



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 2.03 p.m. – 9.25 p.m.

Gibraltar, Tuesday, 1st July 2014

## Business transacted

Appropriation Bill 2014 – For Second Reading – Debate continued.....	2
<i>The House recessed at 3.55 p.m. and resumed its sitting at 6.20 p.m.</i> .....	39
Appropriation Bill 2014 – For Second Reading – Debate continued.....	39
<i>The House recessed at 8.05 p.m. and resumed its sitting at 8.24 p.m.</i> .....	58
Appropriation Bill 2014 – For Second Reading – Debate continued.....	58
Adjournment.....	67
Thanks to parliamentary staff; Thoughts in memory of Sir Joshua Hassan .....	67
<i>The House adjourned at 9.25 p.m.</i> .....	68

# 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.

110 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.

115 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.

120 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.

125 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.

130 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.

135 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.

140 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.

145 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.

150 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.

155 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.

160 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.

165 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.

170 (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.

175 (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.

180 (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.

190 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.

195 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.

200 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.

205 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.

210 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.

215 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.

220 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.

405 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.

410 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.

415 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.

420 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.

425 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 resettle into society.

430 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.

435 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.

440 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.

445 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.

450 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.

455 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.

460 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  
465 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.

470 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  
475 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  
480 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.

485 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.

490 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  
495 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.

500 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  
505 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  
510 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.

515 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*)

520 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.

525 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  
530 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  
535 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  
540 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  
550 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  
560 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  
575 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.

585 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.

595 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.

600 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.

605 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.

620 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.

630 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.

635 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.

640 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.

645 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  
650 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  
655 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  
660 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  
665 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  
670 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  
675 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.

680 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.

685 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*)

690 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  
695 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  
700 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*)

705 **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.

710 **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.

715 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.

720 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.

725 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.

730 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.

735 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 unflinching 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.

740 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.

745 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.

750 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.

755 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.

760 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.

765 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.

770 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  
775 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  
780 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  
785 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.

790 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  
795 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.

800 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  
805 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.

810 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  
815 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.

820 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.

825 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  
830 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.

835 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  
840 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  
845 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  
850 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.

855 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.

860 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.

865 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.)

870 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.

875 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.

880 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.

885 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.

950 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.

955 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.

960 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.

965 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.

970 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.

975 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.

980 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.

985 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.

990 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.

995 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.

1000 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.

1005 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.

1010 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.

1015 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.

1020 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.

1025 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.

1030 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*)

1035 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.

1040 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.

1045 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.

1050 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.

1055 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.

1060 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*)

1070 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.

1075 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.

1080 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.

1085 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.

1090 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.

1095 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.

1100 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.

1105 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.

1110 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.

1115 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.)

1120 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.

1125 **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.

1135 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 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.

1140 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 and passenger numbers year over year is inevitable

1145 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 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.

1155 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, 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.

1160 Mr Speaker, I am sure that the whole House was delighted to learn in February of this year that Royal 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.

1165 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 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.

1170 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 to note was passed unanimously by this House.

1175 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 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.

1185 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, 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

1310 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.

1315 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.

1320 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.

1325 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.

1330 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.

1335 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.

1340 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*)

1345 **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*)

1350 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*)

1355 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.

1360 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.

1365 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 Government Members.

1375 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 brutalisation and return to the UK. So again I welcome that.

1380 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 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 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.

1390 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 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.

1400 In the Budget debate that year, the Hon. Mrs I M Ellul-Hammond alluded to the plight of single parents 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.

1480 **Hon. S M Figueras:** I suspect, Mr Speaker, that the staggering amount of £2.7 million in forecast  
 1485 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? (**Severall Members:**  
 Hear, hear.) (*Banging on desks*)

1485 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.

1490 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.

1495 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 –

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**A Member:** That is why he is not here.

**Hon. S M Figueras:** – spending like there is no tomorrow.

1505 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.

1510 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.

1515 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.

1520 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.

1525 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  
 1530 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:

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'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 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.

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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.

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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.

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**Mr Speaker:** May I intervene at this stage?

**Hon. S M Figueras:** Yes, by all means.

1675

**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.'

1680

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.'

1685

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 –

1690

**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 do so at the appropriate time in the proceedings so that Members and the public know where the position is.

1695

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.

1700

**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.

1705

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.

1740 **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.

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...  
1750 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?

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.

1800 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.

**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 –

**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.

1825 **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.

1895

**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.

1900

**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*)

1905

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.

1910

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.

1915

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.

1920

**Mr Speaker:** Perhaps Mr Selwyn Figueras would care to carry on.

1925

**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.

1930

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.

1935

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.

1940

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.

1945

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.

1950

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

1960 £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

1975 breakdown at Head 44 of which company has received what by way of contribution out of the consolidated fund.

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.

1980

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.

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.

1995

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.

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.

2000

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?

2015 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?

2020 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.

2025 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.

2030 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.

2035 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.

2040 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.

2045 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.

2055 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.

2060 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.

2065 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.

2070 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.

2145

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.

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.

2155

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.

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.

2160

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*)

2165

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*)

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*)

2175

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.

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.

2335 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)*

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.

2385 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.

2390 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?

2480 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.

2485 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.

2490 We included them in the unemployment list and we offered them a placement in the Employment & Training Company after February 2012.

2495 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.

2500 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.

2505 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.

2510 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.

2515 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.

2520 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.

2525 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.

2530 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.

2535 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.

2540 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.

2545 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.

2550 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.

2555 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.

2560 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.

2565 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.

2570 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.

2575 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.

2580 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.

2585 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.

2590 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.

2595 Important as this area is for the reasons explained above, it is not the only training taking place.

2600 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.

2605 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.

2610 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.

2615 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.

2620 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.

2625 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.

2630 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!

2635 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.

2640 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*)

2645 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.

2650 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?

2655 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.

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.

2705 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.

2725 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.

2730 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.

2735 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.

2740 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.

2745 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.

2750 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.

2755 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.

2760 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!

2765 **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.

2770 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.

2775 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.

2780 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.

2865 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!

2870 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.

2875 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.

2880 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:

2885 '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 2940 the Opposition, all of course, Mr Speaker, richly deserved.

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.

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 2950 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.

3015 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  
3020 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  
3025 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.  
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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  
3035 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.  
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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.  
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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.  
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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.  
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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.  
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3070 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.

3075 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.

3080 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  
3085 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.

3090 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.

3095 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.

3100 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.

3105 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  
3110 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.

3115 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.

3120 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.

3125 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  
3130 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 pace 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*)

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**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?

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**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?

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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?

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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.

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(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.

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(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.

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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)*

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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.

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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 –

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**Chief Minister (Hon. F R Picardo):** That was last year.

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**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.

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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.

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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?

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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

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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-escape’ 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 working towards, under the GSD Administration. The number of arrivals is also slightly up on 2012 but still slightly lower than in 2011.

3500 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 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.

3505 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 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.

3510 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.

3515 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 warning signals in respect of them which I would ask him to heed.

3520 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 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.

3525 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 particular area of activity to the economy.

3530 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 330,000. The figure now stands at 332 vessels with a gross tonnage of 3.4 million.

3535 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.

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**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.

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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*)

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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.

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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.

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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.

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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.

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3610 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.)

3615 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.

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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.

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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.

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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.

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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?

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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.

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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 –

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**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.

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**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

3670 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!

3675 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...'

3680 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.

3685 **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.

3690 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?

3695 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.

3700 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?

3705 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:

3710 '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.'

3715 And that must be right. It is the private sector which can best provide real and sustainable jobs for our young people.

3720 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 enthruse 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.

3725 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'.

3730 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.

3750 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 renegeing 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

3795 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.

3800 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?

3805 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.

3810 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.

3815 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.

3820 Yet the total for full-time jobs in the private sector, and using football speak, shows Spain beating Gibraltar 581 to 452.

3825 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.

3830 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*)

3835 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.

3840 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.

3845 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.

3850 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.

3855 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.

3860 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  
 3865 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  
 3870 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.

3875 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.

3880 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.'

3885 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.

3890 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.

3895 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.

3900 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).*

3905 **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**

3910

**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.*