles, Mauritius, Tristan Da Cunha, Liechtenstein, Iceland, Greenland, Åland, Faroe Islands and all the Channel Islands.

A number of statutory requirements in relation to security arrangements will come into force on 1st July. All staff who accept mail will have been trained on issues of dangerous goods when declaring goods to the Postal Services. Mr Speaker, all in all the Postal Services will progress into the 21st century.

Mr Speaker, at this point, I would like to thank all my staff in all the Ministries in which I am involved, and all those who work for all the Ministries for which I am responsible for.

Mr Speaker, with this, all that is left for me to do is to support this Bill. (*Banging on desks*)

**Mr Speaker:** The Hon. Mr Edwin Reyes.

**Hon. E J Reyes:** Mr Speaker, I have already mentioned last year that the present Government had acted responsibly in continuing to pursue UNESCO World Heritage Status for Gorham's Cave and its adjacent sites. Indeed, Mr Speaker, work in this respect had really commenced via the Museum Team during my personal tenure as Minister for Heritage, and therefore I continue to wish the Museum Team all the best for the future in their ongoing excavations at Gorham's and Vanguard's Caves, an outing which normally takes place during these summer months.

The GSLP Liberal manifesto gave a commitment not to permit the destruction of important heritage sites or colonial style buildings. However, now that they are in Government I feel it has had to accept that this vision is not always easily achievable, more so when expert advice deems it not possible to salvage the façades of buildings we would all like to retain – such as in the case in respect of the Old Risso Bakery where sadly the façade will now have to be lost.

The GSD is pleased to see that the Main Guard at John Mackintosh Square has been restored and that the Gibraltar Heritage Trust is, of course, the primary beneficiary of such a project. This restoration project is extremely close to what my party had planned and therefore I hope this House is now unanimous in wishing the Heritage Trust all the best for the future.

Mr Speaker, pending manifesto commitments by the present Government includes digitising the content of the Gibraltar archives and transfer of the archives themselves into the Gibraltar Garrison Library. I still await news of how and when this will happen.

Likewise there does not seem to have been much development on the commitment to make a new world class heritage site of the place where the first Neanderthal skull was found. That is the skull of Gibraltar Woman. The Opposition is interested to find out how Government intends to develop a world class tourist site for visitors and Gibraltar residents alike so that we all may see where she lived.

Mr Speaker, through the collective celebration of social events, participating Gibraltarians contribute towards reinforcing our identity, our culture and our history as a people and a community. Both the performing and fine arts fraternities always prove themselves to be very proactive within their own specialised areas, and I take this opportunity to congratulate all the groups and individuals who have done Gibraltar proud through their international participation and I am happy to say in many cases even getting top awards gained. **(Several Members: Hear, hear.)**

Through its manifesto the GSLP Liberals adopted the slogan, and I quote, 'Culture needs to be nurtured'. Now that they are in office, Gibraltar hopes that this promise will be delivered and therefore I remind Government that the committed itself through its manifesto to provide, and again I quote: facilities for teaching of music and instruments to young people; establishment and funding for a Gibraltar Philharmonic Orchestra; run a 'learn an instrument' campaign amongst young people; establishment of an academy of the performing arts administered by an Arts Council; seek to establish Gibraltar as part of the touring circuit for UK and Spanish theatre productions; and the Gibraltar Art Collection will be permanently displayed for public viewing. Therefore, Mr Speaker, with your permission, I have to ask, when will these projects become a reality?

What we do know is that Government has purchased both the Queen's Cinema and the Queen's Hotel sites for the development of a theatre and its related activities. However, there are mixed feelings among the local community as to how these sites will be developed and above all at what cost. Given that the decision has already been taken, I sincerely hope that the development of these sites will be real value for money, and that our local culture in the widest sense of the word is enhanced.

Mr Speaker, it is now just over a year since we offered our collective congratulations to the Gibraltar Football Association on their success to become the 54th member of UEFA. Gibraltar as a whole rejoiced spontaneously upon hearing the excellent news of attaining full membership of UEFA. Therefore I would earnestly hope that Gibraltarians will continue to support our teams in all international competitions – especially, Mr Speaker, those competitions which our clubs will participate in as from this week for the very first time, such as the preliminary stages of the Champions' League and Europa League.

We trust Government will remain ever mindful and continue with the already long existing policy, which they inherited from the GSD, to assist all local sporting bodies to overcome any foreign governments' politically inspired attempts to block their membership of international sporting bodies. **(Several Members: Hear, hear.)** This policy will certainly continue to receive the Opposition's support and I take this opportunity to wish other sporting associations such as rugby, tennis, and the local branch of the International Olympic Committee, amongst others, all the very best in their continuing battles to obtain their respective international memberships which we all know are rightfully and legally theirs. **(A Member: Hear, hear.)**

The Government is presently working closely with the Gibraltar Football Association towards the provision of a further football pitch and related facilities. In fact, quite large sums of money will be spent on this project, which will be of direct benefit to the football fraternity. Estimated cost of a new stadium, we

are informed, could be anything from £20 million to over £40 million. But as such we still do not know what Government's, or in other words the taxpayers', contribution will be and how much of it will be through either grants or loans.

I must take this opportunity to remind Government that much needed basic facilities for other sporting associations like rugby and cricket cannot be and should not be completely sacrificed in the process of enhancing only football. (**Several Members:** Hear, hear.) I urge Government to be ever mindful that a level playing field must be provided for all sporting associations. More so as it is a manifesto commitment of theirs and I quote, to:

'... monitor the demand for additional facilities for all other sports to ensure that existing facilities are developed further in line with our community demands...'

The Government is committed through its election promises to:

'... provide renewed facilities for the playing, teaching and development of both cricket and rugby at Europa Point.'

and I end the quote.

It is obvious the Government has modified its policy over the past year and this has resulted in highly divided public opinions in respect of the proposed development for Europa Point playing fields.

**Hon. D A Feetham:** Very diplomatically put.

**Hon. E J Reyes:** There is a large amount of discontent towards a decision that Europa Point is the only suitable and available site for the future development of an UEFA-approved football stadium. The possible enhancement of Victoria Stadium into UEFA-approved facilities which we are told are required for the hosting of certain types of football matches has apparently been ruled out by Government and perhaps even along with other possible sites. This in effect means that the Development and Planning Commission has been presented with a *fait accompli*, without Government openly taking responsibility for the decision which has been presented as a GFA project. (**Several Members:** Hear, hear.) And therefore, Mr Speaker it is the GFA who is solely being blamed for the decision that (**A Member:** Shame!) Europa is the only possible site. (*Interjections*)

Mr Speaker, these feelings are being expressed by many – (*Interjections*) Mr Speaker, these feelings are being expressed by many because it appears that the DPC's role is now limited to only recommending modifications to the design, as it is unable to challenge Government itself upon the choice of the actual location for a new football stadium. However, there is still some hope among the electorate that the DPC may even be bold enough to decide that the location is not suitable for the design submitted and might even direct not only GFA, but also Government itself to look for an alternative site.

The GSD recently embarked on a public consultation exercise in respect of educational matters, among ideas put to the community at large there exists a possibility of vacating Bayside School's present site which would then in turn perhaps even offer the opportunity of a suitable site to upgrade and enlarge the existing facilities at Victoria Stadium. Given the strong concerns expressed by many about constructing a huge football stadium at Europa Point, I personally urge Government to investigate further the feasibility of constructing a suitable football stadium, meeting UEFA standards by encompassing Bayside School's present site as part of an enlarged Victoria Stadium football and other related facilities. (*Interjections*)

Mr Speaker, although I am a firm believer that individual sports governing bodies should be allowed to manage their own affairs with no political interference, I once again urge Government to take a particular interest, especially through the Sports and Leisure Authority, to ensure that publicly owned facilities are used in a fair manner for the benefit of all sports lovers. There is both a duty and moral obligation by the Sports Authority to ensure that where desired by a citizen, membership into individual clubs and even the relevant governing body is open to all in an equal and fair manner.

I must mention again this year, Mr Speaker, the Government has a manifesto commitment to provide separate premises for martial arts clubs and associations in one large martial arts centre. I would be most grateful for any information as to when this will actually materialise.

Mr Speaker, the forecast outturn for expenditure relating to the Stay and Play Programme for 2013-14 is given as £19,000, yet provision for 2014-15 for this same programme has been reduced to a mere £2,000. I therefore ask, is there a reason for this drastic reduction of what in the past has proved to be a very popular and valuable programme?

Likewise we are looking at provisions for playground expenses. The actual expenditure in 2012-13 was £208,559 and forecast outturn for 2013-14 is £170,000. Yet the allocated sums for 2014-15 is reduced to only £80,000. It therefore begs the question, are our children not expected to continue using playgrounds as has been the case over the last few years?

Mr Speaker, there is widespread consensus across society and political parties in Gibraltar that our educational system is both a most important investment as a community and also a justifiable source of pride for a community our size.

1230 It is now over 42 years since our local education system at secondary level was changed from one of selective schools, with admission into grammar schools coming through the 11-plus system, into a comprehensive education system. It is fair to say that throughout these last 42 academic years, our schools have been able to successfully meet all challenges presented to them in many different shapes and forms, such as the introduction of a national curriculum, changes to public examinations etc.

1235 Therefore, Mr Speaker, the Opposition wishes to take this opportunity to thank and congratulate all members of the teaching profession both past and present who have contributed in a highly professional manner towards our students' continued successes.

1240 However, after over 40 years, it is time to reflect, and together with teachers and parents and the community as a whole we should take stock and see if we are as best prepared as possible for the educational challenges of the next 40 or 50 years.

With this in mind, Mr Speaker, the Opposition wishes to offer food for thought and asks all stakeholders to offer their views in respect of the following.

We ask, how best can we equalise subject choices at secondary level so that both males and females have real equal opportunities?

1245 We ask, do we need to broaden the educational and vocational scope, with the potential to mix both, especially at post GCSE educational stages?

We ask, do we have an adequate programme to ensure that our less academic children, who may not necessarily follow a full range of GCSE examinations, obtain as good as possible and relevant education programme to prepare them for future adult working life?

1250 We ask, given it is now over 40 years since implementation of comprehensive education, should we look and see if a co-education system, either throughout all secondary school years or only at post-GCSE, could actually help to better prepare our students for both university and adult working life?

1255 Mr Speaker, although we have been informed that plans for the establishment of a University of Gibraltar are at an advanced stage, we still wait for the implementation of Government's pledge to provide a Second Chance Education Programme through the establishment of their promised National Institute of Adult Continuing Education. We sincerely hope that this does take off the ground as soon as possible, and that when it does materialise, it will be established with real links with the local labour market sectors.

1260 Mr Speaker, Government has still to announce their definitive plans for the Housing Works Agency, and whenever I have asked for details of progress in this respect, I have been told that it is being considered at Cabinet level.

In effect, what has happened over the past three years is that an ever-increasing number of home refurbishments are contracted out to private companies, without going through any type of transparent and accountable tender process.

1265 The number of staff members employed at the Housing Works Agency continues to be reduced, so does this mean that what the future holds is that all refurbishment works will simply be allocated to private contractors and without being subject to an adequate and transparent competitive tender process? (*Interjections*)

1270 The GSD worked hard in consultation with Unite to reform the old Building and Works Department and its transfer into the Housing Works Agency. This project provided brand new work shops and depots and from its origins delivered vastly improved services to Government housing tenants.

1275 Therefore the question now is what plans does Government have for the Housing Works Agency and all its employees? Like the Opposition, Government knows there are indeed many excellent craftsmen and professionals within the Housing Works Agency. So I must stress that it is important to ensure that the correct and proper administration procedures and resources are in place for housing maintenance and repairs to be carried out.

Given the reduction in the number of employees, we must ask for clear answers in respect of how will the Agency be expected to carry out its duties if the Agency is not given the human resources required to meet work loads and targets.

1280 Under the section dedicated to youth, the GSLP Liberal manifesto states that young people who are entitled to housing will not wait more than three years for a home. Given that there are presently a large number of young persons registered as applicants seeking their own homes, I must ask on their behalf for a firm date when Government will deliver on this promise. After all, Mr Speaker, it is now almost three years since they were elected into office.

1285 The visible presence of scaffolding in some housing estates leads us to conclude that the promised refurbishments are well underway. However, Mr Speaker, many residents in these estates have expressed concern at the length of time works are taking to be completed. In some cases concerns are made worse because the quality of workmanship in some of the phases of works already completed leaves somewhat to

be desired. I therefore urge the Minister for Housing to ensure that quality monitoring is strictly adhered to and perhaps he can deploy members of staff from his Department to ensure that this is being carried out.

1290 Residents in estates where refurbishments are taking place would welcome the publication of target dates for completion of different phases of the planned works.

Government pledged that everyone on the housing waiting list and on the pre-list as on 9th December 2011 would be re-housed before the next general election. This in effect means that 1,415 homes need to be allocated during their present term in office.

1295 In order to meet their target Government pledged through their manifesto that they would build high quality homes both for rental and for sale. Three years into their term in office there have still been no announcements of new homes to be built for rental – resulting in great disappointment for those who are unable to afford purchasing their own home.

1300 It is highly disappointing to see that the only new rental homes to be built will be exclusively for senior citizens and in some cases, like the one at Charles Bruzon House, will be around 17 in number at, from what I can deduce from questions answered in this House, a cost of close to £130,000 per home. Perhaps, Mr Speaker, something is not quite right in my mathematical calculations there.

1305 In respect of the two projects for home ownership, there is great discontent amongst many applicants on the priority system being used to offer these homes for purchase. Whereas in respect of rental homes applicants are offered these in precedence order corresponding to the room composition for which the application is being considered, this seems not to be the case when it comes to home purchasers.

1310 What in effect is happening is that applicants who would only qualify for a one or two-bedroom home under rental allocations are being allowed to purchase up to four-bedroom homes despite this being well above the housing application entitlement. For applicants to be able to purchase, on a co-ownership basis, homes which are above their entitlement is not perceived as being fair. And applicants with larger families who really need the larger four-bedroom homes feel badly done with in this offer.

Mr Speaker, why are there different rules in respect of the size of home offered for rental when compared with co-ownership?

1315 The GSLP manifesto commits them to eliminate the housing pre-waiting list, but this has not yet happened and we still have to hear by when this is going to take effect.

Another manifesto pledge was to provide a separate additional housing list for applicants who are living in Spain and wish to return home. In many cases, Mr Speaker, these families moved into Spain due to their original home purchase becoming too small for the family needs and the absence of an affordable larger property in Gibraltar. This, like I said, led them to seek properties beyond our shores.

1320 However, because they have already been home owners, these families cannot file an application for either rental or co-ownership homes. I therefore ask, surely we can find a fair way whereby we can assist these families to return back to Gibraltar. *(Interjection)* As a separate housing list for this type of applicant has not yet materialised, can you blame those families who feel let down by the present Government after they have already been almost three years in office?

1325 Mr Speaker, I must say is it not ironic that Government Ministers, still in the Opposition mode style of politics, should choose to rubbish the Opposition's new policies in the budget speeches to score cheap political points? As if they do not have enough on their own plate to deliver their over-ambitious manifesto, they desperately and nervously have concerned themselves over our new policies.

1330 Does not the Government realise that there is always room for improvement in housing, in education, in democracy, and indeed in all policies, however good we deem the system to be at the time? It is about striving for excellence and evolving policies – something the Governing parties perhaps do not recognise as they spent 16 years in opposition stagnating, visionless, without evolving their own policies, just waiting some day hopefully for their turn to govern. *(Banging on desks and interjection)*

1335 In stark contrast, Mr Speaker, in just two and a half years in opposition we have already revisited our policies, consulted with stakeholders and in a process of discussion we are proud to offer the improvements and enhancements we and the many organisations and individuals with whom we have consulted have together developed in the pursuit of excellence. Our vision and the statement announcing it is being mischievously and quite dishonestly misinterpreted for their own political gain. *(Interjections)*

1340 Mr Speaker, it is tradition that in closing Members of Parliament offer thanks, and I wish to offer a particular thanks to the staff here in this House, at the personal level, for their continued patience whenever I turn up and ask for sometimes what is quite trivial but time-taking matters.

1345 I must single out yourself, Mr Speaker, for your patience in when I seek a few moments of your time. I remember those days back in the late 1960s and early 1970s, when you were my Deputy Head teacher and I was perhaps a rather outspoken or mischievous little long-haired teenager, but you always treated me with the greatest of respect. Now that we have both matured in years, your respect is still there and you make me feel so much as your equal when I am in this Chamber that I will forever be grateful for that, Mr Speaker.

Mr Speaker, your advice has always been sound and, although even if at times we have not agreed, I see your ulterior motives when you have to rule upon certain matters here in this House. However, sometimes



the demands on the Speaker are not just from what is being said across the floor, but sometimes, and I beg forgiveness if I have also sinned into that we are tempted to tweet and therefore are not being entirely honest or fair with our Members.

If I have been boring today, Mr Speaker, in the way I delivered my speech, I seek forgiveness and I will accept criticism across the floor. But let us put our face behind our comments and please let us be clear whether it is the individual who is boring or the Opposition's policies that are boring, and then we can take it up in a true democratic, parliamentary manner.

Likewise, Mr Speaker, I do not wish to return back to those school days where you had to sometimes control us in little petty things and trying to keep like a football score, where there is two QCs or one QC or whether we have two school teachers on this side and only one on the other, and Mr Speaker, having to act as a school teacher refereeing in the middle, let us hope, Mr Speaker, that we all learn from the past and that we can work together for the good of democracy in the future.

Thank you, Mr Speaker. *(Banging on desks)*

**Hon. Chief Minister:** Mr Speaker, after another very boring speech *(Laughter)* from the Opposition, can I invite the House to recess for a few minutes to then hear what I am sure will not be a boring intervention from the hon. the backbencher, who has never said anything boring in this House in all the time that I have been here.

So I would invite the House to recess until 10 to 12.

**Mr Speaker:** The House will now have a 10-minute recess.

*The House recessed at 11.40 a.m. and resumed its sitting at 11.51 a.m.*

**Appropriation Bill 2014 –  
For Second Reading –  
Debate continued**

**Mr Speaker:** The Hon. Sir Peter Caruana.

**Hon. Sir P R Caruana:** Thank you, Mr Speaker.

This is the second occasion on which I rise from my remote and lonely spot in the back benches of this House to make a backbench contribution to this Budget debate.

Mr Speaker, as the House knows, I do not have responsibility for any of the matters that have been discussed today and so with the House's indulgence, I will just limit myself to a comment on some of the issues that I have heard, which I think I would like my views recorded in *Hansard* about.

Mr Speaker, there cannot be any doubt that there are now more Question Times in Parliament and there cannot be any doubt that the House meets with more monthly regularity, and the Hon. the Chief Minister knows that I have been willing and never churlish in my recognition of the good changes that they have introduced into the parliamentary workings of this House, which on balance I think have been constructive and enhanced parliamentary activity. But, of course, Mr Speaker, the *quality* of parliamentary endeavour is not just a quantum matter; it is also a qualitative matter.

The fact that we are meeting more frequently may, but necessarily does not mean that the Opposition is better able to do its job, is better informed and the Government is more forthcoming with information. In that respect I would venture to suggest that despite all the great improvements that they have made to the procedures of this place and to the way we carry on about our business, there is one area in which I think they still lag behind the position as it used to be before and that is that I believe that the GSD Government were more genuinely forthcoming with information about Government business and also about Government companies than the hon. Members have hitherto been.

I am always amused when the hon. Members make the point that this terrible undemocratic, uncommitted to democracy previous Chief Minister in 16 years... the House only met twice a year. I think actually it met twice a year *once* in an election year. The amusing part about the reference, Mr Speaker, is this, that of course however bad they think my record was about a system that of course fully complied with the constitution that we had, our record was better than the GSLP's when it was last in Government. Of course thereby implicitly being very critical with the approach to parliamentary democracy of the now Minister for Employment, the then Chief Minister, the Hon. Joe Bossano, whom they extoll and eulogise in every other respect, but nevertheless inadvertently criticise him for that as a necessary consequence of the implicit criticism of us.

Mr Speaker, I think parliamentary democracy moves forward. The way the House works moves forward. I recognise the hon. Members have taken steps forward. I do not accept the inherent criticism of the way it used to work before and that does not impede me from recognising that in many, many respects it works better now.

If I could, just for the record, record that when the Hon. Mr Isola uses as one of the instances of hypocrisy the fact that we now call for a public accounts committee whilst not having set one up, if one was not set up it was not because we did not try or offer it, but the then Leader of the Opposition – again the Hon. Joe Bossano – was not in favour of doing so and the Government, all of whose Members are Ministers on the front bench, cannot by itself populate a public accounts committee. It is a nonsense. So unless the Opposition is willing to co-operate with it, there cannot be one and that is exactly what happened.

Mr Speaker, I think that subject to sight of the way the figures have been built up and on the assumption that they have been built up and calculated in the same way and using the same methods and using the same data input as they have always been, the continuing growth in GDP is very pleasing indeed, and indeed as is very pleasing the fact that Government finances appear to be holding out, keeping up and indeed increasing as they are, and the hon. Member has been able to announce the surplus that he has done, albeit subject to the points that have been made by my hon. Friend the Leader of the Opposition in relation to items of expenditure that are no longer reflected there.

Mr Speaker, I could not help thinking when I was hearing the Chief Minister say that we have taken our nation's economy to a quantum leap of growth, that he might more generously have acknowledged that the fact that just two years into his mandate he is able to announce continuing economic growth on that scale, continuing Government finance increases on that scale and continuing budget increases on that scale. It cannot be, *cannot be* in his view the product of what he has been able to do in the last two years which could not possibly have had the necessary economic effect to be reflected on that scale in these macro-economic indicators, and that the legacy that the GSD left him is reflected, not in his distorted debate about the level of public debt, which as far as I was concerned was the election issue and that is it... you know, he won the election. That is not the legacy that the GSD left him. The legacy that the GSD left him is not the so-called black hole about which, if he does not mind, I will say a bit more in a moment. The economic legacy that the GSD left him is a state of public finances, a state of the economy that has allowed him to announce and to continue to announce healthy and increasing Government surpluses every minute that he has been in office, starting from 12th December 2011. (*Banging on desks*) That is the legacy that he inherited from us and clearly there has been progress in that legacy on their watch.

It is very pleasing frankly to see the growth that there has been at a time when there has been uncertainty surrounding that industry in Gibraltar – for example, in the level of employment in the online gaming industry. That is obviously contributing a significant amount to the Government's tax take as are other things, such as the 2010 Income Tax Act, which has now brought many more companies into the tax net. That is now bedding down and hopefully will continue to increase and to provide more and more corporation tax revenue, as indeed is contributing to the increase in personal taxation from self-employed people, the changes that we introduced into the law to require self-employed people to bring them closer to PAYE payers and make them pay on account ahead of the financial year and not lag and often defer personal tax liabilities.

So it is really no difficulty frankly and ought to be no difficulty and is no difficulty from the Opposition benches to note with pleasure and satisfaction that despite the threats and challenges it has faced, the economy of Gibraltar continues to prosper and the Government finances continue to hold well, and we shall, I suspect, continue to disagree as to whether that is the GSD's legacy that he has inherited or there is some other articulation of it that he prefers.

When talking about the black hole, Mr Speaker, let us be clear. The 'black hole', as he calls it, arises from expenditure incurred by Government companies on building housing estates, on building all the various projects that the GSD built through Government companies. Of course, if by the black hole he tries to give people the impression that there was an unpaid liability of £100 million that he has had to make good in terms of putting his hands in his pocket and paying people £100 million that the Government had left unpaid, which I suspect, whether he intends it or not is the impression that most laymen get when they hear the expression '£100 million black hole'. That is simply not the case. How does he imagine that the Government was able to get £100 million worth of public projects done without paying the contractors... without buying the goods and the materials?

So all of that, all of the expenditure that is reflected in what he calls the '£100 million hole' was paid and funded by the Government and went to reduce the Government's reserves and therefore to increase the net public debt, that he may have found a bookkeeping situation in which the accounting relationship between the Government as *lender* to those companies of the £100 million and therefore that the Government was *owed* £100 million by those companies, and that he has had to do the necessary to reflect that in the estimates of the Government and in the Government's accounting, is probably entirely true. I do not vouch for the figure of £100 million, but there is bound to have been a very substantial figure under that

heading, but that is not fairly described to people, who would not otherwise understand what he means, as a £100 million hole in public finances, which as I say most people would wrongly understand that there was £100 million of unfunded expenditure which was not reflected in the Government's expenditure figures.

1465 So, Mr Speaker when he uses the figure... usable cash reserves, this is not a particularly normal – of course, if the Government has usable cash reserves it means that there is – and this is what he means when he says that there was no money in the kitty... When the Government spends money it either uses its cash reserves, being money that it has in excess of what it owes or it borrows money, at which point it becomes cash reserve, and then uses it. But in both cases it increases the net public debt, because whether you bring  
1470 in more money and spend it by borrowing it and spending it, or whether you use the cash reserve that you have got, both increase the net public debt, because the net public debt is the formula between gross borrowings and the cash that you have. So if you spend the cash, you increase that public debt. If you increase the gross debt and spend the cash, but not if you do not spend the cash, then you also increase the net public debt.

1475 This is why I used to argue with him, obviously not as persuasively at election time as he argued it, as he argued the contrary, this is why I used to argue that the only economically meaningful debate about debt had to be around net public debt, because gross public debt, disregarding the amount that you had in the kitty, was irreverent. The real measure of *uncovered* financial exposure by the Government is the net public debt, that is to say the difference between the total lump sum that it owes and the cash that it has sitting in  
1480 its piggy bank – the cash reserve – and the difference between the two is what the Government owes that it does not have money to cover and that is the net public debt. I kept on trying to urge him that the net public debt was what he should be arguing about and that that was very healthy, and that I would be willing to increase it. If it required a change of legislation because the next year's revenues were not enough to help me fund my own manifesto commitments had we been elected, we would have done it, because the net  
1485 public debt as a proportion of GDP is within every known bound of prudential limit.

Of course, having driven me from office on this basis, for all intents and purposes, and having on the basis that he would not increase net public debt and that he would fund his programme by some other means, which we said was impossible, and remains impossible, it transpires that what they have done is not because what we have said was impossible they have made possible, it is because they have done what they  
1490 said in the election campaign they would not do, which is to increase the net public debt. (**Several Members:** Hear, hear.) (*Banging on desks*) So they have done what they told me in the election campaign I was irresponsible for saying that I would do and they have done what they told me in the election campaign (**Several Members:** Hear, hear.) they would not do.

On that basis it is possible, of course it is possible what they have done is adopted the GSD's policy of  
1495 how to fund a manifesto commitment, whilst staying within prudential bounds and legal bounds, because he has been fortunate in that I would have been willing, whilst keeping within economically prudent guidelines, to have changed the law to increase the debt ceiling, the debt limit, which I acknowledge would have been necessary, unless I had had found a situation which he has found in, which is a huge increase in Government revenues, which has made it unnecessary to change the law in order to increase net public  
1500 debt; but net public debt has been increased. The sum of money that the Government owes today is higher than it was when he arrived in office. He has increased net public debt and as far as I can recall that was almost the entirety of the economic debate between us at the time of the election.

And but for pointing out the fact that this is in my view an entirely reasonable and objective, even though self-serving comment about what has happened since the election campaign in relation to what was  
1505 said during the election campaign, let us be clear. I think the levels of net public debt remain, even increased as they have been, well within the levels that are prudent in macro-economic terms by any European standards. So I am not saying any of this to criticise the level of public debt. They are at the level, or perhaps lower for all I know, than they would have been had we been in office, but that was not the nature of the debate that we had at election time.

1510 Mr Speaker, I am glad that the Government is able to keep expenditure growing at less than revenue. I am not quite sure why the hon. Member... well, I was not sure until he said so himself later, eventually, why he was going into all the comparisons of GSD expenditure. I used to make it a virtue in my Budget speeches of saying that the wealth that the Government was creating... the wealth that the GSD government created had to be distributed and that there were four ways of distributing it. One was to cut income taxes  
1515 for everybody, which we did *every year* that we were in office. The other was to build capital infrastructure for Gibraltar, which we did. And the third way was to improve public services, which I think we did. The last two require public expenditure and it was our objective to keep public expenditure growth less than public revenue growth. So our object was always that revenue increases would be bigger than expenditure increases, but we did not achieve it on more than half the times. I think in our 15 years, about half the  
1520 number of years we managed to keep revenue growing faster than expenditure and in the other half we did not, and expenditure grew faster than revenue, but the net overall result was that overall revenue grew over the 15 years that we were in office by £257.6 million and that overall expenditure grew by £249 million,

that is to say by £8 million less. A very... Yes, the Hon. the Minister for the Employment is not the only one with *puntería* in his balancing of figures long term and it did not happen by accident. It did not happen by accident (*Interjection*) It happened because there was a policy objective that it should be so, which whilst it did not succeed every year, nevertheless the fact that it was a policy objective meant that the result would always be there or thereabouts, as indeed they were.

Now, Mr Speaker, I do have to, for the sake of the accuracy of *Hansard*... I do not want to get into all this business about the frame, in what terms we should frame our debates. I think everybody knows that parliamentary debates follow a certain political and partisan course, and it is almost now expected of us. But I think it is important that *Hansard* should reflect the correct position, which is not the one that the Chief Minister described, in respect of GSD expenditure growth, even though I acknowledge that he was not being particularly critical or intending to be critical. He was just trying to make good a point, which I think is not good, that 90% of the growth that there has been post-election in recurrent expenditure is down to spending commitments incurred by the GSD Government.

But you see, Mr Speaker, when he was quoting figures and wanting to make them sound as not scandalous, but as impressive as possible to underline the point that he was seeking to make, I have to tell him that he made a very considerable error. He started by telling us that expenditure in the first Budget that had been designed by the GSLP Government in 1988-89 was £71 million, and he said and when the last Budget that the GSLP designed in 1996 – yes, it would have been... the elections were in May and the Budget would have been more or less designed 1995-96 – he said was £73.2 million. Well, Mr Speaker, he cannot possibly believe... and then he said and then immediately revenue... and then he started with 2001-02 at £126 million. Well, Mr Speaker, he could have done better than that. He could have started almost in the first Budget that we designed, which was the next one.

He has made two critical errors. The first is to look at the figure only for Consolidated Fund, which is not... The figure of £71 million and £73.2 million is Consolidated Fund expenditure and that led him to the second mistake, which is that he appears to have forgotten that one of the great political issues of the day was precisely the fact that the then GSLP Government was channelling *huge* percentages of recurrent public expenditure through places other than the Consolidated Fund and that they were not reflected in the Consolidated Fund; and that much of what he has subsequently gone to include in his calculations, completely wrong, of 400% increases in public expenditure is no more than the consequences of – because he is looking at the Consolidated Fund – no more than the consequences of us moving expenditure which was taking place already under the GSLP Government, bringing it back into the Government, bringing it back into the Consolidated Fund, where of course it suddenly appeared, but it did not represent increase in expenditure.

**Chief Minister (Hon. F R Picardo):** That is why I have calculated from £110 million.

**Hon. Sir P R Caruana:** We will come back to that in a moment.

It did not represent increase in public expenditure. Mr Speaker, the figures, if he wants them, and as I would want to put in *Hansard*, each of these figures has been given by me annually in a Budget, but I am reading from Table 1 in the Budget brief that I used to get at Budget time from the Financial Secretary, which I am sure he still... well, I hope he still gets one to the same very high standard.

**Hon. Chief Minister:** I have it here.

**Hon. Sir P R Caruana:** Mr Speaker, the actual growth in recurrent expenditure in 1997-98 over 1996-97 was 3%, and I can give the figures. It increased from £123.2 million to £126.9 million, an increase of 3%.

The following year 1998-99, it had increased from £126.9 million to £132.4 million, an increase of 4.3%. The following year from £132.4 million – if he likes I can leave out the points, just for the purposes of illustration – it had increased from £132 million to £141 million, an increase of 7%, and the year after that from £141 million to £155 million, an increase of 9.7%.

By 2001-02 it had increased from £155 million to £170 million, an increase of 9.5%, and the following year from £170 million to £178.9 million, an increase of 5.1%. The following year to £201.6 million, an increase of 12.7%, the year after that from £201.6 million to £208.6 million, an increase of 3.5%, and the year after that from £208.6 million to £223.3 million, an increase of 7%.

In 2006-07, from £223.3 million to £234 million, an increase of 4.8%, and then to £265.7 million, an increase of 13.5%, and then to £286.5 million, an increase of 7.8%, and then to £304 million, an increase of 6.4%, and to £353.7, an increase of 16%.

Then regrettably for the year 2011-12 in this table of overall revenue, I only have the estimate, which I am sure is not what the figure came in at, (*Interjection*) but in the estimate I have got it here at

£372 million, which I have calculated which is 5.2%, but I am sure that that is not the figure that was in the outturn. (**Hon. Chief Minister:** £421 million.) I am obliged to the hon. Member.

1585 Mr Speaker, up to and including the forecast outturn to the year 31st March 2011, which I acknowledge is six months short of the Election date, the overall increase in expenditure was in gross terms 202.1% in 15 financial years net of inflation, which would be economically the more interesting figure because the Government expenditure does not increase by the rate of inflation; it is falling and public services are not being maintained. Adjusted for inflation the real growth in recurrent expenditure over the 15 years, *net* of  
1590 inflation, was £112.9 million. Again, always subject to the fact that my figure is really only accurate up to the end of the year 2010-11, and I have not been able to work in the last six months or the effect of the last six months or nine months of our last term.

So those are the figures. I would be delighted if the hon. Member would update this and table it in the House so that it lies in the *Hansard* if he does not think that my quotation from them has been accurate. I  
1595 am perfectly happy that this is the GSD's record in increase in overall... but it has got to be *overall* expenditure and *overall* revenue. The debate cannot be limited to the Consolidated Fund expenditure and the Consolidated Fund revenue, because that would not be a meaningful measure of what the Government has spent, nor would it be a meaningful measure of what the Government has collected if the debate is not at the overall level.

1600 So, Mr Speaker, there has not been a 400% increase, and the annual average is not 18%, which subject to him correcting me now is a note that I had taken of what he has said. I do not know if those figures are correct. I had heard him say...

Yes, I am happy to.

1605 **Hon. Chief Minister:** I do not want to interrupt him. I will reply in the debate.

The figure that I gave was 18% average growth per year, not working from the figure of £73 million, but working from the figure of £110 million, which I gave them credit for in their Budget because of their argument of *hidden* expenditures. The £110 million, which is the first Budget they designed, of Consolidated Fund expenditure, which is where the debate is between me and the Leader of the Opposition,  
1610 the £110 million to £421 million which was the forecast outturn for the end of the 2011-12 year, that works out to the 18% that I gave the House.

But I will reply... that is just the figure. I will reply in my reply.

**Hon. Sir P R Caruana:** But even with what he has just said, he cannot... the starting point for his  
1615 figure as comparator cannot be a Consolidated Fund figure, but the last figure that he is going to deduct it from to work out the percentage increase is the overall expenditure figure, and that is not comparing the same thing. That is comparing the increase between expenditure channelled through the Consolidated Fund and the *total*... and at the other end comparing it to the *overall* expenditure, including public expenditure, other than through the Consolidated Fund. Mr Speaker, he cannot do that. The figures speak for themselves.  
1620 We have all got the same sheet of paper. We are only missing...

If he has got this sheet of paper in front of him, which he should have, he only has one more relevant column in it at the end than I do. These are the figures and the percentages are worked out and stated there. I have not calculated anything. I have read straight from the brief to the Chief Minister, which is the last one that I received, overall revenue and expenditure over the last 15 years. So this is not an issue about  
1625 which we need to argue, in terms of who said what. Let us just table in the House the updated version of this page. Then the figures will speak for themselves and it will not be necessary for either of us to quote any figure or to argue with each other about what are the best comparators for them.

Mr Speaker, I congratulate the hon. Member on the composition of the Board of the Gibraltar Investment Bank. Clearly, there has been a careful balance – two lawyers and two accountants. I am sure quite a lot of juxtaposition and careful negotiation has gone into the choice of the directors, but the hon. Members know, because it was something that I would like to have done and did some exploratory work and the case for it has become stronger since Barclays Bank announced its departure from Gibraltar, I am a supporter of the establishment of a bank of this sort provided that it operates with that degree of arm's  
1635 length independence from the Government, which will make its risk decisions, its interest rate products decisions, its lending decisions, its investment decisions at arm's length from the Government, and that the Government is not effectively to subsidise a loss-making bank, and that it should be loss making because it is in effect making politically-driven unprofitable uncommercial decisions.

Subject to that caveat, I think that the establishment of a bank of this sort is a good thing and I congratulate the hon. Member for doing it. I think that the Board, and the kind of person that he has  
1640 mentioned, gives a fair degree of comfort that the condition that I had attached *may* be satisfied, hopefully will be satisfied, and that it will continue to operate in that way, and that being so, I think this would be a very good contribution.

Mr Speaker, the Hon. the Chief Minister during his speech, as indeed he has done in this magnificent publicly funded four-page advertisement in the *Chronicle* – of course, there is no element of public funding of party political propaganda in this; I am sure there is not, of the sort that... No, absolutely – (*Interjection*) No, that's...absolutely. It is a wonderful advertisement I am sure he will reap all the benefit, yes, yes. (*Interjection*) No, I am not being cynical here. I am not being cynical, Mr Speaker.

But as he said here as well Savings Bank reserve up from £2 million... from £20 million from £144,000, and this was the (**Hon. Chief Minister:** £1,444...) Yes, £1,440, and this was the statistic that he said that his calculator had difficulty in calculating the percentage increase because he did not have enough zeros, and he described this as a phenomenal reversal of the fortunes of the Gibraltar Savings Bank.

Well, I have to tell the House, Mr Speaker, that I think it is nothing of the kind. Mr Speaker, a bank only needs reserves against the risk of capital losses. The purpose that the reserves of a bank serve is as a pot from which to pay depositors their money should the investments of the bank go bad and the bank should suffer capital losses. That is why banks have reserves, and indeed that is why our previous Savings Bank legislation, the one that we changed, said that the bank had to have a reserve. What happened was that we changed the law so that the bank, the Gibraltar Savings Bank, could not make investments, which exposed its capital to losses. Having changed the law so that the Savings Bank could not invest depositors' money in a way that exposed those moneys to capital losses, there was no longer a need for reserves. We had removed the need and the justification for reserves.

The fact that there is now a reserve again is not by virtue of a phenomenal reversal of the fortunes of the Savings Bank, but rather by virtue of the fact and to reflect the fact that once again he has changed the law to once again expose the capital of depositors in the Savings Bank to losses, albeit subject to the Government guarantee, of course, of depositors' money in the Savings Bank, and that he has changed the law not just to allow the sort of investments that could always have been made that expose it to capital losses, he has changed the law, as he knows, because it became controversial in the context of the CFC company, considerably to allow effectively what has happened and that is for half, or almost half or about half of the Savings Bank's deposit money to be invested in the shares of just one company called CFC Limited and the rest is the subject of well-known political debate about what the Government can, or might, or has or has not done, and whether there is a good, bad or indifferent investment, whether it will be profitable or whether they will not be profitable, that is a separate debate. I suspect that some of them will be profitable and others may be less profitable.

But I only make the point in the context of the point about the reserve, which is that it is now prudent to have a reserve again because the Savings Bank is once again statutorily free, which we made statutorily unfree, to invest the money in a way that exposed it to losses and therefore the need for the reserves which we had moved and therefore took the reserve into Government. It was the Government's money. The reserve when it existed –because it needed to be there because the law required it to be there because the Bank's capital was at risk – was never depositors' money. It was always Government's money and therefore when the need for the reserve disappeared, the Government took its money out. Now, the hon. Member is putting it back – good for him – because he has changed the law again to allow the Savings Bank to do things for which there is a need to have a reserve. I would not describe that as a *phenomenal* reversal of the fortunes of the Savings Bank.

Mr Speaker, talking of the Savings Bank, I wonder whether – either in his reply or notwithstanding that, it is revenue and not an expenditure item, perhaps in the Committee Stage, it does not matter –whether the hon. Member would be good enough to just explain to us the breakdown of the figure of £32 million estimate for this coming year, about £28.6 million outturn of the interest on investments. He will find this, as you know, at Appendix L, page 194 of the Budget Book. The interest of... and I am obliged to him. The interest on investments forecast outturn for this year just ended stands at £28.6 million at a time when the Savings Bank had a total of £815 million on deposit, £290 million of which was Government-owned on-call moneys, and £527 million of which was deposits. So it was on-call, investment accounts, ordinary accounts, bonds, debentures issued to savings...

So the Government had...this is not the Government. Yes, the Savings Bank had to invest, so to speak, £815 million of cash, which we know it placed about half – do not hold me to the exact per cent –about half in the purchase of preference shares in CFC and the other half, I suppose, remains invested as it has always been invested in the Savings Bank in this or that cash or near cash, short-term notes of some kind or another. But it is really difficult for me to comprehend how that sum of money could produce a revenue of £28.6 million, given that interest rates that the Savings Bank... that any of us can get on our money are not much more than 1%. They are probably less than 1%. So I assume that what that means is that much of that £28.6 million has actually come back to the Savings Bank from the CFC as dividend on its preferential shares.

Yes, if he wants to –

**Hon. Chief Minister:** In case it assists him, Mr Speaker, just before I do my reply this afternoon, if he wants to check it, there was an answer to a question – I understand this is now on the website – which the Leader of the Opposition asked about what amounts Credit Finance Company limited received as dividend from the redeemable preference shares in the last Question Time, and he may see that number. So it will help him in his analysis, but I will reply in detail with the £32 million.

**Hon. Sir P R Caruana:** Yes, I am aware of that dividends received by the Savings Bank, not by... CFC would be the payer of the dividend. Yes, it is just he spoke inadvertently. (*Interjection*)

Mr Speaker, really what I was interested in is whether the hon. Member could explain how that money represents distributable profit of CFC, because otherwise, and I am not saying it is the case, but unless CFC has made £28.6 million of distributable profit... and he knows that the phrase ‘distributable profit’ means something in law. It does not mean just money available to the company, it means from distributable reserves – in other words accumulated income profit – the only other way that CFC could fund that degree of dividend, which is much higher than the going rate in the markets, is that it should be using *capital* to make dividend payments, which of course would be wholly wrong and I am not saying is the case. But those are the two alternatives and I would just like to understand, if the hon. Member is willing to provide me with the information, of how that figure of £28.6 million relates to the profitability, which is the only thing from which dividends could be paid, from the profitability of CFC, so that I can continue to assume, as I do now, that it is not to any degree funded by unreal unmade profit, or worse still, capital. In other words that the Government is just not... that CFC is not just paying back under the guise of a dividend part of the money that the GSB invested in the purchase of the shares in the first place as that would simply be recycling capital and pretending that it is dividend. I am *not* assuming that that is what has happened, but I would welcome an analysis if he is able to and willing to, so that that can be transparent and visibly not so.

Mr Speaker, the hon. Member pointed out to me gently, but nevertheless suggesting that I was wrong when I had said that the pension commutation business that CFC is now in, that the consequence of that was not to flatter – (*Interjection*) That that did not flatter the Consolidated Fund expended –

**Hon. Chief Minister:** I accept that –

**Hon. Sir P R Caruana:** That it did or it did not? (**Hon. Chief Minister:** Yes.) Oh, so. I understood him to say that he had not flattered –

**Hon. Chief Minister:** No, what I said was that the hon. Gentleman’s analysis was right and that he had expressed it very eloquently – that there is an element of *flattery* in the accounts. (*Interjection*) But the only point I made, if I can help him, is that the flattery is not the full amount of the commutation – (*Interjection*) it is the difference between... exactly, those are the issues.

**Hon. Sir Peter Caruana:** Because I was just going to ask him... when my understanding is that he had said the opposite when he was on his feet yesterday, I was just going to ask him whether I was wrong because I could only be wrong if he had said what he did not say if the Government was itself paying the gratuity to CFC. That is not the case, so therefore they are flattered –

**Hon. Chief Minister:** It is paying the pension.

**Hon. Sir P R Caruana:** Exactly. So they are flattered – (*Interjection*) So the Consolidated Fund expenditure is flattered basically to the tune of the gratuity that would have been paid in a lump sum on the day of retirement to the civil servant, which is no longer being paid for out of the Consolidated Fund –

**Hon. Chief Minister:** But not to the total amount –

**Hon. Sir P R Caruana:** But not to the total amount of the pension, because it continues to be paid, albeit to CFC... the balance. I understand that.

**Hon. Chief Minister:** Such a substantial amount –

**Hon. Sir P R Caruana:** Mr Speaker, the Hon. Member –

**Hon. Chief Minister:** It is 25%.

**Hon. Sir P R Caruana:** Yes, it was 25% of civil servants’ pensions.

Mr Speaker, the Hon. the Chief Minister also spoke about webs of companies and whether we had contributed to, subtracted from, imitated, kept all the GSLP's company, and I cannot resist the temptation just to point out, for the sake of the record, that he focuses on the wrong word. When we spoke back then about a web of impenetrable companies, the emphasis was not on 'companies', the emphasis was on impenetrable 'web'.

There is nothing wrong with the Government having companies – nothing wrong at all. What was objectionable is that they were a web *vide* the picture, the chart in our 1996 manifesto, which graphically illustrates the extent of convoluted inter-relationship of one company almost 'unfollowable' and that it was impenetrable because the Government would not answer questions in this House about it.

We have more companies perhaps. I have not counted them, but if he says we have more, I have no difficulty accepting that from him; but they are not impenetrable and they were not a web, because one of the differences which I am still hoping the hon. Members, pursuant to their policy on which they have made some strides to improve the quality of parliamentary life here, the one area I referred earlier to one or two areas in which they were still worse than we were or not as good as we were, was precisely in this area.

I made it clear that under a GSD Government, the GSD Ministers would account for and answer questions in this House for Government agencies and Government companies for which they were ministerially responsible as if they were Government Departments. It is true that when the hon. Members used to ask us, 'What is the state of this negotiation? What is the state of that tender? What is the state of that negotiation?' we used to say, 'Not yet, because it could prejudice the commercial negotiation'. That is true whether it is a company or whether it is the Government, but this the GSD Government did not decline to account in this House for the financial transactions of its companies in the same way as it did for the financial transactions of the Consolidated Fund itself, and the big difference is that they take the opposite view. *(Interjections)* Yes, and they do the opposite.

So, yes, we have more companies I accept, but they are not... whatever they asked, Mr Speaker. Whatever they asked about... I am talking about Question Time. *(Interjections)*

No, Mr Speaker, the hon. Members... I cannot answer his question here and now. *(Interjections)* No, Mr Speaker, but that is not because there is not an answer to it. It is just because I am not ready for it. It is a question of which I have had no notice. I mean, with notice of the question – *(Interjections)* Yes, the hon. Member knows that *Hansard* is replete with references to answers, such as, 'I am not accountable in this House for that'. **(Hon. N F Costa: Never!)** Never... I am not talking about you. I do not know why the Hon. Mr Costa points the finger unless he is –

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

**Hon. Sir P R Caruana:** Unless the hon. Member is speaking for the whole Government, I am not interested. It suffices that one does it.

Mr Speaker, all I say is that it would be another step forward. It would be another step forward in what the hon. Members have already done in their parliamentary... if they were to adopt a willingness to treat companies as an act of business convenience by the Government, rather than as a means of defraying, delaying or denying in the worst of cases, accountability and explanation to this House for the conduct of the business of those companies, which I am sure are all doing Government projects and this or that, but which if they were being done through the Consolidated Fund, we could ask questions of the Opposition, either we or you, whoever is in opposition can ask questions. If they are done through a company the Opposition cannot ask questions unless there is a policy such as the one that we adopt.

If the hon. Members say that I am mistaken and that contrary to what I have said it is their policy and their position that they will answer questions about Government-owned companies, their business and their finance, subject to commercial and sensitive... while during negotiation as if and to the same extent as if it was the Ministerial Departmental responsibility of the Minister, which is what I used to say to my Ministers they must do, then I withdraw what I have said and I applaud that that should be the case because that would restore the position to what I presently believe it is not and if the position is different to what I believe it to be, the hon. Member will not find me ungenerous in acknowledging that it is not the case. But frankly, I do not think that is the position, but if it is and in his reply, in addition to criticising me for having said it, he will assert that that is the position, then that would be very, very pleasing and very satisfactory and very satisfying too. You see the difference between an Opposition spokesman and a backbencher. *(Laughter)*

Mr Speaker, I accept the Hon. the Chief Minister's invitation as a past Chief Minister to serve on his Consultation Committee or Council. I think it is a useful piece of architecture and as he knows from the number of occasions on which we have spoken, I regard it as part of my responsibilities to this community as an ex-Chief Minister to assist him, in terms of transfer of information, transfer of knowledge, transfer of experience and assisting, as I am sure he will do in favour of his successor, because over and above party politics, we all have the same interests that no-one, *no-one* in any country should think that they can score



1825 goals past the Gibraltar Government because there is a new man in No. 6, and this assists in creating architecture that I think is a jolly good idea and I have no hesitation in accepting.

1830 As I congratulate them also on having on their watch defended successfully in the tunnel litigation, the careful and considered and well-advised decisions that my Government made, and particularly me in relation to the termination of the then tunnel contract, it was a big decision, but one carefully taken on advice at every step, and I think the results that they have been able to achieve in the litigation, I think shows that and sends a signal to contractors that think that they can win tenders cheaply and then apply improper pressure or inappropriate pressure to secure a renegotiation, which is just, apart from anything else, it renders the tender process undermines the integrity of the tender process. It sends a strong signal to future tenderers that the Government of Gibraltar is not going for that and has deep enough pockets to resist, finding itself... and bear in mind that the hon. Members will not give me credit for it, but we did this

1835 knowing – because it involved many, many, many tens of millions of additional pounds for the Gibraltar Government – knowing that it would prevent us from making any meaningful start in an electorally sensitive project in the run-up to an election. I do not know whether that was a circumstance that the contractor thought he might be able to exploit, but certainly I would expect any Gibraltar Government to frankly have done the same.

1840 Mr Speaker, the hon. Member said, and I would agree with him, that it is a salutary objective that he has as an objective making tobacco revenue surplus to Government's fiscal needs. Well, I think that that is true, although I do not think we should be shy in Gibraltar. I do not know to what extent there is agreement or disagreement across the floor of this House on this, but I am not one of those who thinks that the mere existence of a market for the supply in Gibraltar of tobacco is any more illegitimate than the fact that there

1845 are products in Spain that are cheaper and where Gibraltarians go to Spain to buy there. It is true that the tobacco trade has aspects to it which are unsalutary, which damage Gibraltar's reputation and make our international critics' job easier.

And therefore, I note that the hon. Member is committed to tackling some of those dimensions, but in wanting to make the Government's fiscal position not... making it irrelevant – I want to choose my words carefully – making tobacco surplus to Government's fiscal needs, we should not, in my opinion, be consciously acknowledging that a properly controlled – non-illegally operated, both in Spain and in Gibraltar if they want – tobacco trade is a legitimate source of business for Gibraltar, which does not mean that it is not a good thing, and that however legitimate it might be, it is not sensible for the Gibraltar Government not to want its fiscal position to become dependent on any one source of revenue, and

1855 tobacco... I used to curtail the growth of the on-line gaming industry, because I did not want Government's fiscal revenue to become dependent on that. I used to discourage more gaming licensees, because I did not want employment prospects in Gibraltar to become dependent on the on-line gaming industry. Diversification is a good thing and I think the hon. Member does well to take steps in the direction that he has mentioned without becoming apologetic for the existence of a properly regulated tobacco business and

1860 without feeling that there is a need to eliminate it all together. I will say a little bit more about this if the House will bear with me just for...

I am not quite sure that I agree that it is necessarily a sensible thing simply to put a freeze on new licences, because all this does is attach a huge premium value to the existing ones, without imposing some sort of restriction on the transfer of those licences. I know that there is a Bill on the Order Paper, or has it

1865 been passed already, about restricting transfers of licences when people have been convicted of offences and things of that sort, which of course does not deal with this point. I think that there may be other ways of being able to achieve this objective, which does not simply reward the existing holders of licences by giving them what will become a very, very, very valuable piece of paper, if the position is that the Government will give no more.

1870 Mr Speaker, I am gratified to hear from the Deputy Chief Minister, the Hon. Dr Garcia, that the Government is firm in its commitment to fight. He did not say it, but I understand and accept, given that I have been on that side, to the best of their abilities given that the outcome is not in their hands... the exclusion of Gibraltar from further civil aviation... I think this is shocking. (*Interjection*) I think it is shocking, not so much now that the United Kingdom does not do something more proactive, but indeed that

1875 the other European Union Member States and the European Commission that has stood idly by and watched a small community of 30,000 people invest a very significant sum of money in building a new air terminal, precisely to obtain the benefit of this, and then thinks nothing of allowing Spain to renege on those commitments. I think, personally, I think it is one of the most shocking examples (*Banging on desks*) of lack of morality in the highest places in the European Union and I think... I do not know what we can do

1880 about it but whether perhaps... I do not know whether this fact that I have just said is commonly known amongst those people. Perhaps the Hon. Chief Minister might consider writing to EU member countries, members in Coreper or the Committee that deals with these exclusions to point out the fact that we have honoured our part of the commitment and showing pictures and give them another opportunity to say that it

was too big and too expensive; but we did all this and that the least that the European Commission can do is not be quite so accommodating of Spain's willingness to just not honour its obligation.

Mr Speaker, the Hon. the Chief Minister – and I am going to rush through the last couple of points now – the Hon. the Chief Minister has launched a debate on whether it is still in Gibraltar's interests to remain in the common Customs Union or whether there is a case to be made for a change of that status, and I think has sensibly committed himself to a full consultation on that. Mr Speaker, I do not want to bore the House with legal details, but very often this is thought of as just being VAT. Of course VAT is not the measure from which we are excluded. The fact that there is not VAT in Gibraltar is one of various consequences of the fact that Gibraltar is *not* part of the EU for the purposes of single market in goods. Members will know that the European Union is built on four freedoms: the freedom of movement of goods, of services, of capital and of people. And that we are part of the European Union. In other words, all the treaty provisions relating to freedom of movement of services, of people and of capital apply to Gibraltar, but the freedom of movement of goods does not.

Because we are not part of the single market in goods, no measure adopted by the EU under the Articles in the treaties dealing with single market in goods applies to Gibraltar, because the Articles themselves do not apply to Gibraltar. Amongst those provision that do not apply to Gibraltar for those reasons are turnover taxes. Turnover taxes are not just VAT, they are excise duties as well, and by the way, amongst the measures that do not apply for that reason but that would apply if we chose to try and join the Common Customs Union is a whole raft of other non-tax measures, which have been promulgated in the EU under the Articles dealing with the single market in goods. I cannot give him right now the list, but –

**Hon. Chief Minister:** Article 108.

**Hon. Sir P R Caruana:** Yes, for example, one that springs to my mind immediately is all the plethora of EU regulations on the labelling of products, on the labelling of food, all of that is theoretically not applicable to Gibraltar today because they are single market in goods measures and we are not a member. So the debate and the consultation and the economic cost in that discussion and in that analysis has to be wider than VAT, which I am sure it would be. There are lots of consequences to this and there are, Mr Speaker, economic and political impacts. So the economic impacts would be first: what would be the implications for the private sector, in terms of impact on demand for its goods and services?

The Hon. Minister for Tourism would wish to consider, for example, whether it may have a negative impact on cruise companies' willingness to programme cruise visits to Gibraltar. One of our selling points is precisely that they can load up... that it gives them certain VAT-free selling facilities, because they have touched in a non-VAT port, but I just use that as an example. There are lots of potential impacts on the private sector, which the Government will want to carefully consider in consultation with the industry when it does its cost benefit analysis.

There is of course a potential very significant impact on Government revenue, but of course that has got to be considered in a level-headed way because what is the impact on Government? Amongst the impacts on the private sector of joining the Common Customs Union would be that industry would have to get used to operating a VAT system, which is cumbersome and expensive. One of the reasons why we were excluded from the single market in goods when the UK joined the EU in the first place was precisely that the UK Government – the Hon. Mr Speaker may remember this – was that the UK Government said, 'Look, I am going to leave you guys out of this. I am going to negotiate for you a derogation from this, because VAT is a very expensive tax to collect', and it is true. The cost-to-yield ratio is higher than any other form of taxation, because it has to be administered at every level of economic activity, and the UK Government said to the then Government of the day in Gibraltar, 'This is very expensive. You are going to lose a lot of your tax collection on collection costs. Therefore, we think we should protect you from this and we will leave you out of it', and that still holds good. It continues to be an expensive tax to collect and that also has to be factored in, in terms of the burden on cost and industry.

But then of course VAT would be instead of import duty and it would be for the Government to consider whether as between VAT and import duty whether there is any fiscal implication for the Government of that; but it is not just VAT, it is excise duty, which is levelled in addition to VAT on such things as tobacco, alcohol and petrol. So what does the European regime provide? What would be the consequences for Gibraltar to be liable to the excise regime? Well, it is not a standardised tax. There is a minimum level at which Government's in Europe have to set excise duty on tobacco. A minimum level at which they have to set it on petrol, fuels, and a minimum level at which they have to set it on... which have I not said? Alcohol, if that is the one I have not mentioned of the three.

Government revenue and Government's ability to maintain its revenue from these three products depends on the demand continuing to exist, because if the demand survives any change, then the Government will continue to collect its revenue, subject to what it may have to contribute to the EU of it, in terms of excise duty. So the question is... and no country charges the minimum. So the difference between

1945 the price of tobacco in Spain and the price of tobacco in Gibraltar is not just because we do not impose the minimum excise duty, it is because Spain imposes excise duty at a much *higher* level than the minimum required by this measure. It may well be – I do not know. I have never done the calculation – it may well be that imposing the minimum level of excise duty, you could try this now by modifying import duty rates to come close to the current level of the *minimum* excise duty to see whether what effect it has on demand. It may well be that establishing excise duty on tobacco, petrol and all these other things, at the minimum level still leaves a sufficient price differential with Spain that sets it at much higher than the minimum level, such that the demand will continue to subsist and the Government's revenues will therefore not be as adversely affected as some people might rush to conclude. But these are all things, Mr Speaker, that require very careful analysis, very careful consultation, very careful number crunching, very careful modelling, because the implications could be very significant.

1955 There are of course private sector issues for the Hon. the Minister for Gambling to take into account. One of the locational advantages for us is the whole VAT thing on marketing costs and all of that, so there are issues to consider. And, of course, abandoning our current status in favour of possibly a new one, if that is what the consultation process throws up, would be the opposite of what the hon. Member did just yesterday in import duty. So, on the one hand he lowers import duty in order to reduce the cost of products to our retail outlets. Of course, he would not be able to do that if we impose VAT and excise duty and it would be a cost that he would be placing, having taken it off... carried on with what we were doing, but having significantly gone further, then it would just be putting that burden back on our retail trade.

1960 Then there are political implications. Of course it would require a renegotiation of the UK's Treaty of Accession. I think you can almost certainly assume that the speed and ease with which Spain's consent to that change of Treaty which would be required, the speed and ease with which such consent is forthcoming is probably a measure of the extent to which it is not in Gibraltar's interests to do it; but that would be a very rough and ready rule of thumb, which I am not saying you should substitute for the careful analysis.

1970 Of course, if we went through the process of this analysis and concluded that on balance it was worth doing, there are always going to be pros and cons, but if on balance it is worth doing, I am sure that in the balance that tipped it in favour of doing it there would be the political dividend of perhaps a more fluid frontier, of greater respect for our EU rights and diminishing Spain's ability to interfere with fluidity at the Frontier. But, of course, if that did go into the balance in that way as a positive factor, we would have to be dead certain that we would be the beneficiaries of that dividend and that that dividend would come, because we have seen how Frontier queues – yes I have nearly finished – how Frontier queues can be created just by placing a double filter 10 yards beyond the customs post.

1975 The existence, the fact that goods are in free circulation in the EU when they are in... one of the consequences of us not being in the Common Customs Union and the single market in goods is that goods that are in France are in 'free circulation', as they are called, throughout the whole common Customs Union. You can move this manufactured item or this pair of shoes or that... you can move from one country to the other without paying duty. It is in free circulation. The fact that we are outside that regime means that goods in Gibraltar are not in free circulation in the European Union; but goods that are in Spain are certainly in free circulation. That does not stop the Spaniards putting police controls on the road just beyond Campamento. We would have to be sure that there would not be recourse to any such device to claw back any political dividend from the measure to the extent that that political dividend has gone into the balance and formed part of the carefully balanced decision to go ahead with this measure. So, Mr Speaker, it is a wide and deep issue. He always says this, together with Schengen. My understanding is that that might be a little bit of a red herring.

1980 I personally do not think that it is legally possible for Gibraltar to have a different status in relation to Schengen than the United Kingdom. At least that was the position that was adopted against the Government of Gibraltar when I was in Government and the UK was negotiating all the police and judicial co-operation measures, and these decisions... some were called decisions and some were called... and we were always told, 'Look, it is not legally possible for Gibraltar. So you have just got to sit there and wait to see what the UK decides and the same regime has to apply to you'. I just do not see how we can... or if that situation has changed. I have heard the Minister for Europe say casually in a newspaper that he had no objection to Gibraltar getting closer than the UK to Europe if that is what... but from that political statement to a legalistic assessment of whether Gibraltar can make any choice in relation to an inter-Governmental Agreement – well, some of it is inter-Governmental, but now a lot of adopted into the Schengen *acquis*, different to the United Kingdom's, would be a change of what the position was when we were in Government.

2000 Mr Speaker, very pleasing to hear the Hon. the Minister for Justice explain the report to this House on his Government's plans to arm the Police with even bigger boats. I think that this is something that we... I know it was a subject of some to-ing and fro-ing between us when we were each on a different side of the House, as the Deputy Chief Minister will recall, but never mind. It is a good thing. I wish I could interest the hon. Members, and I know that the UK Government probably does not like it, but nevertheless I could

interest the hon. Members in the context, particularly of bigger boats, to revisit their consideration of the Borders and Coastguard Agency. The Borders and Coastguard Agency was partly driven by the need, the desire, once we had bigger boats, to populate the manning of these things on a multi-agency basis. Customs officers, police officers, you will not be able to man these boats just with policemen. Apart from being very expensive, it is in respect of many functions a waste of policing resources.

The hon. Members have chosen not to proceed with the Coastguard bit of the Borders and Coastguard Agency. It does not require fusion. It can be done on secondment, as many UK agencies do, and many examples in the UK are multi agency which are populated on secondment by officers but working together to do a common job. I do not know whether they remain implacably opposed to that or whether they would be willing to visit and reconsider it. Obviously, it is a matter of policy for them.

Mr Speaker, absent from today's session, the Hon. the Minister for Employment, he sort of came in to do a little bit of Caruana bashing and then he left. *(Laughter)* Mr Speaker, he has done a jolly good job of... almost succeeded. He has done his best to seduce me back into our traditional debates today. *(Laughter)* He obviously misses debating with me as much as I miss debating with him, but I am going to resist the temptation of the seduction to which he has submitted me yesterday. But I have to say in dealing very briefly with the points that he has made, and without allowing myself to be *seduced*, that I do not recognise the factual basis for his references to me in the facts as I know them.

Mr Speaker, when I told this House that there were only six unemployed graduates, it was because there were only six graduates unemployed registered as seeking work with the Employment Service. In the same way as when they bring us statistics to this House about how many unemployed there are of this or that category, men, women, the construction, it must be on the basis of the information available to them, which at any given time of course there may be people who *subsequently* decide to enter the labour market and therefore become economically active. Hon. Members know that the definition of an economically active person is a person who is either in employment or out of employment, but *seeking* employment, as opposed to my wife who is unemployed, but has no desire to work, does not *seek* work, and therefore is not regarded by anybody as being unemployed *(Interjection)* But she is a graduate. Okay? *(Laughter and banging on desks)* Do you see what I mean? So I think it is important to put all these things in perspective. *(Interjections)*

Mr Speaker, I think it is too late. I am in the twilight of my political career. It is too late for me to *save* or enhance my political reputation and by the same token I think it is probably too late for the Hon. Minister for the Employment to undermine or sully, for the very same reasons, my political reputation. So I do not intend to engage with him in point by point detail by detail. He is not here, but I am sure he is listening to me on the radio. *Affectionately* listening to me on the radio – *(Laughter)* I bet right now his moustache is twitching and he is scratching his moustache with his mischievous smile on his face.

The record is this, Mr Speaker. First of all the Hon. Minister for the Employment, the Hon. Minister Bossano knows that he has to treat figures about Gibraltarians and non-Gibraltarians in work cautiously for the reason that is warned by the Government Statistician every year in the Employment Survey and remains in the Employment Survey for 2013 and just tabled in this House. This nationality split – that is to say between 'Gibraltarian' and 'Other British' – presents problems of accuracy. Some employers classify all their British employees, including Gibraltarians, under the 'Other British' category, and since no personal details are provided, it is not possible to differentiate between the two categories. In other words, whilst everybody that registers as a Gibraltarian... whilst everyone that *is* registered, because it is done by the employer, in the employment surveys as Gibraltarian is certainly Gibraltarian. Amongst the British 'Other British' category, there will be Gibraltarian British and non-Gibraltarian British, thereby distorting, insofar as concerns identifying Gibraltarians, the comparability of both figures.

But the published figures of Gibraltarians in employment, subject to that point that I have made, which would make the figures better, not worse, are that in 1988 there were 8,836 Gibraltarians in employment. In 1996, by the time the Hon. the Minister for the Employment had finished being Chief Minister, there were 9,390. In 2010, which is the latest figure available here, there were 10,706, and that figure had risen again in 2011. There has been a significant growth in the number of Gibraltarians in employment, not a fall in the number of Gibraltarians in employment. A very significant increase in the number of Gibraltarians in employment during the GSD years in Government, as there had been to a limited extent to a more limited extent because they were in office for fewer years presumably, under the previous GSLP Government.

Mr Speaker, when we left office the number of Gibraltarians in employment stood at record levels. So all that presentation by the Hon. the Minister for Employment with which my Learned Friend, Mr Bossino, otherwise disposed of anyway, based on somehow there being fewer Gibraltarians in employment is a complete nonsense. Mr Speaker, the fact that some Gibraltarians – mainly I suspect as a matter of personal choice – passed from being full time to part time is invariably a matter of choice. The hon. Members know that there is no tradition, that there is no syndrome in Gibraltar of employers converting full-time jobs to part-time jobs over the heads and wishes of employees. One never hears about this in the newspapers; it just does not exist as a phenomenon. So if at any given time there is an increase or decrease in full time or part

time, it is because individuals are making choices either to move to part-time employment or employers are accommodating individuals, usually it has to be said women in connection with starting families and things of that sort into more part-time employment.

2070 But, Mr Speaker, the suggestion that somehow the Hon. the Minister for the Employment in just this year alone... he says there are 650 more Gibraltarians. Well, where were those 650 before Mr Bossano worked his magic during the last 12 months? They certainly were not registered as unemployed because there were not 650 Gibraltarians registered as unemployed. We know that from the unemployment statistics. So where have they come from? This idea that in a workforce the size of ours it is *possible*... yes, 2075 by reference to the reproduction joint collective effort of all married and non-married reproducers 18 years ago (*Laughter*) that it is possible for there to suddenly appear in Gibraltar 650 *new* additional Gibraltarians to put in employment that were not before even registered as unemployed, let alone where they were physically, barely needs articulating. It is so obvious that it cannot be the case.

2080 Not only did we have record numbers of Gibraltarians in work, but, as importantly, their take home pay, their disposable income, the amount of money that we put into the pockets of Gibraltarian families also rose to record levels. (*Banging on desk*) So it just was not more Gibraltarians working, it was more Gibraltarians having more money to spend in their households in whatever way they pleased.

Mr Speaker, my final point, I promise, and it is very briefly made. I will just limit it to saying this to the Hon. Minister Linares, who is temporarily absent from the seat in which he has been sitting all morning. 2085 (*Interjection*) If he wants to... he is now returning to the Chamber. (*Laughter and banging on desks*) Mr Speaker, if he wants to make a comparison of the cost of his new power station and the one that we had contracted, and he wants to do it in a way which meets the Chief Minister's standard of 'framing the debate in honesty', then he has got to compare like with like. He has got to give us an explanation of what was included in our contract of £100-odd million, what is and is not included in his, so that we can see whether 2090 it is fair to allow people to run away with the false impression that they are getting for half the price what we had contracted to get, which is a complete and utter nonsense. (**Several Members:** Hear, hear.) (*Banging on desks*) So in the interests of framing the debate in integrity, let us have in this House...but again I know this is not the case, but again, if he can demonstrate that I am wrong he will not find me unready to quickly, apologise to him.

2095 What I think he should now do is that you should publish and lay in this House – and I challenge him to do so – the contract specification of the one that he terminated, including all his termination costs of it, and including all the lost opportunity, including the land costs that he is now going to incur, all the things, the pluses and the minuses of the package that we contracted for and the package that he has contracted for, so that we can make a *real* interpretation of the comparison and be certain that when comparing like for like, 2100 generator for generator... machine, he may not actually be paying more than we were paying for our generating machines. (*Banging on desks*)

I am a grateful to the House for indulging me, a backbencher... a *mere* backbencher, for an hour and twenty minutes.

2105

## ADJOURNMENT

**Chief Minister (Hon F R Picardo):** Mr Speaker, that was of course in very many ways an excellent riposte to the speech of the Leader of the Opposition that we had to hear on Monday, for reasons that I will 2110 be explaining to the House when I can continue with my presentation of the Appropriation Bill in my reply tomorrow at 11.30 in the morning.

So I therefore move that the House adjourn to tomorrow until 11.30 in the morning.

**Mr Speaker:** The House will now adjourn to tomorrow at 11.30 in the morning.

2115

*The House adjourned at 1.19 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 11.30 a.m. – 2.30 p.m.

Gibraltar, Thursday, 3rd July 2014

## Business transacted

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# The Gibraltar Parliament

*The Parliament met at 11.30 a.m.*

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

[CLERK TO THE PARLIAMENT: P E Martinez Esq *in attendance*]

## Order of the Day

### BILLS

#### SECOND READING

#### **Appropriation Bill 2014 – Second Reading approved**

**Clerk:** Sitting of Parliament, Thursday, 3rd July 2014.  
Second Reading of the Appropriation Bill 2014. Budget speeches continue.

**Mr Speaker:** All hon. Members having contributed to the debate on the Second Reading of the Appropriation Bill, I will now call upon the Chief Minister to exercise his right to reply.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, when one does not hear much credible opposition to a Bill presented by the Government, one has to wonder whether there is any point, really, in rising to reply; but the fact that things are not credible, does not mean that they might not linger in people's minds, and therefore it is, in my view, necessary to reply.

Mr Speaker, this has been, actually, quite a busy week for Gibraltar. Budget week is always going to be a week that is exciting for our community, in terms of the State of the Nation analysis that we do in this House, and of course the numbers that are published, although hon. Members and the House have the estimates since April, our community only sees them when we start this debate. But this year we have had on Budget Day also the very welcome visit by the Minister for Europe, the Rt. Hon. Mr Lidington, the publication at one minute after midnight, the immediate next day on the Tuesday, of an excellent Foreign Affairs Committee Report, the very title of which I think is reflective of the Foreign Affairs Committee's *always* very positive attitude towards Gibraltar. The very next day the visit, the *return visit* of 'EU Inspectors', as the press likes to call them, from the European Commission, and today we round up this Budget debate. So a very full week indeed, not just for politicians in Gibraltar, but I think for the whole community.

But, as I have said before, Mr Speaker, I am first and foremost in politics because I am a Parliamentarian and therefore this debate is always in the year the highlight of this week for me, or at least some aspects of it are. Mr Speaker, we heard, with my own speech included, already 10 speeches from Ministers, Ministers who have demonstrated in the speeches that they have given to this House that they really are in the thick of delivering on manifesto commitments – really in the middle of it. No question of any excuses. Here is what we are doing. Here is how we are doing it.

We heard announcements about the new Power Station tender being awarded, one of the most important projects that any Government will have the honour to discharge for our community. You were in one of such Governments, Mr Speaker, in the 1980s, that delivered the Power Station at Waterport. It is my honour to lead a Government that will deliver the next Power Station for Gibraltar.

We had announcements about new tenders for buses to be delivered for our community. We heard about new homes being delivered for our community. We heard about car parks finalised where they are most needed, in record time, and a University to be delivered in time before the next General Election by September of next year. All of that, Mr Speaker, in addition to two new schools being delivered in the Upper Town, in this community delivering *one* new school has always been a huge positive. We are delivering two, and the person who is delivering them is also delivering a University.

All of that, Mr Speaker, in the context of huge growth in the Gaming Industry, an industry that has grown half again in the two and a half years that we have been in Government – over 1,050 *extra* jobs in the last two and a half years – but not just jobs for outsiders because, Mr Speaker, we have heard about more jobs for Gibraltarians than ever in the history of Gibraltar. The *highest number* of Gibraltarians in employment, the *highest number* of jobs for Gibraltarians in two years, an average of 325 every year. Six hundred and fifty jobs in two years. (**A Member:** Hear, hear.) (*Banging on desks*) We have heard about those achievements. We have heard about our political work to ensure that European skies remain open to airlines flying to Gibraltar and we are not excluded from European Rules and benefits.

We have heard about replenished beaches and new incentives for the bunkering industry and we have heard about great advances in domiciliary care and care for our elderly. If that were not enough we, of course, heard about a Health Service that is now coming in on budget and working well, introducing new mechanisms for patient care, day surgery units that work and keep beds free and we have heard about the details of that new Power Station from the Minister, who is going to be responsible for delivering it, as well as great advances in sport and in culture. A new gallery opened, Gibraltar's exhibition of modern art. And you heard that, Mr Speaker, from Ministers at the top of their game, delivering game-changing progress in each of their areas of responsibility. In fact, Mr Speaker, I think it is fair to say that for most of this session, seven tenths of it... or ten seventeenths of it rather, the House has been in quite buoyant mood, like, I put it to the House, the Nation is, when Ministers have been setting out what they have been working on in delivering for our community. But it was in the midst, Mr Speaker, of that crisp, fresh, sunshine that saw these Ministerial interventions delivered – incidentally, crisp, fresh, sunshine in a Poniente breeze, the hon. Lady opposite might like to note – that we heard perhaps some of the most irrelevant and unpersuasive speeches of the Members opposite, with some notable exemptions, which I shall come on to.

But, Mr Speaker, the whole debate and the whole attitude that hon. Members have taken to the debate really puts me in mind of one particular phrase of Kipling's, from probably one of the most powerful poems in literary history... Members will remember it, 'If you can bear to hear the truth you've spoken, twisted by knaves to make a trap for fools...' from *If* – because, Mr Speaker, although I had heard the saying that the truth hurts, I had not actually seen quite how much hurt the truth could do until I had the temerity to tell the truth on social media. You see, Mr Speaker, I invited hon. Members at the beginning of this debate to frame the debate in honesty and I am a man who frames his debates in honesty and his tweets too, and that is why, Mr Speaker, I tell it like it is in here and I tell it like it is outside, and I am going to tell it as it is in here this morning too.

I think there have been few more boring, more inconsequential and more flat speeches delivered in this debate on the Appropriation Bill in the years since this Parliament has been considering an Appropriation, than that of the current Leader of the Opposition. It is true, Mr Speaker, I actually posted a comment about the speech by Mr Netto, who had a similar snooze-inducing effect on me and, I put it to the House, on some other Members too, but I think actually that I have to give it to him, maybe that is why he is the Leader of the Group that the Hon. the Leader of the Opposition outdid even Mr Netto in the poor quality of his very short speech.

I was going to do a detailed analysis of the Leader of the Opposition's speech, but of course there are two issues mitigating against that. First, I have done so in my opening speech, before he delivered his address; and second, because there is little to analyse, but there is much to correct, Mr Speaker. In fact, the little that there was to analyse, Mr Speaker, was actually so effectively contradicted by the Hon. Sir Peter Caruana, that I will deal with many of the things that Mr Feetham said in great measure by agreeing with the contribution by the hon. the backbencher. In fact, Mr Speaker, I think it is fair to say that the contributions on some of those benches opposite have been so at cross purposes that one of the things that I will be doing today is showing how Mr Caruana's arguments... Sir Peter Caruana's arguments, excuse me – assist in dealing with the Hon. Leader of the Opposition's arguments and how one of the Hon. the Leader of the Opposition's arguments assists me in dealing with Sir Peter's arguments himself. Of course, what that results in is that the Caruana argument checks Feetham, the Feetham argument checks Caruana, and it is a stalemate for the GSD.

One of the other things I will do is I will review for the House and the community's amusement, if nothing else, the extraordinarily badly designed advertisement placed only in one of our national daily newspapers that Members opposite appear to have wanted to waste their funds on. Well, I am delighted to see them wasting money before an Election is called, Mr Speaker.

I am also very sorry, Mr Speaker, to see that the Hon. the Leader of the Opposition decided that he was just going to deliver the speech that he came with and that he was not going to adapt it in any way. He was not going to see that some of it might have been rendered entirely irrelevant by the facts I disclosed, or indeed actually quite dangerous ground to continue to delve into, but never mind. I actually understood why he was stuck, why he had checked himself into a corner on this political chess board when I saw what he had sent to the printers. There was no way out. He could not just change the speech. He would have to



change the speech and the advert, all too late by then probably, knowing what print deadlines are like for that sort of advertisement.

Mr Speaker, I think it must have dawned on him as it must have dawned on all of them opposite – almost like the new dawn of 9th December 2011 – that they had a serious problem with this Budget, because I did not just express it as a game-changing Budget, it *was* a game-changing Budget, in particular because of what is actually being delivered and because of the analysis that discloses why recurrent expenditure has gone up and who is responsible for recurrent expenditure going up. One of the few things on which the hon. the backbencher and I will disagree this morning is exactly what the increase in recurrent expenditure has been and what it is attributable to.

Mr Speaker, there are some people, I assume, in this community, who just will support either of one of the two main parties because they are tribal and they simply have an ideological bent, which puts them in one side or another, and that is absolutely fine, Mr Speaker. I support Liverpool Football Club, even when they lose. In politics one says that, you know, one needs one's friends when one is wrong; not when one is right. Oh, my goodness, do the chaps opposite need their friends. There may be some people, Mr Speaker, in this community, who are convinced by a sound bite and who are convinced by a headline, but actually, apart from those tribal supporters of each of our particular parties, I ascribe to the electorate in Gibraltar the ability to do very careful analysis. They listen and they understand and they make up their minds for themselves. They are not carried away by a sound bite or a headline.

So, Mr Speaker, just taking a first look at the 'big lie' advert, one of the things that is the premise of *all* of the speeches we have heard, and of this advertisement, is that we said that there was no money; and that has now been proven to be untrue. Well, why can we demonstrate, Mr Speaker, that that was no big lie? There are a number of ways of doing it... yesterday we obtained another.

You see, if hon. Members do not want to continue to have to speak against me and what I said during the course of the General Election campaign, which is not as they characterise it... but anyway, let us look at what the man they have oft described as near the Holy Grail of Gibraltar politics said yesterday. I said we were near the debt limit, Mr Speaker, yes. Members opposite said that is not true and it was never true. Goodness gracious. Sir Peter, yesterday, was to his credit, and in the style and guise of a backbencher not involved in the political cut and thrust, entirely straight forward about the position as it had been. He said that when he was a – *el telefono de los aludidos* [*Inaudible*] (*Laughter*) He said that when he was leaving the Administration he was reaching the limit and he would have gone for a resolution to borrow more, and he confirmed it yesterday in this debate. Mr. Speaker, I say to him that his honesty, in the way that he presented his argument, enhances him in the eyes of the House, no doubt, as he describes himself as being in his twilight years in this place, which he made it clear also yesterday. This is what he said, and these are his exact words:

'On that basis [...] of course'

– he is talking about debt –

'it is possible what they have done'

–talking about us –

'is adopted the GSD's policy on how to fund a manifesto commitment, whilst staying within prudential bounds and legal bounds, because he has been fortunate and in that I would have been willing, whilst keeping within economically prudent guidelines, to have changed the law to increase the debt ceiling, the debt limit, which I acknowledge would have been necessary...'

Now, that is not the ogre, Fabian Picardo, who cannot count, saying it. This is Sir Peter Caruana, a man whose citation for the receipt of his Knighthood was his prowess, economically in relation to Gibraltar, and who has of course, as a previous Chief Minister, the respect of the whole House and yesterday was very clear in the way that he was making his address. So when the first part of the big lie advert – it is incredible how that now can start to mean something else, the big lie advert – the first part of the big lie advert and the first premise that the hon. Members were trying to persuade us of and spin in this House was that we had lied during the course of the General Election...it has been a theme they have been developing for over two years – that the debt ceiling had been reached or was being reached. Well, that is now actually confirmed by the man who was their leader. In fact, it is just not confirmed by the man who was their leader, it is not just Sir Peter Caruana, ex-leader of the GSD, who has confirmed that the debt ceiling was being reached and the only way to fund the GSD's manifesto commitments was to change the law in order to move the ceiling, this was said by a man, who the Hon. the Leader of the Opposition has described as possibly the greatest Gibraltarian politician of our time, or of all time, depending on who is listening; but I do think he is trying to be quite flattering when he says either of those two.

And so, although it is not something that... I know he does like to butter people up at different times in order to persuade them to continue to support him, that is more than just butter, that is lard that you are pouring on there. But anyway – (A Member: Jam!) That is not jam. That is lard. (*Interjection and laughter*) But you know I have always been very honest with Sir Peter. He is a man who enjoys my respect. I do not consider him the greatest Gibraltar politician of all time, let's face it, but let's face it, he stood there yesterday, in all honesty, and flatly contradicted *every* theory that has been advanced by his successor, as Leader of the GSD, and which had been the basis of his intervention on Monday in his reply to me and had been the basis of this, no doubt, expensive exercise in an attempted public relations. But I am very grateful to the man that the Leader of the Opposition describes as the greatest Gibraltar politician of all time because if he wants to take steps towards that accolade being real, then telling the truth in this House is obviously one of them and not allowing this mendacious attempt at misleading the people of Gibraltar that appeared in one of our newspapers yesterday to prevail, is an important way forward.

But there is another aspect of what the Hon. the Leader of the Opposition said and that his Deputy repeated not just in this House, I think even outside it, about the level of debt today and how high it is. Why should I reply to that? Why should I sit down and write a paragraph that deals with that issue and explains it, Mr Speaker? It is an important issue, but should I sit down and think of a form of words to use to explain actually where we are? I do not need to, because Sir Peter was very clear yesterday in what he said about that. He said, talking about the level of debt today:

'... let us be clear. I think the level of net public debt remains, even increased as they have been, well within the levels that are prudent in macro-economic terms by any European standard. So I am not saying any of this'

– talking about the dispute between him and me at the Election –

'to criticise the level of public debt. They are the level, or perhaps lower for all I know, than they would have been had we been in office...'

So do I need to say to hon. Members opposite there is no issue with the level at which net debt is today or will they take it from what – he will allow me to say, in the fondest possible terms – the horse's mouth? I assume that he will want to go back, and where the advert talks about 'net debt higher than ever', he may want to add, 'but greatest Gibraltar politician of all time says it is okay', because he prays him in aid whenever he thinks he is wobbling in the leadership of the party, so he might want to pray him in aid on this argument too. So obviously now, not so firm on the issue of net debt, the Hon. the Leader of the Opposition wanted to continue with what he has been spinning outside of this House as the big issue that he obviously wants to fight the next Election on, because he seems to be fighting an Election every single day, which is the huge increases in recurrent expenditure. Why he does that to himself, Mr Speaker, I just do not know.

I have spent a good hour... I do not like to speak for two and a half hours in a Budget debate... you know, I leave that to the man who he thinks is the greatest Gibraltar politician of all time. I would rather do short addresses, but I had to do it because he had been goading me on recurrent expenditure, so I gave him the benefit of the analysis of where the recurrent expenditure increases came from. I demonstrated to him that *their* increases in expenditure with their continuing cost were responsible for about 45% or so of the increases in recurrent expenditure. Then I demonstrated that another 40% or 45% were the things which are at large – the market forces, the diesel fuel, the cost of the scholarships etc – and I therefore had demonstrated to him that in the amounts of the increase, if it was £20 million in one year, if it was £15 million in one year, GSLP Liberal spending represented 10%. Two million in the context of £20 million. I am sorry to do this exercise for him, but I am left with the impression that they cannot count. Two million in the context of £20 million, £1.9 million in the context of £19 million, and therefore in the context of a budget, which might be £440 million, 1% of the budget... even less.

You see, Mr Speaker, to continue to then get up and say the problem with this Budget is the increase in recurrent expenditure is either to say to him, 'Look, do not bother addressing me on any subject because I am going to be a brick wall just because I think it is more useful to attack you on recurrent expenditure' or to say 'I have got a different analysis', but he does not make the analysis, Mr Speaker. He then talks about the size of the increase in cash terms, but does not descend to particulars. He does not analyse what those millions are for. He does not look at the amount that is diesel, the amount that is students, and therefore the only other conclusion that one can make is that he is saying he would cut it. So if he is not interested in looking at what the increase is and saying, 'Well, fair enough. We gave those pay rises. I understand that is the £15 million. Fair enough, that £30 million is diesel fuel. We were wrong to contract for another diesel powered station, but you are going to get us out of it because you have gone for gas.' It is criticising the £66 million increase. What is he saying? We are going to cut the electricity for three hours a day to burn less diesel. We are going to send a third of our students to London instead of all of them. We are going to cut back public sector pay. We are going to sack a third of the public servants. Which is it? He needs to tell me which it is. Which part of the increase would he not have done? Or is he simply going to go into the next

Election saying, 'We are going to stop recurrent expenditure from rising even beyond inflation'? Inflation is 2%. There is £2 million of some budgetary increases. He has got to stick his colours to a mast. I know that he is used to going from mast to mast – GSLP, Labour... GSD. What is left? There are not many masts out there. But on issues, and on arguments, if he wants to have the argument, he has got to stick his colours to something. What would he cut?

We were responsible for 10% of the increase. He says it is £100 million. Well, look, I was working with a different figure, but let us work with the figure of £100 million. We were responsible for 10%. They were responsible for 90%. Okay. They... or the market forces were responsible for 90%. Will they cut the market forces bit out? Would they cut back on the things they did? Is he saying... look, he says it all the time. He criticises Sir Peter all the time for things he used to do in Government, which I do now, and he sometimes criticises me and therefore is criticising him. Is he saying he was wrong to increase public sector pay by 2.7%, 2.9% and 2.5%? If that was wrong, you have saved £15 million. I assume he would also say that I was wrong to raise it 2.5%. Fair enough, it is a belt-tightening argument. He gets up and he says to all public workers in Gibraltar, 'We are going back to your salaries where they were in 2010. It was wrong to go to parity plus. We stick with parity, the 1% increase, and we are saving £15 million for our community', an argument which I do not share; but if he thinks it has to be made, he must make it... £15 million out of £100 million.

Another £30 million, the cost of the diesel... 'Ladies and gentlemen, people of Gibraltar, tonight as from midnight there will be no electricity until tomorrow at six o'clock in the morning. Do not worry, you will be able to heat your boilers and feed your children because it will only be for the six hours in the evening that there is no electricity'. He might find that John Cortes agrees with him, you never know. *(Laughter)* It is a quarter of the day, six hours. It is an argument, so he might save an important part of the £30 million.

'My dear students, we cannot send you all, as the costs are too high. It is now £12 million. The increase is £6 million. We are going to send  $x$  number. You have to compete'. I would have respect for that position, but I would not share it. I would say to people, we can run this economy, because in the same way as we have the highest recurring expenditure in history, something I will remind Mr Bossino of, he forgot to say we also have the highest recurrent revenue in history. Right? We can run this economy, but we need to stop making the mistakes they were making. We need to replace the diesel with gas, which is cheaper, and we need to do other things, but we do not just say we are going to stop the recurrent expenditure.

Anyway, he must think, Mr Speaker – the Leader of the Opposition – that people cannot add up, that they are not doing this exercise, because it is all very nice to be told that you are spending too much. It sounds good the first time. We might all think, 'Oh, careful, I might be spending too much', but when you are told every day you have to say, 'What should I spend less on?', and if they were not the Opposition, if they were the Government, what would they be spending less on? Well, the Holy Grail, the oracle has said he would be spending more. That he would have changed the debt ceiling and gone for more spending. Well, look, I do not necessarily disagree with him. We are doing it in a different way, but we agree that we have to continue spending for growth. It has worked for this community within prudent levels and we still run surpluses. But what are they saying? If he makes the argument on recurrent expenditure, even he must realise he cannot get away without saying where he would cut the expenditure. He nods, but he never answers. He got up and he delivered a speech that criticised the expenditure, but he did not say what he would cut. So he is a critic, Mr Speaker, but he is not answering his own question.

Anyway, the other thing that the advertisement says that we lied about was the fact that there was only £2 million left in the kitty. You see, of course, Mr Speaker, that is not something that we said at the Election. The advertisement says that we said at the Election that the borrowing limits had been reached – well, we more or less said that and two and half years later Sir Peter Caruana has admitted it – and that we said there were £2 million left in the kitty. We did not say that at the Election. We did not know that at the Election.

The Hon. the ex-Deputy Chief Minister, the Leader of the PDP, Keith Azopardi, and I found out... I do not know whether it was on the Leaders' debate or on one of the questions and answers at the Mackintosh Hall *(Interjection)* Oh, was it the Leaders' debate. I have tried to block it out. *(Laughter and interjection)* The Hon. the then leader of... the Hon. then the Chief Minister told the community that the debt was £520 million. It was not £450 million or £480 million any more. and it was four days later, on 13th December, that I received what I have already referred to him in shorthand, so that he does not forget it, because it appears that he has problems with retention and that is why I give names to things, so that he remembers... the 'doomsday memo', which tells me not that I am going to have £2 million left in April. I am left to work that out myself. It tells me that there is £60 million left and three and a half months to go *y la paga de Pascua por salir*.

Right, so, let us be clear. We did not know that there were £2 million left in the kitty at the time of the Election. We found out four days after the Election; but if he says it is not true, he should have the decency of making clear that the people that we are saying are misleading the public are the people who misled their

Government, the people in the Treasury. I do not think anybody in politics in Gibraltar before has ever suggested that the people in the Treasury mislead the public or their Government, another little thing in the memo, in the advert, which is now demonstrated to be true by an empirical objective measure. I do not know whether he has got the doomsday memo still from last year. I remind him that it is attached to the printed version of my speech he can find on the website so I do not have to read it to him today. No, the memo; not the advert. I assume everybody has got the advert. Most fish and chips salesman are making very good use of it today and I would very much look forward to receiving my churros on Saturday wrapped in it. But I mean the memo. The thing that *matters*. The thing from the Treasury, not yesterday's newspaper from him. I mean the memo from the Treasury. He can look at it online because a little bit of thought might actually help him with a better argument for next year, instead of just this argument about a lie, because you see the *lie* is not put on the lips of the politician; it is put on the lips of the official and that is absolutely unfair.

I am very sorry to see that people who have served their Government very loyally and served this Government very loyally, regardless of the partisan colour of it, have to suffer being called liars in advertisements in newspapers and in the political discourse. They do not deserve it, because even the greatest politician, Gibraltarian politician of all time has now admitted that there was a need to go for more borrowing, that there was no money left in the kitty because we were reaching the limit. I think if they had to choose, if the public had to choose between the Financial Secretary, the Chief Minister of Gibraltar and the ex-Chief Minister of Gibraltar on one side and the current Leader of the Opposition, Daniel Feetham, on the other as to who they believe, the people of Gibraltar are not going to take very long to make up their minds.

But another thing that he said, really riding into it, despite the many warnings in my opening speech, was that the Government that he was part of was very good at sticking to budgets and that we were very bad at sticking to budgets and we really had to get some budgetary discipline. Well, Mr Speaker, the fascinating thing about numbers is that they do not lie, as Joe Bossano often says to me. In the 16 years that they were in office, they managed to overspend on departmental expenditure, not £1 million, not £2 million – these are not my numbers, these are the Treasury's... they managed to overspend by £158,289,000.686. I will do it later on in another context, but I did not have the soul to divide that by £120,000 and tell the community how many doctors they could have had for that. (*Interjections*) (*Banging on desks*) I think it is something like a thousand and some left over. It is incredible... £158 million in their last year in office. The glorious 15th or 16th, they overspent by £24 million. If they would have had another month, they would have won the Election. Even I would have voted for them if he had turned up at my house with his cheque book. (*Laughter*) For goodness sake, £24 million of overspend. *Ni se compra, ni se vende, el pueblo, decian.* (*Laughter*) £24 million; £13,700,000 the year before; £11,300,000 the year before; £12,400,000 the year before that; £14,400,000 the year before that; £7,700,000 the year before that; £8 million the year before that; £11,100,000 the year before that – of course the year of the Election; £650,000,000 the year before that; £9,700,000 the year before that; £6,500,000 the year before that; £12,000,000 the year of the Election before that; £4,300,000 the year before that; £3,500,000 the year before that; £2,500,000 the year before that; and £9,600,000 the year after the first Election.

Discipline in departmental spending, and this is a Government of which he was a member. Well, I mean, it is Danny. He was a member in the last four years, a supporter for the three before, an opponent for the three before that in his own party, and a hostile aggressor against it for the first four years. So it is not fair to say that he was a member of it. He was only a member of it for four years and we do not know of those four whether he was a supporter of it for much of them, but anyway, never mind. One of the things that he does is he accuses me of being a huge over-spender in No. 6 Convent Place. Well, fascinatingly, one of the things in the advert is that No. 6 expenditure is 93 % higher than any other Department and there is a 67% increase in staff at Convent Place. Well, I do not know where he has worked that out. Maybe it is because in my ministerial responsibility I took IT, that added 20, and we employed nine in the EUID. Does he not understand that as portfolios move around, people are accounted for in different places? Even he must understand that, so it must be a mendacious attempt at presenting things in a way that he thinks is going to go his way. But let us look at this terrible Chief Minister, this terrible Chief Minister who is overspending in 6 Convent Place. What is the overspending in 6 Convent Place that the terrible Chief Minister is doing? Let us not just look at the numbers, let us see what the numbers mean.

Private sector legal fees are up from £50,000 to £200,000. Look, it depends on what needs to be drafted. Communication information expenses are up from £975,000 to £1.8 million. Private sector legal fees are up from £250,000 to £780,000. Government lobbying, hospitality and travel is up from £300,000 to £1.17 million. Sundry grants are up from £300,000 estimate with a forecast out-turn of £215,000 actually to £5.15 million. Oh hang on, that is 2003-04. (*Laughter*) And 2003... 2002, private sector legal fees up from £50,000 to £382,000; communication and information expenses up from £192,000 to £975,000; a budget of £6,700,000 went up to £12.6 million. It was not me. It was the oracle, the greatest Gibraltarian politician of all time admittedly, *admittedly* at the time of joint sovereignty... admittedly, and admittedly costs of No. 6

have gone up at the time of renewed hostility by Spain – absolutely true. But look, it is the same sort of increase, almost identical, but over 10 years later.

Before we look at the detail of that, we will talk about the numbers of people employed in Convent Place, well look that is just an adjustment of people moving from Department to Department depending on the change of ministerial portfolios. But given that he has opened the can of worms, I am very happy to report to the House that the information I had, which only went back to 2003 in respect of public sector employees, excluding the MOD, I now have back to 1998. So if the House will recall that I said on Monday that in the Employment Survey, which is the October survey, in 2003 there were 2,938 people, excluding the MOD, in the public sector and that that went up – I will not bore you with all the other details – it went up to 4,804 when we took over in the payroll in December 2011, an increase from 2003 to 2011 – less than ten years – in eight years, of 1,866 people in the public sector under the GSD. That is an increase of just under 40% in the size of the public sector.

I now have the figure for 1998, which was 2,857. The increase in the public sector between 1998 and December 2011 was from 2,857 to 4,804. I do not think hon. Members should be visiting at our door any huge concern about more people at Convent Place because the portfolios have been distributed in a different way. This is not recruitment into one Department or other. This is a huge change – 68% almost. So even accounting for the fact, as I told the House on Monday, that we took on people from the MOD and sell services to the MOD, as a result, but it is not a zero sum game, we lose a bit in the interim, there is a huge increase in the public sector. Can they please explain to me how they can be concerned about a few more people at Convent Place if they have supported this huge increase? Not all of it is MOD... not all of it. So I assume that the criticisms are levelled at me today by the advert and straight back at you, Sir Peter, given the increases that we can show.

But then he says, ‘You don’t just overspend on recurrent expenditure, Chief Minister, you are terrible. You overspend on capital projects’. Vanity projects, they call them... *vanity* projects. We are spending on vanity projects and overspending. Well, Mr Speaker, I do think there is something going on and I have not quite worked it out. I think one of them – I still do not know who – is probably the most Machiavellian politician that this planet, let alone this nation, has ever seen, because why would it be in their interest to draw me back to one of my other favourite Election issues, which was the cost of the Airport? Approach of that went from announcement in all splendour – I still have the *Chronicle* at home, I keep it with my rosette – at £25 million to be partly funded by the European Union to £84 million entirely funded by the people of Gibraltar, and actually, as the hon. the backbencher said, entirely useless because the other side have failed – entirely useless for the reason why it was built there – have failed to deliver on their part of the bargain. Very nice it is too. No, this is not an architectural competition. But look, if at £84 million, you did at least produce something that looked fairly alright. So be it. But anybody would have got sacked for that overspend, and he did. The CEO of Gibraltar PLC was *fired* for a 236% increase in price on what he used to describe as one of Gibraltar’s ‘flagship projects’. So much for the over spenders; but it would be unfair on the now Leader of the Opposition to visit that on him, because I am sure that whilst the then Chief Minister was beavering away to ensure that that Airport was completed in time for the Election, he was beavering away to see whether he could take the leadership of the party just before the Election in time to try and win it. And the Hon. Mr Bossino said to us, which I will come to in a little while, that he does not want to hear about Montiel or Caruana anymore, it is a new team. (*Laughter*) So let us look at the new team.

What about the new Prison? I know the hon. Gentleman was not allowed to do many projects that involved spending of cash whilst he was Minister for Justice, but the new Prison and the new Courts were things that he had issues with the plaques over. I know that there was a swift changing of plaque at the Prison as to who opened it and did not open it, and there was a huge malaise for days over the fact that the Hon. the now Minister for Justice has his name on the plaque in the Courts and not him. But anyway, let us look just at the finances.

New Prison... because he was not in charge of the Airport, he was in charge of this. The original contract sum for the Prison £5.2 million; an extra floor £0.45 million; prolongation costs £0.94 million; final costs *que tardó más tiempo* £8.1 million. A £3.1 million overspend. A 55% overspend. Well look, I accept that projects are overspent on. We all know they are, but do not make a virtue of things being in on budget, when even you have been presiding over a 55% overspend. Say, ‘things cost more than you usually expect them to cost’. There is the *po ya que esta* aspect to any project. Okay, we understand that, but do not pretend that your virtue is that you will not ever overspend.

And then, Mr Speaker, if that is just an anecdotal example, let us look at the Courts. That project, which incidentally nobody ever described as a vanity project. Nobody describes the Courts as a vanity project. Nobody describes the Prison as a vanity project, but the seat of Government is a vanity project or a park in the centre of our city, which thousands of our people already use, is a vanity project. These are not vanity projects. Maybe they were just ‘vanity plaques’ that he was going to put up on the wall to describe himself as the person who opened them. Those were £7.5 million original cost. The final cost... there was a lot of talk about Mr Bossano being upset at overspending and that is why he was not here, so I do not know

whether I want to put him through this, but the final cost was 82% overrun – 82% over run. He is *tranquilo* now because you are no longer here to commit this sort of overspend. (*Laughter*)

Oh, there is nothing wrong with an overspend if there is a problem and it has to happen, but do not pretend that you do not ever overspend and we are overspending and how in control you would have been, because to do the exercise that the hon. Lady wanted to do, the overspend of the £9.3 million on the Prison and the Courts together, at £120,000 a year, £130,000 a year, is 72 doctors (*Interjections*) Mr Minister for Health. It is a nonsensical calculation. It does not make any sense whatsoever. It is one year's pay for those doctors. You could have them for one year and then get rid of them, or you could have five for a lifetime; but the hon. Lady does a calculation which is meaningless, which is to divide by the one year's salary the amounts that she wants to divide. Well, her present leader – because I do see him in that in perfect tense – would have been responsible for 72 doctors, if he had not overspent. For a year, we could have had GPs everywhere if he had not overspent, based on her calculations; but never let a detail or a fact like that get in the way of a good sound bite.

And then the Hon. the Leader of the Opposition describes No. 6 Convent Place as a Venetian palace. Well, I entirely agree with him. I entirely agree with him. When I walked in there, Mr Speaker, with the Hon. the Deputy Chief Minister, the day after the Election, we found ourselves in a Venetian palace with terracotta walls and blue and yellow curtains and chandeliers from across the seas. Look, everyone has their own tastes. Venetian palaces are *not* for me. Blue and yellow curtains are not for me. There was a refurbishment of this office of the Chief Minister of Gibraltar into office of the Venetian prince sometime in the Financial Year 2001-02. It was literally a refurbishment... a redecoration. Not one square metre of extra office space was added. It was just, you know, a paint job, lift, new curtains and the odd chandelier. The costs of that redecoration were in excess of £1 million 10 years ago... 12 years ago. That does not include the paintings which the hon. Gentleman bought in the United Kingdom of Naval scenes involving Gibraltar and, in particular, the Battle of Trafalgar, which hangs in his room, which cost in excess of £100,000... a £100,000. We could have hung a doctor on the wall for a year. (*Laughter and banging on desks*) That would have been good for the blood pressure of the incumbent in the room. (*Laughter*) Doing the calculations that the hon. Lady... That painting no longer hangs in the Chief Minister's office and I will say to the Hon. my predecessor as Chief Minister, I think it is right that paintings like that should be bought and repatriated to Gibraltar. I just do not think that they should hang in the Chief Minister's office where *only* the Chief Minister sees them. I am much more modern and more technical. I prefer television so I can watch PMQs or anything that may be happening. That painting is now exhibited publically, I understand, in the museum so that people can see it. It is no criticism of the fact that an important painting about Trafalgar was brought home to Gibraltar, but the overall cost of the palace, as it was when Dr Garcia and I walk in there for our first cup of tea, £1.15 million.

The costs of turning it into a modern office, which will be the Head of the Administration of Gibraltar, the Office of the Chief Secretary or the Deputy Chief Minister and of the Chief Minister, where investors from around the world will be received and see the modern face of a thrusting Gibraltar – £4 million. Yes, £4 million, but we are actually going to add three times the floor space. We are not going to spend £4 million painting terracotta, adding a few chandeliers and a few curtains. By the way, I have got the cost of each chandelier and of each piece of carpet and of each curtain here. Some of it from John Lewis and some of it bought locally. We are going to add three times the office space to that office to turn it from a Venetian palace into a modern office building where civil servants will be proud to do their work... and without the damp, everybody who has ever worked in that building will be happy to know.

Anyway, I do not know what it is that makes him think that people who work in the Law Courts should have a modern office environment in which to work, but people who work in the Office of the Chief Minister should not have a modern environment to work in. I happen to think every civil servant should have a modern environment in which to work and that that could make actually the real estate of the Government of Gibraltar work much better for the Government of Gibraltar; but more of that anon.

One of the things he wanted to concentrate on and the advert plays a lot on, is this idea of travelling like a president, because of course in the simplistic analysis the overrun in the cost of travel is, 'Fabian spending an extra million in the way that he crosses the Atlantic'. I do not think there is a suite expensive enough on any aircraft to cost us that much. So they might have wanted to do a little bit more analysis.

Ninety three per cent *higher* than all other Departments are the costs of Convent Place. Well, protocol, entertainment and travelling, he said this in his speech, Mr Speaker:

'Travel entertainment was an item that I focussed on last year. The estimated figure was £390,000. The actual was £1.3 million or a massive 287% over budget, Mr Speaker.'

Two hundred and eighty seven per cent, is that not what the Airport overrun was? But that was in millions, not in hundreds of thousands. Well, Mr Speaker, not all of it is travel, it includes lobbying and we have had a rather difficult neighbour for the past year, he may have noticed, quite like in 2002-03. In fact,

the overspend there was almost exactly the same and the budget was almost exactly the same, because the budget has been £390,000 for the past 10 years, a very good reason to up the budget I would have thought because it has been the same for 10 years (*Laughter*) and there are times when it needs to be exceeded.

The Hon. the Chief Minister, the previous Chief Minister spent more in 2002-03 than I have spent this year; but he was the Chief Minister. He was the incumbent and he had to make the decisions about how, if necessary, to spend money in order to steer us through that very difficult period of joint sovereignty, and I have had to make similar decisions now about where to travel to, where to send people to, where to lobby. As the incumbent, I accept that that money has been spent, but I expect people to realise in the short, medium and long term whether it has been spent for the right purpose, otherwise, hon. Members may simply find themselves, if they do not accept that, arguing with the identity of the person who makes those decisions, because they themselves have said as part of their political discourse, that this is the worst year Gibraltar has had since the closed Frontier.

The Hon. Mr Bossino called it despicable, the attitude of Spain. If I had said that... my God, they would have all been on their feet asking me to be more measured and reasonable. I will come to that later on. But if it is just that it is Fabian Picardo making the decisions and not Peter Caruana that makes you wonder or argue against that overspend, then your arguments need to be a little bit more refined. The Chief Minister of Gibraltar has to make decisions in difficult times to spend more, and history will judge whether I have made the right decision or not. I am very hopeful that it will demonstrate that the Deputy Chief Minister, I and the rest of the Cabinet have made the right decisions about extra spending this year because of what has been happening, and I think that we will see *impressive* benefits... not just benefits, *impressive* benefits very shortly for all our people at a political and a commercial level as a result. I do not need to say, of course, that criticism of an overspend like that, which is almost identical to the overspend in 2003-04 or 2002-03, is as much as a slap on me, if it is just the overspend that has been criticised as it was, or would have been on Sir Peter.

But, anyway, I should not be surprised if that is what they were saying because one of the things that they have been constantly repeating for the past six months or a year is that in the past two years, they have transformed the GSD. Well, there is good reason to take that badly if I were the greatest living Gibraltarian politician of all time and I had been leading the GSD as, if I may say so, an Election winning machine for 16 years and then somebody comes along and says, 'Guess what? I have transformed it'. 'Well, good luck. Into what?' 'We will see'. But I guess one has got used to the new leadership of the party and even some of those who used to be in the party before criticising what the party used to do.

Anyway, I want to thank Mr Figueras, in part, whilst I continue dealing with the Leader of the Opposition, for at least having been very clear in expressing the position of the GSD in relation to the Commonwealth Park. He said in his speech, 'the Commonwealth Park is a vanity project.' The Collins dictionary defines a 'vanity project' as something that is worthless or useless. I do not think that anybody in this community, other than perhaps six of the seven people that I am looking at, think the Commonwealth Park is worthless or useless, or that the refurbishment of No. 6 Convent Place when it is finished will be worthless or useless. I certainly do not think the Airport is worthless or useless. I think it is too big, it has cost too much and we will never get our money back; but it is not worthless. It has got a value. A valuer will come and give it a value and it is not useless. People can at least shelter from the rain in it whilst they wait for aircraft. But to describe for the first time a green open area in the centre of our city that our whole community has welcomed with open arms, is to have reached a level of political honesty that the others have not been brave enough to reach, which I will remind the community of for the next two years every time somebody asks me about whether or not the GSD support Commonwealth Park, whether the GSD would have built Commonwealth Park. They would not. It is a worthless or useless project and it would still be a car park, or somebody might have broken ground with a development there. For us, it was neither worthless nor useless. I will be very interested to see how Members opposite vote on the Commonwealth Park Bill when it comes to the House, given that what we are going to try to protect with that Bill is a worthless and useless park. It was a manifesto commitment. We are doing what we are required to do. Our attitude to our manifesto is that it is an instruction from the population. They have voted that to be done. They do not elect us on a manifesto for us to go off and do what we like. They elect us on the manifesto to do what it says on the tin. It may not have two levels of car parking under it, but it has got the trees and the grass. Anyway, we delivered it.

I do not want to labour the point, but the Hon. the Leader of the Opposition then went on to talk about the level of public debt. He said net debt is bigger than ever, but as Sir Peter said, and this is a direct quote:

'... the net public debt as a proportion of GDP is within every known bound of prudential limit.'

The greatest Gibraltarian of all time.

So having disposed of his arguments on the level of debt, having disposed of his arguments with the issue of recurrent expenditure, having analysed how that arises, having demonstrated it is principally

market forces and their spending and having heard yesterday the man that the Leader of the Opposition describes as the greatest living Gibraltarian of all time, or the greatest politician of all time, and his attitude to import duties and the revenue from tobacco, where he and I are in full agreement, as I think, he, I and at least all the Members on *this* side of the House are in full agreement, I do not think I need to deal with the Hon. the Leader of the Opposition's attempt to use this as an issue to concern people. So there are really only two 'bits', if I can call them that, of his speech and therefore of the advert that he was wedded to, that I need to deal with, and one of them is Credit Finance.

Mr Speaker, let us start at the beginning on Credit Finance. He said something to GBC when he got out of here that he did not say here. I guess it is because he thinks I am too busy to watch him on the news; but although it is not pleasant, I do try to. I do understand why GBC say that *Newswatch* is one of their highest pullers as a programme because I guess its 69% of our population tuning in to watch him drop a new clanger. Asked by the interviewer: 'Now, the use of the Savings Bank, which you have been very critical about in the past... but £800 million of deposits this year. Is this not an indication that people have a very high level of confidence in the Savings Bank?' Response from the Leader of the Opposition, who could not accept it was confidence because otherwise two years of trying to undermine confidence in the Savings Bank would have been evaporated in a puff... Response from the Leader of the Opposition: 'Well, what I think it suggests is that the Gibraltar Savings Bank is paying a rate of interest for its debentures, which is far higher than the market rate'. I can sense the greatest Gibraltarian politician of all time flinching. (*Interjection and laughter*) *No te voy a dejar. No te voy a dejar, no te voy a dejar*] Do not worry. I do not think it is going to stick.

Interest rates by the Gibraltar Savings Bank: 2005 – 7%; 2005 – 5%; Government debentures, 2011 – 4.25 %. My goodness, I thought Government's borrowed for less than that... 4%. 1st January 2011, interest rate – 5%. I really do not know whether he calls you the greatest Gibraltarian of all time because all he wants to do is smack you about with these arguments. The interest rate that was thought appropriate by the Government of which he was a member is now too high and the only reason why people have confidence in the Savings Bank. Of course it is not. People have confidence in the Savings Bank because they have absolutely no confidence in anything he says to try and undermine it. That is why it has gone from £300 million to £800 million (*Banging on desks*) paying the same rate of interest that was paid on the Government debenture. It demonstrates that the things he says do not add up. If there was one thing that brought a smile to my face about the fish and chip wrapper, it was the bit on Credit Finance Company, because it is either an attempt to dupe of the sort that we have never seen in Gibraltar politics – i.e. a downright lie in the newspaper – or such a *clanger* that it does not actually befit somebody who, as Leader of the Opposition, must be seeking to hold the highest political office in this land. If he has it, and I am sure he does, he needs to look at the bit on CFC, £400 million to CFC, and then an addition a *cuenta de la vieja*: £30 million – Sunborn; £1 million of loans facilitating GOG arrears. I do not know how they misspelt that one, 'facitilatiing' GOG arrears. I do not know. It is not English. It must be a discrete accounting term, f-a-c-i-t-i-l-a-t-i-o-n-g GOG arrears. I really do not know what that means... £23 million pension commutations; £50 million loans. Total – £356 million.

Well, first of all, as he must know, because I have explained it to him *ad nauseam*, they have put in separately the lump sum of £50 million of the loans. Obvious and pernicious double accounting. Obviously and perniciously double accounting, inflating the amounts that have been lent by Credit Finance, flattering their argument by £50 million. I guess because it is such an unsustainable argument, you will now find something to support it. But he knows the figure of the loans is not £80 million; it is the £50 million. He has had it from us. It is below £50 million in fact, I think. But if you add it up, Mr Speaker, 30 + 1 + 23 + 50 – and you are the maths tutor, not me – is 104. Take 104 away from 400, it is the wrong calculation. It is the wrong calculation, but it is their calculation. It is not 356.

Mr Speaker, if the Clerk could assist, we have been exchanging details in respect of Credit Finance for some time and I am not sure that he has it, I am passing to the hon. Gentleman something that may assist him in these arguments that we repeatedly have about Credit Finance, about whether things are on the website and what the calculations are, etc, etc, because it really is quite improper that he has put this information in front of the Gibraltarians, which is so dreadfully wrong. Most of them can add up and they would have realised that this is wrong. But I hope that what I am passing him now will be of assistance when he wants to do this calculation again. (*Interjection*) Not at all, but it is, Mr Speaker, so that he can...it is a calculator Mr Speaker, which I have bought myself (*Laughter and banging on desks*) not with Government money, with my own money, so that he can do his addition in time for next year's debate, so that when he puts this sort of thing in front of people, he can at least get the addition right. I have not even bought it with the surplus, Mr Speaker. I bought it with Picardo money. So I hope he takes it as it is intended, as an aid to his job as Leader of the Opposition.

Mr Speaker, we have agreed... I told the hon. the backbencher – as he seems to prefer to be called that these days (*Laughter*) – when he thought I had suggested that there was not an element of flattery of the Government accounts, that we had agreed that there was an element of flattery, but that the flattery was, as



we agreed, the element of the gratuity, but the pensions were still being paid and therefore it was not the amount of the commutations that were being paid. So if there is £23 million paid in commutations over two financial years, and we assume that has been paid relatively evenly in any year, 25% of that is approximately £3 million. It may even be less, but let us assume that the flattery of the accounts is £3 million. It is the only bit in the advert that they actually recognise as a Government expense – absolutely right. It is the only one that is a Government expense. So, £3million of flattery of the Government accounts in each financial year, the last one and this one, produces only £3 million less in the surplus. Still a record last year and still a huge record this year, busting even the record that was in the book, because from 65 – if he takes it out and puts 65 and then presses the bit that looks like a minus and 3, he will get 62... and what was predicted was 50. So still a record. So can he please go out of here and evangelise, not this nonsense, but that in fact *even* with Credit Finance factored in, we are still running record-breaking surpluses, and what they call the flattery of our accounts is so minor as to really have absolutely no effect whatsoever.

I hope I have demonstrated to the hon. Gentleman, the backbencher, because it is now my reference to him, not the other fellow's reference, so it is not the greatest politician of all time, it is the backbencher, that, we do answer questions about all Government companies, even Credit Finance, which they pretend we do not. We just do not give one specific detail, and he said, 'I would expect you to answer questions from companies about companies that you are directors of, etc, etc, which are Government wholly owned, but not the commercially sensitive aspects' and we have determined, on advice – which I am sure he would have if he was here – that giving the names of the borrowers is sensitive, and giving the names of the commuttees is sensitive. That is the only thing that we are not giving, in the same way as we do not give other aspects of the information of Government companies which is in the commercially sensitive world. And sometimes it is not sensitive to the company; it is sensitive to the person that is dealing with the company. Other than that, Mr Speaker, my Government will answer questions in respect of any company which is a Government wholly-owned company, of which a Minister is a director or otherwise, and we have demonstrated that, Mr Speaker.

Mr Speaker, one of the things that the 'churro' paper does, is talk about affairs with Spain and rising tensions pointing to high risk. Well, the hon. Members have been developing in the past few months, the concept of the GSD way of doing things versus the GSLP/Liberal way of doing things. I assume that they have thrown Dr Garcia in with us on this and they are not just attacking me; but look, I am quite happy to leave him out. He does not deserve to be dragged into it. He has always been very straight forward and measured about these things and is absolutely clear on the fundamental issue of Spain.

So let us look at what the GSD way of doing things is on affairs with Spain, because ironically they seem to think it is their ace. The GSD way of doing things on affairs with Spain is going to Seville, to Forum Europa, and saying, 'Well, maybe one day in a referendum, I might be minded to recommend an Andorra-style solution'. The GSD way of doing things is not the GSLP/Liberal way of doing things. We will not be saying that. But, in fact, although there is video evidence of that, although it has been played in a number of our broadcasts, although there has been an element of denial, but everybody knows what the Hon. the previous Chief Minister said. In fact, one of the reasons why he cannot be described as the greatest Gibraltar of all time in my book, there is actually also *printed* evidence of what the GSD way of doing things is. Look, there is no problem with this being the GSD way of doing things, but it is the GSD way of doing things is what hon. Members are defending.

This is a magazine from the Basque Country, called *El Mes*, from the height of the joint sovereignty dispute in May 2002. I do not make it a habit of reading magazines from the Basque Country, but it was brought to my attention by a member of our community. The hon. Gentleman was then on a mission to explain the Gibraltar position in Spain and the GSD way of doing things is as follows – and Mr Speaker, with your indulgence, I am going to read this in Spanish and then translate it into English:

'Lo que pienso yo, es que España tendría que mimar un poco a los Gibraltareños hasta que nosotros digamos, bueno, la bandera Británica la bajamos nosotros mismos.'

Peter Caruana, May 2002:

'What I think, is that Spain should woo the Gibraltarians a little bit until we say, "Oh well, the British flag will be brought down by us."'

The GSD way of doing things, is not the GSLP way of doing things. If that is the way of avoiding high risk, well, I am not going to be saying anything quite like that in Spain any time soon. I do not know whether it is the sort of thing the hon. Gentleman says in Universities up and down La Piel de Toro, but you know, I am not going to be saying it. I might have a slightly more hostile reception as a result.

But, look, Mr Speaker, that was the hon. the backbencher when he was Chief Minister, but when the hon. Gentleman himself broke his holiday in August and returned to Gibraltar on his white charger to come and assist us last August, he said that he did not rule out removing the Reef in North West BGTW as part of

a wider settlement in Gibraltar's national interest, if that safeguarded the security and stability of BGTW, however unlikely that appears to be. That is the GSD way of doing things, though this GSLP/Liberal Administration *ain't* removing the Reef. So they want to remove the Reef. They want to lower the British flag. They want to be *wooded* in order to be persuaded to do that, and they might one day recommend in a referendum an Andorra-style solution. That is the GSD way of doing things and I respect that that is their position. It is not ours. I will always seek to persuade them not to pursue that line. I will particularly seek to persuade the Hon. the current Leader of the Opposition to go back to his days when he was much more staunch on these issues and also Mr Bossino, so that they return to a staunch position where they will never be wooed into lowering British flags and they would even resile from the idea of removing the Reef in BGTW, because it was created for a good and sound environmental purpose, and if you do things for a good and sound purpose, you should not remove them for a bad reason based on blackmail.

And, you know, Mr Speaker, our way of doing things, about being very clear about what we think about the future of Gibraltar and the sovereignty of Gibraltar, being friendly about it, not aggressive, but not changing our position... friendly, but firm, because diplomacy, as I have said before, is not duplicity. You cannot go, in particular, in the social media world in which we live, there and say one thing and come here and say another. People, thank goodness, will see through you and so we are going to be very clear in our position, and one of the greatest criticisms that the hon. Gentleman has made of me, was that whilst he was sunning himself in Southern France, before he got on the white charger to come back to Gibraltar, I had said in an interview that the behaviour of the Spanish Government was like the behaviour of the North Korean Government. He has said repeatedly that this was terrible, that this was not measured, that this was totally unfair and that I should not have done that. Of course, I understand that, given what I have just done as an analysis of the GSD way of thinking that, you know, that is not the language they want to use – that is not 'Come and woo me so I can lower the Union Jack', that is standing your ground and telling it like it is.

So I assume that although he did not seek, it appears to me, to intervene with the Foreign Affairs Committee that was here and he has not thought it relevant to write to the Foreign Affairs Committee, even a letter asking them to support Gibraltar, because they have not exhibited it as evidence, I assume he will have read their Report and I assume he will now be writing to Sir Richard Ottaway telling him that you think it is absolutely terrible that in paragraph 72 and 73 of the Report, they have exhibited a chart and commented on the fact that the Spanish Ambassador has been summoned to the Foreign Office on *five* occasions, only one less than the Syrian Ambassador, and that they have compared that to the fact that the North Korean Ambassador has only been summoned three times. They are saying that Spain is worse than North Korea. How dare they? We will never persuade them to persuade us to lower the British flag if we carry on telling them the truth like this. So, Mr Speaker, I sincerely hope the hon. Gentleman is scribbling away. Put the calculator to one side and I will lend him a pen if he needs one and tell the Foreign Affairs Committee that this business of the North Koreans is not helping at all.

One of the things that they have been doing for the past few weeks is criticising the appointment that we have made in Hong Kong, and the hon. Gentleman has been very vocal about this issue, giving interviews to GBC etc, etc. He said, 'You know, this packet must be worth over £¼ million and this man has been appointed without interview'. Mr Speaker, I tell him because he may want to find out himself. Does he know how many people his Government appointed without interview and competition, who earned more than £¼ million? I do. Three. I think two of them do an excellent job. They were appointed by them. They are excellent professionals and they do an excellent job, but there was no interview and they earn in excess of £¼ million. They are excellent value for money. I think one of them is worth at least three and a half doctors.

Another one was Mr Benzaquen. A member of their Executive, who went from earning £60,000 to earning £250,000 almost overnight in fees, I mean even the backbencher is frowning at the thought, but that is the forecast out-turn. He was very busy. He had a lot to write in that newspaper. From £60,000 to £250,000. No interview and a member of the Executive of the GSD. Two hundred and fifty thousand pounds to a member of their own Executive. Well, I think that helps to put their criticisms into context. I do not criticise the other two appointments. I think they were appointments properly done, as I said in the last meeting of the House. Some appointments have to be done in that way, if they are the right appointment and it is the right individual, and they were and they are because they are still serving; but the other one, a member of the Executive, my goodness gracious... we will come to cronyism a little bit later, but this really takes not just the biscuit, the digestive, the chocolate on it, and the whole box that I would be eating if I was not on a diet. (*Laughter*)

And, in any event, Mr Speaker, when they criticise things, they have to say also in relation to capital projects, what they would have done instead or what they would not be doing. So every time they criticise what we are doing, can they please say that they would not do it?

So, Laguna Estate: refurbishment too expensive. Go down to Laguna Estate and say you will stop it. Glacis Estate: refurbishment too expensive. Go to Glacis Estate and say you will stop it. You know there is nobody there who votes for you. Moorish Castle Estate, tell them you will never refurbish the Estate,

because they will never vote for you. Tell them because you say that it is too expensive and you must therefore be saying you would not do it. Or tell everybody who is going to have one of those boats at the 700-berth Marina that you are not going to be doing the Marina.

We have acquired these commitments and we are going to see them through. Should something happen, and an Election have to occur, and you know, you cannot take Elections for granted, as I will come on to Mr Figueras, and you were to form Government, people need to know which of the projects you will stop, especially knowing that the hon. the backbencher has said that you can continue spending in the way that you would like, which is with more debt. So you have got the money, but you criticise all the projects. So what is it you are going to do? You are going to go back to giving Raf another £¼ million a year? So you might not be able to do one of the blocks at Laguna or Glacis? What are you going to stop? Are you going to stop the two new schools? Those are almost done, thank goodness, and might be away from your prying attempts to stop things. Are you going to stop the New Diesel Power Station? Are you going to carry on spending £30 million on diesel? Are you going to tell Main Street that in order to do so, you are going to put their electricity up by 100%, which in cumulative terms will be 200% or 300%? Stand up and say so. Stand for something man. That is the GSLP/Liberal way. You must still have some of that in you? But do not just say, 'This is too expensive and I wouldn't do it', or say, rather, 'I won't do it. I'll stop it. It's too much money'. We did it. We stand for something.

We were elected on 9th December and in the first Cabinet meeting, which was the first working Monday thereafter, we stopped every single Government project going – every single one of them. We have a manifesto to deliver. *Our* manifesto to deliver; not yours. But look, you have got the cladding in your manifesto and so every time you criticise it and say it is too expensive, can somebody please tell me whether you actually intended to do it or whether your manifesto this time and the cladding of Laguna and Glacis, was just as the hon. the backbencher said to Gerard Teuma in the interview before the Election, 'Well, it's just a wish list of what we might do'. That is a transcript I treasure by the way. A manifesto for the GSD, in the GSD way of doing things, is a *wish list*. For the GSLP/Liberals, in our way of doing things, it is an *obligation*. That is what we have been elected to do. It is a *covenant* with the people. So, please tell us, which of the revenue raisers, or of the current expenditure raisers or capital projects you would stop. Do not just sit there and say, 'It's too expensive', say 'I'll stop it, because it's too expensive', or 'It's so expensive, but it has to be done'. Much of what the hon. Gentleman said was just... you know, it is too expensive. No analysis. He might as well just... Next year, why does he not just get up, if he is still there, and say, 'Bah, humbug!' and sit down and then we can just carry on with the debate. If he is not going to make any analysis and he is just going to say, 'Oh, it's too expensive', then just say 'Bah, humbug!'

Anyway, I am very sorry that they only got one week's notice of a dinner. I sometimes only get 24 hours; but, you know, I put country before party and off I go. You know, if they like, they can just tell me that I should stop inviting them, but I was very critical of the previous Administration for not inviting Members of the Opposition to events and therefore they get invited. By the way, it adds to the recurrent expenditure, but they are invited. If they have a party event on, do both of them have to go to party events? Is there such distrust between, Leader and Deputy Leader, that when we have an important American Chamber of Commerce event in Gibraltar, with an ex-Cabinet Member of the Obama Administration in Gibraltar – you know, months out of the Administration and very influential – neither of them can come because they have to go to a GSD event a week later. I only had one week's notice. Talk about party before country or, you know, 'I can't trust the other fellow, not to knife me with all the members if I am not there to watch him'. Look, I shall try and organise Gibraltar's affairs so that it does not clash with GSD events until they have sorted themselves out or they can decide to put country before party next time. Maybe that would be a salutary change, the beginning of the transformation which the community might welcome.

We have also had inflicted on us in the past month the new democracy that they are going to bring to us if they ever win a General Election. In dealing with the hon. the backbencher, but I may as well do it now, I wanted to say that of course changes have to be qualitative and not just quantitative, but they are. We answer all questions, and I have given him now the information about our attitude to Government companies. But there is one thing he did, which Mr Bossano never did when he was Chief Minister, and therefore why we are not in some way criticising Mr Bossano when we criticise him, and that is, that Mr Bossano never had one meeting in any calendar year, and the hon. Gentleman, I am afraid to say, did.

In 2002, he had *one* meeting of the House for Questions in March and the only other meeting of the House... (**A Member:** 2003.) 2003, the year of the Election – was in December, for the ceremonial opening. So, for the whole year, he had an Election in November. For the whole year he had one meeting in March. Only in the awkward position of being asked questions once in March, and the Constitution was silent on it; but what did his innate sense of democracy, of transparency and accountability move him to do? Have two meetings? Have three? Look, he is not as much of a Parliamentarian as me and maybe he did not want to have nine, right? *One* meeting for Questions. When you gentlemen have been up the rudder, you have demonstrated what your democratic credentials are and what you say now in trying to get the rudder

back, about what you do when you are back, does not really cut much ice given the evidence that you left us behind.

Anyway, sometimes in politics one gets things right and one gets things wrong. It is important when you get them wrong to apologise and move on, and I want to do that today. I want to apologise to the Hon. the Leader of the Opposition for having called for his resignation. I want him to stay as Leader of the Opposition at least until the Election, and if possible, until the Election after that as Leader of the Opposition. He is doing us a fine job as Leader of the Opposition. I do not know if people who support the GSD feel the same way, but I would ask him please to accept my apology, grovelling as it is, and to not for one moment consider leaving. **(Hon. D A Feetham: Apology accepted.)** Thank you so much, because he is right. There is a perfect storm brewing and it is nowhere near me. I can smell all sorts of devices. I can see a house of cards type ploy. This is getting very interesting, even from those of us that only get titbits. We are very much enjoying it, so please stay in post. Thank you for acceding at least to that request. I feel very comforted.

This week sees in the United Kingdom the reunion of probably the best set of comedians the world has ever seen, in Monty Python at the O2, and because of this debate, one has been unable to travel. So I am therefore extraordinarily grateful to the Hon. Mr Figueras for his performance yesterday, which at least ensured that I could smile. Mr Figueras needs to be reminded every time that he makes an intervention in this Budget session which, like the Leader of the Opposition, I hope he will continue to do from the Opposition benches for *many* years – of the facts. The facts that get in the way of these arguments that he wants to put, because they might sound so good when he is writing, long hand or typing, but the facts get in the way and they need to be relevant.

When he is criticising the sterling work that the Hon. the Deputy Chief Minister has done in opening up the Development and Planning Process and saying, ‘Ah, you didn’t take your projects there. Ha, ha. But we’ll keep it open. We’ll keep it open’, he needs to remember what they did with their projects. Forget the fact that it was a secretive, behind closed doors Commission. Forget the fact that they did not even publish the minutes, but remember the fact that something like the new Power Station, which would have been much more of a blight on the landscape than a Football Stadium, whether you love it or you hate it, because the Football Stadium, the last time I checked, did not have four chimneys spewing black smoke into the air, into the area of Jews’ Gate where people stand to look at the view, that under the gloriously democratic and open GSD did not go to the Development and Planning Commission.

And then when he carries on he criticises the Town Planner. Again, I do not know what he has got against the Town Planner, but every year the Town Planner comes in for a bashing from the hon. Gentleman and it is frankly, quite unnecessary. We believe that the professional should be in charge of the operation, because he has no political responsibility and therefore he makes professional statements there which help the Commission to do its work. He has chosen to say that Charles Bruzon House was rushed through, I guess because he has detected in his social media monitoring that there are some people... because the works are going to be ongoing next to a school who have huge concerns because they have children there, well, we share those concerns. We share those concerns. He, like I, has been in a school called Bayside, which is next to a tower block. This is Gibraltar. As long as there are not any problems in the construction period, which is down to the technical people working very hard to ensure that there is not, hey look, at the end of the day it is another school next to a building, once the building is completed.

But Charles Bruzon House was not rushed through. Charles Bruzon House went to the DPC, even though it is a Government project, in 2013, and then it went back a second time in April 2014. So how was that rushed through? It has gone twice. He can look at the minutes. He might actually one day want to turn up because he shadows this portfolio and he has never been, I understand, to the DPC, because the people who are at every meeting tell me they have never seen him there. If he wants to talk about the overspend of £1 million to £1½ million, please lady and gentlemen, look and ask about what the money has been spent for. Right, good, I am going to give you the answer if you plan to, because it is not for a subject to criticise this Government. This is a settlement of a claim made against the previous Administration, which we were advised we had absolutely no chance of winning, for locating a batching plant next to a place where they had granted permission for luxury housing. The advice was that we did not stand a snowball’s chance in hell. It is the settlement sum of the problem that *they* got us into, based on the advice of the lawyers that *they* instructed at the time, and nobody, believe me, gives away £½ million of taxpayers’ money without looking at every possible alternative to avoid paying it. So a bit more care, a bit more care when trying to criticise overspending as he did yesterday, because yesterday he was not asking; yesterday he was criticising. Next time, look before you leap. Ask before you criticise, and if there is a good reason to criticise, it is your job to criticise. But if there is a good reason to criticise now, it is a reason to criticise the decision makers that are on your side of the political fence.

I do not think we are ever going to agree on GibiBikes, but I gratefully acknowledge on behalf of the relevant Minister that the hon. Gentleman has now started to accept that what we inherited was an absolute fiasco of a scheme.

I am very pleased that he is going to welcome the new buses. I am not going to get into details as to ticketing systems etc, etc, but I must tell him that his contribution this year once again demonstrated a huge misunderstanding of some aspects of life that one would have expected him to know better than most. During the course of his debate he talked about legal assistance having been extended only in respect of one particular criminal matter. No. When he checks the transcript he will see that he has gone on and on about legal assistance, when he should have been going on about something called Legal Aid. As every lawyer will know, Legal Aid is the measure of cost paid to lawyers in criminal proceedings. Legal assistance – and he was reading his page, I could not believe it – is what is paid in civil legal proceedings. He should at least have got that right. He will be embarrassed when he reads the *Hansard*. I was going to give him a copy of the Legal Aid and Assistance Act, so that he could work out the difference, but I got held up buying the Hon. the Leader of the Opposition a calculator. (*Laughter*) I thought that that was more important in the context of a Budget debate. But we have had a judgment now in that case.

We have even had – and the hon. Gentleman should have done his research – statements by one of the lawyers in that case three or four weeks ago when they raised the issue, and the lawyer said, ‘We actually started proceedings to have this aid extended’. I am very happy to tell him now, Mr Speaker that if he pauses for thought and takes some advice, he might be told that a particular trial might not have been able to go ahead if the Government had not made the changes that it made, because of the principle of equality of arms, and therefore... Oh, look, the Hon. the Leader of the Opposition groans. Everybody was actually nodding until he groaned because everybody got the point, but he needs to understand – (*Interjections and laughter*) I know, they are starting to be like the noddies in the back of the car. He needs to understand that important legal principles like that are not determined at the whim of politicians and the politicians do not change laws to spend more money on Legal Aid, huge amounts of money on Legal Aid because they want to, because all of that money spent on Legal Aid would have been even more surplus I could have declared here to see go even redder. If we have made a change which was necessary in a particular field, it is because we have been advised that we had no alternative to do that or otherwise a particular trial might not have gone ahead, and I think we could all agree... that motion, that it would have been bad for Gibraltar as a jurisdiction if people had simply not been tried as a result and had managed to get themselves discharged. So perhaps a little bit less innuendo when they make remarks about the particular case and the changes that were made in the Legal Aid, and more thinking.

Mr Speaker, Mr Bossino says there have been astronomical increases in recurrent expenditure. Well, I forgive him, Mr Speaker. I forgive him because he is trying to pretend to support his current leader so that the other one becomes a little bit dazed with all the support, stops looking behind himself and allows him to pounce at the right time, because Mr Bossino is far too clever, having heard my original speech, to walk into that one. Having heard that the increases in recurrent expenditure had nothing to do with this Government or ‘minuscule’ to do with this Government, he was obviously trying to lull his leader, his *current* leader – I know it hurts to think of him in those terms – into some sort of false sense of security so that he could pounce at the right time; but I must tell him that I have changed my mind about all this. I am now backing Mr Feetham as leader of the GSD for as long as I can persuade him to stay. I am going to do my best to ensure that he does not become the Leader of the Opposition and that Mr Feetham is there for many, many years... if he gets my drift.

He said that the GSLP said – obviously also wedded to the advertisement – the GSLP said ‘We were in the midst of financial ruin’ and there is a lot in that sentence. The GSLP said... you know there is still the Liberal in him who cannot bring himself (*Laughter*) to criticise his old leader, quite right too. Some things run thicker than just the water that is politics, Mr Speaker. Who can believe them now? Well, Mr, Speaker the answer is everyone can believe us now – everyone. Everyone (a) that has seen the figures from the Treasury and the doomsday memo; and (b) anyone who heard the hon. the backbencher yesterday, who told us in that moment of lucidity and transparency and honesty that what was in the doomsday memo was right and that he was going to have to go for further borrowing. So that is completely clear now. That is why people believe the Government and the Treasury and Sir Peter Caruana and they do not believe the advert, because we are not asking them to believe one politician or one party leader, we are asking them to believe the Treasury – that is who produces the memo.

I guess he now, in this transformation that he has had, now has great difficulty believing anything that Sir Peter Caruana says, given the way he treated him at the time of the supposed – as he might have thought it might have been, I assume – handover of the Leadership of the GSD. But look, this is what Sir Peter said:

‘...he has been fortunate’

– about me, and –

‘in that I would have been willing, whilst keeping within economically prudent guidelines, to have changed the law to increase the debt ceiling, the debt limit, which I acknowledge would have been necessary...’

Mr Speaker, I know that old school rivalries die hard, but he has always been a man who has been interested in forensic analysis. Look at the numbers in here and just because it is me, do not take the contrary view. Look at the numbers. Look at what Sir Peter has said. Open your eyes and believe.

I will accept, Mr Speaker, that absent having to show this support to lull the other into an anaesthetised sense before stinging, that he would not have had anything to do with anything as shoddy as this because I know that he can at least spell. But he should remember before he delves further into this argumentation of the big lie that he knows that when the choice becomes of believing the Financial Secretary, Sir Peter Caruana, who is now in *Hansard* saying these things – so however much the Hon. the Leader of the Opposition persuades him, I will always remind him of what he said in *Hansard* – and Fabian Picardo over Daniel Feetham on the other side, he knows that people will believe so. Close enough to lull, but not so close that he gets tarnished by this idea of the big lie.

I fear that he risks going too far, because yesterday he said that we had inherited a treasure trove that we were spending at will. Well, where is it? Where is the treasure? He has heard the erstwhile horse of the horse's mouth say, 'There was no treasure trove. I was going to borrow more'. So can he stop having Long-John-Silver-style visions when he is writing his speeches about there being a treasure trove somewhere and appreciate that d-e-b-t was the way that the manifesto was going to be funded, with a higher debt ceiling, and the hon. the backbencher has now confirmed that as much as the Treasury has? So, no treasure troves. Next year a speech which does not rely on a rainbow and a pot of gold at the end of it, please.

He said I should apologise for the continuing high level of expenditure. Well, again you see in every phrase there is a hidden gem. In the same way as the absence of Liberal after the GSLP told us so much about his psyche, there is the understanding of the truth: the continuing increase in high level of expenditure. Thereby recognising that the high level of expenditure had been rising and rising and rising and therefore correctly identifying when it started, which was under the previous administration.

But, of course, when they talk about the highest level of expenditure *ever*, as if it were a very, very bad thing... I mean they say it repeatedly, 'This is the *highest* level of recurrent expenditure in the history of Gibraltar'. I do not know whether they actually bother to look at this, but I invite the hon. Member to look at page one of the estimate... actually, the one that is numbered one. If he looks on the calculator it is usually between zero and two. Does he have it? Mr Speaker, £547,390,000m is the highest ever figure of revenue for Gibraltar – the *highest ever*. So if he is going to say, 'Say sorry for the highest ever level of expenditure', could you please also, Mr Bossino, say, 'Thank you for the highest level of revenue ever'? I do not think the debate is this simplistic, but if he wants to have it in this way... if he wants to come here and say, 'Say sorry for the highest level of expenditure ever', the eyes just need to go up one line to see the highest level of income ever.

Of course, he just had to deliver the speech he had written. He had to deliver it. I do not know what it is about them that they do not like to change their speeches. Maybe on a Sunday afternoon, in the hinterland or at home, this sounded fantastic as it was tapped away onto a Mac Apple, or whatever it was that it was typed into, and the hon. Member was so wedded to it and wedded to support for his leader and wedded to the churro paper advert, that he just had to deliver it; but the Hon. Mr Costa had just uttered statistics that demonstrated that half of what he was going to go onto say was wrong. The Hon. Mr Bossano had made it impossible for anybody to deliver any speech in opposition to the current Minister for Employment, other than 'Well done, Joe', and that maybe did not sound so good to the hon. Member. It was – and I recognise of my old school chum that it was – a devastating blow that the Hon. the Minister for Employment delivered with the Employment Survey barely a week before the statistics had to be discussed. A devastating blow. Few might have got up to argue cogently in respect of any particular issue that there might have been wrong with those figures; none did from the other side because no argument was raised. The numbers spoke for themselves.

But then he said this, Mr Speaker, 'The Estimates Book makes depressing reading'. Well, I suppose if he looks at the revenue and feels that he has to thank me for it, it would. The Estimates Book makes depressing reading: protocol and entertainment £1.05 million, when the estimate was £390,000. Obviously having forgotten or never known about the much higher increase in 2002-03.

And then he said this, 'Talk about sticking' – at me – 'his nose in the trough'. I have lost so much weight, Mr Speaker, and he still wants to denigrate me like that... how ungentlemanly, Mr Speaker. I can get described as a farm animal, but saying that somebody is boring in their delivery requires a press release on how rude one is. Well, look, I have a fairly thick skin. I suppose pigs have thicker skin, but I have a fairly thick skin and so being told that I have my nose in the trough is not going to hurt me. Water off a pig's back, Mr Speaker. (*Laughter*) But does he think it is me, Mr Speaker? Does he think that my nose has been the one that sucked up the extra £700,000? Does he know who he is talking to when he is saying that, because it is not just the Chief Minister who has been in politics with him for 20-odd years and therefore has a very thick skin, this is everybody that accepts an invitation to any of the parties, as they like to call them, any of the events. That is where the overspend is, so every time they stick their noses in the events trough, every VIP invitation they accept, every time they break bread at a Government dinner or lunch,

every *tapita* that they enjoy, there they are oinking away, nose in trough... snorting away, I assume. I am going to sidle up to him the next time he is at a Government event, Mr Speaker, and just quietly stand by to see if there is any snorting or oinking going on as they Hoover up these £705,000 of additional expenditure that they enjoy so much now that we invite them to all of these events. (*Interjection*) Well, you have got a pretty big nose. (*Laughter*)

Mr Speaker, he does like to say that we give out contracts to friends, talking about one particular contract, which is the Airport contract, for advertising, which is repeatedly talked about. He then said, 'Giving contracts to friends'. Well, I have told him before and I will tell him again there was only one individual who was not transferred, as a transfer of undertaking occurred at the Airport from Terminal Management to GATL – Gibraltar Air Terminal Ltd. He was not transferred. He was not employed. He was not contracted. He was excluded *a dedo*. So this is not an *a dedo* appointment. This is an *a dedo exclusion*, and what we did was we corrected that. That is not giving a contract to a friend; that is actually righting a wrong, as I have told him before.

Then he complains that the Borders and Coastguards Agency is expending £800,000 more. Well, they have a lot of work. They have Department for Transport responsibilities, if we want to keep our Airport open, and they are running a visa waiver scheme that is working very well.

In relation to the Civil Aviation spend, he complains that there is an overspend there and he needs to understand what it is for. It is the amount that *they* agreed in Government. They were going to pay the MOD in respect of the runway every year, which we, when we were preparing the estimates, believed we had renegotiated with the MOD. The MOD was not then able to finalise agreements and we are still holding over *their* agreement in respect of the runway whilst we finish a new agreement in respect of the runway – this is called the Commercial Use Agreement. That is where the overspend is, having to pay the amount *they* agreed to pay and not the much lower amount we believed we had got the MOD to agree to pay.

I note, Mr Speaker, he did not even welcome the OFT Bill, although he is supposed to be shadowing Commercial Affairs. The Office of Fair Trading Bill... no welcome. But to a very great extent – and I suppose he did not even mention the freezing of energy prices – one thing or another, at twenty to nine in the evening, he just came to read what he was told to read or what he felt he had to read in order to lull his leader into a false sense of security. He literally that night, at that time of the evening, at twenty to nine in the evening, he came, he read, he bored us. He was another one, Mr Speaker. He came, he read, he bored us. No mention of the fantastic improvements at Sandy Bay. He is the Shadow Minister for Tourism. I think he is the only one who has not mentioned them. No mention of the good news of hotels. No mention of the numbers that the Hon. Mr Costa disclosed in respect of flights. No mention of the fact that despite the onslaught against Gibraltar at the Frontier, we were only down 1.6% at tourist sites. On cruise passengers and on cruise calls, he ignores that under *them* cruise calls fell sharply by 64 and does not realise that we are rebuilding.

Well, he ignores a saving when it occurs and so he talks about something being overspent, but when you do not spend £333,000, in one particular head he does not point that out. He does not think that is disgraceful, but neither does he think that he should give you an apology for not having pointed it out. Anyway, Mr Speaker, lots of snouts getting in the way of a good speech, I suppose.

He would love to pin the problem with bunkers on us, but he has sources in Singapore and he will be able to read about what is happening elsewhere. He will then see that the world market in bunkers has been down (a) as a result of worldwide economic trends; and (b) as a result of new rules which require ships to steam more slowly, and therefore they take less bunkers. But he will be extraordinarily disappointed to know – in fact so disappointed that he decided not to comment on it, although it is an extraordinary statistic worthy of congratulation – that bunker charges are in fact *up* last year in Gibraltar by 21%, confounding our enemies. (*Banging on desks*) Why did he not mention it, Mr Speaker? Why did he not remark about it? Why did he not change his speech about it? Why is he not listening to me? Very simple, Mr Speaker, because it does not help their cause. It does not help their cause that Minister Costa has delivered bunkering charges up 21% this year and that is why he ignored it.

It is normal, Mr Speaker, for any Government to welcome a new airline. Any Opposition should welcome a new airline and we of course will welcome any new airlines that come which are private sector initiatives, but I think that is absolutely normal. He seemed to criticise that before going on to say that of course in the GMA they have never had it as good as they had it in 2001-02, I think under Joe Holliday at the time, when they had had their record year and they had registered 45 ships. I fear that the Minister for Tourism has got a snout that is not going to let me get through this, he is so enjoying it, because he has just reminded me that last year, under this Administration, the GMA had its record year with 54 registrations and he had said it before the hon. Gentleman got up on his feet. He is supposed to be an able barrister. I mean that much of a change he could make. No, he could say, 'Mr Speaker I was going to say that the record year had been under the GSD at 45 registrations, but I have heard, and I am very happy for Gibraltar, the Hon. the Minister for maritime affairs say that last year they registered 54. I want to welcome that on behalf of the Opposition because what is good for Gibraltar is something that we welcome'. I have not even

1015 had to make a note. I was able to do it and I am sure he could have done it too, but he was not sincere in his speech. He wanted to deliver the *nasty* speech. The nasty party's nasty speech – that is what he wanted to deliver. He was not going to be shaken by any fact or any matter that might turn it into something a little bit other than just an onslaught.

1020 And he says, Mr Speaker, that people are staying here using our beaches and using our park – that 'vanity project' – only because they are locked in, and I was put in mind with that phrase of something that he will remember too, in 1985 when the... in 1982, when the frontier opened for pedestrians, I think, and that lady famously said, 'We have been here locked up like cats for so many years'. For a moment I saw him as the image of Carmen Warr (*Laughter*) standing by the frontier, finally liberated once it had been opened. I do not think many people at the Commonwealth Park have the feeling of being locked up, or at Sandy Bay. I think they feel very *free* actually that at last they have a green area in the centre of the city. I recommend to him that the next speech he writes on his laptop on one of the benches on Commonwealth Park. He might actually reach a different conclusion. I think there is a large measure of agreement between us that Spain's action in resigning from the Cordoba Agreement is despicable. I feel very able to say that I am delighted he still has that element of fervour in him that he can; but, of course, that might not be considered measured and reasonable language by those on that side of the fence.

1030 He does not like it, Mr Speaker, when we refer to Mr Caruana or Mr Montiel in any of the issues that we are talking about. So when we are talking about the 22 who were found jobs on average in the years that they were in Administration and we remind him that Mr Montiel was not in the office at the time... and when we talk about Mr Caruana, Sir Peter Caruana when he was Chief Minister and all of the issues that that gives rise to, I know that the Hon. the Leader of the Opposition is Mr Montiel's lawyer. He does not have to get too fidgety. I am not going to say much more. In all of those instances, Mr Speaker, we are perfectly rightly reminding them of what they did when they were in charge.

1040 What he cannot do, Mr Speaker, because it makes no logical sense, is say, 'We left you a golden legacy and a treasure trove, but do not talk about the past'. Well, it almost seems, Mr Speaker, as if he knows that there is no treasure trove, even before Sir Peter said so, because if he does not want us to talk about the past, it is because the past is best forgotten. The past *is* best forgotten, I agree. They have an abysmal record in employment and that is why it is right that the Hon. the Minister for Employment reminds the community *constantly* of what happened when they were in Administration, so that nobody sleepwalks into letting them back in; but I really had not expected that. That is why I can see this house-of-cards-style issue playing out. I can see the rivalry there – it is obvious. Fine, so be it. (*Laughter*) It is a very good thing. I am not shy of rivalry; it is a very good thing. He and I have enjoyed a rivalry for many years and there can be a friendship and a rivalry without a problem, but what I did not expect was, 'Do not talk about Sir Peter'. I knew it hurt that he did not come good on the promises about the leadership, but to say, 'Do not talk about Montiel. Do not talk about Caruana anymore'. This was quite incredible.

1050 I had seen him passionately follow Joe Bossano, and then turn his back on him, deny him three times quickly as he moved over to the other side; but now to see him do the same thing to Sir Peter, whilst still seated on the same side, this is of biblical proportions (*Laughter*) It was Peter who denied Christ (*Laughter*) and now it is happening the other way round – (*Laughter*) Absolutely fascinating. But, there is no other way. There is no other way to get away from 650 Gibraltarians more in jobs in two years, an average of 325 a year, other than to simply bury one's head in the sand, and deny the past and pretend it and they did not exist.

1060 But he says, 'There is a very poor service going on in the ETB. What is going on in the ETB?' I heard him say in a moment (*Laughter*) of slight passion, and he looked like a 90-year-old waving his walking stick, 'What is going on in the ETB?' It is terrible. There are now complaints, *complaints* that the phone is not being answered at the ETB and everyone here of course will want *every* public office to have its phones answered at the first possible moment. I will tell him what is happening at the ETB. They are finding people jobs. (*Laughter*) They have gone from answering the phone and employing 22 people a year, to not answering the phone and employing 325 people a year. I know which ETB I prefer. (*Laughter*) I just need to send them some people to answer the phone. It is not a difficult thing for the Government to do.

1065 He has heard me make the analysis about how many people they employed into the public sector, so he does not really want me to go through that again, because his complaint that the numbers are up 7.8% really do not sit very well with the fact that they went up 60% in their time, if not 68%. I still have not got the figure for 1996. So he needs to be careful with that one, and that is another area to avoid next year *para no hacer el tonto*. Financial Services and Gaming, Mr Speaker, up 1,050 jobs – 50% in two and a half years – so all the growth is not in the public sector as he has pretended. What a pity to see such talent wasted, Mr Speaker. Anyway, I am backing Mr Feetham as leader of the GSD for as long as I can.

1070 Mr Reyes reminded us that we gave a commitment not to destroy heritage sites, but now that we are in Government that commitment is tempered as a result of professional advice. Well, it always was going to be subject to professional advice. Nobody on this side of the fence is going to want to see a building that is about to fall down stay there simply because there is a heritage value to it. I think we have a cross-party



1075 agreement on that. But on the issue of the Main Guard, he said that they had planned it for years and they were very pleased to see it happen. Well, they planned so much for years, Mr Speaker, and what we have done is demonstrate to them how much can be done in a few short years by actually getting on and doing it.

1080 He then went through a list of issues that we were still pending delivery on: digitising the archives, replacing the place of the Neanderthal skull and delivering culture. He said, 'When?' Well, look, Mr Speaker, I am grateful that he is reminding me of my manifesto commitments. I have got them all in my head. They are all going to be completed on time before the next Election, but if he wants to help us to win the next Election by doing more than just reminding us of what he wants us to do, our position *always* had been – it is important that Mr Bossano hears this – that there were only two people who we would not accept in the GSLP, and that was Mr Feetham and Sir Peter. But now that Sir Peter has started to accept that everything we have done makes sense and is right, I am quite happy to propose at the next AGM that we should lift the veto there, and of course there is no veto for him if he wants to come in and help us to make sure that we comply with all our manifesto commitments on time.

1090 Then he said that we had inherited from the GSD a policy of supporting our sporting bodies to get over international hurdles put in the way of membership of their international federations. Well, yes, we had inherited it from you, I recognise that, and they had inherited it from us in 1996. A much more elegant way of putting it so that it is not an issue between us is that we all agree across the floor of the House, as the House *always* has before he and I were Members of it and regardless of who was in Government, that all our sporting associations should be entitled to form part of their international relevant bodies and without anybody putting political obstacles in their way.

1095 He said that the further football pitch was going to be a huge cost – that may come back to haunt him, just like the estimate that the Hon. Leader of the Opposition made about the Power Station costing £120 million, which it is not going to do – and that other sports need facilities too. Well, we agree, and I have told him across the floor of the House because it is an issue that I am dealing with, with the Minister for Sport, because it involves lands and other issues, which are inter-ministerial, that we looking and working with cricket and rugby to deal with those issues.

1100 Then he went on to say that the educational system is a source of pride, but after 42 years it needs to be changed and explained in that way why they put out a policy that simply asks questions and gives no answers. Well, I have no difficulty with them doing that, but I think we had the Hon. the Minister for Education explain to us what was their position before the Election and what is their position now, and that was amusing enough. But they put out a consultation which does not give any answers; it just asks questions. I have done that too, in some respects, because in some instances that is what you have to do. You have to make up your mind with information from the public, from the community and from business. When I did it, his leader said that it was disgraceful that I was not leading the community and telling them what I thought the results should be, but when they do it, it is the right way of consulting. Do not worry, I am used to it. So is everybody else and that is your problem. Then he said that what we should not do is gamble with Education in the future, and I could not agree with him more. That is absolutely right and I entirely agree with him.

1115 He took us to the Housing Works Agency, and said, 'What are you doing? For every two that goes, you only employ one'. Yes, I want to ask him... I have written to him already asking him a question that he asked me to write to him on at Question Time. I am going to write to him again, given his speech, to ask him to please clarify to me, given that they were in Government at the time but he has asked the question now, what it was that they intended to do with the Housing Works Association, because they are the ones who signed the agreement and said, 'Two out, one in', and that is a law of ever-reducing numbers which will get to zero at some stage.

1120 He expressed concern on behalf of constituents about the length of time that it has taken to refurbish their estates, because the refurbishment started a year ago and it is not finished yet. I really do not believe him I must tell him. It may be that one of his supporters with nothing else to talk to him about has tried to make a conversation in that way, but I do not believe that somebody who has been on an estate that has not been refurbished for 50 years, who has seen the refurbishment process start a year ago and knows it is going to finish by next August or September, is saying, 'When is this going to finish?' He is saying, 'Thank goodness this has started. Thank goodness this Administration has not listened to what you guys are saying about this being too expensive. I am really looking forward to next summer'. If there are slight personal issues, there are on every building site, I am confident that the Government and our contractors can deal with it.

1130 He will be, I hope, very happy and not cynically disappointed to hear that of the 1,500 people who were on the waiting list at the time of the last Election, approximately two thirds have already been housed, and that therefore we are very much on track to deliver on that fundamental manifesto commitment. He will not be so happy to hear that when he said that £130,000 per home at Charles Bruzon House was an extortionate amount of money and it was far too expensive, I am told today that that is *exactly* the same cost as every apartment at Albert Risso House. I really could not quite believe it. (*Interjection*) I could not quite believe

it. *Six years* later, despite inflation and the move in the market, what he said was too high is what they paid six years ago – another one not to repeat in the future. Talk about a hostage to fortune.

But he said that we were nervous about their new policies. I want to tell him that we are delighted with their new policies. They should continue to roll them out, as many of them as possible, because they really do help people to see them in their real light, especially this sort of policy and this sort of... More of this, please. More of this as soon as possible, because if he thinks that we are stagnating and visionless and we are too thirds of the way in delivering through what they described as too ambitious and too expensive a manifesto, well, then I think there would be many people in the Western world who would like to have Governments as stagnating and as visionless as this, delivering 10.3% growth... and Mr Bossino would like to recall, because he has just looked at it a minute ago on page 1, the *highest* recurrent revenue in the history of Gibraltar and the *highest* surplus in the history of Gibraltar. So stagnating and visionless like that I will continue to be for many years, I hope.

Mrs Isobel Ellul-Hammond used some very peculiar language in her address. She talked of us culling people and that is extraordinarily unfortunate because when you cull a person, what you do is you kill them. So she has made an accusation against the Government – in figurative terms... I am not suggesting that she says we have killed anyone – that we are culling people because of their nationalities. Well, there is another document that we give them just in time for the Budget session, which is called the Employment Survey. The Employment Survey tells them who is employed in our economy and what their nationality is, amongst other things. I do not know whether she bothered to look at it, but next year before making allegations of culling, she might like to look at it, because having been accused of culling for nationalistic reasons, despite what the Hon. Mr Bossino has described as the despicable campaign by Spain against Gibraltar, despite the Foreign Affairs Committee in the United Kingdom having identified that the Ambassador from Spain had to be summoned two more times than the North Korean Ambassador and thereby no doubt incurring the wrath of the Leader of the Opposition for having mentioned the words ‘North Korea’ and ‘Spain’ in the same sentence, if she had looked at the Employment Survey she might not have erred quite as she has. Compared to October 2012, Spanish employee jobs in the economy grew by 653, an increase of 18.1%, which means they now represent 18.6% of all jobs in our economy. That is not a cull. That is a reproduction – (*Laughter*) *Otra vez, ya vamos a llegar al tuyo, no te preocupes*. How can she call that culling... with a straight face?

And then the calculations that she made about average sick leave, which she tells us was absolutely terrible at 15.5 days in the GHA and this is the measure of whether people are happy or not... in a place where illnesses run riot obviously, because people work with illness every day and what might apply to a car show room does not necessarily apply to a Health Authority – actually the GHA tells us that the figure is 14.8 days, not 15.5; but she said her gold standard was 4.4 days of sick leave. Next year, can they please excite me intellectually a little bit more and make this harder? The principal auditor had to take an interest in the Gibraltar Health Authority in 2007 because sick days had got so out of control. I am told from a sedentary position by others that she was a Board Member at the time. (*Laughter*) I am going to say it like that because I am not sure that she was... with that get out. The staff then was smaller, right. So there were in fact 200 *less* sick days taken in 2013 than in 2007, even though there was a larger staff.

In 2007, when I am told she was a Board Member and when *they* were in Government, led by a man who they have described as the greatest Gibraltarian politician of all time *Otra vez* (*Laughter*) morale, one would have expected would be so high, led on the Board by the hon. Lady, led in Gibraltar by this paragon (*Laughter*) and with Mr McCutcheon in charge of the Gibraltar Health Authority. (*Interjection and laughter*) But really, one would want to ask oneself, what went wrong in the Health Authority where the golden standard of 4.4 was not the standard they hit? It was 18.2. (*Laughter*) If we take the whole of the GHA together, every GHA employee, actually it is 11.6 in 2013, led by the man who brings them joy once a year by dancing on the steps. (*Laughter and banging on desks*) So in 2007, three and a half days more per member of staff, and really, if her assumptions mean anything, she needs to really go back to the drawing board and ask herself what she and everybody else who was involved in the GHA then were doing wrong.

Then she complains about overspending in the GHA. She said it was £5 million. It was not. It is actually £4.3 million of recurrent... £1.8 million is the pay review. So if they do not like that, she might want to say, next time she goes down to the Health Authority to shake people’s hands, she might want to say, ‘Look, I really like you. I really value what you are doing, but I am getting rid of the latest pay review because I have criticised the increase in the recurrent expenditure’. One million pounds was the result of Agenda for Change and also an agreement entered into by them. So £1.8 million pay review, their cost, and £1 million Agenda for Change, their cost – £2.8 million out of £4.3 million... I know they hate it when we break down the figure and show them it is their fault – and the rest was largely sponsored patients. So I propose to her to control that she should go down quickly to the Health Authority. We will allow her access. (*Interjection*) Stand outside the sponsored patients’ office and say, ‘The GSD wants you to stay in Gibraltar. We are not sending you away, and if the GSLP insists’ – it was GSLP Liberals – ‘on you going away for treatment, then I will be able to criticise the costs next year in the overrun. And you, person standing there doing a

sterling job helping them, you are not having your pay rise. And you, nurse, you are going back to where you were before Agenda for Change because I am now against this rising cost'. Otherwise can she at least not be hypocritical and not criticise the cost, which she would probably have incurred as well and in fact which principally *they* incurred.

She likes to criticise Xanit so much, and yet it was the GSD that started to use Xanit. The referrals are always supported by clinicians. There is absolutely no political interference whatsoever. It is really quite incredible that she takes the attitude that she takes, but I am not surprised, because as I have demonstrated by reference to data in relation to sick days, she has complained about Xanit, about recurring expenditure and all things which now she sees she should not have complained about if she wants to make any sense. She has complained about complaints. This is becoming more like Monty Python all the time. 'I have got a complaint about complaints. Is this the complaints office?' (*Laughter*) 'No, this is arguments'. (*Laughter and banging on desks*) Well, Mr Speaker (*Interjection*) it is really quite incredible to see and a credit, a huge credit to a man, who has demonstrated that the things he is good at, he really *is* good at. (*Interjection*) *Quien, tu?* (*Laughter*)

Mr Speaker, I am going to give Members the data for complaints and so they might wish to make a note. Complaints 2005 – 215... in fact, I will give them the breakdown: 2005 – formal 96, informal 119, total 215; 2006 – 74 formal, informal 122, 196 total; 2007 – formal 52, informal 140, total 192; 2008 – 57 formal, 140 informal, total 197; 2009 – 53 formal, informal 129, total 182; 2010 – formal 60, informal 105, total 165; 2011 – formal 48, informal 96, total 144; 2012 – formal 39, informal 109, total 148; 2013 – formal 39, informal 90, total 129.

In 2007, there were 192 complaints and people took 18.2 days off of sick leave in the GHA. In 2013, there were only 129 complaints – each of them matters – many of them encouraged by the Minister himself, who likes people to make formal complaints so that the process can be gone through and we can learn from anything that has gone wrong... not discouraged, as used to be the case in the old days – and people took 14.8 days off sick leave. I think that ship has been steadied, all credit to Dr John Cortes. (*Banging on desks*)

I am not going to pretend to do the mathematics that she does with the GPs again, because we would be here all day demonstrating to her how wrong she is about this. There is so much that I have been provided with where I can contradict her, but it is already five past two and the nose and the trough needs soon to be united. (*Laughter*) So I will leave a lot of that, apart from that I must say I was very disappointed with her attitude to Commonwealth Park. To say constantly, 'Well, at least we have a park. At least we have a park', as if that were not relevant or important. Even in health terms it is important, let alone in environmental terms; but we know they think it is a vanity project, therefore useless and irrelevant.

The issue of fixed-term contracts, sickness, absence and staff turnover at the Care Agency is something that has been plaguing that Agency since the time that they were there. They introduced the fixed-term contract. How can they complain about this now? It is absolute nonsense, but we are getting used to that from her. The turnover in the Care Agency, which she raised as an issue, I have the numbers for two... she may like to make a note to ensure she never refers to this again. In 2010, the turnover was 72, which is 14%; in 2011, the turnover was 81, which is 16%; in 2012, the turnover was 23, which is 4%; and in 2013, 35, which is 6%. I will accept her congratulations for having got that turnover down. In the Social Services Department of the Care Agency, the turnover in 2010 was 25 – 13.8%; 2011, 20 – 10.5%; 2012, 9 – 4.7%; and 2013 the number was 14 – 6.5%. Apologies also graciously accepted (*Laughter*) in relation to that issue.

Mr Speaker, we think we are doing a lot for children with autism... the Minister for Health has said so. The Minister for Social Services has said so. She has raised this issue with us. She knows and others know that they can raise any concerns they have about issues like this with us at any time and we will deal with being able to work on these issues whenever we can. Things like this should surely not be the sort of thing that becomes part of the political to and fro. We are open and ready to listen to ideas, to work together on these issues. We are in Government now and therefore they need to come to us for things to be done. But if they are ever in Government, on issues like this, should anything come our way, we would go to them. Let us not make this a football, please. There are plenty of other things that we have kicked about today that we can have a lot of fun with and we can enjoy without having to go down that road.

I think the Minister for Equality is doing a fabulous job in relation to all matters of equality. That does not mean women's issues. That means equality. *Everybody* equal, whatever dangly bits one may or may not have, however one may like to use them (*Laughter*) and that is what she has been achieving, Mr Speaker. It is not about women. It is not about men. It is about *equality*.

If we are revising the size of the rooms in the dementia facility, it is because what they left us was really not fit for purpose and once we open it, people will realise that we have done a fabulous job in doing so, as we have with the John Mac Home. We had to spend £4 million because they also left us something there that was not fit for purpose. We had factored that into the equation of being able to rehouse people. We showed it to very many people. Nobody wanted to stay there. Some could not, because of the way it had been designed.

Of the overspend of £3.7 million, 2.6% is the extension of Agenda for Change and the £900,000 is domiciliary care. Please, let us, on the back of an envelope, on the back of a postcard addressed to the Chief Minister or the Minister for Social Services telling us which of those two she would cut... the pay cut of £2.6 million or the £900,000 on domiciliary care. Please, if she does say domiciliary care, can she not ask us about the waiting list and urge us to hurry it along, although they did nothing about it?

Again, on the disabled, the SEC system I am told is new, so finding complaints seems very difficult and project search is something that we are taking advice on. As she knows, some of our people have travelled there very recently. We think we are being much more proactive on fostering and abortion... sorry, *adoption*, and therefore we are surprised to see her take these points at this stage.

Well, Mr Speaker, what can I say? I think that deals with everything, except there are two things that I want to refer her to. Just like the Leader of the Opposition, she has had today her own bundle, and so I am just going to go through the bits left in the bundle.

Total recurrent expenditure and overspend in the Gibraltar Health Authority, Mr Speaker, average 8.24%. The variance between 1997-98 and 2011-12 is a total of an overspend of £55 million... £55.8 million. It reaches 11.95% overspend in 2011-12 and 10% in 2008-09. In 2012-13 the variance is down to 1.13%. Well done, John Cortes. This year it is up again because of sponsored patients, and no doubt in some of their years it would be sponsored patients too, because as the Hon. the former Chief Minister said, spending on Health... look, it has to be controlled, but nobody is complaining because it is being spent on Health as long as it is spent in the right way. As he said, we redistribute that income, this record income in different ways. One of the ways we do it is by giving good healthcare. Now, she needs to decide if she wants to stop spending on Health and criticise overspending or ask us what the overspending is on. Let us analyse why we did not get it right in the estimates. How can we get it right next time? But a blanket complaint like that actually just serves to show up that in *their* time the overspending was usually worse than in ours.

Mr Speaker, she has repeatedly accused us of cronyism – *repeatedly*. There is absolutely no reason to accuse us of cronyism. We have demonstrated in every instance that we have acted entirely properly in keeping with our practice and if anybody was ‘crony style’... cronyistic or whatever it is, that one, however you conjugate that word – it was them in the way that they made *a dedo* appointments. But, Mr Speaker, she seems to read everything that is put on social media. She is ever present on Twitter and Facebook. Has she not read the article that says that I am not being cronyistic enough? (*Laughter*) Does she not know that the criticism that is levelled at *me* and *the party* apparently is that we are not doing cronyism? ‘Picardo’ says *Panorama* ‘is soft to his enemies because he mistakenly thinks that is the way to win them over, and says, “There are people who expect things from me who are not getting them”’. I do not think I have ever been described as a ‘softie’ by any of them, except for the hon. the backbencher, who once said I did not have the steel to deal with negotiations with the GGCA. That was only in an interview *de la radio* in 2011-12 Budget. That was only because they had finally given up on him. They had taken him for as much as they could and he could not buy them, however hard he tried at that stage, Mr Speaker.

Well, we are not being cronyistic in anything that we do. We are being very careful to be a Government of all of Gibraltar. It may be getting us into some element of criticism when somebody who says that they are supporters of us feels that they are not getting something that they feel they deserve. As I said repeatedly before the Election – and I actually meant as we all meant when we said in the Election on this side of the House the things that we were going to do – we were not going to be advancing anyone simply because of the party that they might belong to. Everything was going to be done on merit and I think that we have more than demonstrated that in the way that we have run the Administration of this country’s affairs in the past two and a half years.

Let me quickly, Mr Speaker, move on to Mr Jaime ‘yawn’ Netto to deal with the issues he raised. A lot of what Mr Netto raised, we have already dealt with in our presentations. We have dealt with the issue of the Power Station. We have dealt with the fact that it is going to be gas etc, etc, and so I assume again a lot of his preparation was before the announcement. He wanted to defend diesel, but they are all against recurrent expenditure going up. One of the biggest costs is diesel, and he is either on his own defending diesel or they have wheeled him out to defend diesel. I do not think anybody believes that our environment was better looked after when he was the Minister than when Dr John Cortes, Minister for Environment, is the Minister. We are all very concerned about Western Beach. We are doing as much as we can in order to try and resolve that.

He wants to return to culling apes. Well, we think that we can resolve the issue of the apes. We are on the way to doing it and we think that our solutions are much better than killing animals, which are sentient, and that has been our position for some time. Their position was that they should be culled. In the eight years I have been in this House they hardly ever culled, despite it being their position that they should cull, and they hardly provided any other solution; hence the problem we have today. Most of the macaques, if not all of the macaques that we have today, were engendered – i.e. created in monkey bellies before we were elected. So look we are dealing with it and it will happen. (*Interjection*) Well, blame the GSD when it

is true, because it is true. If you do not like it, do something about it. Change your understanding of the world so that you do not say things which open you out to this sort of criticism.

The Alameda Gardens are not dilapidated and I am really not seriously going to deal with Barbary partridges today, Mr Speaker.

Mr Speaker, the hon. the backbencher, as I said yesterday, has never said a boring word in this Parliament, to his credit. Yesterday, he moved the political debate of this community on by his statements as to what the state of the debts had been at the time that he left and how he would have funded his manifesto, statements which I have already referred to. So, Mr Speaker, I do not intend to go through that again. I am delighted that he has said the things that he has said about the economic performance. If he will allow me a personal reflection, it is a *huge* satisfaction for me personally to be here today, three years after I was there being called by him ‘unfit to govern this community’ and to receive his congratulations for the fantastic economic performance that we see today demonstrates that he is a man who is more interested in the wellbeing of Gibraltar than in a petty political argument that we might have had in the heat of battle three and a half years ago. I am very grateful to see that I have confounded my critic and that the numbers speak for themselves, and that he said the things that he said yesterday.

He knows that I have been quick to congratulate him also, whenever honour has been bestowed upon him... when he became a bencher in the Inner Temple and when he took his Knighthood – so I am grateful now for his kind words about the economic performance of my Government, especially juxtaposed to the things he used to say when he was much more enlivened in this debate. I am very grateful indeed. He knows, Mr Speaker, that the people who served him in the Treasury do an excellent job and would never put pen to paper to say anything that is one penny out and we can all rely on the information that they provide. His and my understanding of what a £100 million hole is in Government finances is slightly different because we did find that there was some of the £100 million that had not been accounted for yet – part of it had been incurred; not all of it had been incurred. It was £100 million spending commitments, he will know, and part of the debate was that we had to stop spending. I will come back to him, Mr Speaker, on issues related to – as it is pretty late now – Credit Finance Company Limited.

The issue of jobs, I want to deal with very quickly, which is to say only this, if I have not said it already, that when we were fighting it out in the Election campaign and Mr Licudi and Mr Bossano made the announcement of the excellent Future Job Strategy, which is working so well and already delivering fabulous results for our community, we had calculated – as he knows it became an issue in that campaign – that the minimum wage at £10,000 each per economically active individual who took it up would cost £4 million, because there were 400 people registered unemployed. The Hon. Mr Feetham was quick to come back to us on television and tell us that this policy was madness because it was going to cost £10 million – (*Interjection*) £11 million in fact. Yes, indeed, thereby disclosing that the number of economic actors, who were not gainfully employed, was closer to 1,100. I put it to him Mr Speaker, that if he uses... and he has never needed a calculator, but if he needed to, I am sure that his new leader would lend him the calculator I have bought for him – if he takes away from 1,100 or from 1,000 the 650 who have been found jobs, he will find himself with a figure of 350, which is the unemployed now. That is the simplistic explanation and there is much more detail in Mr Bossano’s speech that set out the detail of it, but it is not as if we have created 650 new Gibraltarians. Mr Feetham told us exactly where they were so we could find them and give them jobs. (*Interjection*)

Mr Speaker, I have not heard anything in the course of this debate which changes my mind in recommending to the House this Bill. If I may, just before I move on, thank the Hon. Sir Peter Caruana for his statement in relation to our consultation on Schengen and the Customs membership and the issues of excise, which we are fully aware of on this side of the House, because we have been researching it in some detail, but not all members of our community are. When he speaks, I know people do tune in to listen and so I think it has been a very helpful pointer to where the debate may go in the future.

But I have heard absolutely nothing in the course of the past two days which shakes me from my view that I should commend the Bill to the House, but hon. Members opposite have criticised so much, have really attacked the increases in spending so much without wanting to think about what it was that they were attacking, without wanting to investigate them, and then having been given the information and have continued to be of that view, that I am going to invite them not to support the Bill, if they mean any of what they have said.

So my view is this Bill is as good today as it was when I got up on Monday and I commend it to the House as a record breaker. This is as much a new dawn today as it was on 9th December. I have seen, Mr Speaker, as has John Cortes, young children walking around that are the fruit of the IVF policy that we have implemented. The new dawn, Mr Speaker, has a name and a surname, and it is working. It is working and delivering the best possible results.

But, Mr Speaker, the hon. Gentleman opposite me criticises me at the United Nations, criticises me when I go to Spain, criticises me on every issue that he can, and now he is criticising me on these record

1380 breaking numbers. Well, Mr Speaker, I commend the Bill to the House, *but* if they have the gumption to stand for what they believe, then they should not vote for this Bill to become an Act. *(Banging on desks)*

1385 **Mr Speaker:** I now put the question, which is that a Bill for an Act to appropriate sums of money to the service of the year ending on 31st day of March 2015, and further sums of money to the service of the year ended 31st day of March 2013 be read a second time. Those –

**Hon. Chief Minister:** Mr Speaker, I call a division.

**Mr Speaker:** A division called.

1390 *A division was called for and voting resulted as follows:*

FOR	AGAINST	ABSENT
The Hon. P J Balban	None	None
The Hon. J J Bossano		
The Hon. Dr J E Cortes		
The Hon. N F Costa		
The Hon. Dr J J Garcia		
The Hon. A J Isola		
The Hon. G H Licudi		
The Hon. S E Linares		
The Hon. F R Picardo		
The Hon. Miss S J Sacramento		
The Hon. D J Bossino		
The Hon. Sir P R Caruana KCMG QC		
The Hon. Mrs I M Ellul-Hammond		
The Hon. D A Feetham		
The Hon. S M Figueras		
The Hon. J J Netto		
The Hon. E J Reyes		

1395 **Hon. Sir P R Caruana:** Mr Speaker, pursuant to the long-standing Parliamentary tradition that the whole House supports the Appropriation Bill in order not to deprive the Government of funding and the civil servants of their pay and thereby not meaning any more support for their spending plans that they meant when they used to support *our* spending plans, yes.

**Hon. Dr J E Cortes:** Much more briefly, Mr Speaker, yes.

1400 **A Member:** Surprise, surprise! It is unanimous.

**Mr Speaker:** By a small matter of 17 to 0 – *(Laughter and interjections)* – the ayes have it. **(Several Members:** Hear, hear.) *(Banging on desks)*

1405

#### ADJOURNMENT

**Hon. Chief Minister:** Mr Speaker, I move that the House do now adjourn until four o'clock this afternoon and we can then deal with other matters.

1410 **Mr Speaker:** The House will recess until four this afternoon.

*The House recessed at 2.30 p.m. and resumed its sitting at 4.00 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 4.00 p.m. – 7.59 p.m.

Gibraltar, Thursday, 3rd July 2014

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# The Gibraltar Parliament

*The Parliament met at 4.00 p.m.*

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

[CLERK TO THE PARLIAMENT: P E Martinez Esq *in attendance*]

## Order of the Day

### BILLS

#### SECOND READING

#### **Appropriation Bill 2014 – Second Reading approved**

**Clerk:** Mr Speaker.

**Mr Speaker:** Before lunch, the Clerk was cut off before he was able to stand up to proclaim that the Appropriation Act had been given a Second Reading. So for the record he should do so now.

5

**Clerk:** The Appropriation Act 2014.

### COMMITTEE STAGE AND THIRD READING

#### **Appropriation Bill 2014 – Committee Stage and Third Reading to be taken at this sitting**

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

10

**Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

### FIRST AND SECOND READING

#### **Tobacco (Amendment No. 2) Bill 2014 – First Reading approved**

**Clerk:** A Bill for an Act to amend the Tobacco Act 1997.  
The Hon. the Chief Minister.

15

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that a Bill for an Act to amend the Tobacco Act 1997 be read a first time.

**Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Tobacco Act 1997 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

20 **Clerk:** The Tobacco (Amendment No. 2) Act 2014.

**Tobacco (Amendment No. 2) Bill 2014 –  
Second Reading approved**

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that the Bill now be read a second time.

25 Mr Speaker, this is a short Bill, which was published on 3rd June 2014. Hon. Members will therefore note that the six weeks required after publication before the House is able to proceed upon such a Bill have not expired. I therefore yesterday certified this Bill, under section 35 of the Constitution, as one which could not await a longer period for the House's consideration, having consulted previously with the Hon. the Leader of the Opposition and having explained to him the Government's position in respect of this Bill.

30 The fact is, Mr Speaker, as I have indicated to the House, we shall not be calling a meeting for July in order to enable certain of the works to proceed, which are required in the antechamber and for the fitting of a lift to make this place accessible, and as a result this Bill, which could not otherwise be considered until I think the 16th July, could not come to consideration by the floor of the House until the third week of September. The Government considers that in the public interest this Bill needs to be on our Statute Book before then. It relates to issues which pertain to the retailing of tobacco and how that particular commodity can be retailed, and in particular how people, who are holders of tobacco licences, who breach the requirements of the Act are to be dealt with and their ability to dispose of their licences before courts dispose of any matters relating to offences which may have been committed under the Act.

35 The Bill is quite self-explanatory and I have had an indication from the hon. Gentlemen that it enjoys Opposition support. So I do not pretend to say more than that at this stage, although I will deal with any queries that hon. Members opposite may have if they express any.

40 In discussions with my Hon. And Learned Friend, the Minister for Justice, he has indicated a better way of dealing with 6B(1) in a way that is slightly more flexible. So instead of the type of notice that the Collector is going to require retailers to erect on their premises being set out in the legislation, I will be moving an amendment at the Committee Stage, which I am going to attempt to give written notice of in a few moments before we move to that stage, which will take the wording of the notice out of the Act in case it becomes necessary at any stage to make slight amendments as Customs allowances etc change, so that there is not the need to come here to amend the wording.

45 I will propose a wording which will nonetheless require the Collector to publish the type of notice that he wishes retailers to erect in the *Gazette*, as well as giving them notice directly in his discretion as licenceholders. That would be a more flexible way of ensuring that both the community at large and each retailer is notified of any changes and that this House does not need to become involved where simply a small amendment to a notice may be required.

50 **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 will now put the question, which is that a Bill for an Act to amend the Tobacco Act 1997 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Tobacco Amendment No. 2 Act 2014.

**COMMITTEE STAGE AND THIRD READING**

**Tobacco (Amendment No. 2) Bill 2014 –  
Committee Stage and Third Reading to be taken at this sitting**

60 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that... oh, hang on. I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

**Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

**FIRST AND SECOND READING**

**Commonwealth Park Bill 2014 –  
First Reading approved**

65 **Clerk:** A Bill for an Act to establish a park to be known as Commonwealth Park and for connected purposes.

The Hon. the Minister for Health and the Environment.

70 **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 establish a park, to be known as Commonwealth Park, and for connected purposes be read a first time.

75 **Mr Speaker:** I now put the question, which is that a Bill for an Act to establish a park, to be known as Commonwealth Park, and for connected purposes be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Commonwealth Park Act 2014.

**Commonwealth Park Bill 2014 –  
Second Reading approved**

80 **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, I mentioned Commonwealth Park extensively in my Budget speech, as have other contributors to this week's Budget debate, so I will keep this brief. In any case, Mr Speaker, it is the thousands of our fellow citizens, especially the hundreds of children who have, through their happy faces, their laughs and their excitement, already indelibly stamped on our community the reality and the success that is Commonwealth Park.

85 Mr Speaker, I have had few more enjoyable moments in my two and a half years as Minister than seeing my three-year-old grandson Ryan running with joy and giggling away as he experienced the grass under his little feet and splashed away in the play fountain. To me, Mr Speaker, that means many times more than all the glum faces, and all the comments of doom, and all the cynicism and all the criticism of the actually relatively little cost from all the Members opposite, and the whole community agrees. Mr Speaker, the  
90 Opposition's cynical view of Commonwealth Park, which clearly continues even now, is very reassuring to us on this side of the House as it proves categorically that they are not in touch with the pulse of our community; but that, Mr Speaker, is clearly not good for Gibraltar.

Commonwealth Park is an asset to Gibraltar that will bring huge benefits socially and healthwise to the people. It provides an area of beauty, by day and by night, bringing nature into the heart of our city.  
95 Mr Speaker, even after its opening, even after it has been so welcomed and acclaimed by our community, Commonwealth Park is still referred to mockingly by the Members opposite, notably by the Opposition spokesman for Health, when she kept on alluding to it in her Budget Speech of just a few days ago, insinuating that the investment in the park had been a waste of money.

100 Mr Speaker, little children, youngsters and teenagers, the middle aged and the elderly are all making use of this incredible new asset. Mr Speaker, people are commenting *no parece Gibraltar*. Well, Mr Speaker, what this Government is doing and what it plans to continue doing is that this sort of thing *si parecerá Gibraltar* will be Gibraltar (*Banging on desks*) because that is a new Gibraltar we are creating – a *different* Gibraltar. A Gibraltar that provides for the wellbeing of its people, to paraphrase the lady opposite, Mr Speaker, *para eso está el dinero, para el pueblo*.

105 Mr Speaker, the lady must clearly not be aware that there are plenty of studies that conclude that trees and green areas in urban settings serve to reduce aggression and improve the health of the surrounding community. Again, Mr Speaker, can the Opposition not take one step away from their obsession with Commonwealth Park and accept that they were wrong? Can they at least, Mr Speaker, support this Bill?

110 Mr Speaker, the response of the public to the park has been tremendous. Clearly it is something that the people wanted and something that the people want to keep; therefore, it is only correct, in the same way as the Alameda Gardens are protected in perpetuity and set out for the enjoyment of the community and visitors alike, well into the future, that this House should legislate to ensure such protection.

Following this, Mr Speaker, the rules of the park will be published in regulations as subsidiary legislation. It is with this purpose of ensuring that any change in use of this new and beautiful asset should

require the approval of this House that I commend this Bill to the House, not just for my little Ryan, but for all the children of Gibraltar for many years to come... nay, Mr Speaker, in perpetuity.

I commend this Bill to the House. (*Banging on desks*)

**A Member:** Hear, hear.

**Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the principles and merits of the Bill?

**Hon. D A Feetham:** Mr Speaker, yes.

Well, Mr Speaker, my little Gabriel is actually enjoying the park as we speak. It is his birthday and from Parliament I would like to wish him a very, happy birthday. It is his eighth birthday today (*Banging on desks*) and he too is enjoying the park, Mr Speaker.

We have never, Mr Speaker, taken issue with the park. Indeed, I note that the hon. Lady, when it was completed, actually tweeted that it was a very, very nice park. I happen to think it is a very nice park. We all on this side of the House think it is a very nice park, that perhaps we question the Government's priorities in pursuing the project of a park at the expense of perhaps pursuing a different type of project. In terms of its timing the park has gone first when other things that Gibraltar needs could have perhaps been given a greater priority, but nobody takes issue with the park Mr Speaker, and I want to make it absolutely clear.

Of course we also took issue with the fact that the way that the hon. Gentleman actually proceeded with the project after the General Election was different to the way that the project was characterised during the General Election, because of course the parking underneath the park mysteriously disappeared after the General Election, when we were telling them before the General Election that it is not possible to build a multi-storey underground car park underneath that park for geological reasons. The hon. Gentlemen... they said, 'No, we have taken expert advice on this and it is perfectly possible', only to bin the idea of the underground car park after they got elected. Perhaps we have been critical of what was, in our view, quite blatant cynicism on their part, but there is nothing wrong with the park and everybody on this side of the House thinks it is a wonderful park.

In relation to the Bill, Mr Speaker, when the Bill in relation to Alameda Gardens was brought before this House, my instinct at the time was to vote against the Bill. My instincts were to vote against the Bill because one cannot constitutionally, I thought, and legally I thought it was a complete and utter nonsense to come to this House and say, 'We are going to do something in perpetuity', because you cannot bind a future Parliament and really it was an artificial nonsense. (*Interjection*)

At the time I was persuaded by the Hon. the Chief Minister to support it on the basis that actually the wording 'in perpetuity' already existed in the Public Health Act, from which those aspects had actually been extrapolated, and indeed, because of it, we said, 'Right, okay. Well, if it is in the existing legislation already, we are going to be supporting it'. Having had time now to consider the position, to go back and see the reasons why that wording was included in relation to Alameda Gardens, I have to say that my original instinctive reaction to that Bill was absolutely correct, because of course the Public Health Act dated back to the 1950s. The wording of the grant of Alameda Gardens 'in perpetuity' was actually taken from the original grant, the original lease... the original grant from the then British Government to the people of Gibraltar. It was granted... 'Alameda Gardens are granted to the people of Gibraltar in perpetuity' and that then found its way into the legislation, but it does not make it the correct form or sensible form of wording or formula or legislative practice in relation to anything else, Mr Speaker.

The reality is that something continues to be so for as long as this Parliament wants it to be so. To say that it is going to remain a park 'in perpetuity' is just a gimmick and a nonsense –

**Hon. D J Bossino:** It adds nothing.

**Hon. D A Feetham:** – and adds absolutely nothing.

Mr Speaker, for those reasons, we are not on this side of the House prone to vote in favour of gimmicks or nonsense and therefore we will not be supporting this Bill.

**A Member:** Hear, hear. (*Banging on desks*)

**Mr Speaker:** Does any other hon. Member wish to speak on the principles and merits of the Bill?

**Chief Minister (Hon. F R Picardo):** Mr Speaker, thank you so much to the Leader of the Opposition for having confirmed that they are not going to be supporting this Bill on the basis very much that is in

175 keeping with their description of Commonwealth Park, whether his son is there or not, as a vanity project, namely one which was useless and now the Bill to protect it is nonsense.

Well, the Hon. the Leader of the Opposition cannot mean the things that he has said if he has recalled the slightest bit of the constitutional law that he learnt whilst he might have been at University, because it is not nonsense to legislate in perpetuity. One legislates in perpetuity until another Parliament comes and undoes it; unless they do not, in which case legislation will stand in perpetuity. So, Mr Speaker, whether the word 'perpetuity' is in the Bill or is not in the Bill is not really a reason for voting in favour or against anything. In fact, what we have seen in the Hon. the Leader of the Opposition is a desire to speak against this Bill and vote against it, full stop. If he had *wanted* really to deal with the issue as a legal issue, he would have said, 'Look, I have a concern *only* about the word "perpetuity"'. He would not have described it as nonsense and he would have said, 'I have thought of another word we should use', and I invite Members opposite to think of making the *small* amendment which would allow the Opposition to support the Bill.

So he has come here wanting to vote against the Commonwealth Park Act, not wanting to be constructive, extending their attitude of lack of support for what is happening at Commonwealth Park *de facto* into now this *de jure* expression of the park which will be the Commonwealth Park Act.

Mr Speaker, he says that they supported everything about the park, except perhaps the priority it has had in respect of the Government's delivery of manifesto commitments. Well, again, Mr Speaker, I cannot take that point seriously. The hon. Gentleman I know likes to do social media mischief by saying, 'Oh, a park before a power station, isn't that terrible. A park before a housing estate, isn't that terrible'.

Well, Mr Speaker, things are done when they can be done and some things are easier to do than others. We did not have to decide whether to power the park with diesel or with gas. We have not had to take any legal advice as to where to put the stacks or how high they can be. We have not had to consider with technical experts whether we should have six floors, eight floors or 15 floors on the park. It is a park and it is therefore easier and quicker to deliver than a power station, than a housing estate, or a waste treatment plant or any of the other things which are in our manifesto, which are timed to be delivered during the lifetime of the Parliament and which we are delivering during the lifetime of the Parliament.

So he has set up two excuses in order not to support the Bill and they will forever – in fact, Mr Speaker, in perpetuity (*Laughter*) – be in the *Hansard* as nothing more than that, ruses set up to avoid supporting what is, in my view, a very worthy Bill, which will ensure that this green area remains a green area for as long as somebody does not come to this Parliament and persuade the majority that it should be something else, and there maybe circumstances in the future where that is necessary, but we want to add this extra layer of protection for the park. We think it is the right thing to do. The use of the word 'perpetuity' in the Alameda Gardens protection in the Public Health Act is a useful model, if that comes from the original grant, well, that is a very good reason for having it in there; if it did not, the fact that we might all want to protect the Alameda Gardens is a very good reason for having it in there. Now that we are, with the opportunity to make this Bill, we want to express it in the terms that will provide the greatest amount of protection for the longest period and we want the Act itself to be a deterrent in the way it is expressed.

Mr Speaker, the concept of supremacy of Parliament is extraordinarily clear, from Dicey onwards we have all understood what it meant, and we do not need the Hon. the Leader of the Opposition trying to pretend that the use of the word 'in perpetuity' is a legislative device that does anything other than express the wish of this Parliament today, and that is a very good reason, Mr Speaker, because it is the wish of this Parliament today to support this Bill as drafted.

**Mr Speaker:** The Hon. Sir Peter Caruana.

**Hon. Sir P R Caruana:** Obligated, Mr Speaker.

Last night I had dinner in Queensway Quay Marina and as it was such a pleasant evening, my wife and I walked back to Irish Town from Queensway Quay Marina and we routed via the park, which looks absolutely spectacular.

Different people would design spatial use differently according to taste; that is true. I would have done one or two things differently, but that is just one person's preference over another's. The park, I would rather have seen it where we would have built it, opposite the English Steps and not in Commonwealth Parade. It would not have been as big as this, but it would have been the size of one third of the combined football pitches and the space in between the two. So we can argue about whether the pond is too big or too small whatever. I am not going to submit it to that sort of criticism. It is a beautiful public amenity. I would prefer to see it in a different place, not there, but that also is a matter of opinion. So in signalling to the House that I cannot support this Bill, it is *not* because I am not willing to eulogise one of their flagship projects, which I have just done.

Clause 3 of the Bill – notwithstanding that I have heard what the Hon. the Chief Minister has just said – is a legislative nonsense. There is a case for legislating for the park to give yourselves powers to make rules and regulations for its administration or for any other purpose to do with its running or with ... but to

legislate that the Commonwealth Park shall be perpetually set apart for the health, recreation and enjoyment of all persons, the key words there are ‘perpetually set apart’ because a park may not necessarily be for health, recreation and enjoyment. Children may fall over and hurt themselves and that is not for their health or enjoyment. So let us not be pedantic. A park is necessarily for people’s enjoyment and for people’s health, so the purpose of this is not in the words ‘health, recreation and enjoyment’, it is in the words ‘perpetually set apart’, that is the crux of this clause.

It is a legislative nonsense in two respects. First of all, because it is an attempt, which I think he acknowledges is ineffective, but nevertheless an attempt to go as far as he thinks he can into making it as difficult as possible for anybody to do differently, but of course it does not provide any greater protection for the longest possible period because it is still the same seven-day process or whatever it now is following the new constitution – *(Interjection)* Yes, thank you. It is now a six-week process to amend to repeal this Bill as any other Bill.

Nevertheless, the device to try and get everybody in this Parliament to say today that we are all here committed to perpetually set this apart. I am not... I think it is a fantastic facility, but I am not prepared to now commit myself that in three, four or five years’ time there may be a project of greater need for Gibraltar, of greater socio-economic need for Gibraltar that may require some of us, who may be in the House at that time either on this side or on that side in Government, to take the view that the park has got to be made smaller or that that end of it has got to be given up for some other necessary function, it is just an *unreasonable*, in my opinion, thing to say and unnecessary. I think it is unnecessary for the hon. Members to have the credit that they deserve and that the community may choose to give them for having executed this project. I think this is a wholly unnecessary device, which can only have as its objective getting us all to sign with our Parliamentary blood to never undoing a grand GSLP/Liberal alliance Government project. Religiously, I cannot support that, and I do not mean religiously in the church sense, I mean it in the word’s technical meaning. Religiously, I cannot support such a device.

I am told that the hon. Member has asked for words to be suggested in the alternative, and I would propose – and I am not going to make it a formal amendment unless there is an indication that they might be willing to support it... there is no point – that the words ‘perpetually set apart’ shall simply be changed to ‘operated as’. The Commonwealth Park shall be operated as a park for the health, recreation and enjoyment of all persons. Well, fine, Mr Speaker, to the extent that that is acceptable to them, what it means is that the difference between us is in the space between the meaning of ‘operated as’ and ‘perpetually set apart as’, well, that is not just semantics. That is not just semantics, it is about... and I cannot imagine that somebody might want to dismantle all of that park. I can see that in due course there may be a Government that decides that there is too much flat land allocated to it and the use to which it is put does not quite... also an unlikely decision, but possible. I cannot imagine that anyone would want to remove the park from there altogether, but that is not a reason for committing ourselves, us 17 individuals, that there will never be another need of Gibraltar greater than the desirability of this park, desirable as it is, and that is what I have difficulty with.

It is just an unnecessary curtailment of our obligation, as 17 Gibraltarians charged with this Parliamentary governance and those 10 charged with its executive governance, to abrogate our rights to make decisions in accordance with the needs of Gibraltar as they are at the time. I would be making the same point – if this was not about the park – if it was about the price of fish. This is not about the subject matter of the Bill, it is the concept.

Yes, of course I will give way to him, although he did not give way to me this morning. *(Laughter)*

**Hon. Chief Minister:** Because I knew what you were going to do and if you had not done it, they would not have done what you indicated they had to do.

Mr Speaker, this is about the curtailment of executive power in effect. If he will just bear with me, let me tell him why I think that is the case.

What we are trying to do – and it maybe that there is a measure of agreement that we can reach in what it is that we are trying to do – we are trying to take away from a putative future Chief Minister, who as he knows is the person who would agree that the land could be used for another purpose, the sole decision-making power to decide that park can be something else. So what we are trying to do is not shackle this Parliament, but empower it to be the entity that can decide in future, should those circumstances arise, that the park should be used for something further, because we think this is more than just a plot of land now that the executive can decide to use in a different way... much as the Alameda Gardens – for the reasons we have been discussing before and in another meeting – have also now got that character.

So if he takes that away from my intervention, a form of words that if it is offensive for him to think that we are, with the word ‘perpetuity’, shackling the Parliament in some way, and he can quickly think of a way that actually is empowering the Parliament – like, for example, ‘shall not without the consent of this Parliament be used for a purpose other than to be a park’ – I think maybe that has the effect of empowering the legislature over the executive in respect of this particular plot of land.

**Hon. Sir P R Caruana:** Mr Speaker, the hon. Member has to understand that I do not speak for the Opposition. I am a backbencher. I do not have a position as spokesman. I think it is clear – (*Interjection*) It is clear that this will be a matter for the Leader of the Opposition and my other colleagues on this side of the House.

But look, I am glad to hear what the Chief Minister has said, because if the object, if the purpose of this Bill is to make the ‘change of use’, for want of a better phrase, away from a park and a decision for the legislature rather than for the executive, I think that that is a legitimate objective. In this and in any other area of executive power that the Government of the day, whoever it is, decides that they want to add what he has called a ‘layer of protection’ from executive whim.

But look, Mr Speaker, if the Bill read, ‘Commonwealth Park shall be operated as...’ to which he could add if he wanted, ‘operated and preserved as a park for the health’, then by the law of Gibraltar the park could not be used; not only could it not be used for anything else without this Bill being repealed, but it would have to continue to be operated as, so they could not even close the park down, let alone use it for something else. They could not cease to operate it as a park, never mind cease to operate it as a park and apply it to some other use. They could not do *either* of those things without repealing this Bill and that would be, in my opinion, a perfectly proper legislative provision – (*Interjection*) Yes.

**Hon. Chief Minister:** So, Mr Speaker, with that understanding, which is really where we are going –

**Hon. Sir P R Caruana:** Only with the backbencher.

**Hon. Chief Minister:** Yes, absolutely.

**A Member:** Good enough for us.

**Hon. Chief Minister:** With that understanding, that is where we are going.

The use of the words ‘in perpetuity’ is simply there until a future Parliament wants to undo it. So whether you like it as a device or not, it is removed when a future Parliament removes it. So, with that device, can he just remind me of the words that he was proposing?

**A Member:** To operate it exclusively –

**A Member:** Operated as and preserved as –

**Hon. Sir P R Caruana:** Be careful with the exclusivity, because it means he will not be able to organise certain sorts of events in it. It might be perfectly appropriate. I just think operated exclusively... I mean he can add it if he wants, but he has got to be careful though that there is not a debate.

If the Minister for Heritage decides that he wants to organise a concert there, that someone is not going to have him prosecuted for breaching the Commonwealth Park Act or whatever this is going to be called.

**A Member:** Commonwealth Park – (*Interjections*)

**Hon. Chief Minister:** I think that the father of the House...He likes to be referred as such. The Father of the House, the oldest Member sensibly is suggesting that in fact we achieve it by leaving the Bill as it is, and adding the words, ‘shall not without the prior consent of the Parliament be operated other than as...’

**Minister for Enterprise, Training, Employment and Health & Safety (Hon. J J Bossano):** In perpetuity.

**Hon. Chief Minister:** ‘... in perpetuity’.

**Hon. Sir Peter Caruana:** I am not going to...

Mr Speaker, the Opposition voting against this Bill is not the most important Bill that we will vote against. How much effort the hon. Member thinks it is worth making to obtain the Opposition’s support for this Bill is a matter entirely for them. I will not be supporting a Bill that in my personal opinion purports to bind *this* group of parliamentarians, including me, into what decisions we can make personally about this, as legislators, about the future use of this park.

So if he wants to leave the word ‘perpetuity’... he has expressed to me what is his objective, which as I have understood him was to make sure that an executive could not without the consent of the legislature cease to operate the park or use it for... or the land for any other purpose. I have offered him a formula of words that necessarily achieves that objective. If he wants to continue to put in the word ‘perpetuity’, I do

not think it is worth... or ‘perpetually’ or anything like that, which as he knows is a word that gives me difficulty. Fine, they are going to pass the Bill. More important Bills like this have gone through on a Government majority (**Hon. Chief Minister:** Yes, indeed.) and so I do not think it is very ... I leave the decision entirely for him.

**Mr Speaker:** If no other Member wishes to contribute, I will call upon the mover to reply.

**Hon. Dr J E Cortes:** Mr Speaker, I have very little to add to this exchange. I am very pleased of course to have heard the words of praise from both the official Opposition and the hon. the backbencher. The park is, as I said, for all of Gibraltar to enjoy, including, of course, the Members opposite. They have recognised the value and the beauty today, I think probably for the first time.

I think we have discussed the issue of change in words, and having had a brief discussion I am persuaded that we should keep it as it is. Mr Speaker, after all, it is Parliament at this point in time that decides that it shall be perpetually set apart. A Parliament in another point in time can take a different decision and then they have every right to come here and change that; but if the majority of this House feels that this is correct, then that is the decision that we have to take.

So I will leave it at that and when I am asked to, I will give notice for the Committee Stage and Third Reading.

**Hon. Sir P R Caruana:** Would the hon. Gentleman give way to me just before he sits down?

**Hon. Dr J E Cortes:** Yes.

**Hon. Sir P R Caruana:** I would qualify what he has said with these words: it is true that future Parliaments are not prevented from repealing this Act, but he *personally*, and I *personally* and anybody who votes in favour of this Bill *personally*, will have the legal power to do it, but they will be countermanding their own vote today. (*Interjection*)

Their own vote today was that it should be perpetual. If any of the people here in the future vote for this land to be used for any other purpose, they will be contradicting themselves in a way, yes; but his recognition, his *recognition* that he will be free to do that with just a shrug of the shoulders is the very purpose... is exactly the very same argument why we say it is unnecessary. I am grateful to him for letting me interrupt him.

**Hon. Dr J E Cortes:** Mr Speaker, the shrug of the shoulders was in no way meant to be offensive. It was saying... well, you know, these are –

**Hon. Sir P R Caruana:** No, it was not the shrug... I did not interpret it as offensive. The shrug I interpreted to mean that it could easily be done and – (*Interjection*)

**Hon. D A Feetham:** Will you give way?

Mr Speaker, I have very patiently listened to the exchanges between the hon. the backbencher and the Minister (*Interjection*) and also the Chief Minister – (*Interjection*) Absolutely. I have not wanted to intervene to see whether some measure of agreement could have been reached that would have been acceptable to the rest of the Opposition as well. I have to say that we have absolutely no difficulty with the wording that the hon. the backbencher has suggested. From the very beginning I have said that it is the word ‘perpetually’ that we find, as the Opposition, offensive, and that is the reason why we are voting against the Bill. But I wanted to make the position clear, less it be suggested that somehow the rest of the Opposition are not being reasonable by not – (*Interjection*) I beg your pardon? (*Interjections*) Yes.

Of course I want to add this as well, that simply because we are voting against the Bill, and I think that for the reasons that I have said during the course of my own intervention and I think it was clear from my own intervention, does not mean that we have any intention should we win the Election in a year’s time to bulldoze the park and build blocks of flats. (*Interjections*)

I have to say, Mr Speaker – (*Interjections*) Mr Speaker, I have to say, and I speak only for myself in relation to this, because one never knows what the position is going to be. I speak for myself. I think it is an excellent idea. It is an excellent park and I would not wish to see it used for any other purpose, but the reality is that what I would not wish to do, which is what I said during the course of my intervention, is do anything that can be interpreted as binding us in any way, shape or form in the future.

And of course I also think that it is a legalistic nonsense to add the word ‘perpetually’ and for those reasons we are voting against it. But there is no intention, and I want to make it absolutely clear, after the next General Election to go in with the bulldozers and bulldoze the entire park – that is not the point. (*Interjection*)



420 **A Member:** You will give way back to somebody –

**Hon. Dr J E Cortes:** No, I am giving my way back to the Chief Minister.

425 **Hon. Chief Minister:** Mr Speaker, at least now it is clear that what they want to do is pretend until the next Election that they are not going to bulldoze the park, but leave themselves the doors open after the next Election for the possibility of bulldozing the park, and I thank hon. Members opposite for making their position clear.

430 Why it is they cannot live with the word ‘perpetually’... I am minded to move an amendment to include the words ‘eternally, until Armageddon or salvation come uponeth the whole of the world for all time’, but I think given that I do not think they stand a chance of winning the next Election, we are alright with ‘perpetually’.

**Dr J E Cortes:** *Per omnia secula seculorum* Mr Speaker, I have nothing further to add, so I will wait to be called to give notice for Committee Stage.

435 **Mr Speaker:** I now put the question, which is that a Bill for an Act to establish a park to be known as Commonwealth Park, and for connected purposes, be read a second time. Those in favour? (**Government Members:** Aye.) Those against? (**Opposition Members:** No.) The Opposition are...?

440 **Hon. D A Feetham:** No.

**Mr Speaker:** Carried by Government majority.

**Clerk:** The Commonwealth Park Act 2014.

#### COMMITTEE STAGE AND THIRD READING

##### Commonwealth Park Bill 2014 – Committee Stage and Third Reading to be taken at this sitting

445 **Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

**Mr Speaker:** Are all hon. Members agreed that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

#### FIRST AND SECOND READING

##### Income Tax (Amendment) Bill 2014 – First Reading approved

450 **Clerk:** A Bill for an Act to amend the Income Tax Act 2010.  
The Hon. the Minister for Financial Services and Gaming.

**Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, I have the honour to move that a Bill for an Act to amend the Income Tax Act 2010 be read a first time.

455 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Income Tax Act 2010 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Income Tax Amendment Act 2014.

**Income Tax (Amendment) Bill 2014 –  
Second Reading approved**

**Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, I have the honour to move that the Bill now be read a second time.

Mr Speaker, the principal purpose of this Bill is to enable QNUPS, Qualifying Non-UK Pension Schemes, to be offered from Gibraltar. Hon. Members will be aware that QNUPS are pension schemes established in a country or territory outside the United Kingdom and which must fulfil certain conditions in order to be recognised in the United Kingdom. Indeed, Mr Speaker, as the Government announced in early March, we have been in consultation with the Gibraltar Association of Pension Fund Administrators and in discussions with HM Revenue and Customs in order to enable to allow Gibraltar based QNUPS to be recognised in the United Kingdom.

Broadly, Mr Speaker, QNUPS recognition can be achieved, among other ways, by fulfilling the following two conditions: (1) The scheme must be open to persons resident in the country or territory in which it is established; and (2) the scheme is liable to taxation on its income, which we have set at 2.5%, as indeed we did with QROPS in 2012 and either of the following conditions: (i) the scheme is approved or recognised by or registered with the relevant tax authorities in the jurisdiction in which it is based; or (ii) the scheme rules must provide that at least 70% of the member's relevant scheme are designed to provide a lifetime income. The new Section 14B of the Act will amply provide for these and other conditions to be met.

Mr Speaker, QNUPS are highly attractive for a number of reasons, not least because they can invest in a wide range of assets and because they are exempt from United Kingdom inheritance tax on a member's death. The fact that we will now be able to offer these pensions schemes from here is an important step, a further step in establishing Gibraltar as an international pensions centre.

Mr Speaker, I should mention that the Government has taken this opportunity to amend section 14A, which allowed for QROPS, Qualified Recognised Overseas Pension Schemes, to be recognised in order to clarify the language regarding the jurisdiction from which funds in the scheme may be transferred. Specifically, these amendments are subsections (2) and (5) of section 14A. The amendments do not alter the substance of the transfer jurisdiction provision.

Also as regards 14A, we are introducing an amendment to allow the Commissioner of Income Tax to vary the commutation percentage of 30% in case of any changes that are made in the United Kingdom legislation. This amendment is to be found in subsection (3)(a) of section 14A. Incidentally, this flexibility for the Commissioner is included in the new section 14B. We will of course keep QROPS and QROPS legislation in the United Kingdom under review and introduce any needed changes to our own legislation as and when those may be required.

Finally, Mr Speaker, you will note that I am moving three amendments to the Bill. The first is simply to capitalise 'tax' in the long title. This is in a letter, Mr Speaker, that I have forwarded to the Speaker and I have copied the hon. Member on 24th June.

The second and third is remove the wording 'as to residency' since it might be taken to mean that the source of income could only be funded by a resident of the United Kingdom or Gibraltar, something which is not required by the UK's QNUPS legislation and which would therefore unnecessarily restrict QNUPS offerings. The substitute wording makes a reference to the UK's statutory instrument that sets out the actual criteria for QNUPS.

Mr Speaker, I would like to say how happy I am with the efforts of the Finance Centre executives, in particular in this case, Mr Michael Ashton, in bringing to fruition this exciting development for the pensions industry in Gibraltar.

Mr Speaker, I commend this Bill to the House. *(Banging on desks)*

**Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of the Bill?

**Hon. D J Bossino:** Yes, Mr Speaker.

The Opposition will be voting in favour of the Bill. I have had the opportunity of discussing the provisions contained in it with the Hon. the Minister for Financial Services, who has just spoken on the Bill, and I need to recognise, acknowledge and thank him and his team, in particular Mr Lloyd DeVincenzi, who wrote to him in relation to the points that I raised yesterday by e-mail, in respect of which I think all of them have been addressed.

But simply to refer to some of them, for example, I think clause 2(a) which amends the wording in section 14A of the Income Tax Act is a very helpful amendment indeed. Mr DeVincenzi is absolutely right when he says that that particular clause... section rather, required clarification. I can understand why it would have been confusing to both practitioners and those in the Income Tax office, having read through it,

and indeed the Minister and I had opposite interpretations as to the effect of that particular wording and I think that the amendment, as it currently stands, clarifies the issue very satisfactorily.

520 I also raised a point in relation to clause 2(c), which says that for the purposes of this section, ‘the term “country, territory or jurisdiction of the European Union”’, which appears in the previous section, ‘means the United Kingdom’. I simply asked why is it exclusionary of all other states within the EU. It has been explained to me. At the moment it only relates to the UK, but the wording would remain as it stands in order to give the relevant authorities the flexibility to add other states of the EU, and I think that is something which ought to be welcomed and I accept the explanation given by the Hon. Minister’s team in  
525 relation to that.

Mr Speaker, clause 2(d) of the Bill... yes, which is in effect the entirety of new section 14B or soon to be new section 14B, which is in effect, as it has been explained, introduces into the Statute Book the QNUPS products. My question was the wording as it stands. The wording of soon to be section 14B is very similar to section 14A, which is currently in the Statute Book. I do not understand, given the very difference  
530 in substance in terms of the wording, why there was a need for an entire new section. That again has been addressed and explained to me and I am happy to accept and vote in favour of the wording as it currently stands, subject to the amendments, which have been moved by the Minister and given notice to me today. I daresay some of them, I think, as a result of some of the points that I hopefully helpfully made to the Minister yesterday.

535 Mr Speaker, there is also a reference to a Statutory Instrument, which is then defined as meaning the Statutory Instrument enforcing the United Kingdom in the exercise of the powers conferred by the relevant section of the Inheritance Tax 1984, which is the English statutory provision. I think that is very useful and it ought to be there and it is something which I welcome in terms of the drafting.

540 An explanation has also been given, which again is satisfactory, as to why it is that it is going to be... that this particular provision is going to have retrospective effect to 6th April 2006, which also features in section 14A and it has got to do with the dove-tailing of the provisions as they stand in England and Wales.

So, for all of those reasons, I am very happy with the Bill as it currently stands and the Opposition is equally happy to be supporting it.

545 **Mr Speaker:** Does the mover wish to reply?

**Hon. A J Isola:** Mr Speaker, just very briefly.

I am grateful to the hon. Members for their support. In effect the 14A and the 14B, one strand of the 14A is for QROPS and the 14B is for QNUPS, in effect replicating the main difference being that in 14B  
550 there is reference, as the hon. Member has said, to the Statutory Instrument which sets out the criteria in the United Kingdom legislation as to what is required for a pension scheme to qualify as a QNUP.

Mr Speaker, the changes that have been made to 14A are basically to simplify and clarify some of the language and I am grateful to the Members. I do not think there is anything further to add.

555 I am excited by yet another product. Obviously as hon. Members will know, the QROPS that were introduced by my Learned Friend, my predecessor the Hon. Mr Licudi, have proved extremely successful with the pensions industry. We have a number of schemes that are leaving one of our major competitors, Malta, trailing in our wake, and the number of members of each of those schemes is growing at an alarming rate. So I am delighted with the success of the QROPS product and I am very much looking forward to QNUPS doing equally the same for our pension’s community, Mr Speaker. *(Banging on desks)*  
560

**Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Income Tax Act 2010 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Income Tax Amendment Act 2014.

## COMMITTEE STAGE AND THIRD READING

### Income Tax (Amendment) Bill 2014 – Committee Stage and Third Reading to be taken at this sitting

565 **Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

**Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

COMMITTEE STAGE

**Appropriation Bill 2014;  
Tobacco (Amendment No. 2) Bill 2014;  
Commonwealth Park Bill 2014;  
Income Tax (Amendment) Bill 2014**

570 **Clerk:** Committee Stage and Third Reading.  
The Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that the House should  
575 resolve itself into Committee to consider the following Bills clause by clause: the Appropriation Bill 2014;  
the Tobacco (Amendment No. 2) Bill 2014; the Commonwealth Park Bill 2014; as well as the Income Tax  
(Amendment) Bill 2014.

*In Committee of the whole Parliament*

**Appropriation Bill 2014 –  
Clauses considered and approved**

**Clerk:** A Bill for an Act to appropriate sums of money to the service of the year ending on  
31st March 2015 and further sums of money to the service of the year ending 31st March 2013.  
580 Clause 1.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Clause 2 – Head 1, Treasury, subhead 1, Payroll.

585 **Mr Chairman:** Stands part of the Bill.  
I shall be saying ‘stands part of the Bill’, unless some hon. Member indicates that they wish to rise to  
raise any matter.

**Clerk:** Subhead 2, Other Charges.

590 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 2, No. 6 Convent Place, subhead 1, Payroll.

595 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

600 **Mr Chairman:** Stands part of the Bill.

**Hon. Mrs I M Ellul-Hammond:** Mr Chairman –

**Mr Chairman:** The Hon. Mrs Ellul-Hammond.

605 **Hon. Mrs I M Ellul-Hammond:** Mr Chairman, with regard to Other Charges, 14 Grants (b) Other  
Grants and Donations, the estimate was for £530,000 and the forecast outturn was £815,000. And again,  
there is an increase for the estimate this year. Could the Hon. the Chief Minister provide a reason as to why  
it has increased? Are there new beneficiaries as part of the donations and could he provide a list and  
610 amounts for them, please?

**Chief Minister (Hon. F R Picardo):** Yes, Mr Chairman.

These are, as she rightly says, the annual grants. Some of them have increased and some of them are the  
same. They do not all increase. There is, for example, here the one that has increased, which I think is the  
one responsible for the increase, is the Multiple Sclerosis Therapy Centre increase, which goes up to

615 £468,000. This is the provision of oxygen, which is not done through the GHA. It is not funded through the GHA now, it is funded through here, and I think that is what results in the increase.

**Mr Chairman:** Any other questions?  
Other Charges, stands part of the Bill.

620

**Clerk:** Head 3, Customs subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

625

**Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

630

**Clerk:** Head 4, Broadcasting, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

635

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 5, Income Tax, subhead 1, Payroll.

640

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

645

**Clerk:** Head 6, Parliament, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

650

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 7, Human Resources, subhead 1, Payroll.

655

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

660

**Clerk:** Head 6, Immigration and Civil Status, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

665

**Clerk:** Subhead 2, Other charges.

**Mr Chairman:** Stands part of the Bill.

670

**Clerk:** Head 9, Financial Secretary's Office, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 10, Procurement Office, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 11, Civil Aviation, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 12, Town Planning and Building Control, subhead 1, Payroll.

**Mr Chairman:** The Hon. Selwyn Figueras? No.  
Payroll, stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** The Hon. Selwyn Figueras.

**Hon. S M Figueras:** Yes, Mr Chairman, I am grateful.

As I indicated earlier today during the Chief Minister's reply, in subhead 2(b) Land and Property Management shows an overspend of £620,000 over the estimate and the Hon. Chief Minister did indicate that... did explain certain reasons why there was an overspend. Is this the entry for that overspend?

**Chief Minister (Hon. F R Picardo):** Yes, Mr Chairman.

**Mr Chairman:** Other Charges, stands part of the Bill.

**Clerk:** Head 13, Health, subhead 1, Payroll.

**Mr Chairman:** Payroll, stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 14, Environment, subhead 1, Payroll.

**Mr Chairman:** The Hon. Mr Jaime Netto.

**Hon. J J Netto:** Yes, thank you, Mr Chairman.

In relation to Head 1(a) Salaries for the Ministry, we have an estimate for 2013-14 of £46,000 and a forecast outturn of £46,000 and yet the estimate for this new financial year is £72,000. Could we have an explanation for the increase?

**Minister for Health and the Environment (Hon. Dr J E Cortes):** If you look at the establishment, Mr Chairman, there are two new Environmental Protection Officers and one additional Executive Officer and that makes up, I believe, the difference.

**Hon. J J Netto:** I am not quite sure I follow the Minister because the one I have quoted, which is 1(a) Salaries, is in relation to the Ministry and if the Minister looks at the establishment figures at the beginning

of the page, it is exactly the same number. So we are not talking about the staff members in the Department, we are talking about the Ministry. So the numbers are the same, but there is an increase in the figures. So what is the explanation?

**Hon. Dr J E Cortes:** Yes, sorry, I get it now.

There is now the PA of the Minister, who is now an HEO grade, rather than an EO grade.

**Mr Chairman:** Is there any other question?

Payroll, stands part of the Bill. Yes?

**Hon. J J Netto:** Sorry, there is one other issue I would also like some explanation, if I may, Mr Chairman?

In relation to 1(e) Salaries, which is the salaries of the Department we are talking about here. We had an estimate for 2013-14 of £710,000. We have the forecast outturn, which comes to a lower figure, and yet we have an estimate of £900,000. Again here, if we actually look at the figures for the establishment figures, it has only gone up by two particular persons, so it is basically a jump of £900,000 against a forecast outturn of £662,000. It is quite an extraordinary tall figure and I would like some explanation.

**Hon. Dr J E Cortes:** Yes, Mr Chairman.

I am advised that there we do have the additional Environmental Protection Officers. I am also advised that the Senior Officer's salary was last year being filled on an acting capacity and the actual salary of the Senior Officer, who had been seconded to the Care Agency, was shown elsewhere. That is the explanation for that difference.

**Hon. J J Netto:** I am sure there must be more than that explanation, Mr Chairman, because even if we add two extra bodies... the wages for two extra bodies, and if we take into account the comment on the Chief Executive, it still could not account for the difference between the estimate and the forecast outturn. It is just too big a figure.

**Hon. Dr J E Cortes:** It also takes account of the vacancies that there have been that are now coming in and I believe it also takes account of the possibility of taking on more Environmental Protection Officers.

**Hon. J J Netto:** What vacancies are coming in, because it is not reflected in the establishment figures?

**Hon. Dr J E Cortes:** The establishment figures show the posts, but it does not reflect whether any of those were vacant during the course of the year.

**Mr Chairman:** Payroll, stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Hon. J J Netto:** Yes, Mr Chairman.

Could I ask in relation to 2(a)(iii) Enforcement and Diving Section, there is an entry, which is a new entry, of £20,000. Could the Hon. Minister please explain what is envisaged will be happening during the course of this financial year with regard to this amount of money?

**Hon. Dr J E Cortes:** Certainly the Enforcement Officers came in during... I think halfway through last year and therefore that is another reason why it did not reflect in the earlier question. This is a new section which is carrying out enforcement of different bits of legislation, as I described in my Budget address, and also the diving section, which is now carrying out things like, for example, the translocation of certain species when they have to be moved for some development. They are doing monitoring, tagging of underwater structures, like reefs and so on, so that is a *new* activity which is very new and just came in during the latter part of the last year, and that is what that is about.

**Hon. J J Netto:** Mr Chairman, if I could move the Hon. Minister to item 2(3)(c) Air Quality Monitoring, it goes from an estimate 2013-14 of £363,000, which also shows the same forecast outturn, but there is an increase in the estimate for the new financial year of £440,000 – almost, say, £100,000 more. Could the Minister please enlighten us as to why?

**Hon. Dr J E Cortes:** Yes, I did mention this in my speech as well. This is the purchase of new equipment to be able to fulfil our obligations under EU and to extend the monitoring to other substances,

795 for example, metals, throughout Gibraltar, and not just in one or two areas. So it is to do with improving the  
air quality monitoring, which obviously will have the ultimate effect of informing how we improve the air  
quality.

800 **Hon. J J Netto:** In relation to item 2(3)(e)(i) the running of the Alameda Gardens, Mr Chairman, we see  
the difference between a forecast outturn of £900,000 to an estimate of £1,105,000. Could the Minister  
please provide some information as to why there is increase in the expenditure?

**Hon. Dr J E Cortes:** Yes, it was the estimate the previous year. There were a number of vacancies  
which had not been filled which now are going to be filled.

805 Also the 200th anniversary of the Alameda Gardens is coming up in April 2016 and this will allow  
certain works to be carried out in preparation for that. I am sure that the hon. Member welcomes the fact, as  
he had criticised the Alameda Gardens, that there is going to be some more investment this year.

**Hon. J J Netto:** Does it mean that the new investment is to do with the particular pathways of Alameda  
or to do... what is extra?

810 **Hon. Dr J E Cortes:** I am not sure of the detail, but I am happy to provide him with that information if  
he writes to me, but obviously I am not sure of all the details and what that is going to concern. I believe it  
does involve some repair to pathways, but I stand to be corrected.

815 **Hon. J J Netto:** Mr Chairman, in relation to item 2(3)(f) Apes Management Expenses, Healthcare and  
Food, we have a forecast outturn of £180,000, yet the estimate is £300,000. Can the Minister provide some  
explanation?

820 **Hon. Dr J E Cortes:** Certainly, again the estimate the previous year was £273,000. This has two main  
elements in it: (1) it brings in the Ape Management Plan, which he is very keen to see and which he will see  
very soon; and (2) this takes account of the Gibraltar side costs of the export operation, which we are  
planning for a few months' time.

825 **Hon. J J Netto:** Mr Chairman, in my Budget address, one of the things I criticised the Minister for was  
the question of the GONHS contract in relation to the culling of seagulls. What I did mention at the time  
was the fact that in previous years I think the contract originally that GONHS used to have for the culling of  
seagulls was something to the tune of £100,000 and the FERA company had something like £110,000.

830 We have noticed by the figures provided by the Minister that the FERA company now does not exist.  
GONHS seems to have subsumed both the amount of money that they had before in GONHS, plus the  
FERA company, and they are culling much less seagulls than they used to do before for less money.  
Therefore I think it is not a value for money initiative in having terminated the FERA contract because we  
have one company only doing much less than what they used to do before.

835 Given the criticism, how is the Minister going to account for the fact that we are putting basically the  
two budgets that existed before in the two companies into one, GONHS, whilst we are having less culling  
of seagulls?

**Hon. Dr J E Cortes:** Mr Chairman, the FERA used to take in the first year a lot more... I think it was  
close on £200,000 or £199,000 for a six-week contract, so obviously value for money is something that I  
think we had better not talk about.

840 But certainly the details of how this is going to be broken up, that does not necessarily mean that all this  
money is going into one contract. The details of how this is going to be broken up and so on are being  
discussed by the Department's Chief Executive and during the course of this year she hopes to roll out a  
gull culling operation which will show figures.

845 Clearly, obviously of course, if figures for culling drop it could be one of two things: it could be less  
effort or if the effort is the same, fewer gulls. This is a study that has to be carried out. This figure includes  
a study to see how successful the gull culling is in real terms, but it is something that is still being sorted  
out.

850 **Hon. J J Netto:** Mr Chairman, with all respect to the Hon. Minister, if he wants to do any more study,  
he should have done the study before he took the FERA company out from providing such a service.

The question that the Minister really needs to state is whether GONHS needs to employ many more  
people to compensate for the loss of the FERA company in order to match the figures that both FERA and  
GONHS used to cull before.



**Hon. Dr J E Cortes:** I am wary of going into too much detail in this particular Bill, but if he writes to me, I am happy to give him more detail.

I must say that there was a study carried out before, but in this kind of study you have to do it regularly because you have to chart the trend and see how populations are changing. So a study was done before, but you have to do this regularly and I am sure that the hon. Member agrees.

As I say, the details are being dealt with by the Chief Executive, not by me personally. So if he does want more details and he writes to me, I will ask Dr Torres to draft a reply that will satisfy his questions.

**Hon. J J Netto:** Mr Chairman, as far as satisfaction I will certainly be raising questions in Parliament in the future, rather than writing letters.

But can I move on to item 3(l) in relation to conservation measures? I know that there is an entry, it could be a nominal entry of £1,000, but given that there is an idea of doing some particular projects on conservation, could perhaps the Minister provide some information?

**Hon. Dr J E Cortes:** Thank you.

It is a nominal sum. If you consider that we are at the point of publishing an Upper Rock Management Plan, which is not yet totally costed, that is the main reason for having that token entry there.

**Hon. J J Netto:** Mr Chairman, finally on 2(4)(f) Commonwealth Park, I see that there is an entry for the maintenance of the park of £100,000, but if I do recall in answer to one of my questions by the Hon. the Minister, I think he did say that the maintenance would be £160,000. If I am right, does it mean that we need to amend this particular figure?

**Hon. Dr J E Cortes:** No, Mr Chairman. This document was obviously prepared before the tender process had run its course and because there is some flexibility in the upkeep of planted areas and so on, the intention is to keep it within the Department's budget.

**Mr Chairman:** Other Charges, stands part of the Bill.

**Clerk:** Head 15, Equality and Social Services, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Hon. Mrs I M Ellul-Hammond:** Mr Chairman, in relation to Other Charges 2(7) Equality, there is a figure for £100,000. Could the Hon. Minister say what this is for?

**Minister for Equality, Social Services and the Elderly (Hon. Miss S J Sacramento):** It is the same figure as last year, Mr Chairman. I recall that the hon. Lady asked me the same question last year and the answer is the same as it was last year. It is projects that we have in the forthcoming year. Some of them which had been planned this year. We have not been able to undertake all of them, but certainly the intention is to undertake them this year. A lot of it will have to do with the establishment of a Commission – **(Hon. Mrs I M Ellul-Hammond:** And conferences?) Yes, and conferences and awareness initiatives related to the projects.

**Mr Chairman:** Other Charges, stands part of the Bill.

**Clerk:** Head 16, Education, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Hon. E J Reyes:** Mr Chairman, if I may?

On Head 2(12), there is an entry for contract officers of £46,000. Can the Hon. Minister please enlighten us a bit more on what the £46,000 entails?

**Minister for Education, Telecommunications and Justice (Hon. G H Licudi):** Yes, Mr Chairman.

This relates to the educational psychologist who has been recently engaged on a contract. She has in fact replaced a previous educational psychologist who was also on a contract and so it is not new money. The

915 previous payment was made, I believe, under Salaries. We were told that this was incorrect because it is a contract position and therefore it should be reflected separately. So it is the same position, but a new person having taken a new contract and being reflected in a different way.

920 **Hon. E J Reyes:** I am grateful, Mr Chairman, to hear he has the accounting staff, who obviously advise us on where to best charge it.

Just below that one, Head 2(13), there is a forecast outturn in respect of relief cover of £23,000 having been incurred in the last financial year, and yet once again we revert back to the previous estimate of only £1,000. So if we are only expecting £1,000 as well, why was there an additional expense of £22,000 occurring in the last financial year? Can the Minister assure us that this was just a one-off expense incurred and not something that is foreseen, otherwise I am sure his estimate figure would have been a bit higher?

**Hon. G H Licudi:** Yes, Mr Chairman.

930 This is for relief cover. There was a token amount set out at the beginning of the year because we do not know. This is, I understand, administrative cover that was supplied by a private contractor. At the beginning of the year we do not know how much relief we are going to require. This is the amount that was actually expended last year and again we are providing the usual token cover next year because we do not know exactly how much relief cover will be required.

**Hon. E J Reyes:** Yes, but Mr Chairman.

935 I am not quite certain. The Minister has just said it was in respect of administrative cover by a private provider, as opposed to being teaching cover, and it is completely different to cover by teachers. What sort of administrative cover was needed that we had to engage a private contractor?

940 **Hon. G H Licudi:** Yes, certainly. The teaching cover is provided elsewhere under Payroll, in particular cover for maternity/paternity, which is £530,000, and temporary cover for other absences, £400,000, which is due for this year. This is generally the supply list which we now do, particularly for maternity leave, we do on a contract basis because we know how long the person is going out on maternity leave. Whenever teachers go off sick there is certainly a supply list which continues to be used, as the hon. Member well knows. So that provision for teachers is covered separately and this is purely for administrative cover when it is needed.

**Hon. E J Reyes:** So may I rephrase my question? What is meant by administrative cover? Does it mean clerks of the Department of Education? What is meant?

950 **Hon. G H Licudi:** Yes, it is essentially clerical workers within the Department of Education and within the school environment. Clerical where there is either maternity leave or extended sick leave and there is a need for a cover, but separately from the teaching cover, which is provided from the supply list and which is provided for separately.

955 **Hon. E J Reyes:** Am I right then, Mr Chairman? Indeed, I think the Minister mentioned that this was contracted through a private supplier or whatever, so it is not like the teacher supply where you put your name down on a list and then if need be you are called up, this is done through an agency. If that is the case, because these relief cover in schools could end up having contact with pupils and so on, is there any type of vetting or whatever, given the proximity with young school children involved?

960 **Minister for Enterprise, Training, Employment and Health & Safety (Hon. J J Bossano):** This was a decision that was taken a couple of years ago, which I think we mentioned when we introduced it for the first time, which was that there were some Departments that had a relief cover vote predominantly to cover office staff. In other Departments when office staff was away on sickness or other absences, the remaining staff were simply expected to cover the workload with whatever was left. We decided to standardise the procedure and every single Department now has a relief cover Head, but it is primarily the clerical staff in the headquarters and it might mean also the cover, for example, of a school secretary. But the people who do that cover are in fact people that are recruited through an agency and they cover throughout the Government, not just in the Education Department.

970 **Mr Chairman:** Other Charges, stands part of the Bill.

**Clerk:** Head 17, Policing, subhead 1, Payroll.

975 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

980 **Clerk:** Head 18, Prison, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

985 **Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 19, Gibraltar Law Courts, subhead 1, Payroll.

990 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

995 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 20, Gibraltar Regulatory Authority, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

1000 **Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

1005 **Clerk:** Head 21, Attorney General's Chambers, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

1010 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 22, Justice, subhead 1, Payroll.

1015 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

1020 **Clerk:** Head 23, Social Security, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

1025 **Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 24, Employment and Labour, subhead 1, Payroll.

1030 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

1035 **Hon. J J Bossano:** Mr Chairman, in my contribution I mentioned that the Head had kept within the approved Budget and that there was little change for this year. When the Hon. Member opposite Mr Bossino spoke, he said that the Employment and Labour Department had seen a 15-fold increase in

expenditure. A 15-fold increase in expenditure would mean that the vote was going up from £60 million to £234 million, which would make it 50% of the entire Budget. I do not quite know how he got that figure, but I hope he does not think he is voting to spend £234 million in the Employment and Labour Head. I do not understand how he calculated that there had been an increase of £32.5 million.

So since clearly this thing was set in the general principles of the Bill, and we have now come to this point and the figures are in front of us, I would welcome clarification to see if somebody in my Department has been going up by 15-fold or is going to be spending £32.5 million without my knowing it. I want to find out.

**Hon. D J Bossino:** Mr Chairman, the spots are very much there. *(Laughter)* Still.

In relation to this, it is interesting that the Opposition is now answering questions of the Government; it should be the other way – *(Interjection)* Exactly. We are preparing and readying us for Government.

Mr Chairman, in relation to the 15-fold increase, the point I made was that it is a 15-fold increase from where we left it, and that is –

**Hon. J J Bossano:** In this Department?

**Hon. D J Bossino:** Yes, that is the point I made and wonder if that exists.

But given, and I was going to... I toyed with the idea of raising the point and in the event I thought I will raise it some other time, but given that he has given me the opportunity, I will ask him this. He gave an explanation in relation to the staff complement. He gave an explanation I think as to where the AAs, the Administrative Assistants... I think he said they would be distributed to other Departments, but can he give an explanation as to why he feels that there is no need for them in his Department? As I understand it, the intended position is that they would go down from currently a complement of 25 AAs in his Department down to one.

**Hon. J J Bossano:** Yes, because it is going back to what it was before. It went up. It went up as a temporary measure, and I explained it in last year's Budget, but since there is not an increase this year of £32.5 million to my knowledge, and he is responsible for the things that he says in this House and we are now at the point of approving the expenditure, if he thinks he is approving an increase of £32.5 million, I would like to know where he got the £32.5 million from.

Surely, Mr Chairman, if he has stated in Parliament in the general principles of this Bill that the vote has gone up by £32.5 million, he has to make himself responsible for the things he says. If he has made the figure up, he should retract it.

**Hon. D J Bossino:** Mr Chairman, he is obviously – as I pointed out to him during the course of my intervention – more used to being on this side of the House than on that side of the House. He seems to be very intent in asking questions. *(Banging on desks)*

I really do not recall referring to that figure in terms of expenditure, the £32.5 million. I will check my notes, but I do not recall making a reference to that particular figure. The *Hansard* is there, but I will check my notes as to what I intended to say. If I said that figure, it may have been uttered in error, but I will double check it. I will write to him.

**Hon. J J Bossano:** I suggest if he gave wrong information that he should stand up the next time and retract it.

**Hon. D J Bossino:** I will check it.

**Mr Chairman:** Is there any other question under Other Charges?

**Hon. J J Netto:** Yes, Mr Chairman.

**Mr Chairman:** The Hon. Jaime Netto.

**Hon. J J Netto:** I am not quite sure whether we are dealing with Other Charges or not. Are we on Other Charges?

Can I therefore raise one particular question in relation to 2, 8 and 9? These are sums of money, which in the last financial year were allocated to Head 14 Environment, under the title of Relief Cover. I am trying to get my head around this issue as to what is the relief cover that was being provided last year by the Environment Department and then why has it been transferred over to Employment.

**Hon. J J Bossano:** No, I think the hon. Member, Mr Chairman, is misreading the footnote.

1100 What has been transferred is not the relief cover; the relief cover was there already last year. There was a token vote of £1,000 and during the year £14,000 was spent because there were people absent on maternity leave and sick leave, and again there is a vote of £1,000 this year.

The footnote refers to subheads 8 and 9, which is Gibraltar General Support Services and Gibraltar Cleansing Services, which comes to £2 million, which was previously in the Environment.

1105 **Hon. J J Netto:** That is right. So what is it that this particular company, Gibraltar General Services Limited, will be providing for? (*Interjection*)

**Hon. J J Bossano:** Mr Chairman, if the hon. Member remembers anything from the time that he was in Government, he will remember that when employees were moved from one Head to another, there was always a footnote telling you where you could find them in the previous estimates.

1110 The footnote here tells you that if you look at the outturn for the Environment you will find that there are disappearing subheads, which are now appearing in this one. It happens every year. It happens throughout the Departments and it happened when he was in Government and all it means is that the responsibility for a particular activity is now under me, as opposed to being under the Employment for the Environment. Nothing else has changed.

1115

**Hon. Dr J E Cortes:** If I may assist,

1120 I think that previous to it being the Environment in the year before we came into Government, the budget was under Technical Services. It is only because some of the activities that they do happen to be Environment related that they were passed to me, but a lot of the other activities are not and therefore there was no absolute logic that they should be under the Ministry for the Environment. I am more than happy that my hon. Friend has taken them over. The same services are still provided and those that work for the Environment still do and so on. There is no issue there at all.

1125 **Mr Chairman:** Other Charges, stands part of the Bill.

**Clerk:** Head 25, Statistics Office, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

1130 **Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

1135 **Clerk:** Head 26, Port and Shipping, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

1140 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 27, Tourism, subhead 1, Payroll.

1145 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

1150 **Clerk:** Head 28, Public Transport and Commercial Affairs, subhead 1, Payroll.

**Mr Chairman:** The Hon. Selwyn Figueras.

1155 **Hon. S M Figueras:** Mr Chairman, yes, just a couple of queries.

In relation to the establishment figures, under subhead 6 Gibraltar Development Corporation Staff, is set to go up by six and perhaps the Hon. Minister is able to provide some clarification as to why that is to happen.

**Minister for Tourism, Commercial Affairs, Public Transport and the Port (Hon. N F Costa):** Yes, Mr Chairman.

Five of them relate to Transport Inspectors and the other GDC employee in the last year appeared as an HEO, but then the transfer from the HEO to the GDC did not happen and she stayed as a GDC member. That is right. So last year it appeared as a civil servant and this year it appears as a GDC because the transfer did not happen.

**Hon. S M Figueras:** I am grateful.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 29, Housing Administration, subhead 1, Payroll.

**Mr Chairman:** The Hon. Selwyn Figueras.

**Hon. S M Figueras:** I am grateful, Mr Chairman.

I was just going to quickly ask in respect of the Other Charges, sub subhead (2), the Operation Expenses, and in particular Consultancy and Professional Fees Enterprise, the estimate was £15,000 and the forecast outturn was £35,000... then also additionally it may just assist you to ask at this point in relation to sub subhead (3), Marketing Promotions and Conferences – whether perhaps the hon. Minister would be able to describe the events, in terms of Promotions and Conferences, that that expenditure Head covers?

**Hon. N F Costa:** Sorry, could the hon. Gentleman repeat the question?

**Hon. S M Figueras:** Yes, indeed. I am happy to assist, Mr Chairman.

Sub subhead 2 Operational Expenses (a) Consultancy and Professional Fees – and this is on Head 28... yes, we did go back – and on sub subhead (3) on Other Charges it is Marketing Promotions and Conferences, I was wondering whether the Minister could perhaps provide a flavour of what it is that those events were that are covered by that expenditure?

**Hon. N F Costa:** Mr Chairman, I am afraid that from the information that has been provided to me that there is no list of breakdown of the conferences or promotions. So, if the hon. Gentleman will allow me, I will seek that information and write to him. I am grateful.

**Hon. S M Figueras:** Mr Chairman, sorry, there was the other point on subhead 2, which was the Operational Expenses, the Consultancy and Professional Fees Enterprise. Could he just explain what that is? I do not recognise it.

**Hon. N F Costa:** Yes, Mr Chairman, this relates to a breakdown of invoices to ISOLAS, regarding amendments to the OFT, and also for work relating to a breach of contract to Hassans.

**Mr Chairman:** Right, so that is Head 28, Other Charges, stands part of the Bill. Come back to Head 29.

**Clerk:** Head 29, Housing Administration, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Hon. E J Reyes:** Yes, if I may, Mr Chairman?

On subhead 2(2)... the Minister is going to have to help me on this one – on subsection (n), which is a States Cleaning of Internal Communal Areas, I think it is quite understandable what that one is, but just before that on subsection (i) it says Cleaning of the Estates. My first question is: am I correct in assuming that this the cleaning of external areas in the Estates, as opposed to the internal communal areas within a given block? Can I start with that first question?

**Minister for Traffic, Housing and Technical Services (Hon. P J Balban):** Mr Chairman, the cleaning of the Estates, the subsection (n) refers directly to 'El Turno' whereas subsection (i) refers to the other general cleaning of the Estates that was always there, which is the roads, pavements etc.

**Hon. E J Reyes:** Thank you Mr Chairman.

So having established that, can I home in on (i)? The actual expenditure in 2012-13 was £2,600. An estimate was made for the following year of doubling that figure and providing up to £5,000, yet the forecast outturn is double or quadruple the previous year –it goes up to £10,000. Now for the forthcoming year we go back to what had been sought before, which is down to £5,000. So given that figure having quadrupled from one year to another, why are we only having what was the real expenditure last year? Was it because there was someone off cleaning or some other explanation the Minister could enlighten us with?

**Hon. P J Balban:** Mr Chairman, the over expenditure was as a direct result of a need to replace fused bulbs with energy saving bulbs.

**Hon. E J Reyes:** Mr Chairman, I am not that content about this. Is there no other better way of accounting for things that are connected with lighting and so on, given that there is a subsection there of electrical services and so on, than putting it down to cleaning of the Estates? It does require a bit of a stretch of the imagination to clean the Estate and say the expenditure was in respect of buying lower energy consuming bulbs. *(Interjection and Laughter)*

**Hon. P J Balban:** I did not hear the question. Could you repeat the question?

**Hon. E J Reyes:** Mr Chairman, what I was trying to get at is that my logic at least said when cleaning of estates one tends to think of cleaning, hygiene-wise and so on. I did not quite expect to have an expenditure for buying less energy consuming light bulbs to be classified under 'Cleaning of Estates', and I said more so because there are other subheadings, like, for example, electrical services, and it might perhaps have made a bit more sense to have that one distinguished as separate. Electricity is very very separate to buying bleach or detergents to use with mops and buckets.

**Hon. P J Balban:** Mr Chairman, it is actually a cleaning and maintenance contract and under the maintenance contract it also includes changing the bulbs. The bulbs have been changed for ones which are more environmentally friendly, which are the bulbs of LED with lower energy consumption, and these are more expensive than the regular bulbs which were changed before.

**Hon. E J Reyes:** Fair enough, Mr Chairman, and should I require a further breakdown, perhaps I can in the future question and ask the Minister for a breakdown of what were traditional detergents and light bulbs and so on.

**Mr Chairman:** Is there any other question? No.  
Other Charges, stands part of the Bill.

**Clerk:** Head 30, Technical Services, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 31, Driver and Vehicle Licensing, subhead 1, Payroll.

**Mr Chairman:** The Hon. Selwyn Figueras.

**Hon. S M Figueras:** Apologies, Mr Chairman, it is in respect of subhead 2.

**Mr Chairman:** Payroll, stands part of the Bill.  
Head 31, Other Charges.  
The Hon. Selwyn Figueras.

**Hon. S M Figueras:** I am grateful, Mr Chairman.

1280 Three queries in relation to subhead 2 on Operational... or rather on subhead 4, Motorcycle Safety Campaign Expenses, a query why there has been no expense given for the estimate of £6,000.

Then on the Incentive Scheme, am I to read from the £2,000 forecast outturn that that is just for hybrid vehicles that have been registered this year?

And interestingly in respect of (6) Tachograph Cards there is quite a significant estimate there of £85,000, an expenditure of £900.00.

1285 Finally, actually on (2)(c) Driving Licences, that I have just spotted here, there is an estimate of £115,000 and an expenditure of £2,000.

Perhaps there is an explanation for those entries. Thank you.

1290 **Hon. P J Balban:** Mr Chairman, I start off with subhead 2, 4 first of all, and the query was to do with Motorcycle Safety Campaign Expenses. The underspend was actually due to the fact that the motorcycle footrest campaign is in the process of being launched and was expected to be carried out in the last financial year, but for logistical reasons it is going to be done this year. So that is the reason why that appeared and disappeared there.

1295 As to item (6), the Tachograph, the funding has been put in place for the purchase of equipment and related expenses in respect of the implementation of the tachograph card, as per EU Regulations, and we are actually still under negotiations with the DVLA in the UK.

1300 Then we go back to Driving Licences, which is (2)(c), the under-expenditure was actually due to the non-purchase. There was a need for an extra 5,000 driver licence blank cards so that it was budgeted for, but because there has been a change in service provider in the UK, this spend and delivery date has now become March 2015.

**Hon. S M Figueras:** I am grateful, Mr Chairman.

1305 **Mr Chairman:** Other Charges, stands part of the Bill.

**Clerk:** Head 32, Utilities, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

1310 **Clerk:** Subhead 2, Other Charges.

**Hon. J J Netto:** Yes, Mr Chairman, if I may?

1315 In relation to item 2(b), which comes under the heading of Commercial Works, I notice that the estimate for the financial year 2013-14 was £1½ million, and yet the forecast outturn is almost twice as much and it comes to £3 million. Could we have an explanation as to why the expenditure has been almost doubled the estimate?

**Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Yes, Mr Chairman.

1320 I have been informed that there is much more commercial work that the GEA is doing and therefore it would be also reflected in the revenue, so the more commercial work that the GEA does, the more revenue at the other end that they get. So the increase there has been is obviously the pay or the costs of the GEA doing these commercial works, but there will be more revenue elsewhere.

1325 **Mr Chairman:** Stands Part of the Bill.

**Hon. J J Netto:** Can I just in relation to item 2(4)(a) contract AquaGib Ltd, there is an increase in the new estimate to £2,210,000 from... well, either the forecast outturn or the estimate. So could we have an explanation as to why the increase in the contract for AquaGib Ltd?

1330 **Hon. Chief Minister:** Mr Chairman, this is the shortfall in the non-increase of the tariff, as regards our policy not to increase water charges – *(Interjections)*

**Mr Chairman:** Any other question?

1335 **Hon. J J Netto:** I think the Hon. the Chief Minister was referring to item 2(3), which is in lieu of the water tariffs, I was not referring to that one. I was referring to item 4(a), which is to do with the contract with AquaGib Limited for salt water.



1340 **Hon. S E Linares:** Mr Chairman, it is a contract that there is with AquaGib, and therefore if there are more services to be done, the contract has to go up. So there is more to do, so therefore the fee of the contract goes up.

1345 **Hon. J J Netto:** Mr Chairman, I am not quite clear, because if there is more to do, as the Minister classified, I would have thought that that would have come under additional maintenance, but I am talking about the contract of AquaGib. Could he provide better clarification for that?

**Hon. S E Linares:** Mr Chairman, it is the salt water supply contract. In the contract it states how it goes up. Every year it must go up, so that reflects the going up and it is in the contract. It is to do with the contract with AquaGib.

1350 **Hon. E J Reyes:** Mr Chairman, if I may?  
If in the contract it says by how much it has to go up from 2012 to 2013, it only went up by less than £3,000 and from 2013 to 2014-15 it goes up by £½ million. I do not see a proportional increase.

1355 **Hon. S E Linares:** I keep on getting informed that it is in the increase of the contract, so I would suggest that it is – (*Interjections*)

**Hon. J J Bossano:** Mr Chairman, the relationship between the Government and AquaGib is one where the fresh water is charged to the customer, but the salt water is not metered. It is not based on consumption; it is based on the areas that are covered.

1360 Part of the areas that are covered keeps on increasing, both with new estates and with the transfer of MOD estates to the Government of Gibraltar, which previously were not in the original contract. The contract is based on the areas covered and not on the water supplied and that is why it can change from one year to another, depending on how much AquaGib takes over as responsibility for the supply of salt water.

1365 **Hon. S E Linares:** Mr Chairman, if it does assist, in my Budget Speech I said that there was a capital investment of £595,000, I think it was on two specific projects that were included. So therefore those two projects, which include salt water supply to those properties, are to do with the increase here.

1370 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 33, Collection and Disposal of Refuse, subhead 1, Payroll.

**Mr Chairman:** Well, there is no provision there and so obviously it stands part of the Bill.

1375 **Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

1380 **Clerk:** Head 34, Sports and Leisure, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

1385 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 35, Fire Service, subhead 1, Payroll.

1390 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

1395 **Hon. Mrs I M Ellul-Hammond:** Mr Chairman, in relation to 2(1)(e) Office Cleaning, Government Cleaning Scheme, the forecast outturn was £31,000, up from £25,000 estimate, but again the estimate for this coming year is £25,000. Could the Hon. Minister explain if it cost £31,000 to clean in last year, because that is reflected in the forecast outturn, why is that not again estimated for this coming financial year?

**Hon. S E Linares:** Mr Chairman, it is called budgetary control – (*Laughter*) Absolutely. So much for the arguments that they put...

1400 It is in the estimates. We estimated £25,000 and last year, if you see the actual, was £30,000. Then we estimated £25,000. The forecast outturn is £31,000, so this year we want to control it again to £25,000.

**Hon. D A Feetham:** May I commend the hon. Gentleman to No. 6 Convent Place?

1405 **Hon. Chief Minister:** Yes, he certainly can, Mr Chairman, where we will gift to him all of the data, which I went through this morning, so that he can look at exactly how much they overran in their time. I have it in my bag. I think that the total cost overrun in the 16 years that the GSD was in power was £158 million and the last year, Mr Chairman –

1410 **Mr Chairman:** No. No.

**Hon. Chief Minister:** It was £54 million.

**Mr Chairman:** No, that is the end of that.

1415 **Hon. Chief Minister:** Okay. I am quite happy to carry on if he wishes.

**Mr Chairman:** Please call the next Head. (*Interjection*)  
You have a question on the other charges? Very well.

1420 **Hon. Mrs I M Ellul-Hammond:** Mr Chairman, under 2(2) Operational Expenses (a) Maintenance of Fire Service Equipment, again the same question. It was estimated £20,000. The forecast outturn was £27,000 and again estimated for this year £20,000. Is the answer the same, budgetary control? (*Laughing*)

1425 **Hon. S E Linares:** Absolutely. (*Laughter*)

**Mr Chairman:** Any other question on Other Charges?

1430 **Hon. Mrs I M Ellul-Hammond:** Yes, Mr Chairman.  
I will be asking the Minister next year to see if there has been any budgetary control under those subheads.

1435 But finally, under Other Charges (3) Brigade Review the estimate last year was for £8,000, and that was not used. Now, again, £8,000 is budgeted for this coming year. Could he explain what that £8,000 is for, because I believe in answer to questions he said that Sir Ken Knight had offered his services *pro bono* and I was just wondering what the £8,000 is for?

1440 **Hon. S E Linares:** Mr Chairman, it is not only to do with Ken Knight. Ken Knight was not doing it *pro bono*. Ken Knight was doing it at cost, not *pro bono*, and therefore the difference could be that he could be charging that. But there are other issues in the review that we need that amount that has been estimated... or approximate.

**Mr Chairman:** Stands part of the Bill.

1445 **Clerk:** Head 38, Culture and Heritage, subhead 1, Payroll. (*Interjection*) Sorry, Head 36, I beg your pardon.

**Mr Chairman:** Head 36, Culture and Heritage, Payroll, stands parts of the Bill.

1450 **Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** The Hon. Edwin Reyes.

1455 **Hon. E J Reyes:** Thank you Mr Chairman.  
I see the introduction under 2, subsection (vi), Contracted Services, Culture and Heritage, which the Minister explained in his previous reading of the Bill, the contribution is going to be £3 million. Can I ask, at this stage, is it just a contribution of £3 million, which is then used in whatever, or are there going to be detailed breakdowns later on coming in a future thing of how the £3 million was actually used and what the

outturn is... whether we actually went over the £3 million or was any money left over from the £3 million? I am enquiring how the accountability during the course of the financial year will work.

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**Mr Chairman:** Can I direct the attention of the hon. Member to the footnotes. Has he noted the footnotes? (*Interjections*) You are asking about – (*Interjections*)

**Hon. E J Reyes:** Yes, Mr Chairman.

1465

What I am asking is... I know they have estimated £3 million. I am asking is that £3 million, 'Here you are. It has been given and I am going to demand these services from you'? I am asking will a future edition of the Estimate Book say, 'Right, in the forecast outturn we actually went over £3 million' and then one can query or whatever, or is it just going to be £3 million off and then that is it?

1470

**Hon. Chief Minister:** No, what will happen, Mr Chairman, is that he will see if we have contracted services what the next amount we will have to pay will be. So if next time it is £2½ million, he might say, 'Well, what happened? How did you save that money?' Whereas if it is £3½ million, he might ask us that question, 'How did the contract change? Why are you paying some more?' It is a contracted service, and so in the same way as you have other contracted services, for example, Master Services (**Hon. E J Reyes:** Exactly.) where we pay an amount, we cannot account for what happens outside of the payment of that amount other than as client.

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**Hon. E J Reyes:** The Chief Minister's clarification has actually answered what I was trying to get at. I am so grateful that has cleared up that point for me. Thank you, Mr Chairman, and the Chief Minister as well.

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**Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 37, Postal Services, subhead 1, Payroll.

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**Hon. J J Netto:** Yes, Mr Chairman, could I ask, because I notice that in Payroll (1)(a) Salaries, the estimate is lower than the forecast outturn, and in fact it is lower than the estimate of the previous financial year, but when I look at the establishment figures for the complement, it has actually gone up by two individuals. Could I have an explanation for this? (*Interjections*)

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**Hon. S E Linares:** Mr Chairman, sorry for the delay.

If I remember correctly and just by the word 'arrears' rang to my ears, excuse the pun, but there was payment that was due to the postmen and women and therefore it was to do with the back pay that they were owed, it was to do with the fact that the increase in their wages was not given to them from 2008 or 2009. There was no increase given to them and we backdated it since they did not get it. It was given as back money, so that is the difference there.

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**Hon. J J Netto:** So presumably the arrears that the Hon. Minister is referring to is in relation to the amount of the forecast outturn, which is much greater than the estimate for the last financial year.

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**Hon. S E Linares:** Yes, Mr Chairman. We paid it out and therefore it is £1.4 million and so now (*Interjection*) the difference, *that* difference is the back money that was paid through the salaries. (*Interjections*)

1505

**Hon. J J Netto:** So are we saying that those arrears that were owed to the complement were part of the calculation when we did the estimate for 2013-14?

**Hon. S E Linares:** Not necessarily, because there is a difference of £1.337 million to £1.48 million and then it goes down to £1.2 million. There could well have been payments in the estimates and prepared for 2013-14 and 2014-15 this year.

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**Hon. J J Netto:** No, Mr Chairman, the point I was trying to labour on, if I am right at least, is that when we had the estimate for 2013-14 for the complement of £1,337,000, that represented the amount of people in the last financial year was 64.

1515

However, now we have an estimate for this new financial year, which is *less* than the estimate of the last financial year when we have a higher complement of 66, by two. To my knowledge that has got nothing to do with arrears being paid to the men.

**Hon. S E Linares:** Well, Mr Chairman, that is the explanation that I am given, that it is the arrears, so –

1520 **Hon. J J Netto:** Mr Chairman, I accept that is the only explanation that he has been given, but it does not seem to be clear to me that the explanation has a sense of logic.

**Hon. S E Linares:** Well, it might not have a sense of logic to the hon. Member, but it does have a sense of logic to the Treasury people and those are the ones who have given me the advice. (*Interjections*)

1525 The explanation is similar to what I am saying, that in 2013-14, if we look at 2013-14 it is £1.3 million, and therefore that calculation could have included some monies that were to do with back money or any other that was owed to them at the time.

1530 The estimate for this year to every single postman and woman is £1.2 million that we have in the Book and so it is not that we are going to underpay anybody else. The calculations are done as is there. The £1.4 million is the difference between that. The £1.4 million is the back money that was paid.

**Hon. E J Reyes:** Yes, Mr Chairman. I think I understand the hon. Member is saying that the forecast outturn is of course higher because there has been that expenditure of money and so on.

1535 If I can take the Minister a financial year further back, the actual expenditure of 2012-13 is £1.344 million and what we are estimating for 2014-15 by having *two* more employees, one of which is an HEO and therefore it is a substantial salary, the other one being an Administrative Assistant, which is much lower.

1540 Even the figure two years later on is lower than the actual expenditure of 2012-13. I am leaving out the 2013-14 because there was an element of payment of back money and so on, which I think the Minister has tried his best with the explanations. But, two years further down when everybody else's cost on the payroll goes up, there seems to somehow be here the only Department that increases a complement by two people and yet has a saving of what... £60,000/£70,000, or something like that.

1545 **Hon. S E Linares:** Mr Chairman, another explanation could well be that people who retire or have retired, retire at the top end of the scale, and therefore if you recruit people at the bottom end of the scale, they will be earning much less. Therefore we have recruited, in fact, some of the supply ones that were around... we recruited. So, because the complement is increasing and maybe from the 40 single operational grades some of them have retired and gone and now, we get new ones in and they come at the bottom of the grade. That could well be another explanation.

1550 **Hon. E J Reyes:** Yes, Mr Chairman, it could be an explanation. But I understand and I have lived within the Civil Service and know that there is a difference between someone entering a particular grade at the top, but a £70,000 interest... It is something that the Minister for Employment, I am sure, would like to look at these figures and would probably take it as a personal challenge. He will look into it and we can take it up at another moment, Mr Chairman. I am not going to take any more time. I trust the Hon. Minister will certainly welcome the hobby I have given him for the coming weekend. (*Laughter and interjections*)

**Hon. J J Bossano:** I will have the explanation for the next meeting, Mr Chairman.

1560 **Mr Chairman:** Any other question?  
Stands part of the Bill.

**Hon. J J Netto:** Mr Chairman, I do not think we have covered Any Other Charges.

1565 **Mr Chairman:** We have not covered Any Other Charges yet.  
Payroll, stands part of the Bill.  
Other Charges.

1570 **Clerk:** Subhead 2, Other Charges.

**Hon. J J Netto:** Yes, Mr Chairman, thank you.

1575 In relation to item 2(3) Outgoing Mail and Bulk Mailing, there is quite a sharp drop in the forecast outturn of £100,000 against an estimate for 2013-14 of £400,000. Could the Minister please provide some information as to why this is?

**Hon. S E Linares:** Yes, Mr Chairman, this is an annual thing; it is not a scientific thing. It depends on how many letters go out and when the postal services pay out each other, balance out each other, then that will be worked out at the end of the year. So the estimate again is £400,000 and the forecast outturn was...

1580 if you look at the actual in 2012-13 it is £348,000. So therefore there was an estimate of £400,000 and then the forecast outturn came down to £100,000.

This year they have estimated £300,000 and so it is a thing that goes up and down depending on the volume for the postal services, which is mail and bulk mailing. So it is to do with how many letters, parcels and things are sent to different parts of the world.

1585 **Mr Chairman:** Other Charges, stands part of the Bill.

**Clerk:** Head 38, Civil Contingency, subhead 1, Payroll.

1590 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

1595 **Clerk:** Head 39, Youth, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

1600 **Clerk:** Subhead 2, Other Charges.

**Hon. E J Reyes:** Mr Chairman, may I ask on subhead 2(2)(c) Office Cleaning, where it says Government Cleaning Scheme, there was an actual expenditure in 2012-13 of £2,392 and the forecast outturn is only £3,000, even though there has been an estimate of a huge increase up to £16,000. Something must have happened that the expenditure was not incurred and we have gone for a near halfway figure of what the previous year's estimate was of £10,000.

Can the Minister say what had been estimated but never actually took place, hence giving us that grateful saving of £30,000? What is he expecting to happen that will require perhaps even £7,000 more than we predicted was spent at the last financial year?

1610 **Hon. S E Linares:** Well, Mr Chairman, it was not budgetary control, so we will get that right from the start. *(Laughter)* It was to do with the instructions that were given to try and clean and do all the cleaning of the youth clubs. Youth clubs were not... it was not that they were not cleaned, it was that there was only one cleaner that was doing the whole shift of trying to do all the youth clubs.

1615 Therefore, like he rightly says, although the actual was £2,300 and then it went up to £16,000 because the instruction was given that you can have a company or you can contract people to clean the youth clubs, they are only actually spending £3,000 and we have said, 'Right, okay. We will go down. We will have a little bit, not £16,000. We will go down to £10,000, see if with £10,000 you can then do all the youth clubs'.

1620 But it is to do with the cleaning of the youth clubs. Obviously we are hoping and envisaging that they will use more. They are open during the weekends and so these are the issues that might increase the slight expenditure there.

**Hon. E J Reyes:** Yes, I am grateful, Mr Chairman.

1625 Can I just be a little pedantic and suggest to the Minister that perhaps for the following year... my first interpretation when one sees 'office cleaning' is you tend to think of a small private space that one of the youth workers tends to have and from the explanation the Minister has explained, that this could encompass the whole moreso communal areas in respect of the youth clubs, perhaps a little change in the wording there saying, 'Youth club area cleaning' or 'club areas', other than making us simple-minded people just think at the beginning of a space where the youth worker is, as I know they tend to work within very confined spaces trying to give as much area as possible for the enjoyment of our youngsters?

1630 **Hon. S E Linares:** I will definitely give those instructions to the Treasury and they can do it... no problem.

1635 **Mr Chairman:** Other Charges, stands part of the Bill.

**Clerk:** Head 40, Financial Services, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

1640 **Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** The Hon. Mr Bossino.

**Hon. D J Bossino:** Thank you Mr Chairman.

1645 I wonder if the Minister could assist in relation to the items under 2(1). They are all the subject of considerable reductions and I think in respect of three of them a nominal amount of £1,000 provision is being made. Can he explain why that is the case?

1650 **Minister for Financial Services and Gaming (Hon. A J Isola):** Yes, budgetary control, Mr Chairman (*Laughter*) and obviously LED lighting, which is working very effectively.

Mr Chairman, obviously when I was elected in the by-election and took over my Ministerial responsibilities, in order to exercise more budgetary control I share an office with my very good friend, the Hon. and Learned the Minister for Justice, and therefore the costs have been apportioned between the two Ministries and that is really why it explains that difference.

1655 **Hon. D J Bossino:** Mr Chairman, also in relation to – thank you for that – (3) Marketing Promotions and Conferences, I see that there was not any actual expenditure in 2012-13, no estimate in 2013-14, a forecast outturn of £17,000 for 2013-14 and a considerable increase in terms of the estimate for this coming financial year of £120,000. Can he give an explanation in relation to that?

1660 **Hon. A J Isola:** Yes, I think he mentioned Marketing Promotions and Conferences, but I think you were referring to Consultancy Services.

1665 **Hon. D J Bossino:** You are absolutely right. My error.

**Hon. A J Isola:** Yes, consultancy services, Mr Chairman, is a consultant that we are using for specialist services in relation to, for example, the National Risk Assessment, which is being prepared. It is an obligation under the forthcoming Money Laundering Directive and the FATF requirements, which is in process... it is being publicised. Also, legislative work which the consultant is also doing, and that is just for this forthcoming year.

**Mr Chairman:** Stands part of the Bill.

1675 **Clerk:** Head 41, Gambling Division, subhead 1, Payroll.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

1680 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 42, Gibraltar Audit Office, subhead 1, Payroll.

1685 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill.

1690 **Clerk:** Head 43, Supplementary Provision, Head 1(a) Pay Settlements.

**Mr Chairman:** Stands part of the Bill.

1695 **Clerk:** (b) Supplementary Funding.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** That concludes clause 2.  
Clause 3.

1700 **Mr Chairman:** Clause 2, stands part of the Bill.

**Clerk:** Clause 3, Head 44, Contribution to Government-owned Companies.

1705 **Mr Chairman:** The Hon. Selwyn Figueras.

**Hon. S M Figueras:** I am grateful Mr Chairman.

This is the point I alluded to during my intervention the day before yesterday and it was in respect in particular of the fact that there is an analysis missing from this year's Head 44 that was present both in last year and the Budget Book the year before, which provided information as to where the contributions were going.

1710 As an example, we know from last year's Budget Book that of the £17.7 million that the Government contributed to its own companies, £2.7 million went to the Gibraltar Bus Company and that £3.7 million went to the Gibraltar Car Parks Ltd and so on. That analysis is not here and I was wondering whether there was any particular reason for its omission this year.

1715 And as an additional point, which I also raised in the intervention and which the Chief Minister did not deal with in his reply, I also note that the expenditure of the Government-owned Companies is not within the Book and I merely made the observation that... I do not know what the protocol is in that respect certainly, but merely to point out that it would certainly be something that would be helpful and I do not know what the policy is in respect of that. Perhaps the Chief Minister can assist.

1720 **Hon. Chief Minister:** Mr Chairman, the trading companies have never been reflected in the Book, even when they were trading when they were in Government. What we have been doing for some years, since we were elected, is giving his right of breakdown here of what the contribution is going for, but what we had found is that on occasions it was necessary to change the allocation of the contribution. So what we propose to do, which I think the hon. Gentleman will find more useful and I think will be helpful to the House, is to provide the breakdown of the £25 million on the outturn, rather than on the contribution. So, in other words, next year in the Book he will have how the £25 million has been distributed in the companies. *(Interjection)* It may be less or it may be more – *(Interjection)* yes, and the contribution for the following year. So in that way he will see exactly where the money goes, and obviously where the money goes will indicate the estimate of where it is going next, but it is not always exact because it is company expenditure.

1730 So the estimate breakdown will be replaced with the outturn breakdown so that we know exactly where the money has gone, rather than where it is intended to go, and that will give us a guide of where it is likely to go the following year.

1735 **Hon. S M Figueras:** Mr Chairman, I am grateful for that, but I am keen to understand why it is... I mean it is only an estimate at the end of the day that has been provided thus far. I am keen to understand why it is that the estimate has been assessed as no longer necessary or unhelpful, because I do not know what the position –

1740 **Hon. Chief Minister:** Mr Chairman, we could simply give him a breakdown that suggests five, five, five and five, depending on... or not like that, but depending on salaries etc, but we would rather give the House a detailed breakdown of where the money has gone and because it is in the companies, the companies are not like the Departments. Remember, there are different employment rules that apply in the companies etc. There is much more flexibility in companies and so it is not so detailed. It is not so fixed and so we think the best thing to do is to give the House the actual payments of where the money has gone and that is what we intend to do, which will show him exactly where the money has gone and will likely be a better guide – it will be like the columns – to where the money is going to go the following year.

1750 **Hon. D A Feetham:** Mr Chairman, that is the decision of the Government. At the end of the day they have provided an explanation and we are not here to debate it.

1755 Just to say that it is helpful to have an estimate or an indication as to the present intention of the Government of where it intends to invest its money. I mean that is what you did last year. Now that may change because the Government may do something different. I certainly at the moment struggle to see the benefit of the practice that the Hon. the Chief Minister is going to be effectively deploying in the future departing from the practice as last year, but at the end of the day we are not here to debate it.

**Hon. Chief Minister:** Mr Chairman, let us be clear.

When they were in Government they did not show any of these losses anywhere in the Book, which was the subject of debate between us and it will, I am sure, continue to be. What we are saying is we have to

cover these losses. This in part goes to the black hole, but is also recurrent expenditure. We are now bringing that onto the balance sheet.

What we are saying is having brought it onto the balance sheet with indications of where the money was likely to go, because it is company expenditure and not Departmental expenditure which is not as rigidly fixed, we would rather show you where the money *actually* has gone. We think that is the best way of doing it. Members opposite next year will have the benefit of seeing exactly how this money has been spent and that will be a better guide for them of where it is likely to be the next year, subject of course to the fact that in the companies it is not as rigid in terms of moving money from one area to another, because that is the business efficacy that companies bring to the Government.

But they will see something, which we never saw when they were in Government, which is how there is a distribution of contributions to the company to cover their liabilities and they will see it as it exactly occurs, rather than as an estimate.

**Hon. D A Feetham:** But, Mr Chairman, why have you not put the figures of how it is that you have spent the money this year as an indication for next year?

**Hon. Chief Minister:** Mr Chairman, we are looking to introduce a new system of accounting for the companies in the Book in the context of this financial year and that is the decision that has been taken; therefore, in the next Book he will have that breakdown. He cannot with any moral authority assert that we should have done that which they completely failed to bring into the Book. We brought it into the Book as estimate. We now think that in order to give even more precision to the Parliament of the way that the money is spent, we will bring it *not* as estimate, but we will bring it as outturn. That is our position.

It will be here from next year. It is absolutely much more accurate than the estimate and its transparency of where money is spent, rather than where money is going to be spent. Our *estimate* is that we need £25 million to contribute to the companies. The distribution will be as to how that is actually distributed, which is what the Parliament should know... how was it distributed.

The hon. Gentleman will know that in Departmental monies there is an exercise and a paper trail for virement of money from one to the other. In the companies, because the contribution is just down to companies, the money can be spent in one place or another and there is much more change in the way that companies can account for things and that is why we want to bring to the Parliament, the actual expenditure to be entirely transparent with the Parliament and the people of where every penny has been spent, and I cannot imagine anybody wanting to stand in the way of that.

**Hon. D A Feetham:** Mr Chairman, it is not that I am standing in the way of anything. He has outlined... and I apologise to him for my inquisitive mind, but he has just outlined what is a change of policy. I am just trying to understand the change of policy, because of course if he is trying to be more transparent, then I commend him for that. If he is trying to be more transparent and what he is saying is, 'Well, we want to give actual figures', because those actual figures then give a better more precise guide as to how the money is going to be spent next year, the point I am making is you had an estimate last year... give precise figures.

This year, because this year you had precise figures in relation to the estimates that you gave last year and it would appear this year in the Book, because we would then have, on his own rationale by parity of reasoning, a better more precise guide for next year. That is the only point I make.

I understand the explanation that he is giving me, but of course that does not mean that I am not entitled to make the enquiries that arise out of his own explanation. (*Interjection*)

**Hon. Chief Minister:** Mr Chairman, he can make whatever enquiry he likes, I do not mind. I think if he had an inquisitive mind, he would not have fallen into the traps that I laid for him in my opening speech and he would have asked himself whether he should say some of the things he said about recurrent expenditure. It is what I say (*Interjection*) because I also have a mind inquisitive enough to make those determinations for myself.

But I do not think he realises what he is pursuing. He can simply ask me in the next Question Time to give him the breakdown for this year. I am not pretending to hide it. I am going to give it for the following years coming forward, but at the time that the Book was prepared, we decided to introduce the new policy and we did not put in this year's breakdown.

He should just take his inquisition into the next Question Time where he can ask me for the breakdown which will stand as the – (*Interjection*) Sorry?

**A Member:** You obviously do not like questions.



1820 **Hon. Chief Minister:** No, I love questions. It gives me an opportunity to run rings around you. *(Laughter)* So if he just asks the question, he will have the breakdown and then as from next year it will be in the Book as *actual* breakdown.

**Clerk:** Subhead 1, Contribution to Government-owned Companies.

1825 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 45, Transfer from Government Surplus, subhead 1, Payment to Social Assistance Fund, Import Duty, Transfer from Government Surplus.

1830 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 46, Contribution to the Improvement and Development Fund, subhead 1, Contribution to the Improvement and Development Fund.

1835 **Mr Chairman:** Stands part of the Bill.

**Clerk:** That concludes clause 3.

1840 **Mr Chairman:** Clause 3, stands part of the Bill.

**Clerk:** Clause 4, the Improvement and Development Fund, Head 101, Works and Equipment, subhead 1, Works and Equipment.

1845 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Head 102, Projects.

1850 **Hon. Mrs I M Ellul-Hammond:** Mr Chairman, under Works and Equipment, item (u) Civil Contingency, if the Hon. Minister could explain there was a forecast outturn in 2013-14 for £120,000 and an estimate for this year of £200,000. Could he confirm is this one for the mobile units that were purchased and is it £200,000 for the upgrade of the bunker or is it the other way round?

1855 **Hon. S E Linares:** No, Mr Chairman, it is to do exactly what she has just stated, which is to do with the wonderful, necessary and very important command unit that we have bought. It is an estimate. We know more or less what it is going to cost, but we envisaged that there might be other things like software or computers that might have to be included and also some training, although the training is going to be funded by the company that is doing it, but there could well be extra training that we do. So that is what it is.

1860 **Hon. Mrs I M Ellul-Hammond:** Mr Chairman, the £120,000 is also for the command unit from last year, as well as the £200,000 estimated?

1865 **Hon. S E Linares:** In order for the command unit to be done you have to pay a sum upfront, which is the £120,000, which then procures the thing and they start doing it. They will not start doing any command unit unless you pay them up front and then the rest is the balance.

**Mr Chairman:** Stands part of the Bill.

1870 **Clerk:** Head 102, Projects, subhead 1, Beautification Projects.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 2, Roads and Parking Projects.

1875 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 3, Relocation Costs.

**Mr Chairman:** Stands part of the Bill.

1880 **Clerk:** Subhead 4, Reclamation Projects.

**Hon. J J Netto:** Yes, Mr Chairman, what I would like to ask, because I see in Reclamation Projects an entry of £200,000, is this money for the new site of the new Power Station? I would not say so, because of the amount of money we are talking about here. So what likely reclamation are we talking about if it is not the one for the Power Station?

1890 **Hon. Chief Minister:** Mr Chairman, most of the reclamations, as he knows, will be paid through the companies, because they produce assets and they go into the companies and that is the way they have always been accounted for. So this may be revetment works on some reclamations – *((Interjection))* Yes, maybe. We have not got the information here. I can check and it is an interesting thing to check because of all of the costs of reclamation are elsewhere in GLRC or somewhere. So we will have a check on that and let him know, but I am almost sure it is going to be revetment work on existing reclamations. It may be a study, as well, into reclamations.

1895 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 5, Other projects.

1900 **Hon. J J Netto:** Just perhaps one clarification in relation to 5(n) Boat Moorings, and the entry of £40 million. Is this £40 million for one financial year or are we talking about this particular project straddling into two financial years with a balance to be paid in the next financial year?

**Hon. G H Licudi:** Yes, Mr Chairman.

1905 That is the estimate of what we expect to spend during the course of this year. The project will be completed, as I have said, by the summer of next year and therefore it will straddle another financial year and the final amount will be paid during the course of the next financial year.

1910 **Hon. S M Figueras:** Mr Chairman, yes, in relation to subheading (r) the Sustainable Transport and Parking Plan, I note £340,000 is a forecast outturn for 2013-14 and an estimate of £100,000 for 2014-15. Could the Minister explain whether this is just the cost of the contract to Mott MacDonald or whether it also includes expenses in relation to the gathering of information in the survey?

1915 **Hon. P J Balban:** Mr Chairman, this is actually a token figure provided last year, despite £400,000 having been bid for. The over-expenditure incurred was in relation to payment of consultant's fees. The funding for this year is the balance to complete the plan.

1920 **Hon. S M Figueras:** Sorry, I just want to be sure of the point because the hon. Minister referred to the estimate last year and the outturn, but he has actually dealt with the estimate for 2014-15. Could he just say, because I am not certain of what I heard, that the £340,000 has exclusively gone to the consultants or whether that also included expenses in relation to the gathering of information?

1925 **Hon. P J Balban:** Mr Chairman, I will have to find that out exactly, but I would assume if that is to do with the whole traffic plan that it would include, in my opinion and I would have to check, the actual survey in the plan as well. I am pretty sure, but I will have to confirm that. But in my opinion it would be the whole lot.

**Hon. S M Figueras:** I am grateful, Mr Chairman.

1930 **Hon. J J Netto:** Mr Chairman, if I may?

It is one particular question that really applies to three particular items and so it is the same thing. It applies to 5(s), (t) and (u), and the question is that we had some sort of estimate for the last financial year, but no forecast outturn obviously, as those particular projects never started and so there was no expenditure. Then in terms of the estimate, I see in those particular items £1,000. Is it likely that that a nominal fee just in case the project starts? Why do we have this situation?

1935

**Hon. P J Balban:** Mr Chairman, this is a token figure.

**Hon. J J Bossano:** Just to have a Head there –

1940 **Hon. P J Balban:** It is just to have a Head in the place where we need to charge and we know where to charge from.

**Hon. J J Netto:** So is the project going ahead or not going ahead?

1945 **Hon. P J Balban:** Mr Chairman, as far as (s) is concerned, the filling of city centre paving stone gaps, that is one of our manifesto commitments and we have already found the suitable material and we are going to go ahead with that project. The project, yes, is going ahead.  
As far as...

1950 **Mr Chairman:** Is there any other question? (*Interjections*)  
Any other matter here?

1955 **Hon. P J Balban:** Mr Chairman, as I said earlier, the £1,000 are simply token figures and so it very much depends. They are there in case – (*Interjections*) yes, it depends on the time the project started and whether it started later on in the financial year, then obviously it will be less than if it is started earlier, and then it will be more. But they are token figures and it is just to have a Head in place for those projects.

**Hon. J J Netto:** So the Minister has not got a clue as to whether it will start or not start. That is basically what he is saying.

1960 **Hon. Chief Minister:** The Minister is in exactly the same position, as every Minister has been who has come to this House with a token set out in the estimates, to ensure that if possible a programme starts that year and there is a Head open for it, and if it does not that it will happen another year, where the Head will already have been open.

1965 I think the position has been put clearly. There is now a very clear indication from the Minister that (s) is likely to start in this financial year, but (t) and (u) are not yet ones that we can say with any certainty are likely to start in this financial year.

1970 **Hon. J J Netto:** Mr Chairman, with the greatest respect, if he has no certainty, why put an entry into the Estimate Book?

**Hon. Chief Minister:** Because the budgetary style adopted by this Parliament for centuries, if it had been around for that long... decades, as it has – is to put a token when you *might* start – (*Interjection*) Well, you might start. So you give yourself the *ability* to start.

1975 **Hon. S M Figueras:** Mr Chairman, another point – not to pick on the Hon. the Minister for Housing – on point (x) Soft Loans and Repairs to Housing Estates, a couple of questions.

1980 Would the Minister be able to say what proportion of the £2.1 million outturn has gone to Soft Loans and what proportion has gone to Repairs to Housing Estates; and, if so, in respect of both the loans and the actual repairs, what estates that is in respect of?

1985 **Hon. Chief Minister:** Mr Chairman, he will see that FS is the reference there, the Financial Secretary, who is here and is the person who administers that. He will remember that in the course of my Budget Speech I announced that the Soft Loan element is the contribution by the Government to the *interest* payable on loans, so that a cushion is provided by the Government. The Financial Secretary tells me he does not have the breakdown here, but he is able to provide it.

So if the hon. Gentleman wishes to write to me, the Financial Secretary can provide him with that information. It is in my Ministry because it is the Financial Secretary who deals with it.

1990 **Hon. S M Figueras:** I am grateful.

**Hon. J J Netto:** Mr Chairman, if I may?

1995 There is an item 5(z)(h) Reef Creation Programme and there is an entry of £1,000. I do not know whether the Minister for the Environment perhaps could enlighten us as to what reef in particular he has in mind, or the Department has in mind during the course of this financial year?

**Hon. Dr J E Cortes:** Well, this is a token sum. The creation of additional marine habitat is something that I mentioned in my Budget Speech. This refers mainly to the possibility of sinking of vessels, which has been carried out for many years, and is also related to the creation of habitat within reefs. That is where the immediate plans are, like in the planting of sea grasses. So this is really related particularly to that.

2000 **Hon. S M Figueras:** Apologies, Mr Chairman, just to come back to the point which we have been discussing, the entry on (x) is Soft Loans and Repairs, and I just wanted the Hon. Chief Minister to confirm that it is in fact just soft loans in respect that we are talking about? He also mentioned interest only in respect that that took £1 million of the forecast outturn.

2005 **Hon. Chief Minister:** No, I said that the Financial Secretary did not have the breakdown between soft loans and repairs with him, but he can give him that breakdown. And with the soft loan element, what the Government does, which I announced in my Budget Speech... in the last one and I think I repeated it in this one, the way I was explaining another aspect of it is that the Government funds the interest (*Interjection*) to make the loan soft. So there is a grant by the Government. If you go back to my Budget Speech, I have explained it. (*Interjection*) No, it is not. No.

2010 The *breakdown* of how much is interest and how much is repairs – (*Interjection*) exactly, and that is what he will get from us if he writes to the Financial Secretary and give it to him.

2015 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Subhead 6, Equity Funding.

**Mr Chairman:** Stands part of the Bill.

2020 **Clerk:** Subhead 7, New Projects.

**Mr Chairman:** Stands part of the Bill.

2025 **Clerk:** That concludes –

**A Member:** It does indeed. (*Laughter*)

**Mr Chairman:** Clause 6.

2030 **Clerk:** That concludes clause 4.

**Mr Chairman:** That is clause 4?

2035 **Clerk:** Yes.

**Mr Chairman:** Yes.  
Clause 4 or 5?

2040 **Clerk:** Clause 4. (*Interjections*)

**Mr Chairman:** Clause 4, stands part of the Bill.

**Hon. Chief Minister:** Mr Chairman, I propose a recess for five minutes.

*The House recessed at 6.50 p.m. and resumed its sitting at 7.15 p.m.*

**Appropriation Bill 2014 –  
Clauses considered and approved**

2045 **Mr Chairman:** Okay, we are on Clause 5.

**Clerk:** Clause 5.

**Mr Chairman:** Stands part of the Bill.

2050 **Clerk:** Clauses 6 and 7, relating to Appendices B to J.

**Mr Chairman:** Does any Member have any question or any clarification that they wish? Yes, the Hon. Mr Netto? *(Interjections)* Yes, okay.

**Clerk:** Appendix B, Gibraltar Development Corporation.

**Hon. J J Netto:** Yes, perhaps, Mr Chairman, just a quick clarification because I notice on the first page, page 150, on the Establishment figures, the title of a Conservation Officer, and given that this falls within the Gibraltar Development Corporation, could I have some sort of clarification as to the nature of this Conservation Officer, in terms of what that person is doing and whether that particular person is seconded to a particular Government Department, Authority or Agency?

**Hon. J J Bossano:** Mr Chairman, as the hon. Member knows, from what was said before, the decision was taken by the previous Government in 2011 to put everybody in the Civil Service. If he goes back to the statement the Government made then about the GDC as it was then, which is what was restored after 9th December, the GDC effectively has no function of its own. None of the people here that are paid by the GDC do work for the GDC, just as was the case before when the GDC existed before and before the decision was taken to dismantle it.

So everybody here is working for an entity which is shown in the pages that follow, which tells you the different Departments. Treasury, Convent Place, Environment, Equality and Social Services, Telecommunications and Justice, these are the Departments that effectively are supplied by the GDC with labour. So the GDC really is like an employment agency, which is non-profit making. It pays people and it charges a client, a Department, for the money that is paid to the employee. So in effect the 116 people that are being employed in 2014-15 are all distributed as is shown in pages 153, 154, 155 and 156. That is it. That is what they all are. The Conservation Officer is somebody in all probability in the Environment, I would imagine, because that seems to be the most –

**A Member:** I think it is Heritage.

**Hon. J J Bossano:** Or in Heritage, yes.

But each of them are there on the basis that, for example, when the gaming companies or somebody else wanted to recruit somebody that was not going to be made part of the permanent complement of the Civil Service, rather than employed directly in something new, which would then have to be a gaming agency as it were, what happens is that they are shown in the GDC. The GDC then charges the Head of Expenditure in the gaming area as Other Charges and this is exactly what was being done until the decision was taken that everybody should be made a civil servant in October 2011, in which case the GDC would have disappeared and everybody would have been shown in the Civil Service complements.

We gave everybody that had been moved the opportunity of coming back and continuing with the relationship that existed before. As Members know, about 60 decided that they did not want to come back and 90 decided that they wanted to come back, and therefore it is the people who came back plus new bodies that have been created in new areas. So where there is a new grade appearing here... in this case the Conservation Officer was there last year, but I understand that he is in the Heritage and it is about conservation of buildings, rather than conservation of flowers or plants.

Members will see, for example, that there are changes. We have got five Transport Inspectors here and there were none last year; but it is not that they are doing any work for the GDC. There was a Counsellor last year, but there is not one this year. So in effect in the course of the year the GDC provides a home for the people that different Departments wants to recruit who are not Civil Service grades and then they are put into the complement of this, but in effect the GDC of its own initiative does not create complements because it does not have any money of its own to pay people anyway and it charges Departments or Agencies or whoever for the people that it supplies.

But the actual Conservation Officer was there already last year and I thought he was in Conservation in an Environment, but it is in an Environment, in terms of buildings that the person is responsible for. But it is a grade that was there already, not a new one – *(Interjection)* I do not think I should name the individuals, but – *(Interjection)* Sorry.

**Hon. J J Netto:** I am grateful, Mr Speaker, for the explanation... sorry, Mr *Chairman*. I am grateful to the Hon. Minister for the explanation given, but I think we are somewhat confused because I think that the Hon. Minister for the Environment in a helpful way was saying that this was someone seconded to Heritage, and I think that even the Minister of Employment also mentioned Heritage, and yet when I look at the pages... in fact, the actual Minister told me in the first part of his speech to look between pages 150 and 153 (**Hon. J J Bossano:** Yes.) but the only entry I see is for the Environment on page 153 for a total of

£27,000. So I am not quite sure whether we are talking about this Conservation Officer is seconded with Environment or is seconded with Heritage. Could I have some clarification there?

2115 **Hon. J J Bossano:** There is a staff service salary which is £50,000, which is Head 2, No. 6 Convent Place, but I do not know whether that is this particular officer or not. The fact is that the identity of the individual would tell us what it is, but I do not think it is right to mention people's names. So – *(Interjection)* it is under No. 6 I am told, yes. *(Interjection)*

2120 **Hon. J J Netto:** So do I take it that – *(Interjection)* So the Hon. Minister is saying that this particular officer is seconded in No. 6 Convent Place?

2125 **Hon. J J Bossano:** What I am saying is that the GDC gets paid out of the No. 6 Convent Place vote for one officer, which is shown as 'Technical Division', and that officer I am told is a Conservation Officer. So what this tells you is in terms of the pay that is shown in the payments, which is reflected on the income side by the receipts that the GDC has, this gives you a breakdown of the receipts from the Head of Expenditure that has been voted.

2130 That is to say we have already, Mr Chairman, voted in the Head 2 for the pay of this Conservation Officer, and this Conservation Officer is shown in the breakdown that says 'Technical Division'. So it is somebody who is a Technical Officer in No. 6, which is I think where he was before 9th December 2011 in charge of work that is being done on conservation projects and with a background in heritage and conservation.

**Mr Chairman:** Any other question?

2135 We are dealing under clauses 6 and 7 with Appendices from B to J.

**Clerk:** Appendix C, Gibraltar Regulatory Authority.

**Mr Chairman:** Please indicate if there are any questions or otherwise we cannot make any progress.

2140 We are at Appendix C and we are dealing with Appendices up until J under these two clauses. *(Interjections)*

I do not have to say 'stands part of the Bill' because... I do not think I do have to because the Appendix does not stand part of the Bill. It is the whole clause. I will then call out –

2145 **Hon. D A Feetham:** Mr Chairman, what you want us to do is to indicate which ones up to J –

**Mr Chairman:** As the Clerk –

**Hon. D A Feetham:** – rather than –

2150 **Mr Chairman:** As the Clerk calls out the Appendices, please indicate if you have any question.

**Hon. D A Feetham:** Yes, that is what I thought. Yes.

**Mr Chairman:** Okay?

2155 So we are Appendix C.

**Clerk:** Appendix D, Borders and Coastguard Agency.

2160 **Hon. D J Bossino:** I see that Borders and Coastguard, 'Office Manager' is in italics and it is going to be replaced by an 'Administrative Officer' according to the notes there. Is the idea to subsume that particular office? Is that officeholder to become an AO or is the AO to come from outside? I just do not understand how that is exactly going to work. Can an explanation be given?

2165 **Hon. Chief Minister:** There is no such thing as AO's or anything like that in this Agency. Those are grades which you are imputing from the Civil Service. *(Interjection)* Sorry? *(Interjection)* There would be no AAs within here, unless there were people who were seconded to the Agency as AAs and were in any particular level of the Agency.

2170 But what is happening here is that the Borders and Coastguard Manager is becoming... is not going to be replaced and there is going to be an Administrative Officer instead, which is what the CEO has advised us was what he needed.

**Hon. D J Bossino:** I am not sure I follow the Chief Minister.

So when there is a reference here to Administrative Officer, it is not necessarily referring to the Civil Service grade. Is that correct? (*Interjection*) It is just a description being given to that particular position.

2175 **Hon. Chief Minister:** An officer who is going to do administrative work.

**Hon. D J Bossino:** So the Borders and Coastguard Office Manager will now be known as an Administrative Officer, but not necessarily to be equated to an AO within the Civil Service grading.

2180 **Hon. Chief Minister:** She is not going to... the Manager is not going to change name; the *role* is going to change.

**Hon. D J Bossino:** And will be known as an AO, but not necessarily an AO *à la* Civil Service.

2185 **Hon. D A Feetham:** Is it the same person? (*Interjection*) It is the same person. It is not that you are basically effectively doing away with the Manager and replacing her, as you said, by an Administrative Officer.

2190 **Hon. Chief Minister:** I do not know the answer. I do not get involved in who the individuals are that do these jobs. I try and stay completely away.

**Hon. D A Feetham:** I am not asking about the individual. I am just trying to understand.

2195 What you are doing is you are doing away with the Manager's job and is it that there is already an Administrative Officer there that is effectively... so, in other words, doing away with the Manager, but there is already an Administrative Officer there or is it that somebody is being converted from Manager to Administrative Officer? That is the question.

2200 **Hon. Chief Minister:** I do not know the answer to that because I do not get involved in the day-to-day running of the Agency. I allow the CEO to do that and whether he is recruiting somebody to that post or he is converting somebody to that post is not an item on which I am sighted.

**Clerk:** Appendix E, Gibraltar Health Authority.

2205 **Hon. Mrs I M Ellul-Hammond:** Mr Chairman, with regard to Other Personnel, item 15, could I have further clarification for the employers pension contributions, which was estimated last year at £693,000 and the forecast outturn went up to £900,000 and now there is an estimate for £1½ million? If the Hon. Minister could explain the increases please.

2210 **Hon. Dr J E Cortes:** I am told that this is a reflection of the number of people in posts. (*Interjection*) It is people who have joined the number two and number three – (*Interjection*) Okay, the guaranteed superannuation. So it is people who have joined and therefore more provision has to be made in there.

2215 **Hon. Mrs I M Ellul-Hammond:** Mr Chairman, with regard to other recurrent expenditure, item 26, the ICC Health Centre, I am assuming that increase in the outturn and the estimate... is that linked to the new expansion that the Primary Care Centre will see?

2220 **Hon. Dr J E Cortes:** The hire or the rental of the ICC had to be reviewed because the contract expired and therefore there was an increase and it did include a couple of extra rooms, and that is what is reflected there.

**Hon. Mrs I M Ellul-Hammond:** Mr Chairman, item 34, School of Health Studies Expenses, is the School of Health Studies not run by the ETB and why does it come under the Head of the Health Authority rather than the ETB?

2225 **Hon. Dr J E Cortes:** No, the School of Health Studies is run by the Health Authority. The Government's Training Officer takes the role of supervising the School, but it is actually run as part of the Health Authority.

2230 **Hon. Mrs I M Ellul-Hammond:** Finally, Mr Chairman, under Capital Expenditure there is an item of £3½ million estimate for this financial year. If the Hon. Minister could give an indication as to what this amount is for, please.

**Hon. Dr J E Cortes:** Yes, I can give a general indication.

About £¼ million, I believe, is for the new CT scanner that is due to be replaced this year and the tender is already in process. There are also works to be carried out in an expansion to the ground floor therapy and cardiac rehab area. There is also a whole programme of replacement of equipment and purchase of new equipment. There is a rolling programme to replace equipment in all the wards. As I say, a lot of the equipment, which was bought new for the Hospital, is now reaching the end of life and that all comes from there.

**Hon. Chief Minister:** Mr Chairman, can I just ask the House to note that the estimate for 2013-14 and the forecast outturn for 2013-14 demonstrates a difference which is £6 million, which is quite a short difference compared to the differences we looked at this afternoon historically in the GHA.

**Clerk:** Appendix F, Care Agency.

**Hon. Mrs I M Ellul-Hammond:** Mr Chairman, with regard to item 36, under Other Recurrent Expenditure, Security Services, there was a forecast outturn of £110,000 from an estimate of £39,000. If the Hon. Minister could confirm if this is in relation to security services for individuals with behavioural problems that needed looking up.

**Hon. Miss S J Sacramento:** It is actually also in addition to a security guard at Bruce's Farm because there was a concern about having vulnerable people up in the Upper Rock and having untrained care staff with them; but it is something that may be redressed when we do the training. But it has been in relation to unforeseen needs for security.

**Hon. Mrs I M Ellul-Hammond:** And finally, Mr Chairman, again, Capital Expenditure, there is an amount of £250,000. If the Hon. Minister could perhaps provide us with a general breakdown of what that will be for.

**Hon. Miss S J Sacramento:** Sorry, I did not hear that... in relation to which part?

**Hon. Mrs I M Ellul-Hammond:** Capital Expenditure.

**Hon. Miss S J Sacramento:** There have been a number of capital improvements this year – for example, we have finally been able to fix the balconies at Mount Alvernia after quite a substantial period of time of 10 years. We have also had – (*Interjection*) In Mount Alvernia not only have we fixed the balconies, but there was a problem with the retaining wall. It is an east facing wall at Mount Alvernia and that required a substantial amount of work done to it. Generally we have had to undertake refurbishment in the whole Care Agency Estate. As you know, the Care Agency owns a lot of buildings and it requires constant refurbishment.

**Hon. Mrs I M Ellul-Hammond:** Yes, can the Hon. Minister confirm, Mr Chairman, you mentioned that this is work that has been done and so you are referring, I am assuming, to the forecast outturn figure. I am asking about the estimated figure of £250,000 for 2014-15 and if that is earmarked for anything specific.

**Hon. Miss S J Sacramento:** Mr Chairman, the refurbishment works are not complete and so it is something that straddles both financial years. There are issues that we have in relation to... we need to purchase vehicles for the Care Agency as well and that is included in this. There are various things that we needed to continue too. There are certain buildings that require a facelift and uplift because a lot of them have not been refurbished for a long time. This will include things like, say, for example, the refurbishment. Some of it will refer to the refurbishment of the Jewish Home, for example.

**Clerk:** Appendix G, Gibraltar Port Authority.

**Hon. E J Reyes:** Mr Chairman, on Payments, 18, under Training, there seems to be a constant figure there of £60,000 as the outturn and the estimate again. Does that include as well those that the Minister said, who were being trained, so there would be the future port operators and so on or what? Does he have an indication of some sort of breakdown, even if it is rough on what the training actually comprises?

**Hon. N F Costa:** Mr Chairman, while the breakdown is being looked for...from memory I can tell him that the training this year has in fact related mostly to the new recruited VTS officers and in fact also, if I



recall correctly, the amount spent as a result of the recruitment of the five additional VTS officers came in higher than that, but the exact information is being obtained for me.

2295 Yes, Mr Chairman, as I was saying there is a course relating to VTS, also courses relating to STCW Fire Fighting, Personal Survival at Sea, Social Responsibility and First Aid, and also a course on counter-pollution equipment familiarisation. There is also a course on internal auditing and quality management. There is also the course on VTS supervisor, and various health and safety courses and also a course relating to accident investigation.

2300 If he wants, and he writes to me, I can certainly give him the full detailed course and the breakdown of the actual cost so that he can have a better idea and a full picture.

**Hon. E J Reyes:** Yes, I am grateful, Mr Chairman. Yes, I think I had better take it up there and we can look at more individual items.

2305 Thank you.

**Clerk:** Appendix H, Housing Works Agency.  
Appendix I, Gibraltar Electricity Authority  
Appendix J, Gibraltar Sports and Leisure Authority

2310 **Hon. E J Reyes:** Yes, Mr Chairman, on Payments, section 14, the Stay and Play Programme, which is part of the Summer Sports Programme – in fact which was extended as well to encompass the Easter period and so on – the forecast outturn in respect of Stay and Play is £19,000 and yet the estimate has been drastically reduced down to £2,000. Perhaps the Minister wants to enlighten me somehow or other?

2315 **Hon. S E Linares:** Yes, Mr Chairman, the thing is that we do not want to isolate or segregate the Stay and Play as an item on its own and so what we envisage to do soon is to incorporate it within the Sports Development Projects all in one inclusive, and therefore there is no separation of the Stay and Play as a separate unit. Why should we have Stay and Play and not the other sports – chess or the football or whatever? It should all be incorporated and what we have done this year is cut down so that we can have  
2320 that specifically, at least for that part, but we are hoping that next year we will incorporate it completely to the Sports Development Unit. I hope that...

**Hon. E J Reyes:** Yes, Mr Chairman, if I take that for my understanding we have cut down by £17,000 and so it has not been done away with altogether to keep a provision of £2,000. Understandable, but that cut  
2325 down was £17,000 in the way it is reflected here in the Book.

Taking what the Minister has said on board, if I look further down at number 24, Sports Development Project, it still remains £150,000. I thought perhaps then that one might have now been inflated by the £17,000... you know, rob Peter to pay Paul, and so we are actually £17,000 worse off in available funds.

2330 **Hon. S E Linares:** Yes, that is correct, there is £17,000 *less*; but should we need more money, we would get supplementary for that. But we are hoping that we can do it with the same amount of money that we have for Sports Development Projects. So, yes, you are right, it is a cut down, but it is not going to be necessarily a cut down from the Stay and Play.

2335 **Hon. E J Reyes:** Yes, and I think the Minister when he was trying to explain to me, he mentioned the Sports Development Projects, which is what I looked at straight away, but then he mentioned that the eventual aim was to make it part of the Sports Development Unit. Was that a simple slip of the tongue, because the Sports Development Unit has £10,000 allocated and from my recollection that is something that they use? It is sums of money that they use throughout the year and not what the programmes –  
2340 *(Interjection)* Sorry? Sports Development Unit is number nine, because the Minister mentioned the words Sports Development Unit, I immediately had to look at what was there. *(Interjection)* He meant... oh, that is understandable, Mr Chairman. In fact it is better, because that way it goes down on the record in *Hansard* that he means Sports Development Projects, which is number 24.

2345 Mr Chairman, whilst I have the microphone on, can I take the Minister to sub-point 20, the Playground Expenses? The actual expenditure in 2012-13 was £208,000 and in 2013-14 it was £170,000, yet he has kept the estimate the same even though the expenditure was £90,000 more than what was estimated last year. Does he have any information that could enlighten me on that one?

2350 **Hon. S E Linares:** Yes, Mr Chairman, it is to do with what I said in my Budget address. We have now a team of three people who before used to do *some* parts of the parks; now they are *completely* engaged in doing the parks. We can then cut down on certain costs that we had in the park – for example, security,

opening and closing and other issues that the parks have. So this maintenance team will take on board this type of work on a 24/7 basis.

2355 So we are hoping that... and that is why we put the same estimate, because this year we carried on because of the way of restructuring the whole of the maintenance team it has taken a little bit of time and therefore we are hoping that this year we can...in fact I can tell you that they started on 1st July, which is only yesterday. So they have started and are now engaged totally on the parks and that maintenance team will then hopefully be on budget and not what we have been paying for, which is the forecast outturn at £170,000. There have been many costs to that.

2360 **Hon. E J Reyes:** Yes, Mr Chairman, so if I have understood it correctly, I think the Minister is saying that a lot of that expense went to things that actually... human resources and so on. So the human resources are being catered for elsewhere and so on.

2365 The actual maintenance costs, sometimes the replacement of equipment and so on, is that then really the main bulk of what the £80,000 is left?

**Hon. S E Linares:** Yes, because they are incorporated in wages somewhere else. So, yes, it would be replacement and tools and equipment, and basically – (*Interjection*) yes, exactly.

2370 **Hon. Mrs I M Ellul-Hammond:** Mr Chairman, with regard to item 26, Elite Athletes Assistance and Injury Treatment, there is an estimate of £80,000. Could the Hon. Minister explain what that is targeted for?

**Hon. S E Linares:** Well, again, that was as stated in my Budget address in which it will deal with both those items which is a manifesto commitment. It is the Elite Athletes Assistance and Injury Treatment.

2375 What we have done is incorporate them both together. We had them, last year, divided. If you look, it is £40,000 and £40,000. We have done the £80,000 this year, because again we do not know how many athletes are going to be injured and we do not know how many athletes are going to be elite. So we took the decision of incorporating them both and therefore that vote will cater for both.

2380 **Hon. Mrs I M Ellul-Hammond:** Mr Chairman, but could he explain... where did the £20,000 go to? Paying health professional or to...

**Hon. S E Linares:** No, Mr Chairman, these were certain athletes that were given certain monies to be able to fulfil their...for example, there was a chess player, a tennis player, and what we did was we gave them some aid in order to...it was deemed...

2385 There were certain criteria that they were elite and they were doing well and therefore we gave them some money aid to fulfil their sports. So it is not to do with any health issues.

2390 **Hon. Mrs I M Ellul-Hammond:** So, Mr Chairman, could the Hon. Minister then explain what the injury treatment bit is then that would be included in the £80,000?

2395 **Hon. S E Linares:** Well, that will depend, because again we are working, together with the Sports Advisory Council and all the Associations, on how we best deal with this and therefore again it is all put together. We do not know how many players will be injured and therefore it is like a sum which we reckon could well fulfil that, but if it does not, if it is less I am sure Mr Bossano will be very happy that it is less, and I will be very happy because we do not have any injuries; but if it is more, we will have to then review it as and when it comes. (*Interjections and laughter*)

2400 **Hon. Mrs I M Ellul-Hammond:** Mr Chairman, we are saying injury treatment? By whom, then? By the GHA? By a separate injury clinic? He has not quite explained how that system works.

Will that individual sports man or woman *not* go to the GHA? Would they receive separate sports injury treatment? If he could elaborate.

2405 **Hon. S E Linares:** Well, Mr Chairman, we are not in a position to say that yet, because we do not know yet which is the best way to do it. There are issues. I mean the obvious, one is, do we allow a sportsman and woman to take preference to somebody who has an ill. We do not know how to do it. We would probably use the private. We do not know at this stage. So it is still open whether we go through the public, i.e. the GHA, or through the GHA that we go to the private.

2410 **Hon. Mrs I M Ellul-Hammond:** So, Mr Chairman, the Minister is saying that this £80,000 at the moment is a token figure while you explore and implement a new service.

**Hon. S E Linares:** Yes.

2415 **Clerk:** That concludes clauses 6 and 7.

**Mr Chairman:** Clauses 6 and 7, stand part of the Bill.

**Clerk:** Clauses 8 to 11.

2420 **Mr Chairman:** Stand part of the Bill.

**Clerk:** The Schedule, Parts 1 to 9.

2425 **Mr Chairman:** Stand part of the Bill.

**Clerk:** The long title.

**Mr Chairman:** Stands part of the Bill.

**Tobacco (Amendment No. 2) Bill 2014 –  
Clauses considered and approved**

2430 **Clerk:** A Bill for an Act to amend the Tobacco Act 1997.  
Clause 1.

**Mr Chairman:** Stands part of the Bill.

2435 **Clerk:** Clause 2.

2440 **Chief Minister (Hon. F R Picardo):** Mr Chairman, I have given notice of an amendment, which does what I suggested earlier, which is change Clause 6B(1) from the wording at the moment that says, ‘a notice displaying the following statement’ and sets out the statement, to ‘a notice displaying a statement in such terms as may be required by the Collector of Customs (and set out it by Notice in the *Gazette*) shall be exhibited at every premises’. I have given written notice of that proposed change.  
I understand it is not controversial.

**Clerk:** The long title.

2445 **Mr Chairman:** I think I should put the amendment in the terms moved by the Chief Minister.  
All in favour? (**Members:** Aye.) All against?  
Clause 2, as amended, stands part of the Bill.

2450 **Clerk:** The long title.

**Mr Chairman:** Stands part of the Bill.

**Commonwealth Park Bill 2014 –  
Clauses considered and approved**

2455 **Clerk:** A Bill for an Act to establish a park to be known as ‘Commonwealth Park’ and for connected purposes.  
Clauses 1 to 5.

**Mr Chairman:** Stand part of the Bill.

**Clerk:** Schedule.

2460 **Mr Chairman:** Stands part of the Bill.

**Clerk:** The long title.

**Mr Chairman:** Stands part of the Bill.

**Income Tax (Amendment) Bill 2014 –  
Clauses considered and approved**

2465 **Clerk:** A Bill for an Act to amend the Income Tax Act 2010.  
Clause 1.

**Mr Chairman:** I really do not think that there is a need for an amendment; it is typographical.

2470 **Minister for Financial Services and Gaming (Hon. A J Isola):** Yes, Mr Chairman, but there are a series of –

**Mr Chairman:** We might as well move it –

2475 **Hon. A J Isola:** –there are a series of other changes which are in a letter, which I have given notice of.

**Mr Chairman:** But on another occasion, if that sort of thing happens, there is no need for an amendment. If you just point out that it is typographical and then get the printers to –

2480 **Hon. A J Isola:** Yes, Mr Chairman, but there are a series of others in clause 2, which are in the letter that I have given notice of.

**Mr Chairman:** Okay. Fine. (*Interjections*)

Clause 2, we will put the amendment of which the Minister has given notice. Those in favour?

2485 (**Members:** Aye.) Those against?

Clause 2, as amended, stands part of the Bill; and the long title, as amended, stands part of the Bill.

**BILLS FOR THIRD READING**

**Appropriation Bill 2014;  
Tobacco (Amendment No. 2) Bill 2014;  
Commonwealth Park Bill 2014;  
Income Tax (Amendment) Bill 2014 –  
Third Reading approved: Bills passed**

2490 **Chief Minister (Hon. F R Picardo):** Mr Chairman, I have the honour to report that the Appropriation Bill 2014; the Tobacco (Amendment No. 2) Bill 2014; the Commonwealth Park Bill 2014; and the Income Tax (Amendment) Bill 2014 have been considered in Committee and agreed to with amendments, and I now move that they be read a third time and passed.

**The Speaker:** I now put the question, which is that the Appropriation Bill 2014; the Tobacco (Amendment No. 2) Bill 2014; the Commonwealth Park Bill 2014; and the Income Tax (Amendment) Bill 2014 be read a third time and passed.

2495 Those in favour of the Appropriation Bill 2014? (**Members:** Aye.) Those against? Carried.

Those in favour of the Tobacco (Amendment No. 2) Bill 2014? (**Members:** Aye.) Those against? Carried.

Those in favour of the Commonwealth Park Bill 2014? (**Members:** Aye.) Those against? (**Members:** No.) The Opposition are voting in favour? Carried by a Government majority.

2500 Those in favour of the Income Tax (Amendment) Bill 2014? (**Members:** Aye.) Those against? Carried.  
So I now move that all these...well, no, we have voted for them there is no need to.

**ADJOURNMENT**

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that the House do now adjourn until 10.30 tomorrow morning, in time I believe for us all to attend the important reception to say farewell to –

2505       **A Member:** At 10.30 a.m. tomorrow?

**Hon. Chief Minister:** At 10.30 tomorrow morning to say farewell to our Bishop, and I hope to see all the Members opposite there sticking their snouts in the trough. *(Laughter)*

2510       **Mr Speaker:** The House will now adjourn until 10.30 –

**Hon. D A Feetham:** Mr Speaker, yes, I will be there, but I am going to pick up my wife so I will be slightly late.

2515       **A Member:** We will hold the trough for you.

**Mr Speaker:** The House will now adjourn until 10.30 tomorrow morning.

*The House adjourned at 7.59 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.35 a.m. – 12.51 p.m.

Gibraltar, Friday, 4th July 2014

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# The Gibraltar Parliament

*The Parliament met at 10.35 a.m.*

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

[CLERK TO THE PARLIAMENT: P E Martinez Esq *in attendance*]

## Order of the Day

### SUSPENSION OF STANDING ORDERS

**Standing Order 7(1) suspended  
to proceed with the laying of a Report and Government motions**

**Clerk:** Mr Speaker.

**Mr Speaker:** Before I call on the Chief Minister, I would like on behalf of all Members to wish the Hon. Jaime Netto a very happy birthday. (*Applause and banging on desks*)  
The Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to move under Standing Order 7(3) to suspend Standing Order 7(1) in order to proceed with the laying of a Report on the table and Government motions.

**Mr Speaker:** Ordered to lie...no. My apologies, my mind was elsewhere.  
Those in favour? (**Members:** Aye.) Those against? Carried.

### PAPERS TO BE LAID

**Clerk:** Papers to be laid, the Hon. the Chief Minister.

**Chief Minister (Hon F R Picardo):** I have the honour to lay on the table the Annual Report of the Gibraltar Regulatory Authority for the year ended 31st March 2013.

**Mr Speaker:** Ordered to lie.

### GOVERNMENT MOTIONS

**Honorary Freedom of the City of Gibraltar –  
Conferred upon Sir Graham Watson –  
Motion carried**

**Clerk:** Government motions.  
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:

*'This House resolves that the Honorary Freedom of the City of Gibraltar be conferred upon Sir Graham Watson for his outstanding defence of the interests of Gibraltar and promotion of the wishes of the people of Gibraltar in the European Parliament and elsewhere.'*

25 Mr Speaker, I think that Sir Graham Watson needs no introduction to anybody in this Parliament and indeed anybody who may be watching the proceedings of this House. He has been a stalwart defender of the rights of Gibraltarians in his capacity as one of the representatives of the people of Gibraltar in the European Parliament.

30 He is of the Liberal Party, but we know that those that represent us in the European Parliament of all the political parties that we have the choice of electing in European Parliamentary Elections do an excellent job. There are some that go further than others in discharging their obligations to the people of Gibraltar and I think Sir Graham is one such person. He has distinguished himself in the way that he has looked out for Gibraltar. Once we became his constituents, he has been careful to ensure that issues which relate to Gibraltar are referred back to Gibraltar to the Government of the day, to those in Gibraltar who he knew he could take clear soundings from on how issues might be relevant to Gibraltar and of course, in particular, he has had a very strong relationship because of his partisan affiliation with the Deputy Chief Minister, who is the Leader of the Liberal Party in Gibraltar and has therefore become his first port of call and his representative in Gibraltar.

40 But it was obvious to those of us who were able to observe the recent visit of a number of Gibraltarians to Brussels of all political denominations that Sir Graham was there for them throughout the period of their important visit, and that really represented what Sir Graham has been doing for Gibraltar. He really has been going beyond the call of duty, beyond his obligations since he became our representative and since we became his constituents. Now that unfortunately he will no longer be representing us in Brussels as an MEP, it is right that the people of Gibraltar should recognise his stalwart efforts by the bestowing of this award of the Honorary Freedom of the City.

45 Mr Speaker, if I may, before I sit down, the hon. Members will have seen that there are a number of motions bestowing the Freedom, the Medallion of Honour and then the Medallion of Distinction. We have not done many of those since we were elected. We were concentrating on issues related to the politics that we discussed yesterday – let us not go back into that debate – and we have now had an opportunity to look at the question of the honours that this House bestows. People watching and listening should see this lengthy list that the Parliament will be considering today as a catch-up in respect of the Medallions of Distinction that we feel should be awarded and the Medallions of Honour that should be awarded. We do not expect always to be coming back with a long list, although there may be instances where worthy individuals are brought to our attention that we will be bringing to this House for distinction, but today that is why we are dealing with all of these motions together.

**Mr Speaker:** The Hon. the Leader of the Opposition.

60 **Hon. D A Feetham:** Mr Speaker, yes, the Opposition will be supporting the motion. I am not sure whether Sir Graham Watson – I will be corrected or I will be told no doubt in the Chief Minister's reply – is in fact a member of the Liberal Party... I mean the *local* Liberal Party. It makes absolutely no difference, Mr Speaker, because the Opposition does not look at these things in terms of membership to any political party associated with local political party partisanship. At the end of the day really, the test is to look at whether somebody has defended Gibraltar, whether somebody has made an outstanding contribution to the defence of Gibraltar, to the defence of the rights of the people to self-determination, to defence of our sovereignty, and certainly this is an individual who really has gone out of his way to do precisely that.

65 I have to say, as I have said publicly when the result was announced of the European Elections, that I was very, very sad indeed to see that somebody who has worked so hard to advance the interests of this community was not elected at the European Elections – that was a very, very sad loss for Gibraltar.

70 But I am happy, on behalf of the Opposition, to support this motion today.

**Mr Speaker:** I now put the question... oh, sorry.  
Does any other Member wish to contribute?

75 **Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, I thank the hon. Member for his support and for his words. I would be grateful also for the opportunity to say a few words on the motion.

80 Sir Graham was an MEP from 1994 until 2014, which is 20 years. He was one of our seven MEPs and then six MEPs from when Gibraltar voted in the European Elections for the first time in 2004. But even before he became our MEP, I remember in 2002 going to there was a congress in Bath of the European Liberal Democrats. This was a time when we were fighting against the joint sovereignty campaign and there was a motion which was tabled in that congress supporting the right to self-determination of the



people of Gibraltar and supporting our European Union rights as well, and it was Sir Graham Watson then, before he became our MEP, who actually chaired that particular meeting. So even before he was elected for this constituency he took an interest in Gibraltar issues.

I think the Chief Minister has made the point very well. What Sir Graham has done is to go beyond the call of duty and while there have been many MEPs and MPs, and there still are, who are friends of Gibraltar, I think Sir Graham took it a step further and he went beyond what would have been expected of him. There is an example of that in 2006, where for the first time we managed to overturn a civil aviation measure, which sought to exclude Gibraltar from its application. There was a vote in the European Parliament, which Graham organised by tabling an amendment, and it was to do with disabled air passenger rights. We won the vote and for the first time the Parliament took out a clause which sought to exclude Gibraltar from the application of a new measure. What happened after that is that Cordoba came into play within a few weeks and obviously that meant the new measures would apply to Gibraltar automatically, but this was the first time that something was done in the Parliament where we actually managed to overturn the exclusion of Gibraltar from EU, a new aviation measure, and it was largely due to Sir Graham Watson's efforts.

In 2014, as the Hon. the Leader of the Opposition has said, in May of this year the European Elections took place. Graham won the Gibraltar vote with 66% of those who voted actually doing so for him and for his party, and unfortunately, regretfully, because of the situation in the United Kingdom and because of the way that we are as a joint constituency, he was not elected to represent us.

But certainly I think it is very fitting and very welcome that the Chief Minister has chosen to move the motion and I certainly will be supporting it.

**Hon. D A Feetham:** Would you give way please?

**Hon. Deputy Chief Minister:** Yes.

**Hon. D A Feetham:** Mr Speaker, I should also have said during my contribution, also in response to a contribution that the Hon. the Deputy Chief Minister made during his speech, that I think that it is a good idea for this individual to somehow be kept on, on behalf of Gibraltar. I note that that is the intention on the Government side and it will have support on our side. I think that we cannot afford to lose...

Provided it is obviously done transparently and all the rest of it, leaving all that aside, I think that it is important that individuals, such as these, with the wealth of experience and the contacts in Europe to be kept on, on behalf of Gibraltar, and certainly I think that the choice by the Government of keeping Sir Graham Watson working in some capacity in Brussels on behalf of Gibraltar is a good decision and we will also support that.

**Hon. Deputy Chief Minister:** Mr Speaker, I am grateful to the hon. Member for his words of support and this is something the Government is looking into. Obviously there are two sides to the equation and we need to see what emerges from it, but he is right that Sir Graham is very well connected. He has managed to facilitate meetings for us and attendance at events and conferences, which would simply not have happened without his contacts, and so I am certainly very grateful for that support.

**Mr Speaker:** Does any other hon. Member wish to speak?  
The Hon. Dr John Cortes.

**Minister for Health and the Environment (Hon. Dr J E Cortes):** If I may, Mr Speaker, just some very brief words.

I have got to know Sir Graham over the last two and a half years. His attitude in private is as enthusiastic in favour of Gibraltar as it is in public. He hosted a visit that I paid to Strasbourg about a year and three months ago and facilitated meetings with Commissioners, with MEPs and so on, and the doors that he was able to open were quite impressive.

But just one point that I would like to make, the Freedom of the City of Gibraltar is conferred by this House on behalf of the city, but the fact that the Liberal Party, clearly because of Sir Graham, did so well in the recent European Elections, means that on this occasion that the conferring of the Freedom of the City is almost by public acclaim by the city and I think that says it all, Mr Speaker. *(Banging on desks)*

**Mr Speaker:** The Hon. Steven Linares.

**Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Mr Speaker, just to say through the years as a Liberal Member, a member of the Liberal Party, I have gone to many, many conferences in which Sir Graham has been present. He was not only a politician; he was a personal friend

of mine. I had gone to his house. I had eaten – (**A Member:** He *is*.) Yes, he is, sorry. Yes, okay. Sorry. He is a personal friend of mine and I have lots of contact with him, with Dr Garcia, and like I said, he has invited me to his home and I have met his family and so it is not only the fact that he has done a lot for Gibraltar, but he is very close to us as friends. Therefore this motion is very, very fitting to Sir Graham and I am really pleased that the people of Gibraltar now recognise all the sterling work that he has done.

Thank you very much. (*Banging on desks*)

**Mr Speaker:** Any other Member?

Yes, the Hon. Albert Isola.

**Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, just very, very briefly.

I have only known and worked with Sir Graham for the last 12 months, since my election to this House, and I think it is absolutely crucial that we understand and recognise, as we are doing today, the importance of people like Sir Graham and others before him and hopefully many others after him, with the good work of the Gibraltar office and hopefully an office in Brussels will deliver in times of need, because at the end of the day, Mr Speaker, Gibraltar needs desperately to have friends. In our times of need, as indeed in 2003 and 2004 and in this past 12-month period when the going gets tough, we need our friends and Sir Graham Watson has certainly been standing aloof and above all others in standing up for us at every possible juncture and difficulty.

For me, Mr Speaker, I find that Sir Graham has been an absolutely exceptional individual and an exceptional friend of Gibraltar and I am delighted to support the motion, Mr Speaker.

**Mr Speaker:** The Hon. the Chief Minister.

**Hon. Chief Minister:** Mr Speaker, I am grateful that the Members of the House who have spoken have indicated their full support for this motion. The Leader of the Opposition referred to the partisan aspect of this and said it was not relevant, and he is of course absolutely right.

The House has conferred the Freedom on members of the different United Kingdom political parties who have shown their affection and their support for the people of Gibraltar in the discharge of their functions in different Parliaments, some of them in the House of Lords, some of them in the House of Commons, and Sir Graham now in the European Parliament, regardless of political affiliation and it is right that we should continue to do that. And just springing to mind, Lord Bethell of the Conservative Party and Andrew MacKinlay of the Labour Party to think of only two of the many who have rightly had the Freedom bestowed on them by different generations of Parliamentarians in Gibraltar.

I am grateful for the indication from the hon. Gentleman about the work that Sir Graham might do for Gibraltar in the future, and of course any such arrangement is entered into transparently. Whether the details are to be published is another thing, for the reasons we have discussed before in relation to another person who has given equally distinguished service in the European Parliament, and that is Glyn Ford, who represented Gibraltar's interests in the European Parliament even before we were his constituents. But he will excuse me for jibing at him, that we are considering a £¼ million package with an allowance for his children's education and some housing allowance in Brussels. I am delighted to see that he supports that, even though there is only one Sir Graham Watson and we cannot interview for another one.

**Mr Speaker:** I now put the question, in the terms of the motion moved by the Hon. the Chief Minister. Those in favour? (**Members:** Aye.) Those against? Carried. (*Banging on desks*)

**Gibraltar Medallion of Honour –  
Bestowed upon Ernest Montado CBE –  
Motion carried**

**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:

*'This House bestows the Gibraltar Medallion of Honour upon Ernest Montado CBE, 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 public service in politics; Mr Montado having served as Chief Secretary under four successive Chief Ministers.'*

Mr Speaker, the contribution that Ernest Montado has made to the public life of Gibraltar has been recognised already to a great extent by the bestowing upon him of the award of Commander of the British Empire, the CBE, which is indeed a very high honour bestowed by Her Majesty on those who have shown exceptional service in whatever walk of life they may have pursued.

The Government considers that people like Ernest Montado must also be recognised directly by the people of Gibraltar for the work that they have done. To an extent, to many the recognition by this Parliament of the work that they have done is perhaps, dare I say, as important, if not more so than recognition by the award of CBE in a *different* way, because of course an honour from Her Majesty, such as being made a Commander of the British Empire, is hugely important, but a grass roots recognition of that work – and I say grass roots, because this Parliament represents the *people* of Gibraltar – is an honour from the people up, rather than from the sovereign down and it can mean just as much.

Mr Speaker, the trajectory of Ernest Montado in the Civil Service is one that is well known to all Members of the House and it is clear that people should not be bestowed honours for doing their jobs as Civil Servants, and there is no question of this being a reflection of simply an honour being bestowed because Ernest Montado did his job. This honour is being bestowed because Ernest Montado did *more* than just his job, and having served four Chief Ministers in itself is no mean feat, in the sense that he was able to enjoy the trust and confidence of four different Party Leaders of *three* different political parties at different times in Gibraltar's history, spanning Chief Ministers of different generations. At least he served four different generations of Chief Ministers as well. If I may say so: Sir Joshua, representing the first Chief Minister, yourself the second – a different generation of Chief Minister – Mr Bossano the third and Sir Peter Caruana the fourth.

And in that service, I am very jealous to say, you had somebody who was not just the Head of the Civil Service, able to run the administration entirely admirably with the support and respect of every civil servant, who thought of Ernest Montado as a just and equitable leader of the Service, but also you had a political advisor with a small *p*, who understood the political issues between Her Majesty's Government and Her Majesty's Government of Gibraltar, who understood the issues with the Kingdom of Spain and all the surrounding issues, and therefore was not just somebody who might turn up to take a note. He was somebody who was very useful to have available in the service of Chief Ministers and I daresay that the work that he did is as important a part of the advancement of the people of Gibraltar as the work done by the Chief Ministers that he served, and I can put it no higher than that.

I have had the pleasure of working with Mr Ernest Montado in private practice, but not with him serving as a civil servant. After I became Chief Minister, he made himself available to me so that if I needed anything he would happily, at absolutely no cost, assist the Government of Gibraltar. He has on two or three occasions done so and we have been very grateful indeed for him doing so in a way that seeks absolutely no reward, but as he says, simply to continue his service in the service of his people, the people of Gibraltar.

Therefore it is absolutely right in my view that it should also be the *people* of Gibraltar who recognise the service given by Mr Montado by the bestowing of the Gibraltar Medallion of Honour, which short of the Freedom is the highest recognition that this Parliament can award for a lifetime of service.

I therefore, Mr Speaker, commend this motion to the House.

**Mr Speaker:** Does any hon. Member wish to contribute to the debate on the motion?

**Hon. D A Feetham:** Mr Speaker, yes, very shortly.

Mr Speaker, we are absolutely delighted and certainly from a personal perspective, *I* am absolutely delighted in being able to rise today to support this motion to bestow this honour on Ernest Montado.

The Hon. the Chief Minister said that we do not bestow honours on people just simply for being civil servants, but this is a man who has actually been a Chief Secretary with distinction. He has served the people of Gibraltar with absolute distinction and he is one of the most distinguished Chief Secretary's, the most senior person within the Civil Service we have ever had here in this community. A man who has always been, even after he retired as Chief Secretary, at the end of a telephone, extremely, extremely approachable.

A man who has always been a fountain of knowledge, and in the same way as the Hon. the Chief Minister has had dealings with Mr Montado professionally, I have also had dealings with Mr Montado professionally. In the same way as the Chief Minister has been able to draw upon his knowledge when he has been a Chief Minister in an informal, as I understand it, consultancy terms, I have been, as Leader of the Opposition, also been able to telephone Ernest in moments where there has been or I have had some doubt about any particular issue or I have wanted to bounce something, use him as a sounding board, and he

has always been somebody who has been there at the end of the telephone or been prepared to meet with me to always give me very sound advice, impartial objective advice.

I think that he is a man who thoroughly, thoroughly deserves this particular honour and we are certainly delighted in supporting it.

**Mr Speaker:** Does any other...?

The Hon. Joseph Bossano.

**(Minister for Enterprise, Training, Employment and Health & Safety) Hon. J J Bossano:** Mr Speaker, I do not want to say a great deal, because I think we all know Ernest very well... those of us who have been around in politics for a long time, but I think there is something about what he was able to contribute which was directly the result of his own progression within the Service.

He built the Statistics Department which we have today. He started off there and in fact the increasing sophistication of our numbers, which other people do not seem to enjoy as much as I do, I think he is responsible for having put us on that road. Of course it is very important that because he was from that part of the business, he was able then to take on the role of Financial Secretary, and take on the role of Chief Secretary and on occasions acted as Deputy Governor. So he actually brought when he was finally in Convent Place, having had a career within the Service, that touch on all the important bits of the business. He dealt with the United Kingdom, as the Chief Minister has mentioned, and he had a great deal of knowledge of how to deal with people in the Foreign Office and in Government Departments in the United Kingdom. He was often able, certainly in the ages that I was there, to go off and doing it on his own without the need for a political directive as to what the policy was because he instinctively knew what the policy was.

And he, himself, of course was at a very early age in the young AACR, so he had also that instinctive political element as you know, because it was in the old days of the AACR that he had that instinctive element of feeling nationalistic about Gibraltar, feeling that the protection of our people and our country had to be the very core value of everything that we did, and that if we had to have differences of opinion with London in order to defend our homeland, then so be it. And I think he brought that in, in a way which did not in any manner or form dilute his basic commitment that he had to be a completely impartial civil servant and therefore he gave the advice, whether the recipient was getting the advice he wanted to hear or not, which he felt professionally was the correct advice, but I think it came with the kind of commitment he would have had, had he chosen to be a politician in defence of Gibraltar. So I think it is a good opportunity that we remember just how much he has done for Gibraltar.

**Mr Speaker:** Does anybody else wish to contribute?

Mr Edwin Reyes.

**Hon. E J Reyes:** Thank you, Mr Speaker.

I rise to make a very small contribution as well. I think we all share the same thoughts about Mr Montado's qualities and as a Parliament we are above all highlighting his contributions towards politicians on whichever side of the House they have sat.

But I am sure I also speak on behalf of my hon. colleague, Steven Linares. We have both had the pleasure in the past of being Presidents of the Gibraltar Teachers Association and Mr Montado had this ability to offer us sound and impartial advice that we obviously both took advantage of at some stage or another. Whether it be at social functions or whatever, we used to pick his brains, and say, 'How do you think a politician will react when we come up with this claim?' and so on. I must say that Mr Montado always remained faithful to all the politicians, but you could see at heart that he was a worker. He was a civil servant and would really have made a very good trade unionist had he not had such a wonderful career within the Civil Service itself and perhaps would have become one of the leading personalities had he chosen that path.

So I wish to record on behalf of all trade unionists, and I know Mr Bossano and Mr Netto would also wish to join me, thanks, Mr Montado, for your contributions and above all for your sincerity every time you offered any advice.

**Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, very few words.

I think I must be one of the few people in this House at the moment who actually served as a civil servant while Mr Montado progressed in his career from statistician to Chief Secretary, and I recall those days well, back in the mid to the late 1980s.

I served in the Civil Service, both as an EO and then as Manager of the Health Authority at the time and I have great memories – a theme that has been said across the House this morning about him – of the guidance and advice that he could give and the fact that he bestowed great confidence. When you knew that

Ernest Montado was dealing with a matter, then you knew that it would be dealt with fairly and that the problem, if there was one, would be resolved.

He was and continues to be a man, as I say, who bestowed great confidence and a man of great wisdom and I think that that is a quality that is all too rare, and therefore I am very, very happy to support this motion.

**Hon. Chief Minister:** Mr Speaker, I am grateful to Members on both sides of the House for their support of this motion.

If I can just deal with one of the things that the Hon. Mr Reyes said, accepting everything he said, but just reminding him that politicians are workers too and if Ernest Montado had decided to become a politician and he had stayed on this side of the House, certainly he could have done so without forgetting that he was a worker. *(Laughter)*

Mr Speaker, I think one of the things I omitted to say when I was presenting the motion is that one of the qualities that I identify in Ernest Montado – and I think the Hon. the Minister for Employment, Mr Bossano, who as Chief Minister served with him, as you did, encapsulated – was that he would give the opinion that he believed was right, whether it was or not what the politician wanted to hear. That on some occasions is expressed as having the courage to speak truth unto power and it is one of the most important functions that civil servants fulfil and I think that Ernest Montado represents that quality. He does not shy away from giving an opinion, which he believes is the right opinion, simply because of the standing that the person he may be expressing that opinion to may have and the fact that they may obviously think the opposite.

I think it is also true to say, although I stand to be corrected, but I think it is true to say that Ernest Montado is probably the Gibraltarian to date who has attended the most sessions of the United Nations where Gibraltar has been represented, because he did all of those which involved Joe Bossano and he did most of those that involved Peter Caruana, whilst Sir Peter went to both of the Committees, and that is indeed a distinction. I think he, in his period will have attended meetings – you will be better placed to confirm this or not – with delegations that attended Brussels and Airport Agreements, now discussions, all the way up to the discussions in Cordoba that led to the Trilateral and the Cordoba Accords, and if he was not there, he was certainly in the background involved in the preparation for those meetings etc.

In fact, I seem to recall from my discussions with Ernest that there was one occasion when he was not just Acting Deputy Governor. I think there was one occasion that for one reason or another there was even a need for an Acting Governor, and he was an Acting Governor. I do not think he was the first Gibraltarian or the only Gibraltarian to have filled that function, but he was certainly one of the few Gibraltarians to have fulfilled that function. And in keeping with the bestowing of the CBE on him, I think the fact that at the time of an older constitution he was able to enjoy the confidence of the United Kingdom Government, such that he might be entrusted with the Office of Governor of Gibraltar, demonstrates the sort of man that we are bestowing the Gibraltar Medallion of Honour on today.

**Mr Speaker:** Before I put the question, may I ask leave of the House to associate myself with what has been said?

**Hon. Chief Minister:** Yes.

**Mr Speaker:** Ernest Montado was economic advisor of the Government during the years when I was Minister for Economic Development and Trade, and in 1986 when Joe Pitaluga retired, Sir Joshua and I persuaded him – and we had to persuade him – to take on the job of Chief Secretary because he had set his heart on being Financial and Development Secretary. But we pointed out to him that we had no doubt that he would be able to do much more for Gibraltar in the post of Administrative Chief Secretary than he would as Financial and Development Secretary and I think events have proved that that has indeed been the case.

The Chief Minister is quite right that there has been one other Gibraltarian to have acted as Governor and that was Sir Howard Davies, and in fact my last comment is to say that I regard Ernest Montado as the greatest civil servant that Gibraltar has had since Howard Davies. *(Applause and banging on desks)*

**Hon. Chief Minister:** Would you give way? *(Laughter)*

Mr Speaker, there is one thing which I have omitted to mention, which your intervention has prompted me to, which is that Ernest Montado has sat in this House and very few civil servants have sat in this House. But when he has acted as Financial and Development Secretary in the days of the 1969 constitution, there have been some occasions when the Financial and Development Secretary was absent from Gibraltar and therefore he stood in his place and came to this House to represent him. So he has also been a Member of this House, something which is highly unusual for a civil servant.

**Mr Speaker:** I am now going to finish up with an advert. He is collaborating with me now in the writing of my memoirs (*Interjections*) so he is still someone that I cherish enormously.

I now put the question in the terms of the motion moved by the Chief Minister. Those in favour? (**Members:** Aye.) Those against? Carried. (*Applause and banging on desks*)

**Gibraltar Medallion of Honour –  
Bestowed upon John Alcantara CBE –  
Motion carried**

375 **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:

*‘This House bestows the Gibraltar Medallion of Honour upon John Alcantara CBE, 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 law and politics; Mr Alcantara’s main achievements being his time as a puisne judge of the Supreme Court of Gibraltar and his service as Speaker of the House of Assembly.’*

380 Mr Speaker, John Alcantara is very well known to the community, but I want to start with something that I found out only when I read *Gibraltar: The Making of a People*, the book by the Deputy Chief Minister, which stands as one of the necessary tomes that anybody wanting to understanding our politics must read. What I found out there was that the John Alcantara that I knew as a law student as a judge had actually been a firebrand young politician in the AACR in the years after the war and that he took the route of the law only after deciding not to take the route of politics; but he was to come back to politics in a  
385 different guise much later in his life.

John Alcantara is not a man who covets any honours and I wonder whether we will be able to persuade him that the recognition of his people must result in him accepting this Medallion of Honour. I am sure we will be able to because he has demonstrated all the best qualities that Gibraltarians have... the ability to discharge functions that had not previously been associated with Gibraltarians, to sit in judgement over  
390 other Gibraltarians and to do so entirely dispassionately as the law requires was something that others believed could not be done by somebody from this community and required the importation of skill from outside, and John Alcantara demonstrated that that was not in fact the case. Today, we have a Chief Justice, who is a Gibraltarian, and after him, of course, very distinguished service by Felix Pizzarello, both as magistrate and as Supreme Court puisne judge also.

395 I came to know John Alcantara, in my own legal practice, as a Judge of the Supreme Court and then also as a magistrate. He went in his retirement back to the Magistrates’ Court when he was asked to do so because Gibraltar had a long interregnum between the appointment of a magistrate and a successor and we needed somebody to fill the role and the then Government asked him to come back to the Magistrates’ Court and he did as good a job in the Magistrates’ Court as he had done years before when he was  
400 magistrate before being elevated to puisne judge.

He and Nati moved away from Gibraltar to Belize for some years so that he might be able to obtain the experience necessary to become a puisne judge in the Supreme Court of Gibraltar and having done that, and having served with such distinction in the Supreme Court, he was bestowed his CBE. He came back to politics, Mr Speaker, late in his life to become Speaker of this House. He was Speaker when I was elected  
405 and he discharged also then the function of Mayor as you are doing now. And Speaker of this House I found him always to be affectionate for all Members and assisting in as much as he could, advising Members on both sides on how they could make their contributions better, which usually involved the word ‘shorter’ (*Laughter*) and always kind in his approach to all of us.

410 Mr Speaker, I do not want to say anything about the reasons why John Alcantara stopped being Speaker, those are recorded in *Hansard*. I often come across the passage when I review... in preparation for my Budget debate, my discipline is to review all the Budget debates before, read again what Chief Ministers have said before and what Leaders of the Opposition have said before, and I come across that difficult passage, which I think marked all of us a little bit who were here in the House that day.

415 But John was good enough to stay as Speaker for a very special session of this House, which was the session in August when we celebrated the 300th Anniversary of a British Gibraltar, which he presided over as Speaker of this House, and he presided over other functions that day as Mayor.

Mr Speaker, John Alcantara is regarded by people in this community with the very, very highest regard for the work that he has done for this community in every function that he has undertaken. He recently lost Nati his wife, and I hope that the people of Gibraltar will be able to demonstrate to him the affection in which they hold him and the regard in which they have, the work that he has done, by the bestowing of this Medallion of Honour. *(Banging on desks)*

**Hon. D A Feetham:** Mr Speaker, I had hoped to be able to rise to say I associate myself with every single word the Chief Minister says and then perhaps to say a few words and sit down. I have to say that he has injected an element of controversy that has been unnecessary by reference to the passage in *Hansard* in relation to the reasons why Mr Alcantara decided to leave. I have to say, Mr Speaker, unnecessary... but nonetheless, we are delighted to be able to support this motion in the same way as we supported the other motions.

I did not have the privilege of either appearing in front of Judge Alcantara, as he then was. I was a barrister in England from 1992 until 2000 and also I never coincided with him in this House when he was Speaker of the House, but I have had dealings with him on a social basis, in the sense that I have met him I have spoken to him. He has always been extremely, extremely courteous. He comes across in my mind as a very patient man, a man who is able to listen, and a man that again, as with Ernest Montado, is able to impart on an objective premise advice that is always useful.

But anybody, Mr Speaker, that is able to serve this community with the distinction that Mr Alcantara has been able to serve this community by actually holding three of the most important positions that you can hold as a member of this community, including Speaker and also a Judge of the Supreme Court, I think that deserves recognition, and for all those reasons, Mr Speaker, again the Opposition is happy to support this motion. *(Banging on desks)*

**(Minister for Enterprise, Training, Employment and Health & Safety) Hon. J J Bossano:** Well, Mr Speaker, like most people who have been around, and they have been around for as long as I have been around *(Laughter)* we have had a lot of things in common and things on which we disagreed.

Certainly, at a personal level I have always thought of him as a good close friend of mine and in his rulings in this House, there were rulings that I was not happy with, but the whole purpose of having a Speaker is that the Speaker is the one who decides the ruling. I remember at one stage where he decided that we were asking too many supplementaries and he would ration us to two supplementaries each and then he made an exception for me because I was the Leader of the Opposition, and so he allowed me to have three. *(Laughter)* Perhaps because not everybody thinks mathematically like I do, the result of that was of course that we immediately increased the number of questions and then we were entitled to put as many questions as we did as supplementaries to a bigger number of questions in the first place.

But the decisions that he took were the decisions that he wanted to take in order to make sure that the Parliament did not degenerate, frankly, into Members wrangling with each other, as opposed to getting on with the business, which is what the Parliament exists for and what we are being paid to be here for. It is inevitable that frequently, because we have got strong views, we forget what it is that we are supposed to be doing and question the opinions of each other. I think he did a very good job as a Speaker. We supported him throughout the time that he was here when he was doing things that we enjoyed and when he was doing things that we did not enjoy, because at the end of the day... clearly, I never appeared before him as a judge *(Laughter)* and it would have been a very bad thing if I had because I am not a lawyer. *(Laughter)*

So I am happy to associate myself with this and I wish John all the very best and he knows how much affection I have always had for him and how much respect I have had for him as our Speaker. *(Banging on desks)*

**Hon. Chief Minister:** Mr Speaker, I am grateful for the indication of support from the Leader of the Opposition. I do not see how a reference to a historical fact can inject an element of anything that is partisan...

I did not make any remarks about what happened and how it came about. I am just saddened by what happened. I am sometimes saddened by some of the things that I do, let alone things that others do. So I do not think I injected any partisan element at all, but if hon. Members feel that I have, I invite them to go back to read the *Hansard* for the Budget debate in respect of the Chief Minister's reply for 2004, and then they can make up for themselves what it is that happened that day and see what partisan aspects might arise.

But, in any event, what is important is that we are jointly telling John Alcantara that the people of Gibraltar consider that he is worthy as a recipient of the Gibraltar Medallion of Honour and we are all doing that together. I sincerely hope that he will appreciate that on behalf of the people of Gibraltar we believe that he is worthy of this distinction.

**Mr Speaker:** Again, before I put the motion to the vote, may I associate myself with the remarks of someone who occupied this Chair for eight years? To discharge the functions of Speaker and Judge in a community, such as Gibraltar, is no mean task and I am very happy to see the House recognising the contribution which Judge Alcantara has made to Gibraltar.

I now put the question in the terms of the motion moved by the Chief Minister. All in favour? (Members: Aye.) All against? Carried.

**Gibraltar Medallion of Honour –  
Bestowed upon Aurelio Montegriffo CBE –  
Motion carried**

**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:

*‘This House bestows the Gibraltar Medallion of Honour upon Aurelio Montegriffo CBE, 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 politics; Mr Montegriffo’s main distinction having been his services as Minister for Health.’*

Mr Speaker, Mr Montegriffo did a lot more than just be Minister for Health. He was, people often say, a very distinguished Minister for Health, who in the old days with a different type of Health Service, with a different numbers of beds, would make a point every day of visiting every patient and coming to their bedside and asking them how they were and how the service was being provided.

He was of course a Minister in the time that he was in the House of Assembly and in the City Council before us. He was a representative of the Association for the Advancement of Civil Rights, the AACR, the party of which then you became Leader and represented as Chief Minister.

I am reminded, Mr Speaker, that he was actually one of the members of the AACR that represented that party at the Constitutional Conference of 1969, chaired by Lord Shepherd, which achieved the preamble, the famous preamble to the Constitution on which many of us relied for many years in respect of the continued British sovereignty of Gibraltar and the Gibraltarians’ rights to influence that.

He is a man who is now very advanced in years. A politician of another generation, Mr Maurice Xiberras recently told a Gibraltarian publication that Mr Montegriffo had been able to say that he had held Mr Xiberras in his arms when Mr Xiberras was a baby, and that is how many generations back we are going in respect of Mr Montegriffo.

There is a reference in the national archives, which I have been trying to obtain in time for today, but I have not been able to receive so I only have the tantalising reference that the entry for Mr Montegriffo in the national archives in the United Kingdom in document FCO83/50 is this:

‘Remarks made by Aurelio Montegriffo, Association for the Advancement of Civil Rights (AACR), Member of the Gibraltar House of Assembly, regarding independence for Gibraltar’

The reference suggests that it might have been something said in the 1950s, so he must have at some stage also been a firebrand in his day. Mr Montegriffo served Gibraltar with absolute distinction and that is recognised on Her Majesty having bestowed on him the CBE.

In my legal practice Mr Speaker, one of the photographs that dominated our dining room for many years was the photograph of Her Majesty the Queen when she visited Gibraltar, and flanking Sir Joshua and Her Majesty is Mr Montegriffo. He was the Minister designated by the Government to receive Her Majesty up the Rock and show her certain of the views that she was seeing from there.

When we had the proud occasion to receive in Gibraltar Prince Edward whilst we were in Government, one of the things that we organised, because I think that was the particular anniversary of the visit to the Rock by Her Majesty, was that Mr Montegriffo should see him where he had seen Her Majesty and show him and his wife Sophie how the views that Her Majesty had seen almost 60 years before had changed in that time and he was very happy to assist us, almost 60 years later, as he had done 60 years before when Sir Joshua had asked him to do the same thing.

Mr Speaker, the Gibraltar Health Authority has been revolutionised over and over again, and every Government claims to have done that; but the Gibraltar Health Service, along the lines of the National



Health Service, was only created once and Mr Montegriffo had an important hand in that and we all take the benefit today of it in different measure.

So I hope the House will be united in my moving of this Medallion of Honour for Mr Montegriffo, who I am sure will appreciate that the CBE that Her Majesty was happy to bestow upon him is now also supplemented by the people of Gibraltar bestowing upon him the Distinction of the Medallion of Honour.

**Hon. D A Feetham:** Yes, Mr Speaker, I have never had the privilege of meeting Mr Montegriffo and never had the privilege of speaking to him, but everybody that I have spoken to, and I have spoken to a few people about this... about not only this one, but the others, but this one in particular, because I have never met Mr Montegriffo, and the former politicians that I have spoken to about this all tell me that he is one of the most distinguished Ministers that has ever served this community.

On the basis of the advice that I have been given and obviously listening to the Chief Minister, we are absolutely delighted to support this particular motion and to support the bestowing of Mr Montegriffo with such an important honour by the people of Gibraltar to supplement as well the honour that Her Majesty provided him a number of years ago in the award of the CBE.

**Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker, as the current Minister for Health, I think that it is only right that I should lend my support to this motion, but also because I remember Aurelio well. He was a good friend of my late father and in fact they served together on a number of Boards at the time, including the Board of the then Medical and Health Department.

Mr Speaker, when I had the pleasure of serving as a member of the staff of the Health Authority back in the 1980s, Aurelio Montegriffo was remembered well and with great affection by the employees of the time. He is a special person and was a very special Minister, showing great care and affection for staff and patients alike. Mr Speaker, he was a very special man of that very special generation and I am very, very pleased to support this as the current Minister for Health. *(Banging on desks)*

**Mr Speaker:** Does any other hon. Member wish to contribute before I call upon the Chief Minister to reply?

**Hon. Chief Minister:** Mr Speaker, I am grateful for the indication of support from the other side of the House and I have nothing more to add.

**Mr Speaker:** Again, may I be permitted, having served in this House with Aurelio for so many years, to associate myself with what has been said about him?

The Chief Minister is quite right. Aurelio Montegriffo was the prime mover of the concept in the AACR of the right to our land where he used to speak about the need for Gibraltarians to have a concept of nationhood buttressed by an independent attitude of mind.

I, myself, personally owe him a great deal. He was my mentor in politics and helped me tremendously in my personal life and why not... even in my spiritual life. I owe him a great debt of gratitude and I am very, very happy that I should be in the Chair today when the House, on behalf of Gibraltar, is honouring him in this very suitable fashion.

I now put the question in the terms of the motion of the Chief Minister. Those in favour? **(Members: Aye.)** Those against? Carried.

**Gibraltar Medallion of Honour –  
Bestowed upon Albert Poggio OBE –  
Motion carried**

**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:

*‘This House bestows the Gibraltar Medallion of Honour upon Albert Poggio OBE, who serves and has served Gibraltar and its people in an exceptional manner that is particularly worthy of recognition by this House on behalf of the people of Gibraltar in particular, in his representation of Gibraltar in the United Kingdom and amongst other UK Overseas Territories.’*

Mr Speaker, Albert Poggio has served three Chief Ministers of Gibraltar, starting with the Hon. Mr Bossano, spending fifteen and a half years with the Hon. Sir Peter Caruana and now has been working under my Administration for the better part of two and a half years.

Mr Speaker, in debates in this House I have indicated that as far as I am concerned Albert Poggio can continue to serve the people of Gibraltar for as long as he wishes and it is my pleasure that he should do so because the work that he has done since he was entrusted by the Hon. Joe Bossano, with the representation of Gibraltar in the United Kingdom, has been second to none.

Mr Poggio is unfortunately getting advanced in years and he looks much better than he ages, because his age is now 70 or almost 70 – those who are almost 70 are very insistent that they are not yet 70, but 70, I understand, is the next birthday – and we therefore unfortunately may find that Albert himself tells us that he does not want to continue representing Gibraltar with the level of energy that he has been showing until now. Therefore it is hugely fitting that we should start the process of recognising the work that he has done.

He has already an OBE from Her Majesty the Queen, but there is a more fundamental aspect to this motion perhaps than there has been in respect of some of the others and it is this that when the time came to mount the campaign for Gibraltar to continue to be British, facing a joint sovereignty threat from the United Kingdom and Spain where the relationship between the Prime Minister of the United Kingdom and the Prime Minister of Spain became so close that they thought that they could do a deal over the heads of the people of Gibraltar, of course things had to be done by Gibraltarian politicians, which included a referendum which included a huge amount of work outside of Gibraltar. Only yesterday we were talking about the cost in lobbying etc at that time, but the relationships that Albert Poggio had built between 1988 and 2002-03 with representatives in the House of Commons and in the House of Lords became the key factor in politically stopping joint sovereignty short of the final say, which the people of Gibraltar had in the referendum, that stopped the whole idea in its tracks.

And recognition by the Sovereign of the work that he has done is therefore important and he has it; but in particular recognition by the people of Gibraltar of the role that *he* played in that campaign for the Government of the day, I think is long overdue. It is I think impossible to imagine that Gibraltar could have achieved what it achieved if we had not had that fire power in the Commons and in the House of Lords that Albert Poggio represented then and represents now and I hope will continue to represent for many years in the future.

If we had a House of Lords then I certainly would be putting Albert Poggio in it. He moves within the House of Lords and within the House of Commons with its senior Members just like a duck in water and, Mr Speaker, it is quite something to see. It will probably be very few people beyond higher office holding Gibraltarian politicians who see that because... for those of us who get to access the Commons and the Lords with Albert, but it is quite something to see a Chancellor, to see a Prime Minister and to see any other Minister of the UK Crown or an ex Minister immediately recognise Albert Poggio as Albert, and say, ‘Hi Albert, how are you doing? Who is that bloke who is with you?’ Like the old joke of somebody standing next to the Pope and someone saying, ‘Who is that standing next to Danny?’ for example. *(Laughter)*

Well, Mr Speaker that is the sort of recognition that Albert Poggio has in the Commons and in the Lords. The Chief Minister of Gibraltar is very well recognised in Gibraltar, but walk down the corridor of the Commons with Albert Poggio or down the corridor of the Lords with Albert Poggio and you become the bloke that is standing next to Albert, and that recognition by Members of the Commons and the Lords of Albert is a recognition of Gibraltar. It is a recognition therefore of the work that he has done and of the importance of the work that he has done. It demonstrates in my view that Joe Bossano was absolutely right to entrust him with the job, that Peter Caruana was absolutely right to entrust him with the job. I know that towards the end there were issues there, but I am right to continue to entrust him with the job and it is why I would like to see Albert continue to do this work for as long as he wishes and as long as he is able.

And it is important that in this case, not just Albert know that the people of Gibraltar recognise the work that he has done, but that the rest of the world realise that the people of Gibraltar recognise the work that Albert has done and continues to do for Gibraltar.

**Hon. D A Feetham:** Mr Speaker, yes, the Opposition again will be supporting the motion and I have to say, because we are all in such a convivial mood and such a forgiving mood, that I forgive Albert for retweeting a tweet from the hon. Gentleman, the Chief Minister, and I quote:

‘Brilliant Joe Bossano reminds the House GSD called him “an economic illiterate”. So much for “statesmanship” from the GSD... Same Old GSD.’

Mr Speaker, it was a retweet by the Hon. Albert Poggio, but as I say we are supporting this motion and we forgive him for doing so, Mr Speaker.

Mr Speaker, Albert Poggio is somebody that I have known for many, many, many years in a personal capacity, not quite since I wore short pants, as the Hon. the Father of the House always wants to remind me,

but certainly when I was a young barrister in Manchester and I had to travel to London to appear in the Royal Courts of Justice. I always, *always* used to pop in to the Gibraltar office in the Strand and he would always update me about the situation in Gibraltar. We would talk about politics and about the issues that were affecting Gibraltar. He was always extremely, *extremely* well informed and he was, in my view, very, very patriotic about Gibraltar. He is somebody that not only is doing a job, but he feels the job too. He feels what he is doing and he puts his heart and he puts his soul into his job.

The Hon. the Chief Minister said that his work has been, in relation to the joint sovereignty, was second to none. I think that politicians apart and certainly leaving aside the contribution that was made by the hon. the backbencher, then Chief Minister, Sir Peter Caruana, that shall forever go down in history as one of the most courageous, intelligent defences of Gibraltar *ever* in the history of this community, and I think that for a non-politician he is probably right, that no non-politician did more to assist Gibraltar in that campaign than Albert Poggio, because the relationships and the contacts that he developed in the United Kingdom were second to none.

And if the Chief Minister... and I do not know I have not spoken to Mr Poggio about this. I do not know what his personal feelings are about continuing or not continuing, I have not discussed it with him, but if the Chief Minister can persuade Mr Poggio to remain to do the job that he is doing and to continue to serve Gibraltar in the United Kingdom, I think that it would be an important step for Gibraltar, because I do think that he plays a pivotal role in what he is doing currently and what he has done indeed going back to the 1990s, for all the reasons that the Hon. the Chief Minister has outlined.

So I have no hesitation, Mr Speaker, in supporting this motion.

**Mr Speaker:** Does any other hon. Member wish to contribute?

The Hon. Mr Bossano.

**Minister for Enterprise, Training, Employment and Health & Safety (Hon. J J Bossano):** Well, Mr Speaker, the next time I see Albert when he comes to Gibraltar, probably sometime next week or the week after, I shall have to tell him that he ought to know better at the age of 70 than to go around tweeting! *(Laughter)* I do not tweet. I leave that to youngsters, who will eventually grow out of it.

Albert actually was involved in doing something important for Gibraltar well before he was involved in the Gibraltar office, because he was involved during the siege years in organising travel arrangements with chartered aircraft between Gibraltar and UK. He had a lobby already, which he organised, of London-based Gibraltarians, who were constantly going round – as we were doing, for example, in the London branch of the integration party – going round ensuring that wherever there was somebody speaking about Gibraltar anywhere, there was always a group of Gibraltarian to intervene or heckle the guy or whatever was required to redress the situation.

When we came in we thought that it was important for Gibraltar to have more than the tourist office, which is what it used to be before. I recruited Albert at zero pay, as the House would expect me to – *(Laughter and interjections)* Zero pay. He came into the office and he gave it the political content that the office needed and he actually converted what was already there, which had been started by the AACR. As you know, Mr Speaker, initially with people in the Labour Party, who were close to George Jeger and us, people like that, who were the initial lobbyists in the House of Commons, but he actually made it a much more professional lobby. He gave them much more support, in terms of feeding them information which we wanted them to be aware of from London, and in effect the Gibraltar lobby, the Friends of Gibraltar in the United Kingdom Parliament in the Lords and in the Commons, I think became and continues to be the best organiser and the most powerful lobby that there is in terms of any dependent territory and sometimes in terms of other interest groups that have got a declared lobbying function there.

Everybody recognises that if anybody in the United Kingdom starts toying with the idea of behaving in a way which is detrimental to Gibraltar's interest, that lobby can be mobilised at short notice and has a lot of support within both Houses of Parliament beyond those who are individual Members – well beyond. They have proved it by their ability to call for motions and for the participation that has been in debate. All that work is the result of Albert's involvement. If Albert had not been involved in moving from having a tourist office to having in effect a High Commission with him as the High Commissioner, then [*de facto, it not de jure*] then we would not have been able to mobilise the support in Parliament that we have been able to and that it is there and I think the most important thing in terms of Albert at some stage deciding to pass the mantle on to somebody else. I have advised him that he should stay there with me until we are both 90, but he still has not given me an answer.

But the important thing is of course that this transfer and these contacts and this knowledge cannot happen with somebody finishing on Friday and somebody else starting in on Monday. It is as simple as that. So there has to be and there is a need to have somebody that has a lot of learning to do from Albert and a lot of involvement in the personal contact. What Albert can do in Parliament he can do, not because he is the representative in London of Gibraltar, but because he has developed a personal relationship with MPs and

he continues to do it every time there is an Election when new MP's come in and others go, and the ones that stop being MPs continue to support us within their involvement in the political parties in the United Kingdom. So it is a lobbying function that has been there from the day that Albert took over in the Strand and continues to grow in strength.

And therefore he deserves this and much more than this, but the job that he has done in Gibraltar initially *ex gratia* and eventually paid (*Laughter*) can only be paid by the affection that the people of Gibraltar have for him. (*Banging on desks*)

**Mr Speaker:** The Hon. Edwin Reyes.

**Hon. E J Reyes:** Thank you, Mr Speaker.

I rise again to take the opportunity because I do not want the occasion to go without being recorded that Albert Poggio also made his services always available to the trade union movement. Sometimes successes or failures from trade unions can end up having political consequences, so I think Albert saw his role in the biggest and widest sense of the word.

I am very grateful to Albert and I concur completely with the Chief Minister. I have had the privilege of walking into Westminster with Albert Poggio, and yes, one can only remain shocked at the way... I even at some stage thought that Mr Speaker might even stand up in the Chamber to say good morning to Albert. He does have that ability, that charm, that personality, that sincerity, that gift of being able to get along with everyone. He is at a personal level a very generous man as well. He will not let you go off without ensuring that you have had a meal and so on and if he is around he would even contribute. I do not know how on earth he manages it, but he certainly gave us a very good lunch that someone paid for, and so I am grateful for that, Albert.

But, yes, on behalf of all those of us who have been involved with the trade union world, we must record as well our grain of gratitude towards Albert and the contributions that he has made in facilitating our lobbying when needed in the United Kingdom.

**Mr Speaker:** The Hon. Albert Isola.

**Minister for Financial Services and Gaming (Hon. Albert Isola):** Mr Speaker, I have had the pleasure of working with Albert in a number of different ways over these past 20 years and I have got to know him and I consider him a very good friend.

I think that what Albert has done for Gibraltar, not just in the lobbying sense as my hon. Friends, the Chief Minister and the Father of the House have so eloquently described, which is of huge importance, but he has also done much more than that of course. He has assisted commercially. Only some two months ago he arranged a meeting for me to meet and brief a whole group, a huge group of Parliamentarians in the Deputy Speaker's Office on the gaming situation. I know he has worked at the Chamber of Commerce and I know he has obviously worked, as has been mentioned, in the tourism sector, but he has also done a huge amount for Calpe House and for those Gibraltarians who are in need of the help and assistance when visiting London at such a difficult time, he has always been there for each and every one of them and I think that is also worthy of merit.

Mr Speaker, I associate myself with the comments. I think Albert is an exceptional Gibraltarian who has given us all exceptional service and it is absolutely right and proper that we should commend him for that work.

Thank you Mr Speaker. (*Banging on desks*)

**Hon. Chief Minister:** Mr Speaker, I am even more delighted to be moving this motion now that I know that Albert knows a good tweet when he sees it and retweets it, even if other tweets might be disappointed. (*Laughter*)

But the hon. Member opposite has on his twitter feed, the following:

'Leader of the GSD and H M Opposition Gibraltar, partner of Hassans. Any retweets are not to be taken as an endorsement of the views expressed.'

So by his own measure it may be that Albert was not entirely supporting what I had suggested and he might assuage his conscience in that way.

I am delighted, Mr Speaker, that Albert Poggio looked after him when he went to see him in London in those days when he was a barrister in the United Kingdom and no doubt also treated him to a great lunch as he does all of us when we have been to London to see him, whether or not in Government, as Mr Reyes has confirmed. In those days obviously he was receiving him as a staunch supporter of the GSLP, no doubt in

those years when he was a barrister in the United Kingdom, but Albert treats us all the same whatever partisan affiliation we may have.

Mr Speaker, I said that Albert Poggio had coordinated efforts in London under the Government at the time. I was not pretending that it should be otherwise, but of course I cannot associate myself with the remarks that the hon. Gentleman made about that time. Sir Joshua Hassan played an important role, a *hugely* important role in Gibraltar's history when the Frontier was closed and strategising and getting us through that time was equally important. I mean for goodness sake, General Elliott was hugely important in the defence of Gibraltar at the Great Siege. I do not know that I am prepared to accept that the hon. the backbencher had the same effect, but anyway...

Mr Speaker, I am also delighted to have heard this morning that the Hon. the Leader of the Opposition agrees with me that Albert Poggio should continue to do this work for as long as we are able to persuade him that he should, given that I put him back in the role when I was elected, because he had been removed from it, and I am delighted to have taken that step. I am vindicated by what the hon. Gentleman has said during the course of the more acrimonious debate that we have had on the Appropriation Bill. I have been able to show that from having been unfit to govern, the hon. now the backbencher considers that he can congratulate me for the economic performance of the Government and that I have confounded my critic in respect of that.

I am therefore delighted that my greatest critic today, as democracy requires, the Leader of the Opposition, agrees with one of my decisions, which was to put Albert Poggio back into the role from which he had been removed by the hon. the backbencher and I am grateful to the Hon. Mr Bossano for having reminded us of the work that Albert Poggio does with the Overseas Territories, because in the same way as he strides as a Colossus through the Palace of Westminster, he is a Colossus also in the Overseas Territories world. He is the longest standing of the UK representatives and the most experienced of the UK representatives. Other UK representatives of the Overseas Territories look to him. He has really exemplified what the role of a UK representative of one of the Overseas Territories should be to such an extent... and it was an issue that the Hon. Mr Bossano, who is absent from the Chamber at the moment – I am sorry I am going to speak about this in his absence – picked up, that on one occasion Mr Poggio had been referred to as 'His Excellency', which is the moniker that is used to describe Ambassadors and High Commissioners in the UK, and Albert portrays the importance of Gibraltar in the United Kingdom to such an extent that people consider him to be an Ambassador and refer to him as such.

Mr Speaker, Gibraltar House was bought... the present Gibraltar House was bought under the previous Administration and the role that Albert Poggio played in obtaining that property was huge. This Government at the time from Opposition supported that acquisition, if not the style and manner of its internal decoration, but we certainly supported the acquisition. We think it was an excellent acquisition to make and it stands as an important investment for Gibraltar and a very good shop window of what Gibraltar is today.

**Hon. D A Feetham:** Will you give way?

**Hon. Chief Minister:** No, let me finish. I will give way before I finish.

And, Mr Speaker, the important role that Albert Poggio has played in respect of Calpe House also cannot be understated in any way and I am very grateful to Mr Isola for having reminded the House of that. I think it is important to say that he has not just played a role in Calpe House in the past. He is playing today a hugely important role in the developments that Calpe House is seeing in the improvement of the service, but this is exactly the sort of thing that one associates with Albert Poggio.

Whether it is the Chief Minister of Gibraltar that arrives in London for meetings with the Foreign Secretary or the Prime Minister or it is a citizen who arrives in London, low and not looking forward to medical treatment and having to go through a difficult time in their lives, Albert Poggio is there in equal measure for all of us and that is the measure of the man.

The hon. Member wanted to say something, so I will allow him to do so now.

**Hon. D A Feetham:** Yes, Mr Speaker, it is not true to say that the Hon. Sir Peter Caruana when he was Chief Minister *removed* Albert Poggio from the political role and the lobbying role – that is simply not the case. What he did was – (*Interjection*) No, he sent an office manager to deal with the administrative side, but he continued with the political lobbying and the political side, which is effectively what this House is actually saying Mr Poggio does best, because his contacts in those areas are second to none. I just wanted to make that position clear.

**Hon. Chief Minister:** Well, Mr Speaker that is not true.

What happened was that Albert Poggio was removed from his role as political representative of Gibraltar. Somebody else was sent in his place and it eventually became clear that only Mr Poggio could be

810 political representative. Mr Speaker, this happened very shortly before we were elected and given that the  
hon. Member wants to refer to it, there was a blazing row at No 6 Convent Place. It really descended into  
something which was not edifying at all for a Chief Minister to have done, which was not uncommon at the  
time. Unfortunately he has opened the door. People were shouted at and screamed at and Albert Poggio was  
815 shouted at and screamed at and he was sacked. Thereafter, Mr Speaker, the Chief Minister thought again  
and instead of sacking him changed what he was doing in London and sent somebody to do his job. But  
nobody can do the job that Albert Poggio has done in the way that Albert Poggio has done it and therefore,  
Mr Speaker, I was delighted to be able to reinstate him and I am very grateful that the hon. Member got up  
and said what he said so that I could...

820 He has opened the door. I would not otherwise have gone down, but it gave me great pleasure to put  
Albert Poggio back from where he had been *removed* wrongly by the Hon. then the Chief Minister, and the  
record reflects all of this and I am sure that there are memos and notes that reflect it.

Mr Speaker, Mr Poggio unfortunately at the time felt very hard done by and even had to instruct  
solicitors at the time.

825 But the truth prevails, Mr Speaker, and right prevails. We won the Election and we put him back where  
he should be, which is where he is today and where I hope he will stay for as long as he is able and now we  
recognise properly everything that he has already done and I am sure will continue to do, but the truth  
shines through. (*Banging on desks*)

830 **Mr Speaker:** May I say that on two occasions when my wife and I have had occasion to visit the United  
Kingdom in rather difficult circumstances, I immediately received, on both occasions, a telephone call from  
Mr Poggio making himself available should I need his assistance, and that I think is an indication of the  
kind of person that he is. I am very happy to be associated with the comments that have been made.

I therefore put the question in the terms of the motion moved by the Chief Minister. All in favour?  
(**Members:** Aye.) Those against? Carried.

#### Gibraltar Medallion of Distinction –

**Bestowed upon Mr Ernest Lima; Mr Dennis Mathews; Mr Fortunato Azopardi;  
Ms Adelaide Canessa MBE; Mr Kevin Dobson (deceased); Mr Lionel Perez;  
Mr Julio Alcantara MBE; Mr Eugene Howes MBE ED; Mr Dennis Figueras MBE RD;  
Mr John Desoisa; Mr Melvyn Farrell RD; Ms Annie Risso MBE; Mr Charles Conroy BEM;  
Mr Charles Flower MBE BEM; Ms Heloise Mañasco; Mr Nathan Stagno; Mr Joseph Hernandez;  
Mr John Gonçalves MBE; Mr Christian Santos; Mr Elio Victor MBE; Mrs Marisa Desoiza MBE;  
Mrs Tobie Roosevelt –  
Motion carried**

835 **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 quite lengthily as follows, and I crave the House's indulgence whilst I read it:

*'This House resolves to bestow the Gibraltar Medallion of Distinction upon the various individuals  
named hereunder for the respective following achievements, namely:*

- (1) *Mr Ernest Lima, for services to public health, in recognition of his pivotal role in the establishment  
of the Gibraltar Health Authority and its administration and functioning over 25 years;*
- (2) *Mr Dennis Mathews for services to the people of Gibraltar, in the establishment with others of the  
Self-Determination for Gibraltar Group and in particular the work done to establish the celebration of  
National Day on 10th September each year;*
- (3) *Mr Fortunato Azopardi, also known as Forty Mr Speaker, for work he has done as a founder  
member of the Self-Determination for Gibraltar Group, as a result of his commitment to the application  
of the principle of self-determination of the people of Gibraltar in establishing, organising and  
promoting celebrations of Gibraltar's National Day on 10th September each year, and in particular the  
now annual Gibraltar Fair;*
- (4) *Ms Adelaide Canessa MBE for services to education and having worked tirelessly in the education  
of generations of Gibraltarian women, in particular in recognition of her work at Westside  
Comprehensive School;*

- (5) *Mr Kevin Dobson, sadly, Mr Speaker, deceased, for services for education in Gibraltar, having been a teacher since his arrival in Gibraltar and having left a lasting legacy in the education of generations of Gibraltarian men;*
- (6) *Mr Lionel Perez, for services to education and culture, in particular for his role as a teacher in the Boys Comprehensive School and the establishment and direction of various dance and drama groups;*
- (7) *Mr Julio Alcantara MBE, for services to the administration of education in Gibraltar and in particular the transition from Grammar to Comprehensive education;*
- (8) *Mr Eugene Howes MBE ED for public service and in particular for his works as presiding and then senior presiding officer in every Election between 1976 and 2000;*
- (9) *Mr Dennis Figueras MBE RD, for public service and in particular for his works as presiding officer at every Election and Referenda since 1967, initially as polling/counting clerk, but later presiding officer, and Returning Officer;*
- (10) *Mr John Desoisa for public service and in particular for his works, presiding every Election and Referenda since 1967 initially as polling/counting clerk, later Counting and Senior Counting Officer up to 2007;*
- (11) *Mr Melvyn Farrell RD, retired, for public service, and in particular for his services to the Gibraltar Parliament and as returning officer in Elections;*
- (12) *Ms Annie Risso MBE for her work in the establishment and development of the Special Olympics movement in Gibraltar and the representation of Gibraltar internationally in that field;*
- (13) *Mr Charles Conroy BEM for his work in the establishment and development of martial arts in Gibraltar and the representation of Gibraltar internationally in that field;*
- (14) *Mr Charles Flower MBE BEM for services to sport over sixty years, in particular in recognition of his role as the first Gibraltarian athlete to compete in the Commonwealth Games, then the Empire Games, his work in promoting sport amongst young people and his work as President of the Gibraltar Commonwealth Games Association;*
- (15) *Ms Heloise Mañasco for her outstanding sporting achievements in air rifle shooting, a sport in which she has competed internationally and won numerous gold medals for Gibraltar in various competitions;*
- (16) *Mr Nathan Stagno for his outstanding achievements in the international umpiring in the final of the Hockey World Cup in Holland earlier this year... in fact, Mr Speaker, just last month;*
- (17) *Mr Joseph Hernandez for services to all sports in Gibraltar and his work on the development of the Strait Games;*
- (18) *Mr John Gonçalves MBE for service to basketball in Gibraltar and the international recognition of Gibraltar within that sport;*
- (19) *Mr Christian Santos for services to popular culture, in particular for his authorship of a large number of popular Gibraltarian plays and dramatic works;*
- (20) *Mr Elio Victor MBE for services to young people in Gibraltar;*
- (21) *Mrs Marisa Desoiza MBE for services to Cancer Relief charities in Gibraltar;*
- (22) *Mrs Tobie Roosevelt for services to Gibraltar in the Gibraltar American Council, of which she is President.'*

Mr Speaker, we are dealing now with the Gibraltar Medallion of Distinction. The Medallion of Distinction is in the hierarchy of honours below the Medallion of Honour.

In some instances, Mr Speaker, there are people who are worthy of recognition, who are not recognised with the Honours from Her Majesty that one might consider is appropriate for them, because of course although we are a thriving community of 30,000 people, Mr Speaker, it is not the case that there are simply honours that one can pick for those that deserve them that we can then see bestowed upon them.

The number of honours available, 'State Honours' available as they are known, is spread in the United Kingdom and throughout the Overseas Territories and therefore Gibraltar's quota is a very small amount. There may be a very worthy recipient who does not receive a State Honour because unfortunately the quota is not there and the person that does receive it may not be more worthy than the person who does not, although all would be equally worthy of receiving them.

The previous Administration prepared for the House these two Medallions – the Medallion of Honour and the Medallion of Distinction – so that they could be used in appropriate circumstances. We think that the list of people that we have brought to the House is a list of people who deserve that recognition, and the fact that they deserve recognition does not mean that others do not deserve recognition who we will bring to the House for the House's consideration in future.

Mr Speaker, each of these has a small citation. I could speak on all of them for a very long time. I do not intend to do so. I think everybody knows who the people we are dealing with here are, and therefore I would simply say that each of them is in the view of the Government worthy of this Medallion of

Distinction for the work that they have done, which is reflected in the paragraphs that follows in respect of each.

Mr Speaker, I am happy to say if the hon. Member at some stage in the future wishes to have Government support for others that he might think are also worthy of recognition, he only needs to notify me. There are people in our community that reach different Members of this Parliament in order to be able to put suggestions to us. I formally say today to the public within the same way as they are invited to make recommendations to the Office of the Governor for State Honours, I would be delighted to receive through any of the media of communication that people can use to contact me, whether it be by snail mail, i.e. a letter, or a more modern use of technology, they should feel free to get in touch with my office if they believe that somebody is worthy of nomination for the Gibraltar Medallion of Distinction or indeed the Gibraltar Medallion of Honour.

Mr Speaker, I do not intend to say anything else about the individuals as set out in this motion. Each of them I think has a citation that demonstrates that they are worthy recipients of recognition by this Parliament by the bestowing of the Gibraltar Medallion of Distinction.

**Hon. D A Feetham:** Mr Speaker, it is the last opportunity that I have of rising today, and perhaps before I –

**A Member:** There is another motion.

**Hon. D A Feetham:** Is there another motion? Well, I will say it now in any event.

Mr Speaker, certainly I hope that I speak for all Members of the House in wishing the Clerk a happy birthday for tomorrow. I know that it is his birthday tomorrow and Jaime Netto's birthday today, and I wanted to mention that before I get one last opportunity.

Mr Speaker, the Hon. the Chief Minister has said that there are other people who are equally as worthy of receiving recognition for this community, I agree. I am grateful to the Hon. the Chief Minister for his indication that he will take those on board.

I think that there are some worthy recipients. For example, in relation to the Medallion of Honour, I think that Mr Joe Pitaluga, who was Chief Secretary for many, many, many years and one of the greatest civil servants that Gibraltar has ever produced, is somebody who is worthy of that particular recognition. (*Banging on desks*) and I hope that that is something that the Chief Minister perhaps will take on board the next time that these Honours are also bestowed.

In relation to this particular honour, the Gibraltar Medallion of Distinction, William Serfaty, for example, who was one of the founders of the SDGG, and not only one of the founders, but he is the first member of the Self-Determination Group that actually addressed the United Nations, I think that I am right in saying – the Hon. the Father of the House can correct me if I am wrong – and over 10 years he was Chairman of that organisation.

Dr Leslie Zammitt I think is also worthy of recognition posthumously. (**Several Members:** Hear, hear.) Mr Robert Balban for youth and charity. Dr Rene Beguelin for medicine and diabetes charities.

And indeed, despite the fact that I am often at the end of not his waspish tongue, but certainly his waspish pen, the father of the Hon. of the Deputy Chief Minister, Joe Garcia for services rendered to journalism. And indeed, I think that Dominic Searle the Editor of the *Gibraltar Chronicle*. Those are the ones that come to mind and perhaps the Hon. the Chief Minister can bear those in mind the next time that he comes to focus on these issues.

Mr Speaker, I am not going to talk about all of these. I note the citation. We will be voting in favour of this motion and I would like to just simply highlight a couple of these.

Melvyn Farrell for example, I think that... I am extremely glad that the Hon. the Chief Minister has brought this motion in respect of Melvyn Farrell. I foreshadowed something myself when I addressed the House on the occasion of Melvyn's retirement as Clerk of the House. I really cannot think of anybody who is more worthy of this particular distinction than Melvyn Farrell, somebody who has served Gibraltar, and indeed this House, for many, many years.

Lionel Perez is somebody that I hold in high personal esteem. He was my drama teacher for many, many, many years. I think he was the only person in the world that has forced me to wear tights, Mr Speaker, (*Laughter*) but I do not hold it against him. I still remember his words ringing in my ear, [*niño te voy dar una piña*] He used to say to me [*niño te voy dar una piña*] He was an excellent, excellent, excellent teacher, *excellent* teacher, and I have to say that somebody whom even still today I really enjoy sitting down and talking to and exchanging opinions, very worthy indeed of this distinction. Those really are the only two that I wish to simply perhaps give a special mention because in Mr Perez's case, he was a teacher, one of my favourite teachers at the Boys Comprehensive, and Melvyn Farrell because of the high esteem that everybody in this House holds Mr Farrell.



**Hon. D J Bossino:** Mr Speaker, I would like to associate myself with the words of the Hon. the Leader of the Opposition, and indeed with the introduction of the motion by the Hon. the Chief Minister.

I would also associate myself in particular with what the Hon. the Leader of the Opposition has said in relation to Mr Joe Pitaluga. There has been a lot of reference to the sterling work which has been undertaken and discharged by another senior civil servant, in Mr Montado, but I think it has to be recognised on this side of the House and I am sure it will not be controversial on the other side of the House to also particularly recognise the sterling work undertaken by Mr Joe Pitaluga when he was Head of the Civil Service before Mr Montado. I think Mr Montado was Mr Joe Pitaluga's successor. And for many, many years, spanning many Chief Ministers, but in particular Sir Joshua Hassan.

I think the Hon. the Chief Minister when he was referring to Mr Montado made a reference to Mr Montado's visits to the UK in relation to the Brussels process and then Brussels Agreement. Mr Joe Pitaluga's work in relation to that I think also has to be recognised and acknowledged. He was an extremely hard worker. I have heard anecdotal references of the light in his office at Secretary's Lane flickering away and being on for many hours in the night and he was also a highly intelligent man, and I think that ought to be recognised in a motion at some point in the future by everybody in this House.

Mr Speaker, I, like the Hon. Leader of the Opposition, wish to make a reference to some of those individuals who are listed in the motion before us. By mentioning them I wish not to exclude anybody and I hope that they do not take it badly if I do not mention them particularly by name, but I mention them because they have had either an influence in my life or I have got to know them over the years.

The Hon. Leader of the Opposition mentioned Mr Perez as being influential when he was at school. I would make a reference to Mr Kevin Dobson in particular. As the Hon. the Chief Minister knows when we were in English class with him, I always have very fond memories of the debates that he would organise, and there was one or two in particular which I am sure the Hon. the Chief Minister will immediately recall, and unless I am mistaken – and the Hon. the Father of the House will be glad to hear this – I think I participated in that debate either as Chief Minister or perhaps as leader of the Opposition, but as leader of a GSLP Government or a GSLP Opposition, whilst the Hon. the Chief Minister was... he was more of an establishment guy in those days and he led the AACR. No doubt he will recall who won the debate. I think I won the first one – he is nodding his head – and he may have won the second one. *(Interjection)* No, I do not think so. *(Laughter)* There is well – *(Interjection and laughter)* There was a recording *(Interjection)* because if the Hon. the Chief Minister will recall Mr Dobson actually took his video camera to school and to class on that particular day and recorded the proceedings. Goodness knows where that may be now, but I wanted to make special reference to that. A reference to the motion which says that, 'for having left a lasting legacy in the education of generations of Gibraltarian men', and I am sure that both the Chief Minister and I can vouch for that.

I also wish to associate myself with what the Leader of the Opposition said in relation to Mr Melvyn Farrell. We have all said what we had to say in relation to him already, but I think a special mention on the occasion of this motion ought to be made. The man is in many, many respects and in more ways than one a gentleman. He has provided I think all of us with assistance in our endeavours whilst conducting our affairs in this House and I can certainly vouch for that personally, Mr Speaker.

Finally... or penultimately actually, I would like to make a reference to Mr Dennis Matthews, who I know personally as a friend. I associate myself personally with the services that he has made to the people of Gibraltar, particularly in relation to his fighting the Self-Determination corner, which was started during the time that Mr Bossano, the Hon. the Father of the House was Chief Minister. Again, one of those gentlemen who does not look his age and still finds the energy and the time to write those speeches and travel all the way to New York as he has done recently on two occasions. I think that ought to be quite rightly recognised by the Members of this House.

Finally, Mr Speaker, a very special mention I think ought to be made of Mr Elio Victor for his services to young people in Gibraltar, and of course Mr Victor was also a candidate – if it is the Mr Victor I am thinking of, and I think I am right in that – with the GMP with me in the 1996 General Elections. The Hon. the Chief Minister and indeed the Hon. the Deputy Chief Minister who led that party in those Elections will recall the fun I think that we had in particular... oh yes, and the Hon. the Minister for Sports, absolutely. The fun I think that we had during the course of that campaign.

I remember very vividly when we thought that we were going to get at least the Leader of the party into the House and the opinion poll suggested that we could. In the event it did not happen. I think we all received a shock when we saw the results of the exit poll, which were accurate in the event, and we achieved less than 5% of the vote.

But despite the very disappointing result, Mr Victor was always there as a source of good fun, good advice and just really a good chap indeed. And I do welcome the fact that Mr Victor features in this motion. I am grateful.

**Minister for Health and the Environment (Hon. Dr J E Cortes):** Mr Speaker?

980 **Mr Speaker:** Mr Edwin Reyes.

**Hon. E J Reyes:** Thank you, Mr Speaker.

If I may, I am very glad that the Chief Minister in presenting this motion has nominated persons from a very wide range and different type of contributions and activities in the community, and particularly  
 985 pleased, as I am sure is the Minister for Sport, that there are good and very worthwhile sports personalities nominated on this, above all, Mr Speaker, because I do not think we will have another opportunity. In the same way that we have got the Father of the House, the Father of the Commonwealth Games, Charles Flower, is nominated here, and that prompts us I think to call upon this House to unanimously wish the best of Gibraltarian luck to all our worthy sports men and sports women (**Several Members:** Hear,  
 990 hear.) (*Banging on desks*) who will be representing us in Scotland in the forthcoming Games.

Also, Mr Speaker I know that the Chief Minister has to keep the citations succinct and so on, but I have to mention that in respect of the educational list, there is something that at least in my personal professional life as a teacher should also be recorded. Mr Julio Alcantara as the first Gibraltarian Director of Education had the uneasy task of implementing in Gibraltar the National Curriculum that had been introduced in the  
 995 UK. I am sure the Hon. Steven Linares joins me as well in thanking Mr Alcantara in the way that he handled that and discussed that with us in the trade union movement, because what we did was we actually cherry picked what we thought was best to ensure that our children received a good education, but we did not fall into the trap of what later on they learnt in the UK were the mistakes of all these league tables and so on and so glad that alongside Mr Alcantara, who had also been involved in implementing what we called  
 1000 in the trade union world the 'Baker Agreement', the 'Blue Book', all those different terms that were used for the implementation of new pay and conditions, Mr Alcantara had to oversee that, the changing of a certain number of working days and so on, and he was very ably supported and we had no problems in entering negotiations with the then Headmistress of Westside School, affectionately known to us as Lally, Lally Canessa was there and of course my other personal friend Dr Bernard Linares at Bayside School. So I  
 1005 am really grateful, Mr Speaker, that the Chief Minister found it fit to recognise these people and in the record it will show that they also had a particular contribution to make to the introduction of both the national curriculum and the new terms and conditions for teachers.

Thank you.

1010 **Hon. S M Figueras:** Mr Speaker, I am grateful for the opportunity to rise to just add my two pence worth to the discussion on the motion, and in particular in relation... I associate myself of course with all the comments of hon. Members present in relation to all those on the list certainly, but I would like to just add a couple of comments in respect of a couple or three of them.

Starting with Mr Fortunato Azopardi, obviously a man for whom I have close personal affection and  
 1015 whom I also understand, and it may well be common knowledge, but I certainly only learnt it this morning, that he was indeed the originator of the idea of the 30,000 red and white balloons being deployed on National Day – (*Interjection*) from what I understand, yes – and which, of course, depending on the prevailing winds on any given National Day would have sent the community's message really very loudly and very clearly to precisely the people in a very targeted fashion that we would otherwise prefer to ignore  
 1020 such strongly held local sentiment.

In relation to the former Clerk of the Parliament, Mr Melvyn Farrell, I had the opportunity of only a short year and a half or two of working with him, but I was always very grateful to him for always being happy to provide guidance and assistance, despite the differences that there may have been in relation to the posing of questions and whether those are accepted or otherwise. He was always the messenger and I tried  
 1025 my hardest not to be the one to shoot him.

Finally, Mr Speaker I am gratified personally as well to see Mr Christian Santos on the list, a person with whom I have had the opportunity over many years of sharing the stage and like other Members, I am sure, being entertained by the very original and the very entertaining works which he has brought to this  
 1030 community.

I would also like to take the opportunity of specifically to record on *Hansard* that I associate myself with the wish expressed by my Hon. and Learned Friend the Leader of the Opposition in relation to our wish, and my personal wish as well, that Dr Leslie Zammit be recognised by the Hon. the Chief Minister. As a person who I spent many, many summers working in the Bayside drama studio to deliver annual plays,  
 1035 which were frankly a significant part of my teenage years here in this community and make up for a lot of who I am today, and that certainly is something I wish to record. He was taken tragically too soon, depriving this community of so much more that I am sure he would have been able to (**A Member:** Hear, hear.) contribute. I therefore just want to place on record that he would certainly be a worthy recipient and certainly an honour that I am certain his wife Olga would be only too proud to hear of his receipt of.

That concludes my contribution. Thank you. (*Banging on desks*)

**Hon. Chief Minister:** Mr Speaker I am grateful for the indications from the hon. Members that they will be supporting this motion.

Can I just say to them, Mr Joe Pitaluga already has the Gibraltar Medallion of Honour. I am surprised that Mr Netto, Mr Reyes and Mr Feetham have forgotten. We actually bestowed it in 2008 (*Interjection*) on Mr Pitaluga for all of the reasons that Members opposite have said. It was unanimous and so we have in effect re-run that debate and it has been a pleasure to hear. (*Laughter and interjections*)

But anyway, Mr Speaker, the hon. Gentleman has given us a list of people who we associate ourselves with the things that he has said. Many of them are already or were already on the Deputy Chief Minister's running list for December. I have given an indication to the Leader of the Opposition, which I am happy to give to the whole community, that I intend to bring these motions both in June and in December... or rather in July when we have the July session, and in December and the names they have mentioned I think absent, one or two of them were already on our list and so it is a pleasure to see that we will be able to see them unanimously supported.

William Serfaty, I have always got on with very well as a member of the SDGG and the Hon. Leader of the Opposition is right, he is the first Chairman of the SDGG to have addressed the UN. The reason we did not move on this occasion that he be included is because Mr Matthews has indicated that he is leaving the Chairmanship of the SDGG and we are therefore honouring him on this occasion, but Mr Serfaty will be honoured by us on the next occasion.

Mr Leslie Zammitt has been mentioned and Mr Zammitt, who unfortunately passed away very early in his retirement, was Deputy Headmaster of Bayside whilst I was there. (*Interjection*) Well, in the time I was there he was Deputy Headmaster. He is to a very great extent responsible for my having been able to access Oxford University, because he organised for me all the exams I had to do, outside of the run of the normal organisation of the school, and if it had not been for him in his position and the manner that he organised them, I do not think I would have been able to do those examinations. I remember it was unfortunate that I had to do three entrance papers and they were all scheduled for the same time on the same day and therefore the only alternative I had was to sit the three of them one after the other and do nine hours. And if I may say so, figuratively, he held my hand through that period, which was also a period when construction was going on at Bayside School and therefore it was a particularly difficult time and he was extraordinarily helpful to me personally, and therefore they find me very happy to support the proposal that Leslie Zammitt be honoured in this way.

Mr Speaker, the Government will amongst others also be proposing that Ralph Heskett be bestowed the Medallion of Distinction. He leaves us this weekend, having been our Bishop, and he is therefore going to be one of the names we move after he has left.

Mr Jose Netto, who has an important role to play in the history of trade unionism in Gibraltar will also (*Interjection*) Sorry? You are right. He has got the Honour, not the Distinction.

So, Mr Speaker, there is a list of people in this community who have not been recognised because of the absence of State Honours, or enough State Honours in the way that we think is appropriate and therefore we will certainly be moving that they receive this Distinction.

Mr Speaker, of those who are being bestowed these Honours, I did not intend to say anything more than the paragraph said, but Members opposite have said something and I want to associate myself with the things they have said about the people they have said it.

Melvyn Farrell, Mr Speaker, was at No. 6 Convent Place an important tool in what a Chief Minister did until 1996 when he was moved and No. 6's gain was our loss eventually when he came to this Parliament and he therefore started to fulfil an important function here. As the present Clerk will know now, they are at the heart of our democracy. They are at the heart of our political battles. They have to steer a very difficult course between both sides, and all Clerks have... and Mr Melvyn Farrell did of course steer that course very carefully and very elegantly so that we all felt that we could confide in him when necessary.

Mr Speaker, Kevin Dobson has a place very close in my heart, as he does in the heart of the hon. Gentleman opposite. He prepared us for this life that we lead today with his instruction in the language. It is unfortunate that the hon. Member has blacked out that I beat him in all of those debates (*Interjection*) when the hands went up and that he has not yet beat me in any Election that we have stood for, even if it is just an argument over a constitution when we were aged 16. I hope that will continue for many years and Kevin would be very happy to see us – (*Interjection*) Kevin would be very happy to see us having this argument today, because I know he held us both in great affection, as he did everybody who he taught.

Mr Speaker, Lionel Perez taught in a different less gentle way (*Laughter*) but just as effective. I was very pleased to hear the Hon. the Leader of the Opposition say that he remembered Mr Perez threatening him with a [*piña*] Mr Speaker, I suppose because he is taller than Mr Perez, he remembers Mr Perez threatening him with a [*piña*] Those of us who were about his same height remember the [*piña*] (*Laughter and banging on desks*) and a very, very important part of our education it was too, Mr Speaker. I do not know that he would get away with it today, but that probably accounts for why kids are such a riot these days. If Lionel Perez had his way, we would all be back on the straight and narrow, whatever our ages.

Mr Speaker, I am very pleased to hear that the hon. Gentleman recognises the importance of the release of balloons on National Day. There are environmental issues that we have to consider for the future unfortunately, but I am very pleased that he has understood what that signal means.

1105 I was I think 19 years old when I was in the lobby of this place on the first National Day having been called up by Marielou Guerrero having been in a few meetings of the SDGG already, to come down early to start inflating balloons on the day that this was first done. When there was no red and white organised other than I think the Chief Minister or one of the Members of the SDGG having said on television, 'Tomorrow is the 10th September. We will be releasing balloons. It would be good if people wore red and white', and it was quite incredible to see the flood of red and white that emerged. We thought we might just see the girls from Westside wearing burgundy and white, but actually the whole of Gibraltar turned out with some aspect of red and white on that day, which was not a holiday, just with a red tie and a white shirt and the like.

1110 It was the then Chief Minister, Mr Bossano, who declared the holiday as the result of the enormous success of what the SDGG had done on that day and I am very pleased that we are able together to recognise that and I hope that even on the days when they have not attended the political rally at Casements, they have happily seen the balloons send the message quite where it has to be sent.

1115 Mr Speaker, all of these people are worthy of this recognition and I am delighted that the House will Honour them unanimously. *(Banging on desks)*

**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.

#### **Suspension of Standing Order 19 – Motion carried**

**Clerk:** The Hon. the Chief Minister.

1125 **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 required of a motion which has been notified by the Hon. the Chief Minister on 2nd July 2014 and circulated by the Clerk on 2nd July 2014.'*

1130 **Mr Speaker:** This is just a procedural motion. Does any Member wish to contribute?

I propose a question in the terms of the motion moved by the Chief Minister, and I have to say it should be noted it is a procedural motion because it has not been possible to give the necessary number of days. *(Interjection)* I put the question?

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.

#### **First World War – Commemoration of 100th anniversary – Motion carried**

1135 **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:

*'This House:*

*Notes that this year marks the 100th anniversary of the outbreak of the First World War;*

*Recalls the sacrifice made by the United Kingdom and the British Empire, including Gibraltar towards the War effort;*

*Recalls that the Bay of Gibraltar was an important assembly point for naval convoys during the First World War; and*

*Takes note that the Memorial in the Lobby of Parliament remembers the role played by some Gibraltarians during that conflict, including the Battle of Bourlon Wood. These are Lieutenant S Benzecry; Leopold Bossano; Joseph Gustavino; J Briggs; Lionel Harrison; Albert Jones; Edward Oliveri; A Wallace; Michael Pitman; Daniel Francis Piri; Harry Reading; Alfred J Ruggier; Andrew Ryan; Stewart Thomas and John Undery; and*

*Hereby resolves to honour through this motion the memory of all those members of the Armed Forces and also those civilians who gave their lives in the service of their country during the First World War. '*

Mr Speaker, as hon. Members know, there will be celebrations in Gibraltar to commemorate the 100th anniversary of the outbreak of the First World War.

It was proposed to the Government, and the Government has accepted, that one of the things that should happen during the course of those celebrations is that a motion of this Parliament should be read, and this is the motion that we propose for the purposes of those further commemorations, including not just Ministry of Defence aspects and not just aspects from the Government of the United Kingdom, but also an aspect of representation of the people of Gibraltar through a motion of the legislature of Gibraltar, commemorating the role that some Gibraltarians played in that war, which is called the 'Great War', and which is being commemorated this year.

**Mr Speaker:** I now propose the question in the terms of the motion moved by the Hon. the Chief Minister.

The Hon. the Leader of the Opposition.

**Hon. D A Feetham:** Mr Speaker, yes, we are delighted to support this motion, as indeed we would be delighted to support any motion that remembers all those who have not only made the ultimate sacrifice for their country and for their community, in this case Gibraltar, but have also contributed in some way to that, in this case the war effort on behalf of the community and therefore contributed to the existence and the enjoyment of liberty by everybody in this House and everybody within the community.

I do not know how many of these, Mr Speaker, were casualties of the First World War. I do not know the history, but there could be fallen warriors amongst them that never came back to see their families and their friends; but even warriors that do not lose their lives in a war, everybody that participates in a war no doubt comes back touched by it. It must be horrendous. A horrendous way to spend part of your life being involved in that way in a war and quite frankly liberty is such a precious, precious, precious gift, that I think that anybody that contributes to the existence of liberty, in the way that these individuals and others have contributed, deserve that recognition.

I am glad, Mr Speaker, that the Hon. the Chief Minister has focused on Gibraltarians, and not just the war effort generally in the First World War. I am not suggesting for one moment that it is not worthy of remembrance, but we have got our own people who have also contributed to that war effort and in that context I also note the comments made recently by Baroness Warsi, that the United Kingdom should also recognise not only the fallen British soldiers from mainland United Kingdom and those that contributed in the two Great Wars, but also the Commonwealth as well, and those that contributed from the Commonwealth to the United Kingdom, the British war effort and the existence of liberty in the United Kingdom and indeed Europe. People who came from the far flung corners of the world that may have had absolutely no connection to Europe or indeed the war in Europe.

Mr Speaker, I always on these... not occasions, but when one comes to consider remembering people who have fought in both World Wars, I always remember the poem by Laurence Binyon, the very well-known poem by Laurence Binyon for the Fallen, and indeed it is the last line of the *Ode of Remembrance* from that poem, which reads, 'We will remember them'. I think that that is what we are doing today in this motion. We will remember. We will remember not only those that have given their lives for this community, but indeed those who perhaps did not give their lives, but who went through that war effort so that we could have the liberty and enjoy the liberty and the democratic values and institutions that we enjoy today. For all those reasons, we are delighted, certainly on this side of the House, to support the motion.

*(Banging on desks)*

**Mr Speaker:** Does any other hon. Member wish to speak on the motion.

The Hon. Mr Bossano.

**Hon. D J Bossino:** No, I give way to –

**Minister for Enterprise, Training, Employment and Health & Safety (Hon. J J Bossano):** Mr Speaker, the second name on the list is a Bossano – *(Laughter)* not a Bossino. *(Laughter and interjection)*

I think one of the things that is significant about those who went to fight to defend King and Country is in fact that they were Gibraltarian volunteers. Like they came from other parts of the British Empire, the Gibraltarians were volunteers and in a way is what Gibraltarians have done or the ancestors of the Gibraltarians have done, because way back in the 18th century there was the Italian Contingent that defended Gibraltar against sieges and then subsequently there was the Gibraltar Defence Force, which eventually got the recognition that it deserved as a Regiment and then as the Royal Gibraltar Regiment.

What we are doing here is recognising in one particular period in our history what a group of Gibraltarians were doing when the time came to step forward to defend the British Empire in the process of defending British Gibraltar at the same time, because clearly one would not subsist without the other. Certainly, in my own family, my father had 12 brothers and sisters, which was the kind of families that existed at the time of the First World War and I do not think he lasted very long after volunteering.

**Hon. D J Bossino:** Yes, Mr Speaker, I am glad he has made a reference to Leopold Bossano in that because I think actually it is that particular paragraph in the motion which for me certainly is perhaps the more poignant or important one, and it is the fact that there has been such a contribution to the war effort by Gibraltarians. This is the point, and the point was made by the Hon. the Leader of the Opposition when he referred to what Baroness Warsi has said recently when she launched the project called the First World War the Commonwealth Contribution, Gibraltar as part of the Commonwealth did make a contribution to the First World War. Their names are there. Their names are on the memorial set out in the lobby of the Parliament and it is in fact one, which I was mentioning it to the Hon. the Deputy Chief Minister as we were walking up before this session started, that that was particularly one of the acts during Armistice Day, which we celebrate in November, which we were always very keen to attend when it was less popular to do so. Everyone would go to the Cross of Sacrifice, but he and I would always make the point of coming here and laying the wreath at the lobby of the House because it was in recognition of the sacrifice made, whether by their lives or otherwise, by the Gibraltarian contingent.

The Second World War, because it is closer in time and it in fact impacted directly in some cases... some Members of this House were impacted directly by it, but at least I think for most of us perhaps the exceptions may be the younger Members of the House, the Minister for Social Services and the Minister for Tourism may not fall under this category, but I think all of us will have had parents who were actually probably born during the Second World War.

In relation to that point, just by way of anecdotal reference, the Hon. the Minister for Employment will recall when about four years ago I told him, and I think I sent him the information I had come across as a result of some research I was doing for a case and I had occasion to go to the Gibraltar Archives, and Mr Beiso very kindly pointed me to the direction of a box which contained the passenger lists of the ships which took the Gibraltarian evacuees.

And just to delve... or to dwell rather on the Second World War for a moment, I came across this particular document, which refers to Ship D, the Athlone Castle, which set sail on 26th July 1940. Amongst that list there is a Jaime Bossino, who at the time was two years and five months and a Mary Padiña who at the time was one, those are my parents, my mother and my father. If you go further up the list where the Bossino surname features, one comes across a Joseph Bossano, who was one year old and one month and Theresa Bossano, who I assume was the hon. Member's late mother. So had that particular vessel been torpedoed successfully, neither a Bossino, nor a Bossano would have been present in this House today.

**A Member:** No rainy day fund.

**Hon. D J Bossino:** No rainy day fund.

In fact that point was made by Baroness Warsi when she launched this particular project and she made a reference to the fact that we all know about the Second World War. We would all have had fathers or grandfathers... she referred to them as the brave men who would have participated in it, but it is for that reason I am quoting from a speech she says:

‘... I have always known something of British India’s role in that conflict. But for many years I was unaware of the role their fellow countrymen played 30 years earlier. The one and a half million from modern day India, Pakistan and Bangladesh who served, fought and fell for Britain in the Great War.’

In the first World War... so I think it is absolutely right, Mr Speaker, that equally as Baroness Warsi has done in the United Kingdom, that us here in Gibraltar we should recognise the very valuable contribution made by Gibraltarians in particular to the Great War and we are very happy to be supporting this motion indeed.

**Mr Speaker:** If there is no other contributor, I will call upon the mover, the Chief Minister, to reply.

1255 **Hon. Chief Minister:** Mr Speaker, I am very grateful for everything that everybody has said about this motion and in particular for the things that the Hon. Mr Bossino said about the Second World War, although we are dealing with the First World War, but I do appreciate that it does help to put things in context.

1260 Mr Speaker, the things that Baroness Warsi has said are going to be recognised in a Service of Remembrance organised in Glasgow on 4th August, which will be presided over by Prince Charles, and to which the Government of Gibraltar has been invited in recognition of the role played by Gibraltarians in respect of the First World War. So we are delighted to see that Gibraltar is going to be included amongst those recognised for inclusion on that important day where the whole world will be remembering from Glasgow what happened during the course of the Great War.

1265 Mr Speaker, I do not think there is more to add, except to tell the Hon. Mr Bossino that some of us have parents who were born during the First World War. My father was born in 1917 and he unfortunately passed away in 2010.

**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.

### ADJOURNMENT

1270 **Clerk:** Adjournment.

1275 **Chief Minister (Hon. F R Picardo):** Mr Speaker, so fair and foul the session of Parliament there is not as the one that considers the Appropriation Bill, and then goes on to consider in unanimity measures, like the ones that we have considered this morning, we have argued, we have laughed and we have worked together on Bills and not worked together on much else.

Mr Speaker, it is now my pleasure to move that the House adjourn *sine die*, with a wish that all Members enjoy the summer break. We will see them again in September.

1280 **Mr Speaker:** I now propose the question, which is that this House do now adjourn *sine die*.  
I now put the question that this House do now adjourn *sine die*. Those in favour? (**Members:** Aye.)  
Those against? Passed.  
This House will now adjourn *sine die*.

*The House adjourned sine die at 12.51. p.m.*