



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.30 p.m. – 6.45 p.m.

Gibraltar, Wednesday, 17th June 2015

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# The Gibraltar Parliament

*The Parliament met at 3.30 p.m.*

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

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

## PRAYER

*Mr Speaker*

## CONFIRMATION OF MINUTES

**Clerk:** (i) Oath of Allegiance; (ii) Confirmation of Minutes – the Minutes of the last meeting of Parliament, which was held on 20th and 21st May 2015.

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

*Mr Speaker signed the Minutes.*

## PAPERS TO BE LAID

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

10 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to lay on the table the Gibraltar Annual Policing Plan for 2015-2016; and, in respect of section 12 of the Public Finance (Borrowing Powers) Act 2008, the Revolving Facility between HM Government of Gibraltar and Royal Bank of Scotland International Ltd, trading as NatWest, dated 22nd May 2015.

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

**Clerk:** The Hon. the Deputy Chief Minister.

20 **Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, I have the honour to lay on the table the Air Traffic Survey Report 2014.

**Mr Speaker:** Ordered to lie.

25 **Clerk:** The Hon. the Minister for Economic Development, Telecommunications and the GSB.

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** I have the honour to lay on the table the Census of Gibraltar 2012.

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

**Clerk:** The Hon. the Minister for Business and Employment.

**Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, I have the honour to lay on the table the Employment Survey Report 2014.

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

**Clerk:** The Hon. the Minister for Tourism, Housing, Equality and Social Services.

**Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):**  
Mr Speaker, I have the honour to lay on the table the Tourist Survey Report of 2014 and the Hotel Occupancy Survey 2014.

**Mr Speaker:** Ordered to lie.

**Clerk:** (vii) Reports of Committees; (viii) Answers to Oral Questions.

## Questions for Oral Answer

### BUSINESS AND EMPLOYMENT

#### Q401/2015 Health and safety – May 2015 statistics

**Clerk:** Question 401, the Hon. J J Netto.

**Hon. J J Netto:** Mr Speaker, can the Minister for Health and Safety provide the Health and Safety statistics for the month of May 2015, as these were not available on the Government website at the time when notice for questions was issued?

Can I say that subsequently... I am not going to pre-empt the answer of the Hon. Minister, but subsequent to the question being laid, that I have seen the information. In fact, I got a printed version this morning of it.

**Clerk:** Answer, the Hon. the Minister for Business and Employment.

**Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, I now hand over to the hon. Gentleman the information requested.

#### SCHEDULE TO QUESTION NO 401/2015

Table HS.1

##### Monitoring Activities, 2015

Industry Sector	May							Total
	Meetings	Advice	Complaints	Inspections	Follow-ups	Accident Investigations	Site Visits	
Air Transport Related								-
Bank, Finance, Insurance								-
Construction	2	11	9	12	1	1	15	51
Education								-
Electricity Supply/Related	2							2
Horticulture								-
Hotel Trade								-
Manufacture								-
Medical & Health Services								-
Police, Security, Fire Services								-
Post & Communications								-
Public Admin & Natl Defence	2							2
Repairs Consumer Goods				1				1
Restaurants, Bar etc								-
Retail Trade								-
Road Transport Related								-
Sanitary Services								-
Sea Transport Related		1						1
Shipbuilding/Marine Repairs								-
Water Supply/Related								-
Wholesale Trade		1						1
<b>Total</b>	<b>6</b>	<b>13</b>	<b>9</b>	<b>13</b>	<b>1</b>	<b>1</b>	<b>15</b>	<b>58</b>

Updated 1 June 2015

Source: Ministry for Business and Employment



**CONT. SCHEDULE TO QUESTION NO 401/2015**

Table HS.2

**Occupational Reportable Accidents, 2015**

Industry Sector	January			February			March			April			May		
	Minor	Major	Fatal	Minor	Major	Fatal	Minor	Major	Fatal	Minor	Major	Fatal	Minor	Major	Fatal
Air Transport Related	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-
Bank, Finance, Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction	3	-	-	3	-	-	1	-	-	3	1	-	2	-	-
Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity Supply/Related	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-
Horticulture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel Trade	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medical & Health Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Police, Security, Fire Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post & Communications	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Admin & Natl Defence	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-
Repairs Consumer Goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restaurants, Bar etc	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail Trade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road Transport Related	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sanitary Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sea Transport Related	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipbuilding/Marine Repairs	1	-	-	1	-	-	1	1	-	1	-	-	2	-	-
Water Supply/Related	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale Trade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>4</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>-</b>

Updated 1 June 2015

Source: Ministry for Business and Employment

**CONT. SCHEDULE TO QUESTION NO 401/2015**

Table HS.3

**Enforcement Activities, 2015**

Industry Sector	January		February		March		April		May	
	PN	IM	PN	IM	PN	IM	PN	IM	PN	IM
Air Transport Related	-	-	-	-	-	-	-	-	-	-
Bank, Finance, Insurance	-	-	-	-	-	-	-	-	-	-
Construction	-	-	1	-	-	-	1	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Electricity Supply/Related	-	-	-	-	-	-	-	-	-	-
Horticulture	-	-	-	-	-	-	-	-	-	-
Hotel Trade	-	-	-	-	-	-	-	-	-	-
Manufacture	-	-	-	-	-	-	-	-	-	-
Medical & Health Services	-	-	-	-	-	-	-	-	-	-
Police, Security, Fire Services	-	-	-	-	-	-	-	-	-	-
Post & Communications	-	-	-	-	-	-	-	-	-	-
Public Admin & Natl Defence	-	-	-	-	-	-	-	-	-	-
Repairs Consumer Goods	-	-	-	-	-	-	-	-	-	-
Restaurants, Bar etc	-	-	-	-	-	-	-	-	-	-
Retail Trade	-	-	-	-	-	-	-	-	-	-
Road Transport Related	-	-	-	-	-	-	-	-	-	-
Sanitary Services	-	-	-	-	-	-	-	-	-	-
Sea Transport Related	-	-	-	-	-	-	-	-	-	-
Shipbuilding/Marine Repairs	-	-	-	-	-	-	-	-	-	-
Water Supply/Related	-	-	-	-	-	-	-	-	-	-
Wholesale Trade	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>

Updated 1 June 2015

Note:  
PN: Prohibition Notices Served  
IM: Improvement Notices Served

Source: Ministry for Business and Employment

**CONT. SCHEDULE TO QUESTION NO 401/2015**Table HS.4<sup>7</sup>

Number of times legal advice has been sought during the month  
in relation to the number of inspections conducted, 2015

As at	Advice
January	-
February	-
March	-
April	-
May	-
<b>Total</b>	-
<i>Updated 1 June 2015</i>	

*Source: Ministry for Business and Employment*

**CONT. SCHEDULE TO QUESTION NO 401/2015**Table HS.5<sup>8</sup>

Reasons for Factories Inspectors issuing Improvement and Prohibition notices, 2015

As at	Industry Sector	Improvement Notices	Prohibition Notices	Reason
31 January	-	-	-	-
28 February	Construction	-	1	The company failed to provide a structure of suitable and sufficient strength and rigidity for the purpose for which it is being used.
31 March	-	-	-	-
30 April	Construction	-	1	The company failed to provide CDM Notification of Project, Asbestos Survey, Risk Assessments, Method Statement, Health and Safety Plan.
31-May-15	-	-	-	-
<i>Updated 1 June 2015</i>				

*Source: Ministry for Business and Employment*

65 **Hon. J J Netto:** Mr Speaker, if I may, as I said in my preliminary question, I do have the information because I actually printed it this morning.

Could I, in terms of a supplementary question, ask the Hon. Minister, in relation to reportable accidents, in the table on reportable accidents, I have noticed that there were two major accidents in the shipbuilding/marine repair industry group? Can perhaps the Minister provide us with some information as to the nature of those two major accidents?

75 **Hon. N F Costa:** Mr Speaker, the supplementary information that I have brought with me this afternoon relates to the reasons for the factories inspectors issuing improvement and prohibition notices. I have not brought any supplementary information on the question he specifically asks; but as I ask the hon. Gentleman every time, if he has questions on any specifics arising from any of the statistics, I will be more than happy to either answer him in this House, were he to give notice, or to write to him – however he pleases to proceed.

80 **Hon. J J Netto:** Well, really, so long as one gets the information, that is what is the important part. I do not know how quickly... Can the hon. Member perhaps get some of his staff to get the information and just give a very brief summary, really, of the nature of the accidents, and if he can later on provide the information in Parliament, with the indulgence of Mr Speaker, that will be fair enough, really.

85 **Hon. N F Costa:** Mr Speaker, ordinarily my staff, who are extremely nimble on their feet, would have provided me with the information, but it is summer hours so I do not think I will have much luck today. So,

again, I can either write to him or, if he were to ask me specifically at the next session of Parliament, I will be more than happy to provide him with the information.

90 **Hon. J J Netto:** Mr Speaker, I am quite happy for the hon. Gentleman to write to me and provide me with the information. That is, at the end of the day, what I really wanted to have.

**Hon. N F Costa:** I will do so, Mr Speaker. I am grateful.

## HEALTH, THE ENVIRONMENT, ENERGY AND CLIMATE CHANGE

### Q402/2015 Estimates Book – Breakdown of expenditure

**Clerk:** Question 402, the Hon. J J Netto.

95 **Hon. J J Netto:** Mr Speaker, further to the answer given to Written Question 41/2015, can the Minister for Utilities provide details of the expenditure of item 2, Fire Prevention and Detection; item 11, New Power Station – Tender Evaluation Cost; item 12, Replacement of Sub-Stations; and item 15, Infrastructure – New Power Station?

100 **Clerk:** Answer, the Hon. the Minister for Health, the Environment, Energy and Climate Change.

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, details of expenditure for these items are as follows.

105 Item 2: £764.50 – and this is ongoing – refers to the purchase of flame detectors to replace detectors damaged by the Waterport fire.

Item 11: £106,354.22 – complete – refers to the technical, legal and cost evaluation that was paid to external consultants for the new power station tender evaluation. These were paid to Mott MacDonald, TSN and Bartons Surveyors.

110 Item 12: £194,154.49 – ongoing – refers to various items associated with the replacement of substations and includes switchgear, transformers, ring main units and low voltage boards to replace Maida Vale and Rosia substations, Network Mimic diagram upgrade, power system analyser for network and substation locks.

Item 15: £269,252 – ongoing also – refers to infrastructure works to connect the new power station to Mid Harbour's distribution centre.

115 **Hon. J J Netto:** Mr Speaker, given the amount of information that the Hon. Minister has just provided, I wonder whether he will be kind enough to provide a copy – I am obliged.

### Q403/2015 Estimates Book – Provision of reports

**Clerk:** Question 403, the Hon. J J Netto.

120 **Hon. J J Netto:** Mr Speaker, further to the answer to Written Question 43/2015, can the Minister for the Environment provide Parliament with copies of the following reports: (a) ADCP survey by Van Oord; (b) City level greenhouse inventory by Ricardo-AEA; (c) Climate change strategy and implementation by Geoff Lye; (d) Energy efficiency target and action plan by ECOFYS UK Limited; (e) Solar thermal pilot study by E M Consulting; (f) Renewable energy strategy by New Resource Partners; (g) Transport climate change strategy project by Mott MacDonald Limited; (h) Implementation of renewable energy and energy efficiency projects by Jon Orpin?

125

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

**Minister for Health, the Environment, Energy and Climate Change: (Hon. Dr J E Cortes):** Mr Speaker, I will provide the hon. Member with electronic copies of the documents available, as I have done before, with the exception of the following three.

(1) The Renewable Energy Strategy drafted by NRP. This is currently being reviewed by the Department and will be published shortly. In lieu of this the National Renewable Energy Action Plan has been submitted.

(2) The Implementation of Renewable Energy and Energy Efficiency projects by Jon Orpin. Unfortunately, Mr Jon Orpin passed away recently and was unable to complete a report of the consultancy works carried out for the Department of the Environment and the Gibraltar Electricity Authority.

(3) The Transport Climate Change Strategy by Mott MacDonald, which is not yet finished and published.

But all the others will be with the hon. Member I would say within the next 24 hours, if not sooner.

**Hon. J J Netto:** Well, certainly I am grateful for the information and I am grateful for the number of reports that he is going to pass on for my perusal.

In relation to the Transport Climate Change Strategy report, can the Hon. Minister explain the delay? This is very much intertwined with information that was collated with the... I cannot remember the actual name now... with another report to do with renewable energy in terms of setting the targets for the Government for 2020. So could perhaps... Is this, the delay on the figures on the transport climate change strategy, is that delaying other Government reports in relation to climate change and renewable energy?

**Hon. Dr J E Cortes:** Mr Speaker, I am not completely sure as to why this is not yet finished, but it is not, in my view, holding up any other report or the development of any other policy which we are on track to, as I think I said at the last meeting of Parliament, to present from the Climate Change Taskforce to the Climate Change Forum shortly.

I believe that this was asked for subsequently to Mott MacDonald carrying out the Sustainable Traffic, Transport and Parking Plan, so it would not have been ready at the same time. I can look into whether there is any knock-on effect or anything else, but I am not aware, and if there was anything serious I daresay I would be.

**Hon. J J Netto:** I have been lucky and just remembered, Mr Speaker, that the actual report I was referring to, but I could not remember the name, was the National Renewable Energy Action Plan for Gibraltar, which the hon. Gentleman actually gave me, I think it was last month or the month before. Just to look at one particular page, page 9, within the tables there it is all... the tabulation... there are a lot of asterisks there, and if you go down to the bottom here it is basically talking about that the figures for the completion of the Sustainable Traffic, Transport and Parking Plan 2015 are still not yet done, or in whatever form it is, therefore delaying the actual report itself. So this is why I am saying whether the delays on some aspects of some reports are actually holding back the Government broader picture for Renewable Energy and Action Plan for Gibraltar?

**Hon. Dr J E Cortes:** Mr Speaker, I do not have a copy of that plan because all I was asked in this question was whether we would hand over these documents, and in fact that plan is not one of the documents listed so I do not have it to hand, but I will try and assist.

If the asterisks refer to the Sustainable Traffic, Transport and Parking Plan, that is not the same document as we are talking about – the Transport Climate Change Strategy – so it maybe that we are talking about two different documents. But in any case I will seek clarification from the Members of the Department and I am happy to respond to see whether there are any implications.

#### Q404-406/2015

#### Commonwealth Park project –

#### Services provided by Wildlife Gibraltar Ltd, Comofco Consultants and JLC consulting

**Clerk:** Question 404, the Hon. J J Netto.

**Hon. J J Netto:** Mr Speaker, further to the answer to Written Question 44/2015, can the Minister for the Environment state what were the services that Wildlife Gibraltar Ltd provided to the Commonwealth Park project during the financial year 2014-15?

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

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, I will answer this question together with Questions 405 and 406.

**Clerk:** Question 405, the Hon. J J Netto.

**Hon. J J Netto:** Mr Speaker, further to the answer to Written Question 44/2015 can the Minister for the Environment state what were the services that Comofco Consultants Ltd provided to the Commonwealth Park project during the financial year 2014-15?

**Clerk:** Question 406, the Hon. J J Netto.

**Hon. J J Netto:** Mr Speaker, further to the answer to Written Question 44/2015 can the Minister for the Environment state what were the services that JLC Consulting provided to the Commonwealth Park project during the financial year 2014-15?

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

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Yes Mr Speaker, Wildlife Gibraltar engaged professional design services for the Commonwealth Park project. These were in various disciplines, including lighting and landscaping, through the use of specialist consultants engaged for this purpose. They also carried out management duties.

Comofco Consultants provided professional engineering services to the Government in relation to mechanical, electrical and utility services. There was an element of consultation in relation to the proposed new park to the north.

JLC Consulting provided professional project management services to the Government for the Commonwealth Park project.

**Hon. J J Netto:** Mr Speaker, could I ask the Hon. Minister whether, in his view, some of these particular payments, whether it is Wildlife Gibraltar Ltd or the other two in relation... Does he think that they are kind of payments that may be of a recurrent expenditure in the future; and if so, obviously one would have to look at the actual contract in itself to see whether that should be incorporated or not?

**Hon. Dr J E Cortes:** No, Mr Speaker, these were one-off payments relating to the design of the park and therefore they are not recurrent in any way. The specialists that were engaged were Landform Consultants, who are multi-prizewinners in the UK, to design lighting and landscaping; Comofco did the mechanical-electrical services; and the other was for management services. So they were one-off for the construction of the project and are not recurrent in any way.

**Q407/2015**  
**Macaques –**  
**Monitoring of illegal feeding**

**Clerk:** Question 407, the Hon. J J Netto.

**Hon. J J Netto:** Mr Speaker, further to the answer to Written Question 46/2015, can the Minister for the Environment state if there has been any monitoring for illegal feeding of macaques during 2015, either by the Environmental Protection Officers or the Environmental Security Officers?

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

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Yes, Mr Speaker, both the Environmental Protection Officers and Environment Security Officers have been monitoring for illegal feeding of macaques.

**Hon. J J Netto:** Mr Speaker, could the Hon. Minister perhaps provide Parliament with some more details of the occurrence and type of monitoring taking place?

**Hon. Dr J E Cortes:** I can provide details of what their general duties are. Obviously, I do not have details of where they are at every specific moment. Essentially, they will patrol or they will be stationed at

particular sites on the Upper Rock or in the town, where macaques have been known to visit in the past, in order to point out to people that it is illegal to feed them and it is unwise to feed them because, as we all know, they lose their fear of humans, which can lead to possible interaction, or they get used to being fed in particular places and then they tend to congregate there.

So it is a monitoring, a dissuasive tactic. If anybody then were to proceed or to be seen actually feeding them, then they would either issue a warning or a ticket, or whatever they felt at that time was appropriate.

**Q408/2015**  
**LED lighting –**  
**Use in Government buildings**

**Clerk:** Question 408, the Hon. J J Netto.

**Hon. J J Netto:** Mr Speaker, can the Minister for the Environment state if all Government buildings are now using LED lighting; and if not, please state which ones do, what percentage of the total this represents and when does the Hon. Minister think that this goal will be achieved?

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

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, not all Government buildings – sadly, if I may add – are yet currently using LED. LED lighting and/or other low-energy lighting is being installed when there is a requirement to replace light fittings in Government buildings. The work is currently ongoing. Previous records held by the GEA did not specify actual light fittings installed, therefore an accurate percentage of the total lights changed is presently not available.

Having said this, now, a register was created by the GEA in March 2014, namely the Energy Savings Replacement Log, in order to record all LED installations. I hand over a copy of the Energy Savings Replacement Log, which specifies the location, quantity and type of lighting changed. I repeat, because there is no previous record, I cannot give a percentage, but that is what has been done.

As stated, works are carried out as required and therefore it is not possible to provide a definite timescale at this stage. It should nevertheless be noted that our policy is to install low-energy or LED lighting whenever Government buildings undergo any refurbishment works, and this will certainly help attain our goal of switching to more energy-efficient lighting systems in Government buildings.

**Answer to Question 408 of 2015.**

Date	Area/Location	Specification, Type, Wattage,	Quantity	Number & Type Of Old Fitting Removed & Wattage	Reduction of Watts
4.3.14	MID HARBOURS	50W LED FITTING	1	150w fitting	100w
6.3.14	6 CONVENT PLACE	LED PANELS 600X600 38w	4	4x 58w Flo Tube	80w
11.3.14	ST MICHAELS CAVE	30W LED FITTING	1	150w Metal high light	120w
12.3.14	HOLYLAND TUNNELS	JCC 14W LED	6	60w Bulb	276w
13.3.14	ALBERT RISSO	20W ROUND FITTING DELUXE LED	2	60w Bulb	20w
18.3.14	HOLYLAND TUNNELS	30W LED FITTING	1	150w Metal high light	120w
17.3.14	HOLYLAND TUNNELS	8W LED EMERGENCY FITTING	12	8w flo tube	N/A but same cost as standard
17.3.14	GLACIS EST	IP65 282MM BULHEAD FITTING 24w	80	60w Bulb	3360w
17.3.14	GLACIS EST	8W LED EMERGENCY FITTING	40	8w flo tube	N/A but same cost as standard
17.3.14	HOLYLAND TUNNELS	IP65 282MM BULHEAD FITTING 14w	50	60w bulb	2300w
4.4.14	ST MICHAELS CAVE	10W FITTING REMOTE	1	100w halogen flood light	90w
14.4.14	MID HARBOURS	50W LED FITTING	9	N/A	N/A (New Installation)
23.4.14	GASA Pool	14W LED Fitting with sensor	1	60w Bulb	46w
12.5.14	PORT	JCC 14W LED	2	N/A	N/A
16.5.14	CUSTOMS	70W LED FITTING	6	250w Flood Light	1080w
16.5.14	BOARDER AND COASTGUARDS	70W LED FITTING	10	250w Flood Light	1800w
22.5.14	CUSTOMS	30W LED FITTING	3	250w Flood Light	360w
27.5.14	GALLERIES	10W FITTING	1	100w halogen flood light	70w
11.6.14	HOLYLAND TUNNELS	10W FITTING	1	100w halogen flood light	70w
13.6.14	HOUSING F.B.R	JCC 23W	4	100w bulb	77w
20.6.14	HOUSING NEW OFFICES	JCC 23W	2	100w bulb	154w
20.6.14	GASA Pool	JCC 14W SENSOR	1	jcc 14w sensor (deflt)	N/A
24.6.14	KENT HSE BIN STORES	JCC 14W	1	36w flo Fitting	22w
25.6.14	38 FLAT BASTION RD	JCC 23W	7	60w Bulb	N/A
25.6.14	HOUSING NEW OFFICES	LED PANELS 600X600 38w	38	N/A	N/A
25.6.14	HOUSING NEW OFFICES	EMERGENCY FITTINGS	5	N/A	
3.6.14	CONSTITUTION HSE	20W ROUND FITTING DELUXE LED	2	60w Bulb	40w
7.7.14	BLEAK HOUSE	50W LED FITTING	4	N/A	N/A
10.7.14	RETRENCHMENT BLOCK	EMERGENCY FITTINGS	5	N/A	N/A
10.7.14	RETRENCHMENT BLOCK	JCC 23W	4	N/A	N/A
31.7.14	RETRENCHMENT BLOCK	JCC 23W SENSOR	5	N/A	N/A
1.8.14	RETRENCHMENT BLOCK	EMERGENCY FITTINGS	2	N/A	N/A
7.8.14	GASA Pool	70W LED FITTING	4	400w	1320w
11.8.14	DR GIRALDI HUT	JCC 20W	2	60w Bulb	80w
13.8.14	SORTING OFFICE	30W LED FITTING	2	58w flo tube	56w
26.8.14	POST OFFICE	JCC 23W	1	60w Bulb	37w
28.8.14	VICTORIA STD	EMERGENCY FITTINGS	3	flo tube emergency	N/a
9.9.14	6 CONVENT PLACE	JCC 14W	2	60w Bulb	92w
30.9.14	ALBERT RISSO	JCC 23 W	2	100w bulb	154w
2.10.14	SAVINGS BANK	LED PANELS 600X600 38w	1	600x600 flo tube panels 100w	62w
11.10.14	KINGSWAY HSE	JCC 14W	3	60w Bulb	138w
11.10.14	KINGSWAY HSE	JCC 20W	7	60w Bulb	280w
17.10.14	PORT AUTH	50W LED FITTING	4	250w Flood Light	800w
21.10.14	KINGSWAY HSE	JCC 14W	4	60w Bulb	184w
21.10.14	KINGSWAY HSE	JCC 23W	7	60w Bulb	259w
24.10.14	GSLA	JCC 14W SENSOR	2	60w Bulb	92w
11.11.14	CFB	5FT LED FITTING	7	58w flo tube	240w

Cont...

**Contd Answer to Question 408 of 2015.**

19.11.14	CFB	5FT LED FITTING	2	58w flo tube	70w
14.11.14	SAVINGS BANK	LED PANELS 600X600 38w	7	600x600 flo tube panels 100w	434w
20.11.14	RETRENCHMENT BLOCK	JCC 23W	30	60w Bulb	1110w
20.11.14	CONSTITUTION HSE	JCC 23W	1	60w Bulb	37w
22.11.14	WILLAM THOMPSON	JCC 23W	32	60w Bulb	1184w
24.11.14	WILLAM THOMPSON	JCC 20W	8	60w Bulb	320w
24.11.14	WILLAM THOMPSON	JCC 14W	3	60w Bulb	138w
24.11.14	WILLAM THOMPSON	JCC 23W	1	60w Bulb	37w
24.11.14	WILLAM THOMPSON	JCC 20W	1	60w Bulb	40w
1.12.14	KINGSWAY HSE	JCC 14W	4	60w Bulb	184w
3.12.14	WILLAM THOMPSON	JCC 14W	14	60w Bulb	644w
4.12.14	KINGSWAY HSE	JCC 14W	16	60w Bulb	736w
4.12.14	KINGSWAY HSE	JCC 23W	12	60w Bulb	444w
16.12.14	DR GIRALDI	JCC 14W SENSOR	1	60w Bulb	46w
7.1.15	BUS TERMINAL	50W LED FITTING	4	250w Flood Light	800w
7.1.15	BUS TERMINAL	30W LED FITTING SENSOR	2	250w Flood Light with sensor	440w
7.1.15	ALBERT RISSO	JCC 20W	2	100w light Fitting	160w
12.1.15	WILLAM THOMPSON	JCC 14W	14	32w flo fitting	252w
16.1.15	RETRENCHMENT BLOCK	JCC 23W EMERGENCY	10	60w Bulb with emergency	370w
16.1.15	RETRENCHMENT BLOCK	JCC 23W	2	60w bulb	74w
23.1.15	GREAT SIEGE TUNNEL	JCC 14W	12	38w light fitting	288w
24.1.15	GREAT SIEGE TUNNEL	JCC 14W	12	38w light fitting	288w
27.1.15	GREAT SIEGE TUNNEL	JCC 14W	12	38w light fitting	288w
29.1.15	MAGARET GREWELL	JCC 20W	1	60w bulb	40w
30.1.15	WESTSIDE SCHOOL	50W LED FITTING	4	250w Flood Light	800w
2.2.15	GREAT SIEGE TUNNEL	JCC 14W	7	38w light fitting	168w
2.2.15	GREAT SIEGE TUNNEL	JCC 23W SENSOR	1	60w bulb	37w
2.2.15	CAVE	JCC 14W	5	38w light fitting	120w
11.2.15	EDINGBURGH EST	JCC 14W	8	60w Bulb	368w
11.2.15	EDINGBURGH EST	JCC 23W	2	60w Bulb	74w
11.2.15	EDINGBURGH EST	JCC 20W	2	60w Bulb	74w
14.2.15	EDINGBURGH EST	JCC 20W	14	60w Bulb	560w
14.2.15	EDINGBURGH EST	JCC 23W	4	60w Bulb	148w
14.2.15	EDINGBURGH EST	JCC 14W	12	60w Bulb	552w
17.2.15	MOORISH CASTLE	30W LED FITTING	1	250w Flood Light	220w
18.2.15	EU BUILDING	JCC 23W	2	60w Bulb	74w
20.2.15	ALBERT RISSO	JCC 20W 23028	25	70w flo tube fittings	1250w
20.2.15	EDINGBURGH EST	JCC 14W	36	60w Bulb	1656w
20.2.15	EDINGBURGH EST	JCC 23W 23202	8	60w Bulb	296w
24.2.15	ALBERT RISSO	JCC 20W 23028	7	70w flo tube fittings	350w
25.2.15	CITY UNDER SIEGE	30W LED FITTING PIR	4	150w floodlight	480w
26.2.15	ALBERT RISSO	JCC 23W SENSOR	1	70w flo tube fittings	47w
26.2.15	MILITARY HERITAGE	30W LED FITTING PIR	6	150w floodlight	720w
26.2.15	WESTSIDE SCHOOL	50W LED FITTING	2	250w Flood Light	400w
26.2.15	EDINGBURGH EST	JCC 14W	12	60w Bulb	552w
27.2.15	EDINGBURGH EST	JCC 23W 23202	6	60w Bulb	222w
27.2.15	EDINGBURGH EST	JCC 20W 23028	10	60w Bulb	400w
27.2.15	GREAT SIEGE TUNNEL	30W LED FITTING PIR	1	150w floodlight	120w
27.2.15	EDINGBURGH EST	JCC 23W	6	60w Bulb	222w
27.2.15	EDINGBURGH EST	JCC 14W	36	60w Bulb	1656w

Cont...



**Contd Answer to Question 408 of 2015.**

27.2.15	EDINGBURGH EST	JCC 20W 23028	10	60w Bulb	400w
3.3.15	EDINGBURGH EST	JCC 20W 23028	10	60w Bulb	400w
10.3.15	HEATHFIELD HSE	30W LED FITTING	2	150w floodlight	240w
13.3.15	EDINGBURGH EST	JCC 14W	1	60w Bulb	46w
17.3.15	NORTH MOLE POST OFFICE	JCC 14W	1	60w Bulb	46w
23.3.15	BUS TERMINAL	50W LED FITTING	1	250w Flood Light	200w
23.3.15	ENVIRONMENTAL AGENCY	30W LED FITTING PIR	1	250w Flood Light	220w
25.3.15	GREAT SIEGE TUNNEL	10W LED FITTING	3	100w floodlight	270w
7.4.15	JEWS GATES	30W LED FITTING	2	150w floodlight	240w
10.4.15	CAVE	30W LED FITTING	1	150w floodlight	120w
10.4.15	BISHOP CANILLA HSE	JCC 23W 23202	18	36w flo Fitting	232w
22.4.15	RODNEY HSE	30W LED FITTING	1	150w floodlight	120w
22.4.15	RODNEY HSE	JCC 14W	6	60w Bulb	276w
24.4.15	REDSANDS	JCC 14W	17	60w Bulb	782w
24.4.15	GASA Pool	JCC 14W 23211	2	60w Bulb	92w
6.5.15	REDSANDS	JCC 14W	24	60w Bulb	1104w
21.5.15	TSD GARAGE	50W LED FITTING	1	250w Flood Light	200w
27.5.15	ST MICHALS CAVE	10W LED FITTING	3	100w floodlight	270w
27.5.15	ST MICHALS CAVE	30W LED FITTING	1	150w floodlight	120w
27.5.15	ST MICHALS CAVE	JCC 23W SENSOR	2	60w Bulb	92w
1.6.15	RODNEY HSE	JCC 14W SENSOR	3	60w Bulb	138w

**Q409/2015****Solar panels –****Contract details re installation and maintenance**

265 **Clerk:** Question 409, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Government please provide details of all contracts relating to the installation and maintenance of solar panels awarded by it or any Government Company or Authority since they were elected, identifying the name of the contractor, the contract price, whether that contract went out to tender and whether it was the cheapest tender for the taxpayer?

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

275 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, the solar thermal pilot installations at the Tercentenary Sports Hall and Tangier Views went out to tender as part of the same tender award. These works were awarded to Deselec Ltd at a cost of £33,841 and £72,754.51 respectively. This tender was not the cheapest but, in accordance with the report prepared by independent consultants, they were the most economically advantageous since they submitted a very focused and rigorous tender submission having scored higher overall than any other.

280 The solar installations at the GSLA swimming pool was commissioned by the Gibraltar Sports and Leisure Authority. These works did not go out to tender since they formed part of a wider project carried out by GJBS involving a complete upgrade of the GSLA swimming pool complex. The works were allocated to GJBS at a cost of £292,950.09.

285 The proposed solar installation at GHA went out to tender. This tender was awarded to Green Resources Ltd in the sum of £210,048, being the lowest tender received.

**Q410/2015**

**New power station at North Mole –  
Problems re foundations**

**Clerk:** Question 410, the Hon. D A Feetham.

290 **Hon. D A Feetham:** Mr Speaker, can the Government confirm whether there have been any reports or communications post the award of the tender for the Waterport Power Station from anyone associated with that project, suggesting that there are technical problems with the construction of the foundations for the new power station in the North Mole area?

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

295 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, the Government has not received any information post award of the tender for the Waterport power station – or for the ‘new power station’, I think the question should have been worded, and in fact the answer – suggesting that there are technical problems with the construction of the foundations for the latter.

300 **Hon. D A Feetham:** Mr Speaker, so just to be absolutely clear about this: the original plans for the foundations of the new power station at the North Mole continue to be the plans that are extant at the moment and there has had to be no variation of those plans in relation to the foundations because of anything that was uncovered post the award of the tender?

305 **Hon. Dr J E Cortes:** Mr Speaker, that is not the same question. I am not aware of any, I am not aware of any, but I have not asked that question because whether there have been any material changes to any plans as a result of anything uncovered is not exactly the same as saying whether there were any technical problems with the construction of the foundations. It may be that... I am not aware of any. Certainly none have been brought to my attention, so that is what I can answer.

**TOURISM, HOUSING, EQUALITY AND SOCIAL SERVICES**

**Q411/2015**

**Mid Harbour Estate garage barriers –  
Date when operational**

310 **Clerk:** Question 411, the Hon. E J Reyes.

**Hon. E J Reyes:** Mr Speaker, further to the answer provided to Question 354/2015, can the Minister for Housing indicate to this House by when the garage barriers at Mid Harbour Estate will be operational on a permanent basis?

315 **Clerk:** Answer, the Hon. the Minister for Tourism, Housing, Equality and Social Services.

**Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):** Mr Speaker, the barriers at Mid Harbour Estate became operational on 2nd June 2015.

**Q412/2105**

**Squatters in Government rental homes –  
Costs re eviction**

320 **Clerk:** Question 412, the Hon. E J Reyes.

325 **Hon. E J Reyes:** Can the Minister for Housing say how much expenditure has been incurred in respect of legal costs relating to the eviction of squatters from Government rental homes since the answer provided to Question 356/2015, providing a breakdown showing the number of homes involved and to whom payments were made?

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

330 **Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):**  
Mr Speaker, none.

**Q413/2015**  
**Decanting of tenants –**  
**Numbers and details**

**Clerk:** Question 413, the Hon. E J Reyes.

335 **Hon. E J Reyes:** Can the Minister for Housing provide details of how many tenants required urgent decanting from their homes since the answer to Question 358/2015, indicating the reason why, the date when said decanting became necessary and the date when the tenants were able to return to their home?

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

340 **Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):**  
Mr Speaker, none.

**Q414/2015**  
**Preparation of homes for reallocation –**  
**Expenditure and details of work undertaken**

**Clerk:** Question 414, the Hon. E J Reyes.

345 **Hon. E J Reyes:** Can the Minister for Housing provide details in respect of all expenditure incurred since the answer to Question 359/2015 in respect of contracts awarded for making empty homes suitable for reallocation, stating to whom payments were made, how much has been paid, the number of residential homes pertaining to each payment, as well as indicating the type and nature of repair works or cleaning services undertaken?

350 **Clerk:** Answer, the Hon. the Minister for Tourism, Housing, Equality and Social Services.

**Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):**  
Mr Speaker, AJEC was paid £12,945 in relation to works to one property: general refurbishment works including works to walls, ceilings, taking down walls, paintwork, replacing floor tiles, door, plumbing and electrical works.

355 Avanti was paid £17,869 in relation to works to one property: general refurbishment works, including works to walls and ceilings, taking down walls, paintwork, replacing floor tiles, door, plumbing and electrical works.

There were no cleaning services contracted.

**Q415 and Q420/2015**  
**Government rental homes –**  
**Unpaid rents**

360 **Clerk:** Question 415, the Hon. E J Reyes.

**Hon. E J Reyes:** Can the Minister for Housing provide full details of how much has been written off in respect of unpaid rents pertaining to Government rental homes since the answer provided to Question 360/2015?

365 **Clerk:** Answer, the Hon. the Minister for Tourism, Housing, Equality and Social Services.

**Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):** Mr Speaker, I will answer this question with Question 420.

370 **Clerk:** Question 420, the Hon. E J Reyes.

**Hon. E J Reyes:** Can the Minister for Housing provide details of arrears in respect of unpaid rents pertaining to Government rental homes as at 31st May 2015?

375 **Clerk:** Answer, the Hon. the Minister for Tourism, Housing, Equality and Social Services.

**Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):** Mr Speaker, in answer to Question 415, none yet. Work continues on reconciling the amounts due and collectable.

380 In answer to Question 420, the total of arrears in respect of unpaid rents as at 31st May 2015 was £5,500,459.77.

**Q416/2015**  
**Government rental homes –**  
**Allocations and assignments**

**Clerk:** Question 416, the Hon. E J Reyes.

385 **Hon. E J Reyes:** Can the Government state how many rental homes have been allocated and/or assigned to applicants other than on the direct advice of the Housing Allocation Committee from January 2012 to date, stating on whose authority these allocations and/or assignments were made?

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

390 **Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):** Mr Speaker, a total of 155 flats have been allocated and/or assigned to applicants other than on the direct advice of the Housing Allocation Committee.

395 **Hon. E J Reyes:** Mr Speaker, the final part of that question requests stating on whose authority these allocations and/or assignments were made. I have not heard a reply in respect of that data requested.

**Hon. Miss S J Sacramento:** Sorry, Mr Speaker, yes, it is on the authority of the Minister for Housing.

400 **Hon. D A Feetham:** Mr Speaker, so that I have it clear in my mind and so that the public has it clear in their minds, 155 flats have been allocated on advice of the hon. Lady, as Minister for Housing, thereby circumventing the housing allocation process, which is that apartments or flats are allocated on the advice of the Housing Allocation Committee. How does the hon. Lady justify that?

405 **Hon. Miss S J Sacramento:** Because, Mr Speaker, I did not say... What I said was, Mr Speaker, that flats have been allocated not on the advice of the Housing Allocation Committee – allocated by myself but not necessarily on my advice, Mr Speaker. The difference in the nuance is that not all allocations have to be on the advice of the Housing Allocation Committee. The majority of the allocations in question, Mr Speaker are when there is either an exchange or decanting of property.

410 So he can rest assured that I have not circumvented the advice of the Housing Allocation Committee; it is that the Housing Allocation Committee does not have to advise on each and every occasion.

**Hon. D A Feetham:** Mr Speaker – (*Interjection*)

415 **Hon. Miss S J Sacramento:** Mr Speaker, if I can add to that, that is the same procedure that has always been in place and it is the same procedure that they applied when they were in Government, Mr Speaker.

420 **Hon. D A Feetham:** Well, Mr Speaker, when we were in Government and there was any kind of allocation circumventing the Housing Allocation Committee there was criticism from this side of the House at that kind of allocation, and now we see 155 flats have been allocated effectively directly by the hon. Lady.

Can she give us, for example, a breakdown of how many flats have had to be awarded due to somebody being decanted, how many flats have had to be awarded simply because the hon. Lady has, in her wisdom and subjectively on her view, decided that somebody at whatever point on the housing waiting list ought to be awarded a flat directly and not go through the Housing Allocation Committee?

**Hon. Miss S J Sacramento:** Mr Speaker, he can rest assured and sleep soundly tonight. I appreciate the fact that he accepts that I have wisdom. I have not applied that wisdom subjectively at all. If I would, I would apply it objectively, but I have not exercised it at all because there has not been a single circumstance where I, as Minister for Housing, have said, 'I am going to go to a number, a person who is 100 on the list, and I am going to give them a flat today.' Because I have not done that, Mr Speaker. It is just that there are occasions where people may unfortunately suffer a flooding in their premises and they have to be decanted immediately. That is not something that has to go on the advice of the Housing Allocation Committee.

He asked me how many circumstances of decanting there had been and I think there have been 36 flats allocated on that basis. There may be flats for example, Mr Speaker, that, when they become vacant, are used strategically by Government for other purposes, and we have allocated quite a substantial number of flats to the Royal Gibraltar Police for them to use as outposts. As certain flats become available in certain areas they may be allocated to charities who then use it, such as Women in Need for example, and that is what is happening.

So if the allegation is that I am choosing people on the list randomly, subjectively or whatever, then Mr Speaker that is not the case and I have not done that on a single occasion, Mr Speaker.

**Hon. D A Feetham:** Well, Mr Speaker, it is not me whose concerns have got to be alleviated or satisfied; it is all those hundreds of people on the housing waiting list who are patiently waiting for a flat, who then see that the hon. Lady is effectively allocating these flats outside the normal procedure, which is on advice of the Housing Allocation Committee.

Can the hon. Lady, bearing in mind that first of all she said that these people had been decanted, or the impression she was giving was that most of them had been decanted, and now we know that only 38 have been decanted... Can she give an exact breakdown of how many people, apart from the 38 decanted, have been awarded flats directly by the hon. Lady and for what reason, so that we can effectively examine the reasons to see whether indeed it is based on the subjective judgement of the hon. Lady or whether there is any objective reason why these flats ought to have been allocated in this particular way?

**Hon. Miss S J Sacramento:** Mr Speaker, I have already answered the question that was asked of me, in that when these flats are allocated it is in the circumstances where the advice of the Housing Allocation Committee is not applicable because it is not relevant, Mr Speaker.

#### Q417/2015 Government rental homes – Numbers vacant

**Clerk:** Question 417, the Hon. E J Reyes.

**Hon. E J Reyes:** Can the Minister for Housing say how many Government rental homes are currently vacant, providing details in chronological order and showing the date from which such homes have been unoccupied, stating how many of these are pre-war or post-war homes, together with reasons for their continued non-occupation or allocation as well as indicating estimated dates when these will be ready for reallocation?

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

**Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):** Mr Speaker, there are 138 pre-war flats and 14 post-war flats. The reason for their non-occupation or allocation is either because they are beyond economical repair or are being considered for possible sale or tender and therefore no dates are available for their reallocation.

I will now hand the hon. Member a schedule listing the dates from which such homes have been unoccupied.

Answer to Question 417 of 2015

Pre-war	
2	2003
25	2004
2	2005
5	2006
1	2007
3	2008
1	2009
4	2010
8	2011
21	2012
18	2013
48	2014

Post-war	
1	1998
2	2004
1	2005
3	2008
1	2011
3	2013
3	2014

475 **Hon. E J Reyes:** Mr Speaker, whilst I am waiting for the schedule to arrive, in the answer the Minister was explaining that it had been considered non-economical and so on. Does that apply, just for clarity, both to the pre-war and the post-war? Because normally, post-war, one tends to think they are still within a certain degree of repair.

**Hon. Miss S J Sacramento:** Yes, and you will notice from the figures that there are considerably less post-war flats than there are pre-war. But unfortunately there are flats which have been vacant or in this condition for so long and been allowed to remain in disrepair for so long that unfortunately we are now in the situation where it is beyond the economical case to do them. If we look at it, you know, flats have been vacant since 1998, 2004, 2005, 2008, they have been left vacant/dormant for a long time and unfortunately that is what happens and that is the result.

480 **Hon. E J Reyes:** And just for my own clarification, Mr Speaker, what we are in summary saying is that, then there are currently no vacant homes that just require a little bit of refurbishment or fixing up to be allocated. On that one, the balance would be zero. There is zero in the stock, nothing in the pipeline that within a very reasonable length of time should be ready?

485 **Hon. Miss S J Sacramento:** Mr Speaker, I am very happy and very proud to report that, given this Government's policy of the way that we deal with repairs to homes, that we now have a systematic method where as soon as houses become vacant and they need repairing they are repaired. Therefore we have none that are just sitting vacant and sitting dormant and not occupied by anybody, just because we are waiting for people to undertake the works. It maybe that some flats are in transition, that the works are being  
490 undertaken and we are waiting for someone to move in or whatever, but it is not the case anymore that we just have flats that are vacant and just lying empty around Gibraltar.

**Hon. J J Netto:** Mr Speaker, could I ask the hon. Lady in relation to the pre-war dwellings, which obviously is a greater figure, I wonder whether the Government has done some kind of a study to determine  
495 whether there may be a number of them close together in a particular area, and given the caveat that the hon. Lady said, that from a Government point of view it is uneconomical to repair, whether a study by the Government or even the Housing Department has been carried out to say, 'Well, in such and such a location, which might be in the Upper Town, it is worth perhaps putting out to tender and perhaps allowing a number of people to either refurbish it or to demolish it and build a new one.' Has that been considered or  
500 is it in the pipeline, Mr Speaker?

**Hon. Miss S J Sacramento:** Mr Speaker, it is a study that I have already requested, actually, and I am waiting for the report back. So, I do not know how long it is going to take because it is not a study that I am undertaking, but it is certainly one that I have requested.

**Q418/2015**  
**Housing waiting lists and pre-list –**  
**Breakdown of applicants**

505 **Clerk:** Question 418, the Hon. E J Reyes.

**Hon. E J Reyes:** Can the Minister for Housing provide updated details in respect of the number of applicants on the housing waiting lists, inclusive of a separate breakdown for the medical and social list, showing the dates when they joined said lists?

510

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

**Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):** Mr Speaker, I will answer this question together with Question 419.

515

**Clerk:** Question 419, the Hon. E J Reyes.

**Hon. E J Reyes:** Can the Minister for Housing provide updated details in respect of the number of applicants on the housing pre-list?

520

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

**Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):** Mr Speaker, there are 1,321 applicants on the waiting list, of which 187 are also on the medical and/or social lists. I will now hand the hon. Member a schedule containing the information requested.

525

In answer to Question 419, there are 588 applicants.

**ANSWER TO QUESTION 418 OF 2015**

Medical

2	2004
3	2006
1	2007
3	2008
5	2009
4	2010
24	2011
21	2012
31	2013
8	2014

Social

1	2000
1	2001
1	2005
3	2006
3	2007
3	2008
8	2009
10	2010
15	2011
18	2012
15	2013
7	2014

530

**Hon. E J Reyes:** Mr Speaker, from my first look at the schedule, which refers obviously to the answers to the two questions bunched together, the Hon. Minister has provided me with the dates when the applicants – I gather I have made the right deduction – the dates when the applicants were placed either on the medical or the social list, but does that information not provide for when these applicants joined the general housing waiting list? Am I missing a page or the Minister has not got the information with her?

**Hon. Miss S J Sacramento:** Mr Speaker, I think that when preparing the answer, they must have taken it – and I took it as well – as asking when people joined the social and medical lists, because that is in the information in relation to the social and medical list.

Mr Speaker, if that is the intention of the question, then that is further information that I can provide the hon. Member.

**Mr Speaker:** It seems as if the person who drafted the answer has only given the dates in respect of social and medical categories and not the general waiting list. I think it is the way that the question has been read. It could otherwise have been read as including, obviously, the general housing waiting list, but clearly that information is not available at the moment, but it is possible to obtain it.

**Hon. Miss S J Sacramento:** It is not information that I have. The hon. Member can ask me on the next occasion or I can ask someone to prepare it. I certainly interpreted it in the way that it has been answered; otherwise, I would have asked for it to be amended, as I do with many other answers.

**Hon. E J Reyes:** No, Mr Speaker, I confirm it is my intention to have the dates for all the lists. The main thrust of the question was all the applicants on the housing list, a minor part of which, only 187, are also included in the medical and social list. But in the same way that one, at a glance, can deduct from here that for medical reasons there are people waiting *x*-number of years, we do not know how long really they have been waiting for that.

I appreciate and I accept that the hon. Lady does not have the answer with her now, but perhaps, Mr Speaker, during the course of this particular Parliament, if her Department could provide me with the information she could then table it through the Chair. I think we have done it in the past. It does get recorded in *Hansard* and it does provide me with the information that I really require.

**Mr Speaker:** The only thing of course is that it is a more exhaustive exercise.

**Hon. Miss S J Sacramento:** Mr Speaker, I will make it available before the end of this Parliament.

#### Q421/2015

##### Lifts –

##### Installation and maintenance contracts

**Clerk:** Question 421, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Government please provide details of all contracts relating to the installation and maintenance of lifts awarded since they were elected in existing Government estates and co-ownership estates currently being built by the Government identifying the name of the contractor, the contract price, whether that contract went out to tender and whether it was the cheapest tender for the taxpayer?

**Clerk:** Answer, the Minister for Tourism, Housing, Equality and Social Services.

**Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):** Mr Speaker, new lifts are being installed in the existing Government estates as part of HM Government of Gibraltar's refurbishment programme. The main contractor awarded the lift installation sub-contract packages to General Lifts Ltd. The award was made after the main contractor followed their own internal sub-contract tender and selection process, which is based on commercial decisions. It is not possible at this stage to provide the contract price due to commercial considerations, but it will be provided at the end of the works. The hon. Member should note that the price was considerably below the amounts paid previously for the same product to suppliers from outside Gibraltar.

No new maintenance contracts for existing Government estates have been awarded since coming into office.

In relation to the new co-ownership estates, Beach View Terraces and Mons Calpe Mews, the construction company have awarded the lift installation sub-contract packages to General Lifts Ltd for Beach View Terraces and to OTIS (Gibraltar) Limited for Mons Calpe Mews. These awards have been made after the main contractors have followed their internal sub-contract tender and selection processes and are based on commercial decisions. It is not possible to provide the contract prices at this stage due to commercial considerations, but the information will be provided at the end of the works.



590 There are no maintenance contracts for these developments either.

**Hon. D A Feetham:** Yes, Mr Speaker, and were they the lowest? First of all, did they go out to tender? I do not think the information... Well, if she has provided it I apologise to the hon. Lady, but can she confirm that both of these went out to tender and also whether it was the lowest tender that won the award?

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**Hon. Miss S J Sacramento:** Mr Speaker, the hon. Gentleman may have missed it when I said that the award was made after the main contractor followed their own internal sub-contract tender and the selection process is based on commercial decisions, and the same process applied the other ones.

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I do recall saying somewhere that the price is considerably less than...where are we... Here, I did say, Mr Speaker, that the price was considerably below the amounts paid previously for the same product to suppliers from outside of Gibraltar.

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**Hon. D A Feetham:** Yes, Mr Speaker, but that is not exactly the question that I have asked. I have asked whether it was the cheapest tender, not whether the previous contract was more expensive, this being cheaper – the cheapest tender; because there may have been others who may have tendered and provided... I do not know – it may well be that this is the cheapest tender. That is what I am asking, which is information, I may add, that the Hon. the Minister for the Environment provided when I asked the mirror image of this question but in relation to solar panels, and he had no difficulty in providing me with the information that that was the lowest tender. *(Interjection and laughter)*

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**Chief Minister (Hon. F R Picardo):** Mr Speaker, what the questions are about and what is behind them is transparent. I at least commend the hon. Gentleman in his commitment to transparency in that respect. *(Laughter)*

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As I understand it, Mr Speaker, this was the lowest tender in any event in respect of each of the lifts – the ones for the Aerial Farm and the ones for the Coach Park. I believe in both instances they were the lowest tender.

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**Hon. D A Feetham:** Mr Speaker, the Hon. the Chief Minister has spoken about the Aerial Farm and the Coach Park. I think the hon. Lady mentioned – *(Interjection)* It is the same thing? Both of them are exactly the ones the Hon. the Chief Minister has provided, yes?

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**Hon. Chief Minister:** One, the Aerial Farm, is Beach View Terraces, and the Coach Park is Mons Calpe Mews. We have done so many housing estates, Mr Speaker, in four years I forget whether this is Hassan Centenary Terraces, Bob Peliza House or one of...

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**Hon. D A Feetham:** Mr Speaker, in relation to Government estates, housing estates, which also forms part of this question – and I note that of course Laguna in particular and also Moorish Castle, there are installations of lifts there – that then has not been... there is no answer in respect of that part, or has he, because that is a...

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**Hon. Miss S J Sacramento:** Yes, Mr Speaker, what I did say was that it is not possible at this stage to provide the contract price due to commercial considerations, but it will be provided at the end of the works.

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**Hon. D A Feetham:** Yes, Mr Speaker, that is exactly what I understood. The first part of the question related to Government estates, the second part of the question related to the new affordable homes being built by the Government, and in both these the answer was General Lifts... In relation to the second... The first one is General Lifts and the second one is General Lifts and Otis. That is why I have come back again at this, because I did understand the Chief Minister was... Because the Chief Minister was referring to something different.

645

Now in relation therefore to the allocation of the contract for lifts at Laguna and also Moorish Castle, which is different to the information provided by the Hon. the Chief Minister, was that also the cheapest tender? Because of course he has only addressed the question of the affordable homes.

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**Hon. Chief Minister:** Mr Speaker, I think that is the first time the hon. Gentleman has asked that particular supplementary, and the answer is yes: in relation to the refurbishment of the Government estates, it was the cheapest of all the tenders proposed. The reason behind not giving him the exact price at this stage is because there are other refurbishments envisaged and we want to keep our powder dry on costs because we are still going to try and drive an even better bargain for the taxpayer. But this was the cheapest of all the tenders and, given statements made by Mr Netto in the past about what the cost of a lift was, I think hon. Members will be surprised, when we are able to make the information available, that the cost of

a lift these days is very, very considerably less than it used to be – almost a third of what it was before and what hon. Members thought the cost of a lift had to be.

655 **Hon. J J Netto:** Does that include the building of a shaft as well, apart from the equipment of the lift? You see, what I am talking about, when I used to talk about the cost of the lift I was not just talking about the equipment of the lift in itself but the actual construction of the walls round it as well, so it was a complete package. So are we comparing like for like, or are we just comparing one aspect of the construction against what I used to say before?

660 **Hon. Chief Minister:** Mr Speaker, I think what the hon. Gentleman said at the time that he was explaining the cost of lifts as far as he was concerned is very clearly set out in *Hansard* and I am very confident that we are comparing apples and apples and not apples and pears.

**Q422/2015**  
**Gibraltar Bus Company –**  
**Payments for advertisements on buses**

**Clerk:** Question 422, the Hon. S M Figueras.

665 **Hon. S M Figueras:** Mr Speaker, can the Minister for Transport now provide this House with details of the amounts payable to the Gibraltar Bus Company by Big Publications Limited in respect of advertising on the buses sold by them, further to answers to Question 376/2015?

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

**Minister for Transport, Traffic and Technical Services (Hon. P J Balban):** Mr Speaker, the final amount has not yet been agreed by the directors of Big Publications Limited who are still reconciling it with their accounts. What has been agreed is that the amount due once reconciled and agreed will be paid by Big Publications as an amount due.

675 I invite the hon. Member to revisit this matter again at the next Question Time in this House.

**Hon. S M Figueras:** I suppose the lift contracts have to come in.

680 Mr Speaker, we have been at this particular issue for a while and I understand that the Minister can very simply dismiss the questions in saying this still has not been agreed. But does the Minister have any idea of what the figure that the Government expects it should receive is and give some indication, though I expect it might be difficult, of why it is that this is in dispute? Surely the tender process for the award of this contract was described by the Hon. the Minister for Employment when he had charge of this portfolio at the time, and he explained that Big Publications Limited tender was in fact the most sophisticated one in terms of pricing and in delivering revenue to the Government. As sophisticated as it is, it seems to be that there is a hesitance or a resistance to putting out there how much advertising they actually sold and therefore how much revenue is owing to the Government. I would ask the Minister whether perhaps he can give us an indication of the ball park we are talking about and why the difference exists in respect of a contract that was based on such a specific and sophisticated pricing system.

690 **Chief Minister (Hon. F R Picardo):** Mr Speaker, this is being handled by my office because it is a debt due to the Government.

695 Mr Speaker, the fact that it was a sophisticated equation is why it is taking time to ensure that both sides are agreed as to what the sum outstanding is. Now because we are at the stage where this has been negotiated to what I hope will be a very favourable conclusion indeed for the taxpayer we do not want to give any numbers out, but we are inviting the hon. Gentleman to ask us this question again with the caveat that what is now agreed, and which has been shared with Members across the floor, is that Big accept that there is a liability and they accept that once agreed... and the parameters not even in dispute but just being looked at by the parties to ensure that the account is agreed... is not a great disparity, and therefore there will be an amount agreed and paid or an agreement to pay it very shortly.

700 Things do not always happen in 30-day cycles. Now that we are all beneficiaries of monthly meetings of the House, and a meeting of the House is due again next month and not in six months as might have been the case in what I should just non-pejoratively for now call 'the old days', the hon. Gentleman can then ask the question again at the next Question Time and hopefully we will be able to give him the exact agreed amount and tell him when the commitment to pay will bite.

**Hon. S M Figueras:** Mr Speaker, with all due respect to the Chief Minister and I am grateful for his intervention, there has been plenty of debate across the floor of this House as to the real benefit of coming here every month in the context of how the Opposition views the answers to some questions that the Government gives. **(Several Members:** Hear, hear.)

I am grateful, as I said, for the intervention but, Mr Speaker, the reality is that we have been here since September last year and it is a substantial amount of time later and I have been very patient certainly and at every session where I have been invited to ask the question again, I have asked the question.

Is it possible for the Hon. the Chief Minister, who is dealing with this matter, to guarantee that we will in fact have that answer, that in fact the process is near enough completion that we can expect the answer to be given to us in July, post the Budget session, Mr Speaker?

**Hon. Chief Minister:** Mr Speaker, the hon. Gentleman asked me to do something which I would do for him as a friend if he needed to take a small loan, which is to guarantee his borrowing, but not something I am going to do when something is outside of my control.

I am pushing very hard indeed to have this amount agreed and paid as soon as possible and I sincerely expect – and that is why I have told him – that it is very likely to be possible by the next meeting of the House. In fact I had hoped it would be ready by this meeting of the House that is why we told him last month to do so. He has indicated that this has now taken some time and he is right, it has taken some time, and it needs to be resolved and we are keen to see it resolved, but he should not be surprised that issues like this take time.

For example, there is a £4 million loan which the previous Administration made to a company called OEM which we did not find out about, because even though there were meetings of this House less infrequently than there are now, the hon. Members when they were sitting on this side of the House gave even less information than they allege they get now.

That £4 million loan to OEM which I found out about after I became Chief Minister has not been repaid and is now one of the claims in the liquidation. So he should not be surprised that things are taking long, we are going to resolve this matter with Big in a much more satisfactory way than it would ever be possible to resolve the £4 million that they lent to a company that resulted in its directors... first off, buying themselves a Bentley before they did anything else with that money. *(Laughter)*

**Hon. D A Feetham:** Yes, Mr Speaker, let's not talk about £200,000 Bentleys because that is going to take us down a road that we do not want to go.

But, Mr Speaker, if the hon. Gentleman talks about loans that were provided and they only discovered but, Mr Speaker, they are completely and utterly opaque about £354 million that the Gibraltar Savings Bank, through Credit Finance, has in fact lent Gibraltar Investment Holdings –

**Mr Speaker:** Come now, come now! You are deviating completely from the subject matter and I will now allow any further supplementaries, or answers from the Government on any subject other than the question of the Gibraltar Bus Company and what it is owed. For heaven's sake!

**Hon. D A Feetham:** Yes, Mr Speaker.

Well, Mr Speaker, returning back to Big Publications, can he at the very least give us a finite date by when he will be in a position to provide an answer to this question, bearing in mind that some of the interests behind this particular company are also, obviously, very close to the Government, members of the GSLP; and indeed some of these interests are also the same interests behind the people that are being awarded the lifts – my previous question – and indeed some of them as well behind those who have been awarded the solar panel contracts, which I asked earlier as well.

**Hon. Chief Minister:** Mr Speaker, the hon. Gentleman just tries to be pejorative in everything that he does, even something as simple as asking a question.

Mr Speaker, of course I cannot give him a date by when this will be done although I have encouraged them to ask us again in 30 days because I believe it will be done by then. But if there were not an agreement, then it would not be possible to say anything in 30 days.

But I will tell him what would happen, that we will pursue this and recover this amount because it is a debt due to the Taxpayer. And the fact that somebody may owe money to the Government that, as he says, is close to the Government and has had – also in another capacity – contracts for lifts etc. is just a very good reason for him to know that we are going to get the money back; because we are very honourable people in the GSLP, Mr Speaker. He should remember when he was a Member of the GSLP that he used to describe us all as honourable people.

The fact that somebody is close to the Government means that that money is definitely going to be repaid because the Government is going to ensure that the Taxpayer loses out not one penny, Mr Speaker.

Not one penny, not the £4 million that we are never going to be able to see again in the loan granted by the hon. Members when they were here, to OEM.

770 And the hon. Member's suggestion that we should not talk about the directors of that company running out and buying a Bentley because we might have something to hide, encourages me to get up and say to him, 'Say what you have to say.' The last time I checked, no Member of this Government and no supporter of this Government has gone out to buy *any* Bentley with any money that belongs to the Taxpayer.

775 But if he has an allegation to make – (*Interjection by Mr Speaker*) well, maybe, Mr Speaker, I do not know; but you see I do not get £100,000 from supporters of mine to pay for reports who I then do not disclose, (*Interjection*) but he is now making a nervous laughter about this. If he has any allegation to make about any Bentley or anything else, let him get up and have the courage of his convictions to make it. Let him get up and tell the public what it is that he is alluding to, because this sniggering and suggesting beholds him no good, Mr Speaker.

**Q423/2015**

**Advertising on bus stops –  
Maintenance management**

780 **Clerk:** Question 423/2015, the Hon. S M Figueras.

**Hon. S M Figueras:** Can the Minister for Transport say who is managing the maintenance of advertising on bus stops?

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

**Minister for Transport, Traffic and Technical Services (Hon. P J Balban):** Mr Speaker, there is no contract currently in place for this purpose. The process discontinued following the termination of the Big Publications contract. The Gibraltar Bus Company has sought out expressions of interest and is in the process of identifying the most viable option before entering into a new contract.

790 **Hon. S M Figueras:** Mr Speaker, can the hon. Minister say whether this is in fact currently – or going to turn out to be – a tender process of the sort that we saw in 2012?

795 **Hon. P J Balban:** Mr Speaker, what is going to happen is that we have actually contacted companies, in fact that we have had expressions of interest from, companies who have wanted to show their interest to Government as to advertising on bus stops.

So what the Government is doing actually at the moment, the stage we are at the moment, is seeking their expressions of interest, seeking what they have on offer and seeing what is available out there.

800 So it is still at the very, very early stages. In fact it only happened a few weeks ago, so we are waiting for them to come back to us.

**Hon. S M Figueras:** Can the Minister say whether the Government might be persuaded to relaunch a tender process to formally invite bids, or expressions of interest, from others who may not be as forward as the companies that he has alluded to?

805 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the procedure that is being followed is that all of those who tendered the last time that the tender was put out, are being contacted and asked to resubmit because the party that was awarded the tender is no longer able to discharge its obligations.

810 So it is not a formal open tender, it is just being in contact with all those who bid. I think there were five bidders from memory, so the other four are being contacted. In fact as I told the House last time, there is that option and the option that the Government may do it itself, in-house, which is being assessed.

815 **Hon. S M Figueras:** Yes I wonder, Mr Speaker, just before moving on to the next question, whether perhaps the Government will contemplate the possibility that there may be – and there may well not be – other potential tenderers out there who might be interested in pursuing or in formulating a bid for the work. It may well be that is not the case, but I am merely urging the Government to consider it as an option, and I am certain it is not something of controversy across the floor.

Mr Speaker, the original reason behind asking this question was because I note from driving around, that bus stops are still bedecked – if that is the word – with advertising on them, and in fact I had remarked

820 a couple of weeks ago how some of the bus stops were in rather a poor state of repair in terms of the adverts being peeled off, whether by a process of nature or vandalism.

I do have to say that I have spotted that some of them are improved, but I would ask the Minister whether this is a process that the Bus Company has embarked upon of removing those adverts for which no revenue I suspect is being received any more, given that the contract ended in September, and whether it is  
825 in fact something that the Bus Company is currently embarked upon in terms of making sure that the bus stops look as good as they can be, given the investment in the infrastructure that that represented?

**Hon. P J Balban:** Mr Speaker, as the hon. Member rightly states and has noticed himself, recently there was some maintenance that took place at the bus stops. They were cleaned and any parts of the advertising  
830 that was in a bad state was removed.

Now what we are looking at is as part of the expressions of interest, we are looking at the persons interested who will eventually take up this tender to actually remove the adverts for us once they are engaged, in the hope that it will save us some money because there is some expense in removing all these adverts from the bus stops themselves.

835 So as I said, what we are trying to do as part of the negotiation with the companies, is to ask them to remove... obviously because they will have to remove them, before they affix their new adverts on the bus stops.

**Q424/2015**  
**Government car fleet –**  
**Figures and emissions**

**Clerk:** Question 424, the Hon. J J Netto.

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**Hon. J J Netto:** Can the Government provide the figures for cars bought for its fleet of vehicles in all Government Departments, Authorities, Agencies and Government-owned companies since January 2012, broken down by the following grams of emission of CO<sub>2</sub> per kilometre: (a) less than 100gr/km; (b) 100-120; (c) 120-140; (d) 140-160; (e) 160-200; (f) above 200; (g) per year; and (h) per organisation?

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

**Minister for Transport, Traffic and Technical Services (Hon. P J Balban):** Mr Speaker, the information requested by the hon. Member is contained in the schedule that I now hand over.

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**Mr Speaker:** This is a very lengthy schedule so I suggest that we move on to the next question and I will allow the hon. Member if he has any supplementaries arising from the information he can pursue it. Okay? So Question 425.

## ANSWER TO QUESTION 424/2015

Department	Reg No	Date of Reg Gib	Make & Model	Engine	CO2 gr/km
GIC	G1258E	10/04/2015	DAF/NTM Large Refuse Truck	6700	Above 200
Technical Services	G1716E	26/03/2015	Renault Kangoo	1500	120-140
Technical Services	G1718E	26/03/2015	Renault Kangoo	1500	120-140
Sport & Leisure Authority	G9039D	06/03/2015	DFSK V21	1300	160-200
Ministry Of Environment	G1385E	27/02/2015	DFSK Pick-Up Van	1300	160-200
Ministry Of Environment	G1386E	27/02/2015	DFSK Pick-Up Van	1300	160-200
Ministry Of Environment	G1489E	23/02/2015	VW Amarok	1968	160-200
Firebrigade	G1179E	22/01/2015	Mercedes Benz Sprinter 310 CDI Panel Van MW	2143	Above 200
Technical Services	G9922D	16/12/2014	Renault Kangoo Glass Van	1500	120-140
Technical Services	G9923D	16/12/2014	Renault Kangoo Glass Van	1500	120-140
Ministry for Housing	G9842D	15/12/2014	Renault Kangoo Glass Van	1500	120-140
Ministry Of Environment	G9839D	09/12/2014	Renault Kangoo Van	1500	120-140
Ministry Of Environment	G9840D	09/12/2014	Renault Kangoo Van	1500	120-140
Ministry Of Environment	G9841D	09/12/2014	Renault Kangoo Glass Van	1500	120-140
RGP	G9015D	21/08/2014	Mercedes-Benz E Class BT 300 Hybrid	2143	100-120
Care Agency	G8636D	15/07/2014	Renault Kangoo	1500	120-140
Care Agency	G8437D	27/06/2014	Renault Kangoo	1500	120-140
Ministry Of Environment	G8245D	05/06/2014	SSANG YONG Korando Sports	1998	140-160
Electrical Authority	G8034D	06/05/2014	Mercedes Sprinter	2143	Above 200
Care Agency	G7969D	22/04/2014	Renault Kangoo	1500	120-140
Care Agency	G7970D	22/04/2014	Renault Kangoo	1500	120-140
Care Agency	G7971D	22/04/2014	Renault Kangoo	1500	120-140
Social Security	G7836D	04/04/2014	Dacia Dokker OSDN45	1500	100-120
Care Agency	G7710D	19/03/2014	Dacia Lodgy	1500	100-120
GHA	G7517D	19/03/2014	Renault Dacia Lodge	1500	100-120
IT & Logistics Dept	G7703D	19/03/2014	Dacia Lodgy	1500	100-120
Tourist Office	G7692D	18/03/2014	Renault Traffic	1995	160-200
Ministry Of Environment	G7604D	13/03/2014	Suzuki Carry PUV	1600	120-140
Gib Car Parks Ltd	G7668D	12/03/2014	Renault Kangoo	1500	140-160
Prison	G7516D	03/03/2014	Renault Master	2299	Above 200
Ministry Of Environment	G7452D	25/02/2014	Suzuki Glass Van	1600	120-140
Electrical Authority	G7374D	17/02/2014	Ford Focus Trend	998	100-120
Customs	G7143D	30/01/2014	Renault Traffic	1995	160-200
GHA	G7144D	24/12/2013	Volkswagen Carter TDI 2.0	2000	Above 200
GHA	G7173D	24/12/2013	Volkswagen Carter TDI 2.0	2000	Above 200
Technical Services(Garage)	G5006	18/12/2013	Mercedes-Benz E Class BT 300 Hybrid	2143	100-120
Port Authority	G6862D	19/11/2013	Mitsubishi L200	2477	160-200
No 6 Convent Place	G1	15/10/2013	Tesla Model S(Electric)	0	Less than 100
Customs	G5979D	04/10/2013	Volkswagen Amarok	1968	160-200
GHA	G6483D	01/10/2013	Volkswagen Transporter	1968	160-200
GHA	G6482D	27/09/2013	Volkswagen Transporter	1968	160-200
GGCCL	G6227D	23/09/2013	Tata Indica	1400	140-160
GGCCL	G6228D	23/09/2013	Tata Indica	1400	140-160
Education	G6361D	16/09/2013	Renault Master	2299	Above 200
Technical Services(Garage)	G5001	04/09/2013	Mercedes-Benz E Class BT 300 Hybrid	2143	100-120
Technical Services(Garage)	G5002	04/09/2013	Mercedes-Benz E Class BT 300 Hybrid	2143	100-120
Technical Services(Garage)	G5003	04/09/2013	Mercedes-Benz E Class BT 300 Hybrid	2143	100-120
Technical Services(Garage)	G5004	02/09/2013	Toyota Prius Plug-in	1745	Less than 100
Technical Services(Garage)	G5005	02/09/2013	Toyota Prius Plug-in	1745	Less than 100
Treasury	G6123D	30/08/2013	Renault Kangoo Glass Van	1500	120-140
Customs	G6079D	16/08/2013	Ford C-Max Trend 1.0i	998	100-120
Customs	G6080D	16/08/2013	Ford C-Max Trend 1.0i	998	100-120
Customs	G6081D	16/08/2013	Ford C-Max Trend 1.0i	998	100-120
Customs	G6082D	16/08/2013	Ford C-Max Trend 1.0i	998	100-120
Customs	G6083D	16/08/2013	Ford C-Max Trend 1.0i	998	100-120
Tourist Office	G5905D	19/07/2013	Mitsubishi L200 Pick-Up	2477	Above 200
Border and Coastguard Agency	G4878D	19/03/2013	Renault Kangoo Glass Van	1500	140-160
GGSSL	G4792D	19/03/2013	ISUZU Skip Lorry	5193	Above 200
GHA	G4875D	08/03/2013	Renault Kangoo Glass Van	1500	140-160
Gib Car Parks Ltd	G4874D	08/03/2013	Renault Kangoo Glass Van	1500	140-160
Human Resources	G4873D	08/03/2013	Renault Kangoo Glass Van	1500	140-160
Port Authority	G4877D	08/03/2013	Renault Kangoo Glass Van	1500	140-160
Ministry Of Environment	G4876D	07/03/2013	Renault Kangoo Glass Van	1500	140-160
Tourist Office	G4671D	05/02/2013	Renault Traffic	1995	160-200
Firebrigade	G4665D	31/01/2013	Land Rover Defender Pick-Up	2198	Above 200
Electrical Authority	G4437D	20/12/2012	Suzuki Pickup Van	1600	120-140
Electrical Authority	G3678D	04/09/2012	HYUNDAI	1100	100-120
Electrical Authority	G3679D	04/09/2012	HYUNDAI	1100	100-120
Electrical Authority	G3551D	10/08/2012	Suzuki Glass Van	1600	120-140

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Department	Reg No.	Date of Reg Gib	Make & Model	Engine	CO2 gr/km
Electrical Authority	G3552D	10/08/2012	Suzuki Glass Van	1600	120-140
Electrical Authority	G3553D	10/08/2012	Suzuki Glass Van	1600	120-140
Electrical Authority	G3554D	10/08/2012	Suzuki Glass Van	1600	120-140
GHA	G3226D	02/07/2012	RENAULT TRAFIC	2464	160-200
GHA	G3227D	02/07/2012	RENAULT TRAFIC	2464	160-200
GHA	G3228D	02/07/2012	RENAULT TRAFIC	2464	160-200
Tourist Office	G2671D	03/05/2012	Renault Traffic	1995	160-200
GGSSL	G2602D	26/04/2012	TOYOTA DYNA Drop Side Lorry	3000	Above 200
GGSSL	G2603D	26/04/2012	TOYOTA DYNA Drop Side Lorry	3000	Above 200
GIC	G2416D	18/04/2012	Toyota Dyna 2000	4000	Above 200
GIC	G2496D	18/04/2012	Toyota Dyna 2000	4000	Above 200
GGSSL	G2409D	20/03/2012	CARRY 1.6 PICK UP SUZUKI	1600	120-140
GGSSL	G2410D	20/03/2012	CARRY Glass Van 1.6 SUZUKI	1600	120-140
GGSSL	G2411D	20/03/2012	CARRY Glass Van 1.6 SUZUKI	1600	120-140
GGSSL	G2412D	20/03/2012	CARRY 1.6 PICK UP SUZUKI	1600	120-140
GGSSL	G2414D	20/03/2012	CARRY 1.6 PICK UP SUZUKI	1600	120-140
Ministry Of Employment	G2413D	20/03/2012	CARRY 1.6 PICK UP SUZUKI	1600	120-140
RGP	G1591D	20/01/2012	Ford Transit	2200	160-200
RGP	G1592D	20/01/2012	Ford Transit	2200	160-200
RGP	G1593D	20/01/2012	Ford Transit	2200	160-200

## Q425/2015

Hybrid car purchase –  
Public and private sector figures

855 **Clerk:** Question 425, the Hon. J J Netto.

**Hon. J J Netto:** Can the Government state how many electric and hybrid cars have been purchased in Gibraltar, broken down in the public and private sector by year since 2012?

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

**Minister for Transport, Traffic and Technical Services (Hon. P J Balban):** Mr Speaker, since 2012, the following cars have been registered as electric and hybrid by the public and private sector.

865 The public sector: 2012 – no hybrids; electric – no electric; 2013 – six hybrids, one electric; 2014 – no hybrids and no electric; 2015 – no hybrids and no electric. That concludes the public sector.

The private sector: in 2012, we had no hybrids, one electric; in 2013 we had one hybrid and one electric; 2014 – 19 hybrids and two electric; and 2015 – 18 hybrids and two electric.

870 **Hon. S M Figueras:** Mr Speaker, in relation to, if I may, Question 425, is the Minister able to say – and I suspect he may not, but I will ask anyway – whether he can say that of those vehicles purchased in the private sector, or rather privately because I think that is what the question was alluding to, whether these are corporate registrations versus personal registrations?

875 **Hon. P J Balban:** Mr Speaker, I would have no idea whether they are corporate or personal.

**Hon. S M Figueras:** Mr Speaker in relation to... and it arises from the reference to electric cars in the question, but it is a question which may be a little too general. With the Chair's indulgence I will ask it and it may well be that it is not allowed.

880 But is the Minister able to say whether the Electricity Authority is embarked upon any programme of delivering infrastructure that can be taken advantage of by people looking to purchase electric cars? Because of course you are going to need electricity points to plug it into, and the infrastructure currently, as far as I am aware certainly, is not in place, save for in a limited number of locations, in particular the car park down in the south district.

885 Is this something – and again, he may not have the information – is this something that the Electricity Authority is embarked upon in terms of delivering solutions to existing estates, to help people take advantage of the incentive that exists for the purchase of eco-friendly vehicles?

890 **Mr Speaker:** It does not arise from the original question, but because I am in a generous mood (*Laughter*) I will allow it if the Minister has the answer. (*Laughter*)

**Hon. P J Balban:** Mr Speaker, all of the garages or the car parks built recently, during our term in office, have included infrastructure for electric vehicles. In fact (*Interjection*) some of them even have the electric points available, but as yet nobody I believe has actually taken advantage of it.

895 Having said that the garages itself are all wired up. For example, Engineer Lane car park, Theatre Royal car park, so if in the future anyone decides that they want to buy an electric vehicle, they can do so.

There are, I think I am not mistaken, there may be a car park or two whereby people may need to swap from one parking bay to another, and that is clearly implicit in the contract they signed, on a monthly basis, that they may need to move in the future but most car parks have the infrastructure already installed.

## FINANCIAL SERVICES AND GAMING

Q426/2015

### Financial Services Ombudsman – Plans for creation of office

900 **Clerk:** Question 426, the Hon. D J Bossino.

**Hon. D J Bossino:** This question is directed to the Minister for Financial Services; is this going to be answered by Mr Licudi? Okay.

905 Does the Minister for Financial Services have any plans to create the Office of Financial Services Ombudsman?

**Clerk:** Answer, the Hon. the Minister for Education and Justice and International Exchange of Information on behalf of the Hon. the Minister for Financial Services and Gaming.

910 **Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, the drafting of the Bill is in its final stages.

915 **Hon. D J Bossino:** Yes, and in fact it is a... I did not realise this when I posed the question, but it is actually a manifesto commitment of the Government, it is at page 65, to set it up. I am sure the Minister had a hand in drafting that particular section of the manifesto.

Is he able to tell the House when he expects that it will be in Bill form – given that we are pretty much at the tail end of this Parliament – in Bill form to be able to have a look at it and hopefully pass it unanimously?

920 **Hon. G H Licudi:** Mr Speaker, I am afraid I do not have that information. Although I know that the Bill is in the final stages of drafting, I am not sure what will happen in terms of possible consultation on the Bill. So there is a possibility that there may be some consultation before the Bill is actually published, and the matter then comes before Parliament. Because I am not directly handling this matter, I do not have the information available.

925 **Hon. D J Bossino:** Is he able to express any confidence as to whether he will be able to comply with the manifesto commitment which is very specific in terms of the timings, and that is that it would be up and running during the course of this Parliament?

930 **Chief Minister (Hon. F R Picardo):** Mr Speaker, yes we have every indication that it is going to be possible to have that legislative framework in place in time for the end of the lifetime of this Parliament, which is not as soon as some people might wish to expect it.

Q427/2015

### Gibraltar Deposit Guarantee Scheme – Revision of legislation

935 **Clerk:** Question 427, the Hon. D J Bossino.

**Hon. D J Bossino:** Can the Minister for Financial Services advise whether the Gibraltar Deposit Guarantee Scheme legislation is due to be revised?

940 **Clerk:** Answer, the Hon. the Minister for Education and Justice & International Exchange of Information on behalf of the Hon. the Minister for Financial Services and Gaming.



**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Yes, Mr Speaker. The arrangements for the transposition of the Deposit Guarantee Scheme Directive (2014/49/EU) are in hand in keeping with our commitment to remain up to date with our EU obligations and will be given effect by regulation by 3rd July 2015.

**Hon. D J Bossino:** One of the reasons why – I am grateful for the answer – I raise these points, Mr Speaker in questions is because as I understand it there was a promise by... I am not sure who the appropriate party would be, whether it is the FSC or the Government or both in relation to a consultation with the industry. I have had certain complaints coming to me that there has not been any commencement of consultation in relation to this.

This is an important piece of legislation which could potentially have quite significant effects on, for example, banking and I am told by those in the industry that the promised consultation has not happened. I am not sure whether the Minister is able to assist in this regard. I know he is not the Minister dealing with this and it may just not have been a promise which emanated from the Government, and in fact it came from the FSC. But if he could give an indication in relation to the point I have raised, in relation specifically to consultation?

**Hon. G H Licudi:** Mr Speaker, I am not familiar with what the hon. Member is alluding to in terms of a promise by the Government for the FSC, I just do not know whether that is in fact the case or whether either have made that promise.

Certainly it is the case – and it was the case, and it continues to be the case, and it was the case when I was Minister for Financial Services, and it continues to be the case – that anything that affects the industry is subject to close consultation with all industry members.

The important thing to note in this particular case is that we are talking of a Directive (**A Member:** I know.) and given that we have a Directive and there is a reference in the answer itself to 3rd July 2015 which means that – and I must assume – that is the transposition, the last transposition date, and therefore there is a commitment to give effect to this Directive by regulation by that particular date.

But what we are doing is giving effect to an EU obligation and therefore that is what the Government is transposing, with this transposition, by the due date which is 3rd July 2015. But I can certainly assure the hon. Member that anything that the Government does that affects the industry will be subject to consultation with industry members.

**Hon. D J Bossino:** Mr Speaker, yes. Again I am grateful for the answer, but of course this is a Directive so there will be certain elements of the Directive which as I understand it – I am far from an EU expert – but given that it is not an EU Regulation which is of direct effect, it has to be passed by our national Parliament, which is this one.

There is a possibility through consultation to amend the Directive slightly, I think it gives you broad parameters but you then implement it in the manner and the fashion which is more appropriate to your particular jurisdiction, and in this regard I am trying to – this is really a comment, it is really not a question – so I am trying to abide by the rules of the House and transform it into a question.

Can I encourage the Minister to carry out the consultation? I know again he is not responsible as the Hon. Mr Isola is not in this House today to carry out the consultation, but I think it is absolutely important because this is a piece of legislation which as I said earlier, will have significant ramifications and effects.

**Hon. G H Licudi:** Mr Speaker, I personally am not familiar with this particular Directive but the hon. Member says that this is a Directive that does not have direct effect and therefore there is an element of flexibility.

That could be true in a number of respects. There are some Directives that give options... that say what needs to be implemented and give options as to how it is done and then it is up to the Member State. And it is also possible, when we implement certain Directives, that the Government as a matter of policy decides to introduce additional matters in the regulation – or, rather, in the transposition of that Directive. It is unusual if we are doing it by regulation because if we are doing it by regulation what we are doing is transposing the Directive itself.

All I can do, Mr Speaker, not being familiar with the particular Directive, is to say that to the extent that there are options which would make it advisable to have consultation with the industry, that consultation would certainly take effect.

**Hon. D A Feetham:** Mr Speaker, bearing in mind that we are talking about a very short time span because it is 3rd July, so we are less than a month away from when the Directive has to be implemented, presumably that consultation is already taking place, otherwise it is not going to be much of a consultation exercise, bearing in mind it has got to be implemented on 3rd July.

Presumably that is precisely why the Government is actually implementing this Directive by way of regulation rather than publishing a Bill, because probably it is going to be done on an urgent basis.

I wonder whether the hon. Member or the Chief Minister can help with that?

1005

**Chief Minister (Hon. F R Picardo):** Mr Speaker, we have a Deposit Guarantee Act which deals with the Deposit Guarantee Directive of 1994. What the Commission has done is re-issue the Directive with certain amendments. It is those amendments that now have to be given effect to and a very short time has been given for some of the amendments.

1010

A Directive which was published in April gives immediate effect to certain parts of it, effect to be given by 4th July this year to other parts of it, and effect to be given by May 2016 to other parts of the amendment.

1015

What the Government is doing is complying with the obligation to introduce the amendments necessary at this stage, and if necessary can consult further in the future in relation to the amendments that do not have to be brought in by July of this year. But there were three relevant dates in the Directive: immediately, and that relates to the parts of the Directive which were recast and had already passed their transposition deadline from the 1994 Directive; the short deadline for July; and the longer deadline for May of next year.

1020

So, Mr Speaker, the hon. Members can rest assured that the Government is not going to do anything which is going to damage an industry which we all in this House support, with our short deadlines as a need to comply, but what we will have to do here is simply amend an existing piece of legislation – an existing piece of subsidiary legislation if necessary, in order to give effect to these amendments which are externally required.

1025

This is not an area where there is much leeway for the Government to consider – as the Hon. the Minister for Justice said a few moments ago – what the national legislature or the national government may want to do. It may be that there is some leeway in some of the requirements which we still have to bring in by May 2016, but not otherwise.

#### Q428/2015

#### FSC supervisory activities – Independent review team

**Clerk:** Question 428, the Hon. D J Bossino.

1030

**Hon. D J Bossino:** Can the Minister for Financial Services please state when he expects to be in a position to advise who the independent team of professionals to carry out the review of the FSC's supervisory activities are?

1035

**Clerk:** Answer, the Hon. the Minister for Education and Justice & International Exchange of Information on behalf of the Hon. the Minister for Financial Services and Gaming.

1040

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, the process was commenced some months ago and we are evaluating the various options, and we hope to be in a position to make an announcement shortly.

1045

**Hon. D J Bossino:** Shortly, Mr Speaker. It must be pretty soon because the announcement made by the Minister as quoted by the *Gibraltar Chronicle* is, 'I think the supervisory work is expected to start sometime in the autumn.'

1050

So within that timeframe, is he able to give me any further assistance as to when the team is going to be announced. And as a secondary supplementary, if I may, can he at least tell this House whether these individuals are likely to be from outside Gibraltar in their entirety, or will there be a mix, or will it be exclusively from Gibraltar?

1055

**Hon. G H Licudi:** Mr Speaker, again I express the caveat that I am only standing in for the Minister for Financial Services who is dealing with this matter, and I have no direct knowledge other than the fact that this is clearly something that I had looked at when I was Minister for Financial Services.

There are things to finalise such as terms of reference – the specific terms of reference of the individuals as to what exactly the review is going to cover – and I would expect that that is what is being finalised and therefore once the terms of reference are fully agreed with the individuals, then the announcement as to the makeup of the review team will be made.

But as the answer says, we are not yet in a position to make that announcement because those things are still being finalised.

1060 **Hon. D J Bossino:** Mr Speaker, I am not sure whether he has answered the second supplementary, which is the providence of the individuals who are likely to form part of this group.

**Hon. G H Licudi:** Mr Speaker, because I am not directly involved I would be speculating, but I would expect them to be individuals from outside Gibraltar.

**Q429/2015**

**Bermuda Captive Conference –  
Gibraltar insurance professional attendees**

1065 **Clerk:** Question 429, the Hon. D J Bossino.

**Hon. D J Bossino:** Can the Minister for Financial Services please state who the Gibraltar insurance professionals who attended with him at the Bermuda Captive Conference were?

1070 **Clerk:** Answer, the Hon. the Minister for Education and Justice and International Exchange of Information on behalf of the Hon. the Minister for Financial Services and Gaming.

**Minister for Education and Justice and International Exchange of Information (Hon. G H Licudi):** Mr Speaker, the professionals were from Messrs EY, Hassans and Quest Insurance Management (Gibraltar) Limited.

**EDUCATION AND JUSTICE &  
INTERNATIONAL EXCHANGE OF INFORMATION**

**Q430/2015**

**Students dropping out of school –  
Numbers**

1075 **Clerk:** Question 430, the Hon. E J Reyes.

1080 **Hon. E J Reyes:** Mr Speaker, can the Minister for Education state how many students dropped out of school during the academic year 2014-15, providing a breakdown showing the pupils' school year in which they were enrolled and educational establishment?

**Clerk:** Answer, the Hon. the Minister for Education and Justice & International Exchange of Information.

1085 **Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, no pupils have dropped out of school during the academic year 2014-15.

1090 **Hon. E J Reyes:** Mr Speaker, perhaps I have not worded my question properly. Yes, because they did not drop out during the actual academic year.

Is the Minister of Education aware of any students who have dropped out on completion of year 10 and therefore did not continue education into year 11? That could have happened in the summer months, which perhaps, strictly speaking, may not be during the academic year.

1095 **Hon. G H Licudi:** Mr Speaker, the hon. Member talks of 'dropping out of school' and the question that I asked the professionals at the Department when I saw this question is: what does 'dropping out of school' mean?

'Dropping out of school', I was advised, does not mean finishing school after the age at which compulsory education has been reached, because in that case we could say pupils finish their A-levels and then drop out of school, or they finish their GCSEs and then drop out of school. I am advised that that is not

what it means, that it means pupils of school age dropping out of school and not continuing their education when they have to, and that is why the answer is that no pupils have dropped out of school.

If the question is how many students have stopped schooling after reaching the end of their compulsory schooling age and not completed, for example, in year 10, there are a number – I have been given some information for supplementary – there are a number that leave on year 10. But, for example, they might leave because at the end of year 10 they go to an independent school or because the family is relocating or because employment has been sought. So there are different reasons why pupils stop their school education, particularly in year 10. But it does not happen just in year 10: in year 9, year 8 you get families that relocate and pupils stop attending school in Gibraltar. It happens even in first school and middle schools, where pupils leave for the UK, leave for the Philippines, leave for New Zealand or leave for Poland. These are children who are in education in Gibraltar and stop being in education in Gibraltar at various stages. We would not describe them as school drop-outs, as the hon. Member has called them.

I am certainly happy to have a further discussion with the hon. Member if there is a specific area that he wants, in particular if what he wants to know is having finished year 10 and not going on to year 11. If that is what he means then I am certainly happy to get that information for him.

**Hon. E J Reyes:** Yes, Mr Speaker, in my haste of drafting up the question I have used the words that have been used in previous questions by Members on both sides of this House going back years, but I accept and have absolutely no quarrel with the Minister's advice given by educators of what could really be understood by 'dropping out of school'.

The most important part of the question, or the information I was seeking through this question, was pupils who have commenced education and have left before the completion of the academic year and therefore not sat down for what we commonly refer to as public examinations. There are at times, reasons, as I think the Minister was hinting at, that it could be that they simply move away from Gibraltar – either the family packs up and goes elsewhere and they seek a new life in another country – or some families decide to send the children to another educational establishment outside of Gibraltar. And although those do happen from year to year, the ones that I am interested in, as they were interested in when they were in Opposition, is how many students left not for reasons that they were leaving Gibraltar but having attained the age of 15, which is the age limit beyond which it is no longer compulsory in education, how many have actually left. Did they belong to year 10 or year 11? Therefore one concludes that they decided to either seek employment or do something very similar but not quite complete the whole academic process and sit for public examinations.

If he does have that information that he can furnish me... If not, Mr Speaker, I can think about this properly and at the next parliamentary session draw up a question subdivided into areas, if that is what I am looking for. But if he does have something at hand that he finds could be interesting for all of us at large, I would be grateful. If not, I will have to wait.

**Hon. G H Licudi:** Mr Speaker, I have quite a lot of information, such as the examples that I have given the hon. Member. The information I do not have is by age. I have by years and by reasons like relocating, independent schools etc. I do not have the information by age, but certainly there is no problem in obtaining that information for the hon. Member now that I understand what exactly he wants.

**Mr Speaker:** The Leader of the Opposition gave notice under Standing Order 62 that they require Questions 385 and 386 and 393 to 397 inclusive to be postponed to this meeting of Parliament, and these are the ones that we are now going to deal with.

## ECONOMIC DEVELOPMENT, TELECOMMUNICATIONS & THE GSB

Q385/2015

WOPS –

Government manifesto commitment

**Clerk:** Question 385, the Hon. D A Feetham.

**Hon. D A Feetham:** Yes, Mr Speaker. Has the Government implemented its manifesto commitment on WOPS?

**Clerk:** Answer, the Hon. the Minister for Economic Development, Telecommunications & the GSB.

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, the changes to the Pensions (Widows and Orphans) Act is currently drafted and it is expected to be published soon.

1155

**Hon. D A Feetham:** Mr Speaker, can the hon. Gentleman confirm that it is going to be published in time for it to be passed by this Parliament prior to dissolution of Parliament later on this year?

**Hon. J J Bossano:** I would expect it to be so, yes.

**Q386/2015**

**Employees in public service –  
Permanent increases in numbers**

1160 **Clerk:** Question 386, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, what permanent increases have there been in numbers of employees in the public service since 11th December 2011, broken down by reference to the Civil Service, the GDC, any other Government company, public authority or entity for which the Government is accountable?

1165

**Clerk:** Answer, the Hon. the Minister for Economic Development, Telecommunications & the GSB.

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, the figures for 1st April are not yet available.

1170

**Hon. D A Feetham:** Mr Speaker, it is now 17th June. Why are the figures for 1st April not available? And indeed, as a second supplementary, what is the last date for figures that he has? If it is not 1st April, does he have 1st March for example?

1175 **Hon. J J Bossano:** Mr Speaker, I do not have as from 1st March because these figures are calculated on a quarterly basis – as he knows, because it was what was happening when he was in Government. The last quarter I have got is the one I have already given him, which was on 1st January. It is not ready not because I do not know what day it is; it is because the people in the Statistics Office have had more pressing matters to deal with and that is the answer that I have got.

1180

**Hon. D A Feetham:** Mr Speaker, the figures are quarterly, so it is April. Does he know when those figures are going to be provided and can he tell somebody from his Department to provide them to me as soon as they have them ready? I presume that they are not going to be ready before the Budget. I had hoped that the hon. Gentleman would have been able to provide these figures so that I can incorporate the figures in my Budget speech. That is not going to be possible, but at the very least, will those figures be provided prior to, for example, the parliamentary break in August?

1185

**Hon. J J Bossano:** Mr Speaker, they will do it as soon as they can, but I cannot tell him when that will be.

**Q393-397/2015**

**Gibraltar Investment (Holdings) Limited –  
Fixed Rate Notes**

1190 **Clerk:** Question 393, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker: please provide details of all Fixed Rate Loan Notes issued by or other loans made to Gibraltar Investment (Holdings) Limited by Credit Finance Company Limited, including the date the note was issued or the loan made as the case may be, and the date such loan or loans was redeemed or assigned?

1195

**Clerk:** Answer, the Hon. the Minister for Economic Development, Telecommunications & the GSB.

1200 **Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):**  
Mr Speaker, I will answer this question together with Questions 394 to 397.

**Clerk:** Question 394, the Hon. D A Feetham.

1205 **Hon. D A Feetham:** Please provide details of all Fixed Rate Notes issued by or other loans made to Gibraltar Investment (Holdings) Limited by the Gibraltar Savings Bank, including the date the note was issued or the loan was made as the case may be and the date they were redeemed or assigned?

**Clerk:** Question 395, the Hon. D A Feetham.

1210 **Hon. D A Feetham:** Mr Speaker, can the Government confirm that the £355 million shown as 'call deposits with Gibraltar Investment (Holdings) Limited' in Table CF. 2 Credit Finance Company Limited, is a debt due by Gibraltar Investment (Holdings) Limited to Credit Finance Company Limited?

**Clerk:** Question 396, the Hon. D A Feetham.

1215 **Hon. D A Feetham:** What security has Credit Finance Company Limited obtained in respect of any debts due to it from Gibraltar Investment (Holdings) Limited?

**Clerk:** Question 397, the Hon. D A Feetham.

1220 **Hon. D A Feetham:** What equity investment out of the consolidated fund is envisaged by the Government in Gibraltar Investment (Holdings) Limited for the forthcoming year?

**Clerk:** Answer, the Hon. the Minister for Economic Development, Telecommunications & the GSB.

1225 **Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):**  
Mr Speaker, the FRNs issued and redeemed by Credit Finance are as follows:

Date	Issued £M	Redeemed £M
March 2013	245.390	
April	32.454	
May	12.5	
June	9	
July	12.5	
August	2.5	
September	4.5	
October	19	
November	30	10
January 2015		1
February		3
March		40

1230 In respect of FRN's issued and redeemed by the Gibraltar Savings Bank:

Date	Issued £M	Redeemed £M
March 2012	12.5	
April	37.579	12.5
May	6.719	
June	6.847	40.5
July	25.573	
August	8.925	
September	13.301	48.5
October	9.84	10.1
November	7.368	6.53
December	4.754	5.07
January 2013	42.473	
February	12.737	
March		65.416

The £355 million call deposits with GIH consists part of the pooling of cash holdings of Government Authorities, Agencies and Companies which have been traditionally managed by the Treasury.

1235 No formal security has been registered. Repayment is secured on the assets held by Gibraltar Investment (Holdings) Limited.

A token figure is contained in the draft estimates of expenditure which the Members opposite have on a confidential basis until the estimates are debated and approved in respect of the shareholding that is.

1240 **Hon. D A Feetham:** Mr Speaker, dealing with the answer that the hon. Gentleman has provided to Question 393 and also 394, which is the Fixed Rate Notes that are issued, in Question 393 by Credit Finance in favour of Gibraltar Investment (Holdings), for which my total is £355 million after you take into account the redemptions more or less, and then also the Fixed Rate Notes that were issued in the past by the Gibraltar Savings Bank to Gibraltar Investment (Holdings). Fixed Rate Notes are effectively loans that are  
1245 being provided by Credit Finance to Gibraltar Investment (Holdings) Limited, evidenced presumably by some paper that represents the Fixed Rate Note – is that not the position?

**Hon. J J Bossano:** Well, it is not fixed, it is flexible, so there is not a fixed rate in fact.

1250 There is an exchange of documents. I do not do these things myself but I imagine that there is an exchange of documents. In the past what used to happen was that when there was a pooling of cash within the public sector entities this was treated as advances and deposits and there was no actual payment in respect of the value of the use of that money. That is what is different in the case of the Savings Bank and Credit Finance, because they are institutions that are expected to make a profit. But, for example, where there is money that is advanced either from the consolidated fund to companies or from authorities and  
1255 agencies to companies, or vice versa, there is no rate of interest.

**Hon. D A Feetham:** Yes, Mr Speaker, I am familiar with the term ‘Flexible Rate Notes’, and indeed had I just simply read ‘FRN’ I would have thought that is a Flexible Rate Note, because that is the type of notes that are issued by banks in particular. But of course he has answered this question in the past when he  
1260 has provided me with schedules in the past about how the money of Credit Finance is invested in particular, and also the Gibraltar... Sorry, not Credit Finance – the Gibraltar Savings Bank. And in all the schedules that he has provided me with, at the very bottom, where it deals with the loan notes issued to Gibraltar Investment (Holdings), it says ‘Fixed Rate Note’. It does not say ‘Flexible Rate Note’; it says ‘Fixed Rate Note’. So the implication is that of course there is a fixed rate, probably for a fixed period of time and a  
1265 fixed rate of interest that is going to be paid over a period of time.

Can he explain why it has been described as a ‘Fixed Rate Note’ in all the answers that he has given me and now, all of a sudden, it has become a *Flexible* Rate Note, which is slightly different?

**Hon. J J Bossano:** Well, the answer is because to call it a Fixed Rate Note is wrong and they have  
1270 always been flexible.

**Hon. D A Feetham:** Okay, Mr Speaker, so the answers that he has been providing me with over the last few years have been wrong in this regard and he is now providing me with the right answer; I accept that. But, of course, whether it is fixed or flexible there must be some rate of return that, in this case, Gibraltar  
1275 Investment (Holdings) is paying Credit Finance Company Limited and was paying the Gibraltar Savings Bank before 2013. Can he provide me with some information in relation to that, please?

**Hon. J J Bossano:** I give it to him every month, Mr Speaker.

1280 **Hon. D A Feetham:** Can he provide me with the information again? What is the rate that is being provided, and also the period of time as well? In other words, when do these Flexible Rate Notes mature? When do they have to be repaid back? Because at some stage they are going to have to be repaid back.

1285 One does not, for example... A bank does not... Well, it could if it is a revolving loan situation. So in a revolving loan situation it might provide a revolving loan facility, but normally with these kind of things there is envisaged a period of time within which the loan has got to be repaid back – in this particular case from Gibraltar Investment (Holdings) to Credit Finance and then from Credit Finance back to the Gibraltar Savings Bank. So can he tell me what is the rate of return and for what period of time?

1290 **Hon. J J Bossano;** Mr Speaker, the rate of return is not for any given period of time and it is the rate of return that I have given him already in previous answers to the question when he has asked me to give him a breakdown of the rate of return of the different investments of the Savings Bank.

And in terms of the repayment, I have told him when amounts have been repaid and when amounts have been redeemed. This is a pool which is added to or removed from as and when required. It is what I have

told him in the answer: it is the pooling of the cash available to the Government, the authorities, the agencies, the consolidated fund, the I&D, and because these institutions are institutions that are expected to earn a profit, they get paid when their money is being used but none of the others in the pool get paid.

**Hon. D A Feetham:** Yes, Mr Speaker, I understand all that and in fact I am very appreciative of that particular piece of information, because it happens to conflict and indeed provides far more light than the answers provided, or the information – not the answers, because he is providing the answers; the information provided by the Chief Minister on public television that none of the moneys from Credit Finance were being used for Government expenditure. And of course, as he has confirmed in the past to me, this money is effectively being pooled, as he said now, with all those moneys being made available to Government authorities etc – in this particular case it is Government-owned companies – which are being used in order to fund the cashflow requirements of Government-owned companies. I appreciate that, and indeed if I am critical of anybody it is not of him. If I am critical it is of the Chief Minister, who unfortunately did not provide the correct information when he addressed the nation during his broadcast on New Year's Eve.

But what I am getting at is every loan has got to be repaid – and this is a loan; it has *got* to be repaid. So at some stage Credit Finance – which, as the hon. Gentleman has always told me is managed by independent directors and senior civil servants – presumably would not have provided a loan of £355 million to Gibraltar Investment (Holdings) on an open-ended basis without knowing when that money is going to be repaid, particularly when the money is going effectively into a 'hole'. I do not use that in a derogatory way, but effectively it is being used to fund the cashflow requirements of Government-owned companies and it is not being invested in anything that will provide a return. So it is going to have to be repaid by the Consolidated Fund eventually and I just want to know when the Government envisages that this money, that £355 million, is going to be repaid.

**Hon. J J Bossano:** Mr Speaker, the hon. Member gets the figures of the repayments that are taking place every month. It is no longer £355 million. It has been coming down every single month. The figure is not going up and it is not static; it is actually coming down every month.

**Hon. D A Feetham:** Mr Speaker, it may have come down by one or two million pounds. Again, I accept that and I stand corrected. I am using figures that perhaps I had at the beginning of this month. I stand corrected on that, but you have not answered my question. My question is when that loan of £350-something million is going to be repaid. That is the question. How is it going to be repaid? Because if it is being used in order to fund the cashflow requirements of Government-owned companies and it is not being invested in an investment producing a return, then it is going to be the Government, and I want to know when the Government is going to pay effectively what is a loan by Credit Finance to Government-owned companies in order to help fund Government expenditure.

**Hon. J J Bossano:** Mr Speaker, the hon. Member knows that for years the system that I am talking about now operated, because it was introduced by the GSD, and the answer that I got when I was in Opposition was that the different companies and authorities and agencies did not have separate accounts and banked separately. All the money was deposited with the Treasury and whether the money started from an authority or an agency or the I&D or the Consolidated Fund, that pool of money was operated by the Treasury and therefore there was a daily ebb and flow. As money comes in through... If tomorrow there is a payment of land into the I&D, the amount that is credited to the account of the I&D does not sit in the I&D, it sits in this pool of money, and the position is that the money that has been made available by Credit Finance and previously by the Savings Bank earns interest precisely because these are entities that use their money to invest at a profit. Therefore it is not the same as the money that is being made available to the pool by the public sector entities that have got surplus cash at any given time.

What I can tell him is that the direction in which this is going is down and it will continue going down. What I cannot tell him is when we will reach zero.

**Hon. D A Feetham:** Mr Speaker, no, it has never... it has not happened in the past. What we are effectively seeing now... Well, let's take what happened in the past. What happened in the past was that Gibraltar Investment (Holdings), which is the company that sits at the very top of all Government-owned companies, which funds all other Government-owned companies, projects undertaken by those companies, the wage bill of those companies etc is funded by Gibraltar Investment (Holdings) Limited, which in turn in the past has been funded from the Consolidated Fund. In other words, the Government takes taxpayers' money, places it in Gibraltar Investment (Holdings) and that money then trickles down to all Government-owned companies.



What is happening now, which is a departure from the past, is that credit savers' money, savers' money which is by law not even effectively Government debt, although it is guaranteed by the Government, that is now being used via Credit Finance in order to fund Gibraltar Investment (Holdings). So it is not from the Consolidated Fund; it is being funded from savers' money.

Now, Mr Speaker, he still has not answered the question. How is that £355 million going to be repaid? Because once the £355 million, or £353 million, trickles all the way down to those Government-owned companies to fund their cashflow requirements, that money will go. It is going to be used. How is it going to be paid up? It is not an investment at all in the real sense of the word. The Gibraltar Savings Bank to Credit Finance may be an investment, but Credit Finance to Gibraltar Investment (Holdings) is not an investment and I want to know how the Government is going to repay that money, because that is important when one looks at and when one analyses and one tests the future solvency of this community, Mr Speaker.

**Hon. J J Bossano:** Well, Mr Speaker, it may be important for him to test the solvency that way but it is not important for me to do it the way he wants it done. The answer is that I am telling him that the £355 million has been coming down every month and will keep on coming down every month and will be repaid fully. It will be paid in cash, in pounds, shillings and pence, and that is how it is going to be paid.

**Mr. Speaker:** No.

**Hon. D A Feetham:** Well, Mr Speaker, he obviously is not going to give me an answer so I will move on to something else.

Mr Speaker, this money is obviously being loaned from Credit Finance to Gibraltar Investment (Holdings), as indeed beforehand it was being loaned from the Gibraltar Savings Bank to Gibraltar Investment (Holdings), evidenced by Flexible Loan Notes. So it is effectively a debt of Gibraltar Investment (Holdings) to the Gibraltar Savings Bank, now Credit Finance.

Mr Speaker, on 3rd July 2013, which was the day before the by-election, the day before the by-election, the Gibraltar Savings Bank issued Press Release 1/2013 –indeed, as far as I am aware it is the only press release ever issued by the Gibraltar Savings Bank; certainly there was no number 2 or number 3 in 2013 and I think the number has stayed static at number 1 since 2013 – and it said this:

‘The Gibraltar Savings Bank is not a credit institution and does not provide any loans.’

Let me just repeat that: ‘and does not provide any loans.’ Does he accept that that statement, issued by the Gibraltar Savings Bank the day before the by-election, was false, untrue and misleading in the light of the fact of the information that we now know, that in fact the Gibraltar Savings Bank has been lending money to the Gibraltar Investment (Holdings) company since 2012, a year earlier, or over a year before that press release was issued?

**Hon. J J Bossano:** No.

**Hon. D A Feetham:** Well Mr Speaker, how could he possibly say no? We know, as a matter of fact... Let's take *facts*. Facts. Fact number one –

**A Member:** He just said no.

**Hon. D A Feetham:** Fact number one. Let me just... I do not want to mislead the House. Fact number one: in March 2012 the Gibraltar Savings Bank issued a Flexible Rate Note providing a loan of £12.5 million to Gibraltar Investment (Holdings) Limited, and indeed in April 2012 there was a loan of £37 million, in May £6 million, in June £6 million, in July £25 million, in August £8 million, in September £13 million, in October £9 million, November £7 million and December £4 million. It is a lot of loans provided to Gibraltar Investment (Holdings) Limited by the Gibraltar Savings Bank – and I have not even finished. I am not going to bore people to death – those listening. But Mr Speaker, how on earth, in the light of that, could he possibly have issued a press release the day before the by-election, in the name of the Gibraltar Savings Bank, saying that the Gibraltar Savings Bank does not issue any loans, Mr Speaker? Either the information he has provided to me today is wrong or the press release that was issued the day before the by-election was wrong. It cannot be that both of them are correct, Mr Speaker.

**Hon. J J Bossano:** Well, if he wants to know how I am able to say no, it is by putting my lips to form an ‘en’ sound and an ‘oh’ sound, which produces the sound ‘no’. That is how I do it; I do not know how he does it. *(Laughter)*

If he considers that there is an inconsistency, then it is quite simple. As well as Flexible Rate Notes from GIH the fund, which is a Government fund, where the Savings Bank puts the money from the depositors, and it is a special fund under the Act that deals with all Government special funds, has Flexible Rate Notes from the Republic of Finland, from private quoted companies and from public utilities, and none of them are considered by the Savings Bank Fund to be notes; they are investments. He chooses to call it a loan and we choose to call it an investment, and therefore I am telling him there are no loans, there are investments.

**Hon. D A Feetham:** Mr Speaker, he now calls it 'investments'! What is it about the term 'Fixed Rate Loan Note' that is ambiguous, Mr Speaker? It is a *loan*! It is money that has been loaned out to Gibraltar Investment (Holdings) Limited, not an investment. It is a loan, and in the light of that, then the press release that was issued a day before the by election was not correct and misled the people of Gibraltar at a critical time in the democratic process, Mr Speaker.

**Hon. J J Bossano:** Well, I do not think it was a critical time in the democratic process because I think the result was a foregone conclusion: we were going to win the by-election with Fixed Rate Notes, or Flexible Rate Notes, or without them. But the fact is that the hon. Member only seems to object to the money being made available to a Government-owned company controlled by the Treasury and he is quite happy to have the money being made available to the Government of Finland, where there are Fixed Rate Notes or Flexible Rate Notes held by the Savings Bank now, with the fund having held similar investments when he was in Government. That did not mean that he went round the world saying, 'Well, look, we are lending money to Finland,' and 'How is Finland going to pay us back?' and 'What if Finland goes bust?'

The incredible thing is that the hon. Member puts these arguments, and so do his recently acquired experts, which shows the concern that they have that if the Government has a position where, instead of doing what they used to do... They used to get money from the Gibraltar Savings Bank and borrowing as debentures the same as we do, but then they did something else: they actually increased the money that they were borrowing and they borrowed from banks and deposited the money in banks. They informed this House that as a matter of social policy they had borrowed hundreds of millions of pounds at 4½% or 5% from banks and then the money was not going to be used for anything – it was going to be deposited back in the bank, which paid them 1%, and that that would cost the taxpayer £9 million a year, which was the difference between what the bank was paying them in interest and what they were paying bank interest. Now, he may think that is a wiser use of taxpayers' money than what we are doing now. We disagree with him. Obviously they were entitled to do it that way, and if they ever get back into government they can stop doing it the way we are doing it and go back to losing £9 million a year – it is their prerogative, but we are not going to copy them.

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

**Mr Speaker:** I think I should warn both hon. Members that they are now getting into the realms of a debate and therefore I shall be more strict in implementing the rules where supplementaries are concerned.

**Hon. D A Feetham:** Yes, Mr Speaker. Thank you very much for Mr Speaker's helpful intervention.

Mr Speaker, you see, the answer that the hon. Gentleman has provided gives it away. He is talking about... because we have lent the Bank of Finland, we have lent *x* amount of money to *x* person, we have also lent money to Gibraltar Investment (Holdings). But, you see, even by his nomenclature, even the words that he uses – 'lent' – it is a loan.

Now I cannot see how on earth the hon. Gentleman could accept that effectively the money is being loaned to Gibraltar Investment (Holdings) and then defend that press release – presumably and I am asking him this in my supplementary – which presumably he procured the issue of the day before the by-election, saying that the Gibraltar Savings Bank provided no loans when quite clearly that was not the case, Mr Speaker.

**Hon. J J Bossano:** Well, Mr Speaker, I am using the word 'loan' in order to meet his use of the terminology but not because I share it or agree with it. I do not see it as the money being *lent* to the Government of Finland; I see it as an investment in Flexible Rate Notes which are issued by the Government of Finland. But if he says that if it is issued by GIH it is a loan then, by definition, if it is issued by Finland it must also be a loan in his nomenclature, not in mine. And he seems to think it is alright if you lend money to Finland but it is not alright if you lend money to the Treasury in Gibraltar – by his definition of loans, not by mine.

1470 **Hon. D A Feetham:** Yes, Mr Speaker, well, obviously he is not going to tell me anything about the press release. He has not answered the question about whether he procured this particular press release to be issued by the Gibraltar Savings Bank, and I wonder whether he can come back on that.

But let me ask this, because he really is not providing any information at all today in relation to when this money is going to be repaid. At the end of the day this is savers' money. We do not know when the money is going to be repaid, we do not know the rate of return, it is all very nebulous and he keeps on making it as nebulous as possible to avoid, really, the Opposition getting to the bottom of how the people's money is being invested, in particular savers' money, and how that money is going to be repaid at the end of the day.

1475 But, Mr Speaker, Question 396 he has answered saying that there is no formal security for the £353 million loan from Credit Finance to Gibraltar Investment (Holdings) Limited, and he says:

‘Repayment is secured on the assets held by Gibraltar Investment (Holdings) Limited.’

He must mean, in relation to that, the share capital of Gibraltar Investment (Holdings). What other assets does it have other than, presumably, other Government-owned companies which it owns in its share capital or other Government-owned companies which this particular company owns?

1485 **Hon. J J Bossano:** Mr Speaker, he should know all the assets that are held by GIH and its subsidiaries because it was his Government that put all the assets there. In property they have got a couple of hundred million pounds of assets – they put them there.

1490 **Hon. D A Feetham:** Yes, Mr Speaker, I understand. What I am asking the hon. Gentleman is... and perhaps my question was not clearly put, and I accept that. What I am asking him is: apart from its own share capital – which clearly one can secure a loan on, although there is no formal loan security here – and all the companies that are owned underneath it, there are no other assets that are being tendered as part of a formal security that has been provided for this £353 million that has been loaned by Credit Finance to Gibraltar Investment (Holdings) Limited.

1495 **Hon. J J Bossano:** Mr Speaker, the element of the pool of cash that is shared by the Government companies, the Government authorities, the Government agencies, the Improvement and Development Fund and the Consolidated Fund, does not entail any cross guarantees from anybody to anybody else.

And the answer is, to the extent that one assumes that it is conceivable that GIH would default, which would be the only point in having a security... Well, look, in theory, in that absurd situation... The hon. Member argues that there is a big problem because if an investment that is made by the Gibraltar Savings Bank Fund or by the Credit Finance Company, which is predominantly owned by the Savings Bank Fund actually were not to be able to be realised and the cash refunded, then the problem would be that the savers' money would be at risk and the savers would not be paid, and that means that it would all fall back on the Government guarantee. Well look, of all the guarantees that the Government has on the £1 billion that there is in the Savings Bank Fund, the bit of the guarantee that is safest, the one that is most safe of the lot, is the one where the guarantee is only triggered if the Government defaults. So we have got this absurd circular argument that if Finland defaults it does not matter, if Rolls Royce defaults it does not matter, but if the Government defaults there is a huge problem because then the Government has to pay. Well, the security is the Government and the Government that is undertaking the guarantee of the Savings Bank is the Government that is using, as part of a cashflow base, the money. And I have demonstrated to him that, contrary to the impression that they have been given – that this money is all now spent and that we are skint... I have shown him the number of times that there has been a flow of money in the opposite direction, not from the Savings Bank fund to GIH but from GIH to the Savings Bank fund: redeemed, £12.5 million, £40.5 million, £48.5 million, £10.1 million, £6.53 million; £5.7 million. And he tells me, ‘Well, how are you going to do it and when are you going to do it?’ Well, the same way that it has been done between 12th March and today is the way it will be done in future: as and when other sources come in and the cash is not required the cash is repaid. It is as simple as that. That is how a cash pool works.

1510 The hon. Member wants to create the impression that somehow people's money is at risk in the Savings Bank. And at the end of the day, I am not going to be able to reassure him that they are not at risk because he has got a vested political interest in making people believe that. The only thing I can tell him is that if he is so worried about his money I hope he takes any that he has in the Savings Bank out, because I do not want him to lose his money.

1525 **Hon. D A Feetham:** Yes Mr Speaker, I do not have any money in the Savings Bank.

But Mr Speaker, that is, with respect to him, actually quite a helpful answer that he has provided just now. That is a very helpful answer that he has provided just now because really what he is telling me,

which is what I have been trying to get to the bottom of in exchanges and in correspondence that I have written to the Chief Secretary and also to the Principal Auditor as well... What I have been trying to get to the bottom of is how is this money going to be repaid, and effectively what he is saying to me is that this money is going to be repaid by the Government. That is what he has told me. Not by Gibraltar Investment Holdings, because Gibraltar Investment Holdings is not investing that money in any investments – indeed, it is using that money in order to fund the cashflow requirements of Government-owned companies – but by the Government.

Now, Mr Speaker, on that basis, does he not accept that the only possible way in which the directors of Gibraltar Investment (Holdings) could have accepted a loan of £355 million, now it has gone down, was on the basis that the Government would be repaying that loan? Ergo this is a loan, this is a debt of the Government, because the Government is making itself responsible for paying, Mr Speaker. And hence why the public debt of this community is not £375 million, which is the official figure of direct Government debt, but £375 million *plus* the £355 million that the Government is assuming responsibility for and its repayment. It is no longer a contingent liability, for anybody listening – hopefully the Financial Secretary – it is no longer a contingent liability where there is a default and then the Government pays; it is being assumed directly by the Government of Gibraltar, and therefore it is a debt of the Government.

**Hon. J J Bossano:** Not ‘ergo’, Mr Speaker. He does not have a clue what he is talking about! I have not said it is being paid back by the Government. I have told him – (*Interjection*) No, I am going to repeat what I have told him. I cannot help it if he does not understand what he is talking about. I have told him £12.5 million paid back not by the Government, by GIH; £40.5 million paid back not by the Government, by GIH; £48.5 million paid back not by the Government, by GIH; £10.1 million... Do I have to go through every single figure? Every single figure in my original answer are payments by GIH.

What I have told him is that the guarantee of the Savings Bank is the guarantee of the Government, which means if the Government wholly owned company defaulted and the Savings Bank had money which should be coming back but which did not, then the Savings Bank would be able to exercise the guarantee that there is in the law by the Government. That is where I said the Government would pay in respect of that guarantee, and what I told him is it is absurd, it is ridiculous to try to convince people that their money is safer with the Bank of Finland or the Bank of Greece or the government of Greece. If we buy tomorrow bonds of the Greek government, which are yielding 24%, and the money does not come back it would be the Government who would have to step in – the Government of Gibraltar would have to step in to meet the fact that the bonds of the government of Greece, the Flexible Rate Note or whatever it was that we bought, could not be cashed.

Well, how can it be safer to say the Government has to guarantee the money we are investing in the government of Finland but that is alright because they were doing that for 15 years so that does not matter, but if the money is used as part of the cash pool that is used in the public sector, then that is a bigger risk. Well, it is not a bigger risk and if there was a contingent liability it is on the presumption that this money is at risk in a way that the rest of the money in the Savings Bank fund is not? We do not agree with that analysis and we think that analysis is neither correct nor anything other than a self-serving argument in order to say the Government of today has got a bigger public debt than the Government that there was before. This is what this is all about; it has nothing to do with anything else.

The hon. Member says I do not answer his questions. It is not that I do not answer his questions; it is that he does not like the answers he gets unless he thinks he can somehow twist them to say I just said something that proves he is right, in which case he is grateful. If he cannot twist it he is not grateful and he is then upset because I am not giving him an answer that he can make a use of. But if I give him one that he thinks he can make use of, then he is grateful. Well look, I am not here to provide anything other than information. The information that I provide he can put to whatever use he wants, but the information I am giving him is the one he is getting. The interpretation he puts on it... He is free to put every interpretation he wants, this is a democracy; I put a different one.

Time will tell whether there is any substance in what he is saying and time will prove him wrong. The whole of the money that is at the moment invested in the cash pool will all be back in Credit Finance and in the Savings Bank at an appropriate time in the future. I cannot give him the dates.

**Hon. D A Feetham:** Mr Speaker, my last supplementary. Mr Speaker, he talks about – and this is the nub of it –Gibraltar Investment Holdings Limited, which has had a loan of £355 million, £353 million now, from Credit Finance, repaying that loan. He draws a distinction between the Government on the one hand and a Government-owned company – Gibraltar Investment Holdings is a Government owned company – and it says Gibraltar Investment Holdings, not the Government, is going to be repaying back the £355 million.

But Mr Speaker, how is the £355 million going to be repaid by Gibraltar Investment Holdings if not by funding from the Government Mr Speaker? Because Gibraltar Investment Holdings is not a trading

company. It makes no money. It cannot repay back £355 million if, as he has said to this House, that £355 million is going to be spent in the cashflow requirements of Government-owned companies. That is the point, Mr Speaker. The point is that if this has been a loan provided and accepted by Gibraltar Investment Holdings on the understanding that the Government is going to be repaying it, then by any measure, by any standard, that is effectively a debt on the Government Mr Speaker.

Now how is Gibraltar Investment Holdings going to be repaying the £355 million?

**Mr Speaker:** That is the last supplementary I am allowing on this issue and then we will move on.

**Hon. J J Bossano:** Well Mr Speaker, the hon. Member opposite has said if, if Gibraltar Investment Holdings has had access to this pool of money on the understanding that it is going to be repaid for by the Government, well the answer to that if, is no, that is not the understanding. It is the understanding that he has invented and is therefore the sandy foundations on which the whole edifice is built.

**Hon. D A Feetham:** Then how?

**Hon. J J Bossano:** Well I do not have to tell him how we do things; I just have to provide him with the information on what is done. He is concerned is it going to be paid back: the answer is yes. If he says it cannot be paid back, well look, I just told him that Gibraltar Investment Holdings paid back £12.5 million in April. Is he saying to me that that is impossible unless the Government gave Gibraltar Investment (Holdings) £12.5 million in April? Is that what he is telling me? Well then I suggest he goes back to look at the Estimates Book and finds out where all this money from the Government went into Gibraltar Investment (Holdings) to enable this to happen. Because what he says is impossible has happened already on one, two, three, four, five, six, seven occasions. It happened in April 2012: £12.5 million. Investment (Holdings), which he says has not got any money, actually paid £12.5 million.

**Hon. D A Feetham:** From where?

**Hon. J J Bossano:** From its own money in the cash pool. The hon. Member does not understand that –

**Hon. D A Feetham:** From Government money.

**Hon. J J Bossano:** Well everything that is in every company ultimately belongs to the Government because the assets of all the companies are 100% Government owned. But the Government did not give Gibraltar Investment (Holdings) in April £12½ million to pay back the Savings Bank – I can guarantee that. *(Interjection by the Hon. D A Feetham)* No, Mr Speaker, he knows it is not possible. He knows the sums of money I have quoted him. He does not seem to understand that it is possible to have a situation where there are imbalances in cashflows, where you are expecting £10 million to come in tomorrow and you have to meet a bill today of £9 million, and that you can get an advance from the Consolidated Fund or an advance from Credit Finance and that then the money comes in and you pay. He does not understand that that is possible, even though I have given him clear evidence that there has been a flow of money in and out, in and out, over the two and a half years and that is not money transferred from the Government to Investment (Holdings) – and he knows that it is not, because I am talking about historical accounts which have been audited and which he has.

#### Q431/2015

#### Maritime Cadet Training Scheme – Student details

**Mr Speaker:** Question 431.

**Clerk:** Question 431, the Hon. E J Reyes.

**Hon. E J Reyes:** Mr Speaker, can Government provide details in respect of any Gibraltar students currently undertaking the Maritime Cadet Training Scheme, indicating at what stage they are in their training an estimated completion date, together with qualifications aimed to be attained?

**Clerk:** Answer, the Hon. the Minister for Economic Development, Telecommunications & the GSB.

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, there is no student currently in the Maritime Cadet Training Scheme.

**Hon. E J Reyes:** Mr Speaker, in a conversation I was having with the then Minister for the Port, the Hon. Neil Costa, last summer he was indicating to me that they were in the process of advertising and going back out to try to recruit possible students interested in following the Maritime Cadet Training Scheme and so on; hence I have asked this question now. Does the hon. Member have any idea whether there were no successful applicants or that some started and then abandoned the course, or has Government now made it its policy that it does not wish to entertain sponsoring or provide facilities for the Maritime Cadet Training Scheme?

**Hon. J J Bossano:** My understanding, Mr Speaker, is that this is not Government funded; in fact it is funded by the industry. I am told that the last intake finished in 2015 and they have not found suitably qualified candidates since then, but it is not that the Government has wanted to stop it.

**Hon. E J Reyes:** Yes, Mr Speaker, the Minister is correct in saying – or half correct – that it was funded by the industry, and there was also some funding input as well, I know, from educational funds and so on.

Obviously he has reconfirmed that there are no students, but I think in his last answer, in the supplementary, he said that the last intake finished in 2015, which is this current year. Does he have any details of how many finished now in 2015 and what qualifications they actually attained?

**Hon. J J Bossano:** No, Mr Speaker, because based on the original... the original is whether there was anybody currently there and there is not anyone currently there. I have given him before the numbers that were there before. I can find out what qualifications they got when they finished, but whatever numbers were there they all finished by January.

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

Also I heard the Minister say that he was under the impression there was no-one interested in attending this course, and yet – I have been on the lookout – if one takes into account the academic year since last September, I have not seen any adverts or any recruitment process towards the Maritime Cadet Training Scheme. Either something has come out that I have missed or... Perhaps the Minister can enlighten me on when was the last time that a renewed effort was made to attract people to this worthy training scheme.

**Hon. J J Bossano:** Mr Speaker, when I asked why there had been no intake, the answer I was provided with was that there were no suitable candidates. I do not know what has been done to try... The hon. Member must understand that there are less people now unemployed and less people in training because there are more people in employment, so the market is smaller than it used to be.

**Hon. E J Reyes:** Yes, Mr Speaker, I understand that, but if one goes back to the origins of this Maritime Training Scheme there was a big emphasis being made to actually recruit school leavers upon completion of their A-levels, as an alternative to other types of formal education leading to highly recognised qualifications. So there was not the need to go to university and do a particular degree and then go into the maritime training, but rather I think we were using Warsash and Southampton where it was a course that, if I am not mistaken, it had something like six weeks of theory followed by six weeks of practice at sea and so on and you ended up getting your Junior Officer of the Watch certificate and so on, leading all the way up to those who had the ability and the inclination to actually captain a ship. In fact, I know there are a couple of Gibraltarians who followed these courses and are now working on very reputable British cruise liners as quite senior officers.

So can I just leave it... The Hon. Minister may wish even to have a brief conversation with me behind the Speaker's Chair, because it could be for the benefit of school leavers, helping him not only to control or keep down his employment figures but actually encouraging people into something that... Gibraltar has always provided services to cruise ships and therefore we should provide services and get the best officers available for our own future development of the port and all its maritime-related activities.

**Hon. J J Bossano:** I am happy to talk to the hon. Member about the opportunities and the options, but it is not everybody's cup of tea. Because, you know, being at sea is not something that is the same as going to university. Some of the youngsters we have had have had problems in the time that they have been on the coal face rather than in the college in UK. But certainly I am happy to talk it over with him.

**Q432/2015**

**Dual-fire Waterport power station –  
Requirement to borrow re construction costs**

**Clerk:** Question 432, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Government confirm that it will need to borrow in order to pay for the construction of the dual-fire Waterport power station?

**Clerk:** Answer, the Hon. the Minister for Economic Development, Telecommunications & the GSB.

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, a number of options for financing the new generating station are under consideration, including options similar to the one that was in the pipeline under the GSD Government, except that there will not be in any of the options a requirement for a commitment to raise future electricity charges as was the case with the proposal under the GSD administration.

**Hon. D A Feetham:** Yes Mr Speaker, the reason why I ask the question... We are getting to questions about public debt in a moment, so I do not know what the up-to-date position of net debt is, but the net debt as of the last time that the hon. Gentleman answered this particular question, net debt was £375 million. The legal borrowing limit at the moment stands – I calculated it this morning – at £457 million. That is taking 80% of consolidated fund revenue, recurrent revenue. So it gives you £457 million. On that basis, the Government does not have the ability to actually borrow sufficient amounts of money, add to the public debt, to keep within those legal borrowing limits of £457 million, because this power station is going to cost substantially more than the £80 million-odd that the Government has at its disposal if it wanted to actually raise more money by way of direct borrowing.

That is the reason why I am asking, because it appears to me that effectively the Government, unless it is prepared to come to this House to raise the legal borrowing limit – and indeed I think that is the honest way to do it, to come to this House and raise the legal borrowing limit, not borrow indirectly; it has been borrowing through Credit Finance etc – then of course if it is not prepared or if it pays via Credit Finance etc it is going to have to borrow directly, but it cannot and that is why I am asking. and I am inviting the hon. Gentleman to effectively inform the Opposition of how it is going to be financed.

**Hon. J J Bossano:** I am sorry that the hon. Member thinks that other than raising the borrowing ceiling is a dishonest way to raise finance, because of course –

**Hon. D A Feetham:** Honest way.

**Hon. J J Bossano:** He said the honest way is to raise the limit, so by definition to do it other than by raising the limit is a *dishonest* way of doing it. I am sorry that he thinks that because, in fact, the greatest ever Gibraltarian used to do it regularly before, and I do not think he was being dishonest. For example, when he got the Royal Bank of Scotland to, in theory, buy St Bernard's Hospital and then sell it back and then rent it, or when he did the same thing with the car parks, none of which were considered to be public debt or loans or requiring the raising of the limit; and certainly I do not know what they were planning to do with the generating station that was going to go up the Rock, which would have cost a fortune, but they were talking at the time about financing it in a way which would not appear as Government debt and not in the honest way that the hon. Member wants. But then of course maybe he has got such high standards of honesty that the rest of us have got a problem in keeping up with him.

**Hon. D A Feetham:** Well, Mr Speaker, can he at least confirm that this is not going to be funded out of any of the moneys that are sitting in Gibraltar Investment (Holdings)? Perhaps he can confirm that.

**Hon. J J Bossano:** Yes, I can confirm that – yes, yes, yes.

**Q433/2015**

**Government cash reserves and debt.**

**Clerk:** Question 433, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Chief Minister please state what the Government cash reserves were as at 31st May 2015?

1755 **Clerk:** Answer, the Hon. the Minister for Economic Development, Telecommunications and the GSB.

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, I will answer this question together with Questions 434 to 437.

1760 **Clerk:** Question 434, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Chief Minister please give a breakdown by bank and amount of that part of the aggregate public debt which comprises bank debt, as at 31st May 2015?

1765 **Clerk:** Question 435, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Chief Minister provide this House with a breakdown, by debenture issue, of that part of the aggregate public debt which comprises Government debentures, as at 31st May 2015?

1770 **Clerk:** Question 436, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Chief Minister please provide details of the value of Gibraltar Savings Bank debentures or other debt security as at 31st May 2015?

1775 **Clerk:** Question 437, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Chief Minister please provide a breakdown of where and how all the moneys deposited in the Gibraltar Savings Bank have been invested and the rate of return on each of these investments as at 31st May 2015?

1780 **Clerk:** Answer, the Hon. the Minister for Economic Development, Telecommunications and the GSB.

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, as at 31st May the Government cash reserves were £41.01 million.

The aggregate public debt consisted of bank debt was Barclays Bank £150 million and NatWest Offshore Limited £50 million, which in fact the hon. Member will have seen today has been rescheduled on the basis that it was maturing and there is now a –

1790 **Hon. D A Feetham:** Fixed rate?

**Hon. J J Bossano:** No, it is a flexible rate, *[laughter]* very attractive compared to the one that was there before actually, under 2%. It is possible for that amount, for example, to be repaid at any one time so it is a loan that does not have to be all drawn. It is being drawn at the moment, but if we have the good fortune to have a lot of money coming in not only will we be able to have everything back in Credit Finance to keep him happy and everything back in the Savings Bank, but we might even be able to have everything back in NatWest.

The Government debentures, which are in fact the debentures held by the Gibraltar Savings Bank on one month's notice, are £247,700,000, the same as it was last month.

1800 The value of Gibraltar Savings Bank debentures and other debt security by maturity date is as follows:

One month	£ 32,299,900
Maturing in 2015 Debentures	£ 8,987,400
Maturing in 2016 Debentures	£ 22,928,800
1805 Maturing in 2017 Debentures	£ 99,099,600
Maturing in 2018 Debentures	£163,640,600
Maturing in 2019 Debentures	£180,346,200
Other Debentures	£157,556,748
Bonds	£ 69,847,204
1810 Deposit Accounts	£209,252,660



The average yield in respect of the different categories of investment vehicles held by the Savings Bank for the month of April are as follows.

1815 On-call accounts with the Bank of England, the Crown Agents and the Gibraltar Banks had an average yield of around 0.55%. The Gibraltar Banks were the Royal Bank of Scotland, Barclays Bank, National Westminster Bank, Jyske Bank and Lloyds Bank.

1820 Floating Rates Notes had an average yield of 1.01%. These notes were issued by the following: European Investment Bank, International Bank for Reconstruction and Development, Neder Waterschapsbank, KfW, Republic of Finland, Volkswagen Financial Services, Dexia, GE Capital UK, Westpac Securities, Australia & New Zealand Banking Group, Centrica plc, ASB Finance Limited, the Royal Bank of Canada, BG Energy Capital plc, Suncorp Medway Ltd, BMW Finance and National Grid Gas plc.

1825 Monthly income debentures had a 6% return and preference shares in Credit Finance had an average dividend of 5.6%. As previously explained, the quoted stocks and the call accounts fluctuate on a daily basis but these fluctuations are not normally significant.

1830 I now hand over the Savings Bank Statement of Investments, which list the investments for the month, to the hon. Member, which of course I assume he considers to be the list of debts since he says that if the Savings Bank invests in the Government of Gibraltar it should be called a loan but if it invests in the government of Finland it does not. So if he wants, I will head it in future 'List of Debts' instead of 'List of Investments'.

**A Member:** Hear, hear. (*Banging on desk*)

1835 **Hon. D A Feetham:** Mr Speaker, I have no further questions, just simply to note the Freudian slip by the hon. Gentleman when he talked about investments in the Government of Gibraltar, which is precisely my point: it is the Government of Gibraltar that owes this money, not a Government-owned company.

ANSWER TO QUESTION 437SAVINGS BANK FUND  
STATEMENT OF INVESTMENTS

DESCRIPTION OF STOCK	NOMINAL VALUE	MARKET PRICE ACCRUED INTEREST %	MARKET VALUE ACCRUED INTEREST	TOTAL MARKET VALUE ON 30/04/2015
SUNCORP-METWAY LTD FRN 06/10/17	£5,000,000.00	100.122 0.074	£5,006,107.80 £3,687.09	£5,009,794.89
VOLKSWAGEN FIN SERV NV FRN 12/10/15	£5,000,000.00	99.997 0.041	£4,999,836.65 £2,026.61	£5,001,863.26
DEXIA CREDIT LOCAL FRN 15/4/16	£4,000,000.00	100.016 0.033	£4,000,650.52 £1,315.48	£4,001,966.00
AUST & NZ BANKING GROUP FRN 4/2/16	£5,000,000.00	100.144 0.194	£5,007,212.85 £9,710.96	£5,016,923.81
GE CAPITAL UK FUNDING FRN 20/3/17	£2,000,000.00	99.802 0.080	£1,996,039.06 £1,608.41	£1,997,647.47
WESTPAC SECURITIES NZ LT FRN 3/10/17	£5,000,000.00	100.000 0.079	£5,000,000.00 £3,946.85	£5,003,946.85
CANADIAN IMPERIAL BANK FRN 15/1/18	£5,000,000.00	100.000 0.031	£5,000,000.00 £1,566.02	£5,001,566.02
NATIONWIDE BUILDING SOCIETY FRN 27/4/18	£5,000,000.00	100.000 0.006	£5,000,000.00 £316.70	£5,000,316.70
ASB FINANCE LTD LONDON FRN 1/05/18	£5,000,000.00	100.000 0.000	£5,000,000.00 £0.00	£5,000,000.00
ROYAL BANK OF CANADA FRN 4/6/19	£5,000,000.00	100.076 0.150	£5,003,796.60 £7,522.28	£5,011,318.88
BMW FINANCE NV 1.75% 20/11/17	£5,000,000.00	101.870 0.772	£5,093,500.00 £38,595.89	£5,132,095.89
LVMH MOET HENNESSY VUITT 1.625% 20/12/17	£5,000,000.00	101.726 0.583	£5,086,313.90 £29,160.96	£5,115,474.86
PRUDENTIAL PLC 1.375% 19/01/18	£7,000,000.00	100.139 0.380	£7,009,716.77 £26,633.56	£7,036,350.33
ABN AMRO BANK NV 2.5% 18/12/18	£7,000,000.00	103.262 0.911	£7,228,348.61 £63,767.12	£7,292,115.73
JP MORGAN CHASE & CO 1.875% 10/02/20	£4,000,000.00	100.284 0.406	£4,011,364.72 £16,232.88	£4,027,597.60
THAMES WATER UTIL FIN 4.9% 30/6/15	£1,600,000.00	100.710 1.629	£1,611,353.70 £26,061.54	£1,637,415.24
VOLKSWAGEN FIN SERV NV 1.25% 15/12/16	£5,000,000.00	100.750 0.467	£5,037,505.75 £23,351.65	£5,060,857.40
NEDER WATERSCHAPSBANK 0.875% 07/03/18	£5,000,000.00	99.840 0.048	£4,992,000.00 £2,390.71	£4,994,390.71
KOMMUNEKREDIT 1.125 07/12/18	£5,000,000.00	99.797	£4,989,850.00	£4,989,850.00
KFW 5.5% 7/12/15	£5,000,000.00	103.086 2.185	£5,154,301.65 £109,236.11	£5,263,537.76
LLOYDS 5.5% 25/09/16	£3,000,000.00	106.236 0.542	£3,187,066.80 £16,273.97	£3,203,340.77
SCOTTISH & SOUTHERN ENERGY 5% 01/10/18	£4,000,000.00	112.402 2.890	£4,496,084.44 £115,616.44	£4,611,700.88
INTERNATIONAL BK RECON & DEV FRN 19/01/16	£2,000,000.00	100.001 0.017	£2,000,024.32 £339.04	£2,000,363.36
NEDER WATERSCHAPSBANK FRN 09/04/18	£2,200,000.00	100.000 0.043	£2,200,000.00 £949.63	£2,200,949.63
REPUBLIC OF FINLAND FRN 25/2/16	£5,000,000.00	100.020 0.108	£5,000,988.05 £5,388.54	£5,006,376.59
NET AMOUNT DUE TO BROKER IN RESPECT OF TRANSAC- TIONS EFFECTED IN APRIL FOR SETTLEMENT IN MAY			(£9,989,850.00) £0.00	(£9,989,850.00)
MONTHLY INCOME GOVERNMENT DEBENTURES	£247,700,000.00	100.000	£247,700,000.00	£247,700,000.00
BANK OF ENGLAND	£22,425,218.65	100.000	£22,425,218.65	£22,425,218.65
CREDIT FINANCE COMPANY LTD REDEEMABLE PREFERENCE SHARES	£400,000,000.00	100.000	£400,000,000.00	£400,000,000.00
GSBA	£11,000,000.00	100.000	£11,000,000.00	£11,000,000.00
GIBTELECOM	£37,798,895.33	100.000	£37,798,895.33	£37,798,895.33
ROYAL BANK OF SCOTLAND GBP CALL A/C	£17,013,678.59	100.000	£17,013,678.59	£17,013,678.59
LLOYDS BANK GBP CALL A/C	£409,937.76	100.000	£409,937.76	£409,937.76
BARCLAYS BANK PLC	£76,797,790.38	100.000	£76,797,790.38	£76,797,790.38
NATIONAL WESTMINSTER OFFSHORE LTD	£20,243,616.41	100.000	£20,243,616.41	£20,243,616.41
JYSKE BANK	£21,350,293.37	100.000	£21,350,293.37	£21,350,293.37
	£966,539,430.49		£958,367,341.12	£958,367,341.12
CASH	£6,064,000.00	100.000	£6,064,000.00	£6,064,000.00

**DEPUTY CHIEF MINISTER**

**Q438/2015**

**Northern Defences regeneration scheme –  
Cost of phase 1**

**Clerk:** Question 438, the Hon. D J Bossino.

1840

**Hon. D J Bossino:** Is the Deputy Chief Minister in a position to now state what the exact cost of the phase 1 of the Northern Defences regeneration scheme will be?

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

1845

**Deputy Chief Minister (Hon. Dr J J Garcia):** Yes, Mr Speaker, the cost of phase 1 of the Northern Defences regeneration scheme was £214,735.69.

1850

**Hon. D J Bossino:** Mr Speaker, presumably there if there is a phase 1... Thanks for the answer, but if there is a phase 1 there is a phase 2, and in that regard is he able to give me an estimate of what the costs are in relation to phase 2; and also if he could also give me details of what phase 2 is likely to entail in terms of the projects?

1855

**Hon. Deputy Chief Minister:** Yes, Mr Speaker, there is an estimate in the Estimates Book, which obviously is confidential until we debate it in the House. The hon. Member already has that information in the book itself.

It will entail the clearing up of the next of the King's Lines and the Princess Lines. Work has already started. The Royal Engineers were here two weeks ago and have commenced the second phase.

1860

**Hon. D J Bossino:** Mr Speaker, maybe if he could assist me and clarify the position for me. There was, I think, in one of the earlier press statements in relation to this particular project, I think an invitation as to expressions of interest. What has happened in relation to that? Were there expressions of interest and have the contracts been awarded? Because the impression I get is that this has been done directly by the Gibraltar Government, as opposed to any other private company. Can he shed any light in relation to that?

1865

**Hon. Deputy Chief Minister:** Yes, Mr Speaker, there were several detailed expressions of interest put forward to the Government. The Government selected a preferred contractor, shall we say, but really the expressions of interest were more about the management of the site rather than the cleaning up and the physical work that is involved in making the site presentable. So that is what the Government is doing itself at present.

1870

**Q439/2015**

**Gibraltar Airport –  
European Transfer Commissioner's comments**

**Clerk:** Question 439, the Hon. D J Bossino.

1875

**Hon. D J Bossino:** Can the Deputy Chief Minister please provide details of the solutions which the European Transfer Commissioner was reportedly referring to as being capable of resolving the current impasse regarding Gibraltar's airport?

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

1880

**Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, the Government is not aware of what solutions the Commissioner was referring to.

**Hon. D J Bossino:** Mr Speaker, I am sure the Hon. the Deputy Chief Minister is fully aware of what quotes I am referring to. It is reported again – I refer to the *Gibraltar Chronicle* where she is reported to have said:

‘It has variously expressed its support’

– this is presumably the Commission that she is referring to –

‘for solutions that could solve the problem and would be consistent with EC law, freeing the way for the adoption of the Acts in question.’

1885 So she seems to be very specific as far as the reply which has been given on the Commission’s behalf.  
Is the Gibraltar Government making any enquiries in relation to what this particular Commissioner, Miss Violeta Bulc was referring to?

1890 **Hon. Deputy Chief Minister:** Mr Speaker, I met Violeta Bulc in January in Brussels and certainly there were no solutions forthcoming. I think what the Commissioner is saying is that they would like to see a solution as long as that is in keeping with EU law. I do not think they have specific solutions in mind.

The view of the Government is that there was a solution on the table, it had been in effect since 2006 and in 2011 and the solution involved the inclusion of Gibraltar Airport in EU civil aviation legislation, and that position has not changed; that is the view of the Government. And may I add it is also the strongly held view of the United Kingdom, which has actually taken a very tough stand on this issue.

**Hon. D J Bossino:** And just by way of clarification, if I could give the Deputy Chief Minister the opportunity to set out the position, presumably what he is referring to by ‘the Gibraltar solution’ is the Cordoba Agreement of 2006.

1900 Certainly my position is that we should, as a jurisdiction, be able to enjoy these rights as a matter of right in any event, quite outside the terms of that particular agreement, but certainly the Kingdom of Spain agreed to Gibraltar’s inclusion, or at least not to object to Gibraltar’s inclusion in relation to any future measures post the agreement. But if I could just give him the opportunity to clarify that position.

1905 **Hon. Deputy Chief Minister:** Mr Speaker, yes, the solution that Spain... Spain signed up to a solution in September 2006 and our view is that Spain must therefore honour what they signed up to. It is really as simple as that. Our view, and indeed the view of the UK, is that the exclusion of Gibraltar... There is a list of the areas of community law which do not apply to Gibraltar in Articles 28 and 29 of the UK Act of Accession – things like the Customs Union, like the Common Agricultural Policy. Aviation is not one of them, therefore the exclusion of Gibraltar from the civil aviation legislation would be contrary to the Treaty and would be illegal.

**Q440/2015**  
**EU Parliament Petitions Committee Chairman –**  
**Recent visits**

**Clerk:** Question 440, the Hon. D J Bossino.

1915 **Hon. D J Bossino:** Can the Deputy Chief Minister provide a report to this House of the recent visits by the EU Parliament’s Petitions Committee Chairman?

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

1920 **Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, the recent visit by Cecilia Wikström MEP, the Chair of the EU Parliament’s Petitions Committee, followed on from a number of petitions about Gibraltar that the Committee is dealing with. It was a fact-finding visit designed to learn more about the issues at first hand.

1925 **Hon. D J Bossino:** Again, Mr Speaker, there was a very interesting report of the visit in the local press which referred to the number of petitions which she has been in receipt of – I think there was a reference to 3,000 and approximately 100 related to Gibraltar. Is the Hon. the Chief Minister able to provide any breakdown in relation to those statistics? For example, there is another factual issue which was aired in the report which says that currently around 20 of these are open petitions that are being investigated by the Committee. I would be interested to know what happens, for example, in relation to the remaining 80. Have they gone by the wayside? And why is it that the Petitions Commission is only looking at these particular 20 and what they are related to? Does he have that information to hand?

1935 **Hon. Deputy Chief Minister:** Mr Speaker, I do not have the details or a list of the petitions here, but certainly the Chairman of the Committee indicated to us that they were mainly to do with the border and people complaining about the length of time they were made to wait at the Frontier. Others were to do with environmental matters, but essentially the point made to us was that they were mainly to do with the border delays.

1940 **Hon. Chief Minister (Hon. F R Picardo):** Mr Speaker, if I may just make an observation in relation to the issue of the Airport which the hon. Gentleman was putting to the Deputy Chief Minister a moment ago. I just wanted to confirm it, but I think it is important that it should be in the record of the House in respect of the question that the Hon. Mr Bossino and the Deputy Chief Minister were debating a moment ago, that paragraph 19 of the Cordoba Agreement in relation to the Airport, contains a statement which we have certainly brought to the attention of the Commission on a number of occasions, and of course so has the United Kingdom, which is this:

1945 ‘The commitments in this Statement’

– and this is the statement in relation to the Airport; this is not the framework, this is specifically the statement on the Airport –

‘The commitments in this Statement will be fully implemented unless the three participants agree to the contrary’

which is a way of ensuring that one participant cannot wheedle himself out of this. Of course, that is an important part of what the Deputy Chief Minister was saying was the insistence of the Gibraltar and United Kingdom governments as to Spain’s obligations under that particular aspect of the agreement.

1950 They have not sought a renegotiation of those issues, which would have been of course an acceptable way of dealing with things – if you agree something with the other parties and you need to change it, you sit round the table and you try and negotiate a way out. They have unilaterally, as the hon. Gentleman knows, withdrawn from that, and paragraph 19 I think is the most pertinent in respect of the position of Spain today and what the position of the Commission should be as a result.

**Q441/2015**  
**Gibraltar House, Brussels –**  
**Cost and staffing**

**Clerk:** Question 441, the Hon. D J Bossino.

1955 **Hon. D J Bossino:** Can the Deputy Chief Minister please confirm what the costs of the purchase and any associated fitting-out expenses of the Gibraltar House in Brussels amounts to, together with the details of the staff which is manning such office?

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

1960 **Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, the financial information is in the Draft Estimates of Revenue and Expenditure 2015-16, which has already been made available to the Opposition.

The office is managed by five persons. In addition to Sir Graham Watson it is manned by one legal officer, one administrative officer and two interns.

1965 **Hon. D J Bossino:** Mr Speaker, I think I have identified the particular place where I can find that in the Budget Book, but in terms of staffing levels is there any intention to further recruit new staff members to that particular office? Because obviously its task is quite onerous and really we need people there who have the analytical capability of identifying (*Interjection and laughter*) the trouble spots in the horizons so that they can therefore be dealt with as quickly and effectively as possible. So the question is that: does the Hon. Deputy Chief Minister have any intention of recruiting more staff to that particular office?

1970 **Hon. Deputy Chief Minister:** Mr Speaker, there is no intention to do so at present. The office is supported from Gibraltar by my own office and by Michael Llamas, the Attorney General’s EUID as well. So at the moment it has this level of backup. It maybe that this changes in the future but at the moment we are quite happy with the position and we are waiting to see exactly how it works and how it operates.

1975

**Hon. D J Bossino:** Yes, Mr Speaker, of course, and I made the point recently in the 'Viewpoint' programme, where I think all three of us – well four of us, actually – were interviewed, and that is that Sir Graham Watson will undoubtedly provide tremendous support and, I am sure, very good and sound advice in relation to these matters.

1980      **Mr Speaker,** is he able, in terms of pounds, shillings and pence – borrowing the Minister for Business Development's phrase earlier – what the expected annual costs, running costs, of the office will be?

**Hon. Deputy Chief Minister:** Mr Speaker, that detail is in the Estimates. Again, I do not think we can debate those figures until the Budget debate has taken place, but it is in the Estimates Book.

## CHIEF MINISTER

Q442/2015

### Moneylending licensees – Provision of mortgage facilities

1985      **Clerk:** Question 442, the Hon. D J Bossino.

**Hon. D J Bossino:** Mr Speaker, can the Chief Minister please advise how many moneylending licensees are providing or intend to provide mortgage facilities?

1990      **Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, as discussed at the last meeting of the House, I provided the hon. Member with a list of the moneylending licensees in confidence. The Government is not aware of how many such licensees already provide or intend to provide mortgage facilities.

1995

**Hon. D J Bossino:** Yes, Mr Speaker, I can confirm that the Hon. the Chief Minister has provided me with a copy of the list, which I will consider and once I have done so I may revert to, with the Speaker's permission, to this particular question.

2000      Is that information, the one which is set out in the Order Paper there, information which the Chief Minister, as the Minister responsible for these things, is able to provide?

2005      **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman and I are both lawyers, so we both understand, but just for the purposes of members of the public... what it is that a mortgage is. A mortgage is the security given over money lent if that security is over immovable property. And therefore, the companies that we are dealing with have a licence to lend money. What security they take in exchange for that money is a matter really entirely for them; it is not something which the legislation requires them to inform the licensing authority on. So, in the same way as many of these companies, as the hon. Gentleman will know, lend in respect of motor vehicles, some of them take a charge over the vehicle, others take guarantees from the individuals who want to purchase the vehicle, some of them take both. In relation to a mortgage, they would be taking security over property. There is no requirement that they report back to the Government on what type of security they intend to take and whether their moneylending extends to that. So, short of calling each of them up and asking them whether they intend to provide such facilities, it would not be possible for the Government to provide the information. If they advertise that information then that would be publicly available information.

2015      When a bank is licensed by the Financial Services Commission they do not have to tell the FSC that they are going to give or not give mortgages. It may or may not form part of their business plan, but it is not something which is separately allowable. You do not need a licence to grant a mortgage and the same is true in respect of companies that are moneylenders – they do not need a specific permission and therefore the Government does not have the information in a way that we can look it up and give it to the hon. Gentleman.

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2025      **Hon. D J Bossino:** Mr Speaker, I am grateful for the answer. What I will do is I will mull over and consider the answer that he has just given to me in relation to the point which is the subject matter of a question, but I also want to take the opportunity of considering with greater care the list that he has provided to me this afternoon. So I will just repeat the point I made earlier: I may just go back to this point if I feel it is appropriate and adequate. I am grateful.

**Hon. Chief Minister:** Mr Speaker, I am grateful for that statement from the hon. Gentleman. As he knows, I have granted him the list on the basis that it is confidential at this stage. We discussed last month that I saw no reason why that should not be a list that is publicly available and he and I, I am sure, can discuss how we progress that. I think just making it public in an exchange across this House would not be fair. I think it would be proper that that list should be publicly available somewhere where the public can access it, perhaps on the Government website, and renewed every year as the licences change or do not change.

**Mr Speaker:** Next question.

**Hon. D A Feetham:** Mr Speaker, the hon. Gentleman, as I understand it – and I could be corrected if I am wrong – he is the licensing authority for these moneylenders and therefore presumably he would have seen any business plan that would have been provided by anybody when they come to apply for a moneylending licence. Can he recall whether, in relation to any applications that he has seen during his tenure in office, whether there is an intention by the applicant to offer, effectively, mortgages to members of the public?

**Hon. Chief Minister:** Mr Speaker, the process which is followed is that an assessment of the business plan is made by the Office of the Financial Secretary, that then recommends approval of the licence application to the Chief Minister. I perused the documents filed and none of them indicate a desire to grant mortgages – but they do not need to. Anybody who has a licence can now grant mortgages without having to have included that as part of their business plan.

Many of the licensees, as the hon. Members will see from the list I provided to them, have been licensed long before we were in office, most of them in the past 20 years or so and some of them even further than that. I think the hon. Gentleman and I were remarking privately earlier that there is one from the 1970s and one so early that there are no records available of the date when the application was made.

#### Q443/2015

#### *Sunborn Floating Hotel – Nature Group claim against Government*

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

**Hon. J J Netto:** Mr Speaker, have the Nature Group made any claim, directly or indirectly through third parties, against the Government in respect of any work done directly or indirectly in respect of the works to enable the *Sunborn Floating Hotel* to be berthed in its current location?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, the Government received a contractual claim for additional costs in relation to the disposal of material dredged for the berthing of the *Sunborn Floating Hotel*. This claim has now been settled.

**Hon. D A Feetham:** Yes Mr Speaker, can the Hon. the Chief Minister provide us the sum in respect of which this claim has been settled with the Nature Group?

**Hon. Chief Minister:** Mr Speaker, £274,000.

**Hon. D A Feetham:** Mr Speaker, was there, in that £250,000 – I do not know; I am asking the question – any credit given for the payments that were made to the families of, unfortunately, the deceased who died in the accident when the sillage plant actually blew up a number of years ago... whether there has been any credit to Nature Group provided for the settlement of their claim by taking into account that money that was paid to the relatives of the deceased?

**Hon. Chief Minister:** Mr Speaker, without meaning to be obstructive in any way, can the hon. Gentleman explain to me what he means by ‘credit of’? Because I really do not understand what he is getting at.

**Hon. D A Feetham:** What I mean is, Mr Speaker, the Nature Group is owed x amount by the Government of Gibraltar, or makes a claim, let's say, for £500,000, for argument's sake, just taking a round figure; and then the Government settles it for x amount, but it is giving credit, but the Government has effectively... or in the negotiations or settlement with the Nature Group the Government has paid the deceased's family in respect of the fines that the Government basically got from... in respect of the accident, and that somehow is worked into the settlement. I am just asking whether that has been factored in; whether any credit has been given in respect of that.

**Hon. Chief Minister:** Mr Speaker, the two are entirely different and not linked in any way whatsoever. Not linked in any way whatsoever.

**Q444/2015**  
**Naturalised British in Gibraltar –**  
**Number; Government housing**

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

**Hon. D A Feetham:** Mr Speaker, how many people have been naturalised British in Gibraltar from 9th December 2011 to 31st May 2015 and (a) how many of those have applied to join the housing waiting list and (b) have obtained Government housing?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, further to my reply in Question 273 of March 2015, a further 35 persons have been naturalised up to 31st May 2015. Of these, two have applied to join the housing waiting list and one has obtained Government housing.

**Hon. D A Feetham:** Sorry Mr Speaker, can he say how many have been naturalised British from 9th December to 31st May 2015? I did not quite get the figure.

**Hon. Chief Minister:** Mr Speaker, I have told him that this is a figure of 35 people further to my answer in March 2015. I gave him an answer in March 2015 – he needs to add 35 to that.

**Hon. D A Feetham:** Yes, Mr Speaker, but the answer to the question in... Well, the question was different in the way I previously asked it earlier on this year, and it was about that 1,000 had been naturalised and around 200-odd had applied to join the housing waiting list. But what I did not ask then was how many people of those naturalised had actually been awarded Government housing, had been allocated Government housing. Now, is he saying that out of the 1,000 – and remember that this goes back to the time that they first got elected. Is he saying that, from 9th December 2011 to 31st May 2015, of the 1,035 people who had been naturalised during that period only two have obtained Government housing? Well, I will accept that is the answer. But otherwise, if he is giving me the answer that as from the last time that he answered this two have been awarded Government housing, well that is an incomplete answer because it does not take into account the other 1,000 where I did not ask the question. You see, this last part, 'have obtained Government housing', did not form part of the question when I first asked it in I think it was January or February.

**Hon. Chief Minister:** Mr Speaker, it was in March. The figure I gave him then was 992, the total is therefore 1,027; 192 had applied to join the housing waiting list then, a further two have applied so it is 194.

The answer I have is that one has obtained Government housing. It is not clear to me from the answer I have available whether it is one of the two or one of the 194. I am quite happy to write to the hon. Gentleman and try and clarify that for him.

**Hon. D A Feetham:** No, that will not be necessary. If the Hon. the Chief Minister says that out of the 1,002 only one has obtained Government housing, that is the answer that I am looking for. What I do not want is any confusion that effectively it is only out of, since March, only one. We are very clear that it is, out of the 1,002 that have been naturalised during the time that they have been in Government only one person out of those 1,002 have been awarded Government housing.



2135 **Hon. Chief Minister:** No, Mr Speaker. We are not clear on that: 1,027, not 1,002, 1,027 people have  
been naturalised. Of those, 194 have joined the housing waiting list. Right? Are we clear that there are 800-  
odd who have not applied to join the housing waiting list; 194 have applied? Now, what I am telling him I  
am not clear about is whether there is only one out of the 194 who have applied, or one out of the two who  
have applied since March, and what I am offering him is to get back to him to clarify whether it is one out  
2140 of two or one out of 194. Because the way he has put the question now it is clear that that is what he is  
interested in and I am quite happy to write to him and clarify that.

**Mr Speaker:** Or how many out of the 194.

2145 **Hon. D A Feetham:** Mr Speaker, that is the question that I am asking, because of course whether it is  
one out of two or one out of 194 is neither here nor there to me, it is one. What I am asking is: out of the  
194 forming part of this pool of 1,027, but out of the 194, how many have obtained Government housing?  
If the answer is one out of 194, that is it, I do not need any further information from the hon. Gentleman.

2150 **Hon. Chief Minister:** Okay, Mr Speaker, so – (*Interjection*) Yes!  
Mr Speaker, I understand what the hon. Gentleman is asking. I do not have that information as  
supplementary information, so therefore I am happy to write to him and tell him whether it is one out of two  
or one out of 194; and, if it is not one out of 194, give him the figure out of 194.

2155 **Hon. D A Feetham:** Well, I am happy with that. It is the latter that I am asking, not whether it is one  
out of two or one out of 194.

## Questions for Written Answer

**Clerk:** Answers to Written Questions, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to table the answers to Written  
Questions W73/2015 to W81/2015 inclusive.

### ADJOURNMENT

2160 **Chief Minister (Hon. F R Picardo):** Mr Speaker, and I have the honour to move that the House do  
now adjourn to Monday, 22nd June at 11.00 a.m. to consider as its first order of business the debate on the  
Appropriation Bill.

2165 **Mr Speaker:** I now propose the question which is that this House do now adjourn to Monday, 22nd  
June 2015 at 11.00 in the morning. I now put the question, which is that this House do now adjourn to  
Monday, 22nd June 2015 at 11.00 in the morning.

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

The House will now adjourn to Monday, 22nd June 2015 at 11.00 in the morning.

*The House adjourned at 6.45p.m*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 11.00 a.m. – 1.45 p.m.

Gibraltar, Monday, 22nd June 2015

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# The Gibraltar Parliament

*The Parliament met at 11.00 a.m.*

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

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

## Order of the Day

### GOVERNMENT BILLS

#### FIRST AND SECOND READING

##### **Appropriation Bill 2015 – First Reading approved**

**Clerk:** Meeting of Parliament, Monday, 22nd June 2015.

Order of the Day. Bills – First and Second Reading.

- 5 (1) A Bill for an Act to appropriate sums of money to the service of the year ending on 31st day of March 2016 and further sums of money to the service of the year ended the 31st day of March 2014.  
The Hon. the Chief Minister.

- 10 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that a Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2016 and further sums of money to the service of the year ended 31st March 2014 be read a first time.

- 15 **Mr Speaker:** I now put the question which is that a Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2016 and further sums of money to the service of the year ended the 31st day of March 2014 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Appropriation Act 2015.

##### **Appropriation Bill 2015 – For Second Reading – Debate commenced**

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

- 20 Mr Speaker, this is my 12th budget session as a Member of this Parliament and my fourth budget address as Chief Minister, and I now have the honour to present the Government's revenue and expenditure estimates for the year ending 31st March 2016. I will also report to the House on the Government's revenue and expenditure out-turn for the year ended 31st March 2015, which marked the third full financial year of a Socialist Liberal administration since we took office in December 2011.

25 Mr Speaker, as has been traditional since Joe Bossano first grasped the economic nettle for us as a people, this budget address will include *not just* my report to the House on the Public Finances of our nation and the state of our economy generally, but also a review of many other pertinent matters affecting our economic outlook, making this very much more than just an address on the Second Reading of an Appropriation Bill, but a 'State of the Nation Address'.

30 I will also, of course, outline the Budget Measures that this Government will introduce this year in pursuance of its manifesto commitments and in order to continue to address the social and business needs of our community.

This year, Mr Speaker, I will also be undertaking a review of the work we have done in the time since we were elected, highlighting how the Budgets I have introduced in this House have helped deliver a stronger, more prosperous and more secure nation.

35 Mr Speaker, in terms of the quality of our democracy, we have now had 34 meetings of the House since our election. We have demonstrated our commitment to democratic reform not least in opening up our debates to video cameras, which has transformed the way the public interacts with this Parliament when in session. But we have still some work to be done, and some of it will shortly be introduced, but the work of this Parliament has advanced and modernised hugely and people know, see and feel that.

Perhaps the most exciting development to come shortly, Mr Speaker, will be the debate on a Freedom of Information Act, which will fulfil one of our important manifesto commitments.

40 Last year, during the course of this debate, I spoke of my decision to introduce legislation to create a Chief Minister's Consultative Council. After the intervention of the Hon. Backbencher, I agreed that it should be called the Gibraltar Consultative Council. Mr Speaker, the legislation has already been published as both a Command Paper and now as a Bill, and can be proceeded with by the Parliament before the summer. I look forward to leading the debate on that Bill also.

Indeed, Mr Speaker, no-one can argue that we have not delivered anything other than root-and-branch parliamentary reform, adopting already many of the key proposals of the Commission on such reform which you presided over. Even the reference to 'Command Papers' demonstrates how things have changed and the level of consultation which there now is where possible in relation to legislation in new areas.

55 This year the Parliament has been involved in the preparation of a new register of electors. Already much work has been done in this respect and the year will see a General Election held. This will as ever require huge organisational effort and on behalf of all Members, I want to thank the members of your team for the work they have done and do to support us in our work as Parliamentarians whilst they also do the hard work of delivering a new register ready for the General Election. Thank you all very much indeed for your assistance.

60 Mr Speaker, I want in particular to congratulate Ms Frances Garro for her receipt of the Gibraltar Award for her services. Frances is a joy to work with and always a huge help to all of us who need her. She is blind to what side a Member sits on or to partisan affiliation, and she is selfless in always being ready to go above and beyond the call of duty for Members of this House, other public officers indeed or any member of the public who may need her assistance as a servant of this House. Her award is well deserved. *(Applause)*

65 Mr Speaker, the World Bank Outlook on Global Economic Prospects considers that developing countries face a series of tough challenges in 2015 which will result in a fourth consecutive year of disappointing economic growth this year. Developing countries are now projected to grow by 4.4% this year, with a likely rise of 5.2% in 2016, and 5.4% in 2017.

World Bank Group President, Jim Yong Kim said, as part of that report, that the World Bank Group

'believes that countries that invest in people's education and health, improve the business environment, and create jobs through upgrades in infrastructure will emerge much stronger in the years ahead.'

That is exactly the sort of investment we are making Mr Speaker. Because we face a period of some uncertainty in many respects, where the greatest certainty is offered by our own determination.

70 It is not clear, Mr Speaker, whether the Eurozone will end the week with Greece as a member or not. In Spain, the effects of a chaotic departure of Greece from the Euro could create major economic problems once again. The EU referendum is now a reality and we ourselves are going to see this Parliament have to transpose legislation to provide for the vote in Gibraltar. Mr Speaker our future is in Europe, in access to the single market, but what will that market look like in two years and what will be the shape of the renegotiated proposals put to us as British people?

75 Mr Speaker, we have seen the effect of the past seven years of crisis in Europe. In Spain, some children still only eat at school because their parents are unable to provide nutrition at home. As ever, Mr Speaker, we can but wish to see positive developments for the economy of our neighbouring nation. The less a Spanish Government might consider that it needs to deflect attention away from economic woes at home, the less likely we are to be the defamed scapegoat.

In this respect, Mr Speaker, I was – as most Gibraltarians will have been – unsurprised to hear Spanish Tax Minister Sr̄ Montoro once again nonsensically suggesting that Gibraltar should be on the EU’s tax haven lists. He was sorely disappointed, Mr Speaker, and expressed his bitter disappointment in such media as were prepared to listen. I am writing to him again, despite his failure to respond to my previous letter, setting out in black and white the many reasons why he is wrong in his analysis. The open letter will go later today, depending on what time we adjourn the House.

More locally, Mr Speaker, there has been a change of political parties in the municipality in La L nea, but we have already established contact with the new mayor and trust that we will be able to enjoy a cordial and mutually beneficial relationship for the good of both cities.

For the UK, Mr Speaker, the reputable accountancy practice PWC reflects that economic growth was around 2.6% in 2014, the fastest in the G7, but is projected to slow to around 2.5% in 2015. This would be behind the US and Canada, but still the strongest of the large European economies.

Last night, Mr Speaker, I was at the opening of a second US trade mission to Gibraltar, organised by the American Chamber of Commerce in Gibraltar, where I was pleased to see that you and your lady wife were also present. I was very happy indeed to see that our initiative in spreading Gibraltar’s business and political influence is bearing fruit. Fourteen US companies are visiting Gibraltar on this occasion. As we will see, the economic performance of Gibraltar is strong, and in great measure, despite the difficult times facing Europe and attempts by those outside of Gibraltar to strangle our economy and the efforts of some inside to talk it down, we have prospered because we continue to spread our wings as a Government. We are leading the private sector in opening new avenues for trade and new routes into Gibraltar for international businesses.

But the world, Mr Speaker, is not just a place which we open ourselves to in business terms. It is also an increasingly dangerous place these days, with transnational terrorism being a constant danger to peace-loving communities such as ours. We are not far enough from the disturbing problems in North Africa and we must remain ever vigilant and support our law enforcement agencies in the work that they do to keep us safe, giving them the physical and legislative resources they need to do so.

Mr Speaker, as with my Government’s last three Budgets, this budget has been designed to support our working families, to support our youth and our students, and to support our senior citizens and our disabled.

In personal terms, this is a budget for those who put their hands out to work and not for those who unfairly put their hands out to receive. Mr Speaker, we are as ever setting out to protect those who cannot work and not those who will not work.

In corporate terms, this is a budget designed to encourage business, to encourage start-ups, to encourage our entrepreneurs, to improve our public services and to deliver sustainable growth in our economy.

In short, Mr Speaker, it is a budget that reflects my Government’s mission to improve the quality of life and standard of living of all our citizens.

Mr Speaker, let me first start then by undertaking a detailed analysis of our own economic performance.

Inflation in Gibraltar averaged at 1.8% in 2014 compared to 2.1% in 2013. Over the lifetime of this Parliament, the average rate of inflation has been in the region of 2.75% a year.

The Government’s Statistics Office reports that the largest contribution to the slowdown in the rate of inflation in April 2015 came from food, alcoholic drinks as well as tobacco and fuel prices and the slower price rises in clothing and footwear. These were partially offset by upward contributions from other travel and transport, the services industry and housing. Falling prices are however expected to be short-lived and prices are forecast to rise towards the end of the year or early next year, when the effect of the fall in oil prices and import prices with the weak Euro, begin to drop out of the annual rate.

Mr Speaker, the inflation rate is therefore expected to remain below 1% during 2015, rising towards the 2% target in 2016.

Mr Speaker, last year I was able to tell the House that the figures then available in respect of GDP Estimates prepared by the Statistics Office reflected that Gibraltar’s Gross Domestic Product for the financial year 2011-12 was £1.17 billion and that the GDP figure for 2012-13 was estimated at £1.28 billion and the forecast for 2013-14 was £1.41 billion. These figures, as hon. Members know, are annually recast as more reliable information comes in and the estimate becomes a firmer calculation.

Mr Speaker, I am today able to provide the House with firmer figures in respect of each of those years with the latest information available from the professionals at the Statistics Office.

The information available confirms our estimate at the time, an estimate made by the Hon. Mr Bossano from the Opposition benches, that the GDP for the year 2010-11 was £1.082 billion, i.e. literally just £18 million shy of our estimate of £1.1 billion. An incredibly accurate prediction on the part of Mr Bossano, the Father of this House, demonstrating in clear and tangible terms why so many in this Community rightly have such a high regard for his ability to understand our economic model, one that he has largely been responsible for developing almost single-handedly. He loves it when we talk positively about him, Mr Speaker! *[Laughter]*

Mr Speaker, the latest data available also reflects that for the financial year 2011-12, the first full year of this GSLP/Liberal administration, the GDP estimate of £1.17 billion must unfortunately be revised. Unfortunately, however, for those who would wish ill on this nation of ours, the revision is one to be made *upwards* to a now more reliable figure of £1.2 billion. This represents a growth of 11% on the first year's GDP.

For the financial year 2012-13 the estimate last year was that GDP for that year had reached £1.28 billion, as I told the House a moment ago. In fact, that estimate also fell short of where the actual figures appear to be pointing. The final GDP estimate for the financial year 2012-13 is now more accurately stated by the Statistics Office, with the more real and up-to-date data available to them, as being *higher* and in the region of £1.32 billion.

Mr Speaker, that represents an impressive growth in GDP terms for that year of 10%.

The GDP figure forecast last year by the Statistics Office for 2013-14, as I told the House a moment ago, was then £1.41 billion. In fact, Mr Speaker, the more accurate preliminary estimate now requires a further *upward* revision of £83 million, giving an estimated GDP for the financial year 2013-14 of £1.484 billion. Mr Speaker, that yields a GDP growth for the year 2013-14 of 12.7% in money terms.

Mr Speaker, the figure that hon. Members and the public will most want to know, however, is the forecast GDP for 2014-15, i.e. the last financial year which ended on 31st March 2015.

Mr Speaker, it gives me great pleasure and satisfaction to announce that the forecast of the Statistics Office for the Gross Domestic Product for the last financial year 2014-15 is now £1.64 billion. (*Banging on desks*)

Mr Speaker that represents a GDP growth of 10.3% in money terms for that year! Another year, Mr Speaker, of *double digit* economic growth. Another *major thrust forward* for the Gibraltar economy.

My pleasure, Mr Speaker, is enhanced by the fact that our manifesto commitment to the people of Gibraltar had been to grow the size of our economy from £1.1 billion in 2011 – where we accurately predicted the GDP to be – to £1.65 billion in 2015-16.

In fact, Mr Speaker, we have reached £1.64 billion in the early estimates for the financial year 2014-15. As we have seen in the figures I have just been able to provide the House, it is likely that this figure will in any event be revised upwards next year as more detailed information is received by the Statistics Office. We have, in effect, reached the target that we believed was reachable in four years in just over three and a quarter! A truly remarkable achievement Mr Speaker, although I expect our opponents will now want to airbrush aside their scepticism when we embarked on this ambitious endeavour three and a half years ago.

Most importantly, Mr Speaker, we have reached in three years the target that many of those who oppose us said could *not* be reached in four. Ironically, Mr Speaker, it is those who said we could not reach our GDP targets who continue to make the mistake of saying that we cannot achieve other things we propose for the benefit of our community. They should learn the lesson of our *constantly* proving them wrong!

I am sure, Mr Speaker, that during the course of his address in reply, the Hon. the Leader of the Opposition will want to congratulate us for this massive success in achieving our ambitious growth targets a year early.

And that of course means, Mr Speaker, that these GDP figures demonstrate that by the end of the next financial year – that is to say, the end of 2015-16 – we will not just have comfortably reached our target of £1.65 billion, requiring only a growth of £10 million in our economy to achieve that, but that we will have comfortably exceeded our prediction, achieved our target and delivered for our people even greater economic growth than we had predicted. And to think, Mr Speaker, that they said it could not be done!

This increased level of growth in our economy during the past three years, with an average growth rate of over 10% per annum in nominal terms means that Gibraltar continues to rank among the fastest growing economies in the world. That is the product of our collective effort as a Community. That is the effect of our hard work as a nation. That is another reason for us all to be proud of our iron determination as a people.

Let us now break down per capita, Mr Speaker, because the GDP per capita of an economy is often used as an indicator of the average standard of living of individuals in a country, and economic growth is therefore often seen as indicating an increase in the average standard of living.

Mr Speaker, per capita on a GDP of £1.64 billion, that gives us an estimated GDP of £50,941 per person using the latest published figure of population of 32,194 people, which was published last week in the Census.

In US dollar terms, taking the monthly average US dollar rate for the calendar year 2014 which is US\$1.64 to the pound sterling, the GDP per capita stands, in dollar terms at US\$83,544.

Mr Speaker, together, what we have achieved with the leadership of this GSLP/Liberal administration is to maintain Gibraltar once again in third place on the International Monetary Fund, World Economic Outlook Database of GDP per capita rankings. *Third place* out of 187 countries. We trail only Luxembourg with a GDP per capita of US\$92,000 and Qatar with a GDP per capita of US\$143,000.

I tell the House each year, Mr Speaker, that my view is that these measures are not entirely scientific because of differing methodologies and fluctuating exchange rates; but they are the measures that the rest of the world relies on. And I am reminded that the Hon. the Backbencher used to put great store by this measure when he used to make the announcement. (*Laughter and interjections*)

Mr Speaker, when we took over in December 2011, Gibraltar had placed *ninth* on that index. Ninth I am very proud indeed that we have risen to third in the time of my leadership of our small nation. Indeed, I know the whole of my ministerial team feels huge pride in this respect, but I would also call on the wider community to feel that pride too. Because this is at the achievement of all of us combined. The product of the work of us all as a people.

As was the case last year, the main drivers for this positive growth, Mr Speaker, are primarily the continuing increased employment and turnover in the online gaming and financial services industries, and the very increased levels of construction now evident in our economy, with the private sector taking more and more of the lead in that respect. Mr Speaker, one of the most exciting things that is happening in our economy is now the rise of the private sector as the main driver of GDP growth for the future.

Well, Mr Speaker, having almost entirely delivered our main manifesto commitments and being in the process of delivering those still not finalised, we can now see that the private sector is in fact starting to work on developments that were previously just not taking off.

The World Trade Centre is now becoming a reality. Two new blocks of flats at Ocean Village are likely to start construction in the next 12 to 24 months. Quay 29, alongside King's Wharf, is expected to break ground in the same timeframe, with the public benefiting from our insistence as a Government in the reduction of the height of that development.

The same developers are already talking to Government about the development of the site at Coaling Island where there may shortly be an announcement of another interesting development involving further reclamation, which will also provide a huge boost to GDP and will involve positive effects on Government revenues by way of premium.

The MidTown development is already underway. This development, importantly, Mr Speaker, will *not* benefit from the Government investing £20 million in the equity of it, as the previous administration had planned on doing. But it is going ahead, reduced in size after we pushed for a better deal for the taxpayer.

The area of Victory Place is also slated to begin development in the next 12 to 24 months, and Rooke is shortly to be handed over and will be the subject of a request for expressions of interest for its development also. A number of potential uses could provide major economic value for Gibraltar beyond the simple redevelopment as flats or offices, and there may be an interest in combining it also with some social or community uses.

But Mr Speaker, the *best* example of private sector investment is the recent announcement made by the Deputy Chief Minister and myself in respect of the Eastside.

Mr Speaker, Blue Water Resort will equate to an investment in Gibraltar of a total of £1.1 billion of outside investment into Gibraltar. The largest amount of money ever invested in our nation: £1.1 billion represents a huge boost for our GDP, not funded by the Government and the Taxpayer, but from investors from outside Gibraltar. In addition, Mr Speaker, the developers will be building affordable homes on the Eastside plot and in the area currently occupied by the Customs Department at Waterport. They will be financing the development of the affordable homes with the Government being only a purchaser in partnership with the homebuyer at the end of the building period, should the purchaser require. Mr Speaker, the Ombudsman states, in the introduction to his recently tabled report for 2014, when referring to the 900 affordable homes about to be delivered, that:

‘without doubt, this development has done away with the huge pressures that the Housing Authority has historically been subjected to and that Judging by present trends we could for the first time see housing issues being removed from the top of the complaints league.’

Well, Mr Speaker, the Government believes that the development and delivery of these additional 1,700 homes, which we announced last week, will achieve exactly that.

Of course, Mr Speaker, the decision to invest £1.1 billion is also a huge statement of confidence in our economy, in our public finances and in our parties' stewardship of our nation's affairs. It demonstrates in real terms that whatever else might be said about public finances and our economy, when we are X-rayed by outside investors, they see what they like and give no credibility to the hell and brimstone being preached by others.

Another great driver of economic growth for our future, Mr Speaker, will be the establishment of an entirely safe Liquefied Natural Gas storage, re-gasification and bunkering facility.

The Government's discussions with interested parties suggest that the facility is likely to be financed entirely by third parties, giving the Government the option to invest in such a facility but not requiring us to do so. This will be the beginning of a new industry for Gibraltar which, given current predictions, is likely

to dominate the maritime transport industry in coming years. Recent statements from Carnival Corporation demonstrate that even the maritime leisure industry see LNG as a safe and less polluting fuel which is the future.

Mr Speaker, Gibraltar needs to be at the forefront of these developments if we want to continue to be the largest bunkering port in the Mediterranean. I know Gibraltarians are proud to say that we are such a port and will not want to see the bunkering industry disappear from Gibraltar, as diesel slowly disappears as the fuel of choice in that market.

Ill-informed comment and opportunistic scaremongering will not blind the people of Gibraltar to the importance of developing our bunkering industry in that way. In fact, Mr Speaker, the Government expects that the mature proposals it will put before the people of Gibraltar in respect of the LNG facility will be markedly safer than the operation of aircraft within the distances currently relevant between the airport and residential areas.

Indeed, Mr Speaker, we confidently believe that the risk analysis to be put before the people will show that there is a greater chance of an airline pilot or an air traffic controller making a human error and landing or directing an aircraft onto Waterport Terraces, or Marina Bay, or Glacis or Laguna than the risk of anything going wrong with the operation of an LNG facility. Indeed, Mr Speaker, members of the public will know that operations with aircraft fuel, known as JET-A1 are hugely more dangerous than operations with LNG. And yet JET-A1 re-fuelling operations are carried out each day within spitting distance of millions of airline passengers, outside of Gibraltar and here, within metres of residential facilities like Laguna, Glacis, Devil's Tower Camp and Four Corners.

Nuclear powered submarines have long been made welcome in Gibraltar and berthed within short distances of established residential areas, and very welcome they are too, Mr Speaker. Indeed, air traffic controllers at Gibraltar reputedly land large and unwieldy military aircraft, loaded with missiles and war-heads to refresh those on board those nuclear powered submarines, and they think nothing of it. Never mind the potential consequences if something went wrong once in a hundred million years with one of those, Mr Speaker. But there are some who will not face the facts and nothing will get in the way for them of a spurious argument when they are not the ones making the decisions, Mr Speaker.

And it is not just the Government of Gibraltar and most responsible governments and organisations around the world that are working on the basis of the safety of LNG as a fuel, as we have seen from the Carnival announcement two weeks ago. Indeed, Mr Speaker, in years to come, the LNG bunkering facilities at Gibraltar are likely to make us attractive not just as a bunkering port, but also as a cruise port, given that the Carnival lead is likely to be followed by other cruise operators.

In a nutshell, Mr Speaker if an American cruise corporation, risk averse and litigation averse as they naturally are, is prepared to have 6,000 passengers sleeping on top of a gas storage and re-gasification facility, then we can understand that with proper planning and technology, we can operate a safe LNG storage, re-gasification and power plant.

But Mr Speaker, we all in this place know that. It is just that some just do not know what else to say to try and scare a few more people into voting for them. But anyway, let us move on to other matters.

Mr Speaker, one of the largest components of our GDP growth is of course the growing levels of employment in our economy. The number of jobs in our economy is at a record high of 24,422. This represents almost a 16.4% increase since 2010.

In comparison with October 2011, the last survey relevant to the time the hon. Members were in office, the growth has been huge in particular in terms of Gibraltarians in jobs. Year-on-year growth, Mr Speaker, in respect of this hugely important figure, the number of our compatriots in full-time employment has been superb.

In terms of all Gibraltarians in employment, whether full or part-time, once again we are breaking records. In October 2011 when we took over, the total number of Gibraltarians in employment had suffered a huge decrease under the previous GSD administration. The figure had *sunk* by 4.5% from the year before under the previous administration. In fact, in October 2011 the total number of Gibraltarians in employment was 10,220, having fallen by 486 in just one year.

In just our first year of administration, the figure of Gibraltarians in employment, full or part-time *jumped* by a huge increase of 511. That is to say, Mr Speaker, in one year we were able to see more Gibraltarians find jobs than had lost their jobs in the year before. 486 had lost their jobs in the last year under the Members Opposite, whilst 511 found jobs under us, even though we had to stop all the Government projects because the Members Opposite had left us almost no useable cash reserve.

In percentage terms, Mr Speaker, what the GSD saw diminished by 4.5%, we increased by 5% in just one year. A *stunning* reversal, Mr Speaker of the bad fortunes many had suffered, losing their jobs during the last days of the previous administration. The final figure of Gibraltarians in employment in 2012 was thus 10,731.



In the following year, reported in the survey of October 2013, the number went up again from 10,731 by a further 126, to 10,857 or 1.2%. Another record year – the *highest figure ever* of Gibraltarians in employment at the time.

320 And this year, Mr Speaker, I am delighted to be able to inform the House that the total number of Gibraltarians in employment has risen *again*, and is up by 134 jobs or 1.2% in the year from October 2013 to October 2014, taking the total from 10,857 to 10,991. *Another record year*, Mr Speaker! (*Banging on desks*)

325 *Again*, Mr Speaker, more Gibraltarians at work than ever before, and as socialist and liberal parties, Mr Speaker, this is the part of our record of which we are proudest: creating sustainable employment; putting people to work, Me Speaker; real jobs bringing real dignity to the lives of real people.

The people, Mr Speaker, who Members Opposite used to say were ‘unemployables’, because they could not understand how to make the job market work for our people as well as it works for others. Indeed, Mr Speaker, Members Opposite used to say that 300 registered unemployed would constitute ‘full employment’.

330 Actually, Mr Speaker, as with so many of the ‘hostages to fortune’ which one can see developing in Gibraltar politics these days, that phrase lies on the lips of the now Leader of the Opposition who uttered the phrase on a television programme with the Hon. Mr Bossano, as I understand it.

Well, the latest unemployment figures available to the Ministry of Employment tell us that the number of unemployed in Gibraltar is now 190. Not 300, Mr Speaker; not 200, Mr Speaker; but 190!

335 I therefore would expect that the Hon. the Leader of the Opposition will also want to congratulate the Government for that remarkable achievement during the course of his address. By *his* standards, Mr Speaker, we have achieved ‘full employment’.

And we have done so despite 486 Gibraltarians having lost their jobs in the year up to October 2011, two months before Members Opposite were themselves dismissed by the great Gibraltarian public!

340 But one Gibraltarian unemployed, Mr Speaker, who genuinely wants a job is one unemployed person too many, as far as we are concerned. We consider any person’s unemployment to be a tragic issue for that person, for his or her family and a matter which we must work with them to resolve. So we will not rest on our laurels, Mr Speaker, and we will not just be there to help people find jobs. We are also here to help people improve themselves and to better themselves. That is why we are providing continuing education for those who want it, because we want to help people also to develop.

345 And the two Ministers who have been involved in the Ministry of Employment since our election deserve praise in this respect. The brilliant Joe Bossano broke the back of the... I think he would rather I attacked him than praised him, Mr Speaker, I think he would enjoy it more! (*Laughter*)

350 The brilliant Joe Bossano broke the back of unemployment, and the efficient and disciplined Neil Costa demonstrated his great ability by improving even further on Joe’s huge achievements over the three years in the post. I am proud indeed to share a Cabinet with both of them – and I promise Mr Bossano, I will say nothing nice about him for the rest of the speech, just to ensure he is not uncomfortable!

Mr Speaker, let us look also at what has happened to the earnings of those in employment in the time that we have been in office.

355 Mr Speaker, average annual earnings in Gibraltar were £23,575 in 2010. By 2014, average annual earnings in Gibraltar had grown to £28,244. That amounts to a 19.8% *increase* in average annual earnings under this administration. Almost exactly 20%, Mr Speaker.

Inflation for the same period is 13.5%, giving earnings an inflation-busting headroom in that period of 6.3%.

360 So we are delivering, Mr Speaker, double-digit GDP growth, alongside double-digit growth in the job market and double-digit growth in average annual earnings. A *double whammy* of growth, Mr Speaker, in respect of every positive economic indicator! (*Banging on desks*)

I don’t see them clapping Opposite, Mr Speaker. Are they not happy for these developments for the people of Gibraltar, I wonder?

365 Mr Speaker, the level of Gross Public Debt as at 31st March 2015 was lower than last year at £448 million. This sum is already £72 million lower than the level we inherited of £520 million.

370 The level of cash reserves is estimated to have ended the financial year at around £72 million. That means that we have exceeded the estimate for cash reserves which the Government had anticipated would have been £70 million by £2.3 million. Another very positive development of the estimate being exceeded by better than expected economic performance.

Our current estimate is that cash reserves will hit £85 million next year. Mr Speaker, in effect, this reflects a Net Public Debt at £375 million, or 22.8% of GDP.

375 Mr Speaker, our borrowing level continues to be low in relation to the size of our economy and, as a percentage of GDP, is currently among the lowest of the countries in the European Union. This is so even if we were to include the borrowing of some Government-owned companies, which as hon. Members know, is not and never has been deemed to be part of the Public Debt, since borrowing by Government-owned

companies is secured solely against the assets held by those companies and is serviced directly from income derived by the Government-owned companies.

380 As a percentage of annual recurrent Government Revenue in the previous year, Net Public Debt carried forward to 1st April 2015 was 65%. This leaves a clear margin of 15% – around £82 million – of further borrowing capacity, or permissible drawings from useable cash reserves, under the Public Finance (Borrowing Powers) Act. This compares very favourably indeed with usable cash reserves of just £20 million when this Government took office on 9th December 2011 and just 2.5% – £2.5 million, sorry – at the end of March 2012.

385 Mr Speaker, I was pleased to be able to table in the House at the beginning of this session, in the context of the management of our Public Debt, the renewal that the Government has managed to agree in respect of the £50 million Revolving Loan Facility with the Royal Bank of Scotland for a further period of five years up to 31st March 2020. The interest payable on the loan is LIBOR plus 0.875%.

390 Mr Speaker, I would like to commend the Financial Secretary for having negotiated and arranged this excellent loan facility, which will provide the Government with additional flexibility in the management of the Public Debt. Mr Speaker, the low margin agreed on this loan is also a reflection of the increasing level of confidence by international financial institutions in our economy and Government – and this, Mr Speaker, despite a backdrop of locally engineered negativity. Which serves to demonstrate that international institutions are not following the lead set by those ill-informed and self-serving commentators who peddle a negative story about the state of our Public Finances.

395 Mr Speaker, in fact the Government continues to be fully committed to reducing the level of Public Debt and we expect that in the coming months in particular, with exceptional income expected, this will fall to in the region of half the level that it was when we took office. Indeed, just the sale of some apartments will provide a considerable payment to Government from the purchasers, given the numbers of them.

400 However, Mr Speaker Public Debt is expected to edge upwards again in the latter part of the financial year – given that there will be at some stage a new administration, with new projects to start – to end the year with a Gross Public Debt at around £400 million – down approximately £50 million – and Net Public Debt at about £314 or £15 million, representing a further significant reduction during the financial year.

405 Mr Speaker, it is hugely important to recall that at the time we took over as a Government, the Gross Debt, which is the measure used in every serious measure of debt, was at £520 million. The Gross Debt of our nation had peaked at over half a billion pounds on a GDP of £1.1 billion. In other words, Mr Speaker our Gross Debt under Members Opposite was 47% of GDP. And that was without including company debt, which is not and never has been included as part of the Government debt.

Today, it is clear, Mr Speaker that the Gross Debt is considerably lower than it was under the GSD.

410 Indeed, let us do the exercise, Mr Speaker, together in this House of looking at the debt in the context of the past seven financial years since 2008 – the first financial year after the 2007 General Election – so that we look together at the lifetime of the last two Parliaments and the life time of this Parliament until now. What does the history of two full Parliaments tell us?

415 In 2008, Mr Speaker, the GDP was £898.7 million. The Aggregate Public Debt, or the Gross Debt, the measure which really matters and which is the internationally accepted measure, was then 21.3% of GDP. So, 2008 – £898.7 million; 21.3% of GDP. Net Debt was 6.9% of GDP.

The following year, the GDP was up to £1 billion – 2009. That was the time that Members Opposite went on the largest spending spree in the history of Gibraltar politics, Mr Speaker. Before their term was up, they would from this moment go on to spend more in the three financial years that followed than they had spent in the previous 13. Unlucky for some.

420 That year the Gross Debt jumped to an astonishing 38.4% of GDP. Yes, Mr Speaker a growth in Gross Debt in one year from 21.3% of GDP to 38.4% of GDP. That means that Gross Debt, Mr Speaker more than *doubled* in one financial year in respect of GDP. The Gross Debt actually increased by 80.3%.

425 The most astonishing thing, of course Mr Speaker, is not just that the party Opposite were in power at the time, but that the Hon. now Leader of the Opposition was Minister for Justice in that Government! He expresses concerns about debt these days, Mr Speaker, and yet he was a member of the Government that more than doubled Gross Debt as a measure of GDP.

430 In Net Debt terms, the debt went from 6.9% of GDP to 13.8% of GDP. It *exactly doubled*, exactly doubled, in Net Debt terms. A 100% increase in the Net Debt, Mr Speaker. And not over the lifetime of the Parliament, but in one financial year!

So it is really quite incredible, Mr Speaker, to see that the person who was a Minister in such a Government might now be concerned when Gross Debt is actually down at least to below the levels which they left it at £520 million.

435 But let us continue the exercise of looking at the debt as a percentage of GDP, because hon. Members on this side of the House will be very interested to hear how things pan out and Members Opposite will no doubt on this issue also question the Leader of the Opposition's wisdom in having made debt such a central issue of his criticism of this Government.

By 2010, Mr Speaker, GDP had grown to £1.08 billion. Gross Debt as a percentage of GDP continued to shoot up to 44.4% of GDP.

Mr Speaker, that is the high point of GDP to Gross Debt that our nation has ever had to labour under. The highest point of GDP to Gross Debt ratio. Not today, under this Government. *Then*, under the GSD, Mr Speaker – 44.4%!

That means that for every pound that went to the calculation of the size of our economy, 44½ pence was Government debt, Mr Speaker. Quite incredible, really.

Mr Speaker, for those who might have just started listening, they might think that this is the situation now, given the hell and brimstone argument we hear constantly from the Leader of the Opposition. But no! This was the position in 2010, when he was spending on courts and prisons, and his then Leader was spending on airports.

Gross Debt, Mr Speaker had shot up to £520 million – and there is a moment, Mr Speaker, in that Leaders' debate, which I had with the hon. now the Backbencher, then the Chief Minister and Mr Azopardi, where I think the sharp intake of breath from Mr Azopardi and me, when the Hon. the then Leader of the House announced that debt had shot up from the £480 million that we had been told to expect it should be in the Estimates, to £520 million, over half a billion pounds, I think may even have been audible at home.

From 21.3% of GDP – Gross Debt went up from 21.3% of GDP – to 44.4% of GDP in 700 days! In two years. That means that Gross Debt had grown by 108% in two years under the GSD, when the Hon. the now Leader of the Opposition was Minister for Justice.

I know it makes uncomfortable listening for them, Mr Speaker, but it is important for our nation to understand how the party that the Hon. Mr Feetham now leads approached debt when they were in Government, despite what they are saying now.

Net Debt, in that year, 2010, went up to 19.1% of GDP, up from 6.9% two years earlier. A 13% increase, Mr Speaker!

Mr Speaker, our people need to understand that in those two years, the GSD, the Members Opposite, Mr Feetham, the Hon. now Leader of the Opposition amongst others, presided over an increase in Net Debt, not of 1.7%, not of 17%, but of 176.8%! One hundred and seventy-six percent increase in Net Debt in two years!

Mr Speaker, talk about unprecedented growth, but perhaps of the wrong type!

Imagine, Mr Speaker, if we had grown Debt by 176%. The Hon. Leader of the Opposition would have made an application to court to have me burnt at the stake! Never mind, Mr Speaker, their steak is about to get even better cooked. Although I do like mine rare, Mr Speaker, theirs is about to get very well done indeed!

In their last year in office, Mr Speaker in 2011, GDP had grown to approximately £1.2 billion. That is the latest revised figure that has been made available to me by the Statistics Office who do such a magnificent job of like-for-like calculations, and which I mentioned earlier, Mr Speaker.

Remember, Mr Speaker that for the first three quarters of that year, Members Opposite had been in Government. For the last quarter of the financial year, the great New Dawn of the morning of the 9th December 2011, which had swept in a new broom into power – the GSLP/Liberal Administration which I proudly lead was in power.

Mr Speaker, confronted by the memo from the then Financial Secretary, telling us that we had only £20 million of useable cash reserve – the hon. Members might recall that memo, Mr Speaker; I think I referred to it in shorthand terms as the 'Doomsday Memo', from Mr Daryanam Tirathdas last year – which told us that usable cash reserves would fall to £2 million by the end of that financial year, the lowest it has ever been, we had to take some very painful decisions indeed.

The position, Mr Speaker, of the former Chief Minister, the Hon. the Backbencher, Sir Peter Caruana QC, at the Ceremonial Opening of the House, was to invite me to bring a resolution to the Parliament so that I would be free to borrow more, accepting in that way that the debt ceiling was to be reached if we continued to spend or burn money at the rate that we inherited.

The most important decision we took was to stop all Government projects which were still ongoing under the previous administration. Despite that third quarter of strict financial control, the year ended with a Gross Debt, Mr Speaker of 43.1% of GDP. Gross Debt was 43.1% of GDP. Our full, full quarter of financial control resulting, Mr Speaker, only in a reduction of 1.3% of Gross Debt to GDP – but it was at least a start.

The Net Debt, Mr Speaker, continued to rise that year to 25.3% of GDP. Imagine where it would have gone if we had not stopped the projects. That means that the Net Debt of our nation had gone up in the last three years of the administration by Members Opposite from 6.9% of GDP to 25.3% of GDP. That increase, Mr Speaker is an increase of 266%! Two hundred and sixty-six percent increase in the Net Debt. Not now, when we hear all this criticism of debt, but in the final year, that Members Opposite were in power.

So, Mr Speaker, the Net Debt as a share of GDP increases from 2009 to 2011 under Members Opposite, with the Hon. the Leader of the Opposition then in Government spending on prisons and courts –

overspending in fact, as we will come to – by 266%! Mr Speaker, how can the people who presided over such increases in ratio terms now be preaching concern about Net Debt under this administration?

The ratio element, Mr Speaker, is hugely important of course because it is about comparing the debt to the size of the economy. But that is how they left things.

Now, let's look at the position today. The debt is decreasing and the economy is growing. After three and a half years of GSLP/Liberal administration, where are we taking Gibraltar in debt terms? Have we cured things or has the debt gone up? Mr Speaker, in doing this analysis, we will look at the cash position, real terms and ratio terms.

Mr Speaker, the GDP estimate at the moment for this year is, as I told the House a moment ago, £1.64 billion – just below the position we anticipated it would be at the end of the 2015-16 financial year. I have said more about that already, Mr Speaker.

But Gross Debt is *down* to £448 million and will be going down even lower by the time of the election. That means a cash terms reduction, Mr Speaker from £520 million of Gross Debt by a total of £72 million already.

Now, in ratio terms, as a percentage of GDP, Gross Debt is *down* from 43.1%, as it was under the GSD, to 27.3%. Mr Speaker, that is a reduction in Gross Debt of 36.6%. Mr Speaker, that is a very creditable reduction in Gross Debt of almost 40% in just three and a half years.

And this is a percentage that has been reducing year on year. In 2012 the Gross Debt to GDP ratio had been a massive reduction from 43.1% to 28.5%. In 2013 a reduction to 29.6%, and ending as I said a moment ago at 27.3%. Mr Speaker, if I may say so, exactly the right direction of travel!

And the same is true of Net Debt. From the GSD historic high of 25.3% Net Debt to GDP ratio of their last year in office, Mr Speaker the Net Debt to GDP ratio has now been reduced to 22.9%. And as debt has reduced, revenue has increased and expenditure has fallen as a ratio to revenue.

Mr Speaker, I am, in fact, delighted to announce to this House that during the last financial year 2014-15, we have once again achieved a budget surplus which is amongst the highest on record. The amount of the surplus this year is higher than any surplus ever predicted. It is higher than the surplus predicted last year. We have therefore once again exceeded our income by our expenditure to a greater extent than predicted.

Mr Speaker, the estimate had been for a surplus of £34.65 million. In fact, I am very happy to report, both to the House and to the nation, that we have exceeded that estimate by a surplus of almost 50%.

Mr Speaker, all will be, or at least should be, delighted to note that this year's Budget reflects a surplus of revenue over expenditure standing at a staggeringly high £51.3 million, (*Banging on desks*) and let me add, Mr Speaker, that this surplus is calculated *after* the deduction of £25 million as a contribution to the Government Companies.

Mr Speaker hon. Members will be aware that the systematic contribution to the Government Companies was a process commenced by this administration when we found ourselves, just after our election, staring at a black hole in the company structure of £100 million, and with the Government Companies losing money every year which had to be made up from the Consolidated Fund and for which there was no provision made by the previous administration.

This year's contribution to the Government Companies is, as I have said, £25 million. If we had followed the model of the previous administration – that is to say, if we were comparing like for like our calculations with those of Members Opposite when they were in administration – if I had dealt with the surplus and the contribution to the Government Companies as the previous Leader of the House, Sir Peter Caruana, who some have even described as the greatest Gibraltarian of all time – we would have been declaring this year, a surplus of £76.2 million. That would have been the highest surplus ever on record, Mr Speaker. But instead of recklessly failing to fund the Government Companies as they did, we prudently set aside £25 million above the line and thereby reduced the surplus to a nonetheless record breaking £51.3 million, still the second highest actual surplus on record only after last year.

Another GSLP/Liberal record year, Mr Speaker. One after the other, Mr Speaker, another record year of growth. One after the other, Mr Speaker, another record year of surpluses.

But we are prudent Mr Speaker. We do not fund the Companies to fill in the black hole of expenditure left by the previous administration – we make sure that the money is there. And even then, we declare the second largest surplus in the history of our nation.

And so that the public can understand the huge scale of this surplus being declared today, Mr Speaker, it is more than *twice* the size of the biggest surplus *ever* declared by the GSD when in office. More than twice the size! And that, Mr Speaker, despite the fact that they did not make above the line contributions to fund the Government Companies.

Mr Speaker, as in previous Budgets and in line with our manifesto commitment to allow Gibraltar Community Care Trust to build up its reserves so that it can once again be totally independent of Government grants, I am delighted to inform the House that, out of this record budget surplus for the year, a further sum of £30 million has been earmarked by the Government as a contribution to this Charity. This

brings the total contributions made by this Government to Gibraltar Community Care Trust, during the past three financial years, to £134 million. (*Banging on desks*) One hundred and thirty-four million pounds, Mr Speaker.

In this respect, Mr Speaker, I note statements from the Hon. Leader of the Opposition on television when asked questions by journalists, in which he said he would not fund Community Care. I am very grateful to him, Mr Speaker for having made his position so clear. We entirely disagree with him on that, as on so much else.

Because Mr Speaker, once again, a GSLP/Liberal Government is ensuring that Community Care is properly funded. Once again, Mr Speaker, a GSLP/Liberal Government is protecting our elderly. And once again, Mr Speaker, a GSLP/Liberal Government is honouring the generations that came before and that built the Gibraltar that we have today.

Mr Speaker, Government revenue during the last financial year exceeded the original budget by around £24 million. As a reflection of the continuing growth in our economy, income tax receipts were up by around £8 million over the budgeted figure and Company Tax receipts were up by around £9 million. In fact, year-on-year growth in respect of income tax and Corporation Tax amounted to 6% and 7.8% growth respectively.

Indeed, Mr Speaker, in relation to both income tax and corporation tax, I want to highlight the remarkable growth that we have been able to achieve and how it has been achieved.

In respect of income tax, for example, we have gone from a collection of £122 million in 2010-11 to a collection of £144 million this year. That is an increase of £22 million or 18%, whilst at the same time the tax rates have been decreasing.

In the Insurance Industry we collected £2.87 million of PAYE in the last full financial year when Members Opposite were in administration compared to £4.3 million this year. This represents an increase of 50% just in that sector. Indeed, Mr Speaker, if we look at financial services generally, the growth in PAYE receipts is being led by a growth in employee numbers. In October 2011, the number of employees in the industry was 3,109. By October 2014, the number has risen to 3,388. This represents a percentage growth of 9% in an already mature industry.

In the Gaming Industry, Mr Speaker, we collected £16.3 million of PAYE in their last year compared to £22.5 million this year – an increase, Mr Speaker, of almost 40%. It is worth noting, Mr Speaker, that behind these collections in PAYE are the rising numbers of employees in the industry also. These can fluctuate in some measure, depending on the corporate fortunes of one company or another, but the growth in the time since we were elected has been remarkable and resilient. Open contracts recorded by the gaming regulator as at 31st October 2011 – the date of the annual Employment Survey – reflects a total of 2,665 employees in the industry. October 2011 that number has now risen to 3,423, representing a growth of 28%, more than a quarter more employees in the industry in the time that we have been in administration!

Mr Speaker, before I move on to an analysis of Corporation Taxes, I want to report to the House that I have recently received the recommendations of the Committee I established to advise on the Personal Tax offering of Gibraltar. I want to thank Nick Cruz, Peter Montegriffo, Peter Isola, Stephen Reyes, Freddie White and Melo Triay for their hard work and diligence in the preparation of these recommendations. The Government is presently considering their very detailed recommendations and expects to be in a position to work on the implementation of some of their more high level proposals very shortly. They have produced an excellent report and some very sensible recommendations which we will further stress test, in order to be ready to progress matters in the direction I indicated would likely be necessary given recent international initiatives in respect of corporate taxes.

Indeed, the effects of FACTA and other international measures may already be to affect individuals ability to plan their tax affairs as much as those of the affairs of corporations, especially given the moves towards more and greater tax transparency. And that transparency agenda means not just that individuals from large economies will see information provided to their home exchequers, but also individuals from small economies will see their information shared with their tax authorities also. I will later introduce a measure today to address these issues also.

Mr Speaker, that is a convenient moment to move onto the analysis of Corporate Tax receipts.

In relation to Corporation Taxes, Mr Speaker, the growth has been even more remarkable in our time in office.

In Insurance we collected £1.8 million in 2011, growing to £22.6 million now, a growth of 1,155%. One thousand, one hundred and fifty-five percent growth in the corporate tax receipts from the insurance industry!

In the Gaming Industry, we collected £7.98 million in 2011, compared to £33.42 million in the last financial year. That represents a growth of 318%. Three hundred and eighteen percent growth, Mr Speaker, in corporate tax receipts from the gaming industry!

Indeed, in corporation tax generally, Mr Speaker, growth has been steep. From £29 million collected in 2011 to £89 million collected last year. That is a growth of 206%, Mr Speaker.

And it is that growth, Mr Speaker, of 206% in Corporation Taxes and approximately 40% growth in income tax that is principally delivering our economic growth and funding Government expenditure.

I would just add, Mr Speaker, that this has been achieved whilst not in any way scrimping on rebates. We have paid approximately, Mr Speaker, £28 million by way of rebates to personal and corporate taxpayers in the past four years. We, Mr Speaker, are not hanging on to people's money!

Importantly, Mr Speaker, these increased collections of Corporation and income taxes have occurred in the context not just of lower rates at the personal level, and increased allowances throughout, but also in the context of taxation reducing as a share of GDP. In fact, tax as a share of GDP has been reduced under this administration from 13.5% in 2010-11 to 10.6% today.

As Gibraltar has repositioned itself as an open and transparent financial services centre with a competitive rate of tax acceptable to the OECD, the International Monetary Fund and other objective international institutions, we are reaping the rewards of seeing real business done from here which accrue and derive their profit here and are taxed here. That is one of the principal drivers of sustainable economic growth.

Too often people think growth is just in import duties, Mr Speaker. People think of our economy as growing because of revenue from tobacco sales. Well, Mr Speaker, they are wrong. In fact, import duty receipts are down 2.7% against the estimate from £170 million estimated to £165.4 million of actual collections. In fact, the total for Duties, Taxes and other Receipts at Head 2 of the analysis of Consolidated Fund Recurrent Revenue is actually up from an estimate of £178.492 million to £180.831 million or a growth of 1.31%. But there is therefore no need to have concern as to overall revenue, but the import duty element is down as I have indicated.

Departmental Expenditure, on the other hand, has been contained and has ended the year at less than £7 million over the original budget.

Mr Speaker, I am very happy to be able to share that figure with the House and with the Community as a whole as that demonstrates excellent and indeed remarkable control of expenditure which has brought in the forecast outturn to within 1.6% of the estimate. So we have hit the target within 1.6% of the estimate.

Indeed, Mr Speaker, if we are to hear from anyone about that not being anything other than an absolutely excellent figure demonstrating real control of expenditure, let us not forget that control of spending was not the *forte* of those who might now preach to us.

In respect of Capital Projects, for example, Mr Speaker – I&D Expenditure – remember the 236% overspend on the airport, which went from £24 million to £84 million; or the New Prison, the now Leader of the Opposition's own project, which started life as a £5.2 million project and then came in at £8.1 million – a 55% overspend. And the Courts which resulted in an 82% overspend.

So Mr Speaker, a 1.6% overspend in departmental expenditure, although in respect of recurrent and not capital expenditure, reflects remarkable spending discipline which the Members Opposite have shown that they could not deliver. So the public will not want us to be taking any lessons from them on spending control, Mr Speaker.

Indeed, Mr Speaker, the recent Chamber of Commerce Report suggested that the public finance debate might actually benefit from the adoption of some external measure or standard, as if none applied. In fact, Mr Speaker, the many statistics I am disclosing in the context of this debate delivers the indicators which are internationally recognised as relevant in measuring Public Finances and the performance of any economy. I recently met with the President of the Chamber, Mr Christian Hernandez in order to consider with him his organisation's wishlist for this year, something which I have done since elected with both the Chamber and the Federation of Small Businesses. Christian has since confirmed that his position is that adequate comparators are available in order for a proper analysis to be reliably undertaken, making like-with-like comparisons with past years and that the adoption of new standards would potentially distort the ability to compare like with like. I agree with his conclusions, but we will continue to work with the Chamber in identifying any appropriate new measure which may assist the public in clearly being able to see through the distortions peddled by some in order to try to obscure the outstanding success of our economy and the remarkably strong and resilient performance of our public finances.

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

Estimated recurrent revenue for the year is budgeted at £559 million. This takes account of the significant increase in recurrent revenue achieved in the previous year but is nevertheless a conservative estimate going forward. Mr Speaker, just to ensure that everybody in our community understands the growth of revenue we have presided over in our public finances in clear terms since we took over, let us look at the exact growth in revenue.

Mr Speaker, revenue estimated by Members Opposite when in Government for the year 2011-12 was £393 million. Today, at £559 million, the growth is of £166 million more. That is a percentage growth of 42.2% in respect of Government revenue in the time since we were elected.

Perhaps the Members Opposite can now start to understand why the Government *does* have the money to carry out all its projects.

The overall recurrent expenditure budgeted for the year is £541 million, which reflects a modest increase over the previous financial year of around 4%.

685 Mr Speaker, the Government is therefore taking a very prudent course and conservatively projecting a recurrent budget surplus for this financial year of around £18 million. In this respect, Mr Speaker, we always definitely prefer to under promise and over deliver, as we have since we were elected, so that we are never caught short!

690 Mr Speaker, in the financial year 2014-15 the Government invested around £104 million on capital projects funded by the Improvement and Development Fund. Around £21 million was invested on 'Works and Equipment' and a further £83 million was invested in specific capital projects, including £10.2 million on the conversion of the refurbishment of the Old Naval Hospital Dementia Facility; £11.5 million on the demolition and conversion of the Old St Bernard's Hospital into two new schools; £4.1 million on the St Bernard's Catering Facility; £12.2 million on the 700-berth Small Boats Marina. A total of £9 million was also provided as Equity Funding for the initial share requirements of the Gibraltar International Bank.

695 Mr Speaker, the expenditure budget of the Improvement and Development Fund during this financial year is around £95 million. The capital investment in Works and Equipment is estimated at around £19 million and investments in other Government projects totals £75 million. This includes equity funding of £15.9 million for the Gibraltar International Bank, which has already been contributed; equity funding of £5 million for the University of Gibraltar; and funding to complete ongoing projects including £4.8 million  
700 for the continuing works on the 700-berth Small Boats Marina; £4.8 million for the demolition and conversion works of the Old St Bernard's Hospital into two new schools; £3.1 million for the St Bernard's Catering Facility and other projects include the development of Wellington Front with provision for a new Bathing Pavilion; investments in infrastructure for our housing estates; and the relocation of a large number of MOD estates to enable the continued release by the MOD of further land and properties for use by our  
705 community. That, Mr Speaker, relates to lands agreements done before we were elected.

All of this, Mr Speaker, represents, a huge investment in our community for the long-term benefit of current and future generations and for future prosperity. And two new schools, Mr Speaker – not one; two. And in only three and a half years.

710 Moreover, Mr Speaker, that is more schools, Mr Speaker, than Members Opposite provided in the time that they were in office for 16 years. So it would be foolish, Mr Speaker, for anyone on the other side of the House to suggest that we should have prioritised new schools over other projects, when we clearly have already done so. We took the two schools that needed most work and immediately have re-provisioned them.

715 An excellent track record on its own in respect of education, before even starting to talk about the mandatory postgraduate degrees that we now provided, the 47 new teachers, the arrangements with the Washington Centre and, of course, the crowning glory in respect of our achievements in education in this first term – the new Gibraltar University, which will open its doors in September.

720 The Hon Minister for Justice has done an incredible job in respect of education. He really has been able to show his remarkable dedication in delivering a project that has eluded so many others in the past in being now on the cusp of opening the University of Gibraltar, as well as delivering those two new schools *and* a 700-berth marina. What a record for any Minister in less than four years – an achievement indeed, especially whilst also shouldering the burden of his Justice Ministry.

725 Mr Speaker, there is also continued positive news in respect of the Gibraltar Savings Bank. As hon. Members are aware, when this Government took office, the reserves of the Savings Bank had fallen to almost zero with the actual reserves of the bank at the end of March 2011 having fallen to just £1,444!

730 The £17 million the bank had built up over the years had been taken into the Consolidated Fund by the previous administration. And Mr Speaker, let me preface this part of my intervention by saying that I can understand why, because the Hon. the Backbencher, when he did this, explained his logic to the House. As the bank's deposits are guaranteed by the Government, there is no need for it to have a reserve like a credit institution, he told us. He is right Mr Speaker, because the Savings Bank is *not* a credit institution and does not need to behave like one. But we are nonetheless, Mr Speaker, of the view that it should have a fund in the bank for its reserves.

735 Mr Speaker, I am therefore very pleased to report to the House that the reserves of the bank have continued to grow during our term in office and now stand at £20 million as at the end of the last financial year. More importantly, Mr Speaker, the reserves are now estimated to grow further to reach almost £27 million by end of this financial year.

The Deposit Base of the Bank has also grown from around £330 million when we took office to almost £1 billion – yes Mr Speaker, *one thousand million*!

740 Last month, Mr Speaker, was a record month. I am informed that the Savings Bank took more deposits last month than in any other month in its history. It was, of course, the final month in which some very attractive rates were available. But I am further informed, Mr Speaker, that this month deposits continued to run at a very high level also, despite the reduced rates.

Indeed, Mr Speaker, in this respect, it would appear that the prophets of doom are not prophets in their own land!

745 Mr Speaker, the Gibraltar Savings Bank will continue to provide a good range of savings products to our community, as indeed it has been doing since it was established over 130 years ago.

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

750 Mr Speaker, this is an appropriate place to pause and thank Dilip Dayaram for the work he has done on the Savings Bank through the years as Financial Secretary and indeed to congratulate him on his recent recognition of his work by Her Majesty in the award to him of an MBE.

755 It is also now the work of Albert Mena, the new Financial Secretary, to work on issues relating to the Savings Bank with Minister Bossano. Both are doing an outstanding job. And the increased deposits demonstrate that the public continue to have huge confidence in the Gibraltar Savings Bank as an institution and in the administration of its affairs by Financial Secretary Mena and Minister Bossano, as both men are renowned for their integrity and ability in respect of financial management. Both are equally highly regarded in this field and their reputations have sustained the most unsavoury attempts to discredit them and the important job that they do.

760 Many elderly members of our Community have in fact contacted the Government to express their concerns about the level of disinformation which is being put in the public domain by some who should know better. In fact, it is very easy to scare elderly people with reckless statements, but those who do so demonstrate their own lack of respect when they do so.

765 Indeed, Mr Speaker, the Government has maintained the interests previously available for deposits in the Savings Bank for pensioners because this is one way of honouring the generations who have come before us and built the Gibraltar we enjoy today. The previous Leader of the House established that principle and we have continued it. And in doing so, and in delivering those interest payments without fail and investing the monies in the Savings Bank wisely under the auspices of titans in their respective fields, like Mr Mena and Mr Bossano, we honour the generation of people who have given us all so much.

770 And Mr Speaker, let me say that the depositors in the Savings Bank include very close relatives of mine, whose life savings I would never want to see in any way endangered. And I am satisfied, Mr Speaker, that they are not only safe, they are safer than ever! And anyone who suggests otherwise simply does not have the understanding of the workings of public finance to realise how wrong they are in their analysis. They simply do not understand the difference between an investment and a loan. They simply do not understand  
775 how to make a bank grow from £300-odd million to almost a billion pounds in just over three years. They simply do not know how to grow a profit from a thousand pounds to what will be £27 million by the end of this financial year. And of course, Mr Speaker, they simply do not care if they scare an elderly person with talk of funds not being available for repayment.

780 But people do see through that, Mr Speaker, and quite quickly. And they have voted to demonstrate how they feel. They have voted with their monies, Mr Speaker. They have voted with their confidence, Mr Speaker. And when they vote with their votes, they will deliver the same verdict; no doubt punishing those who have been reckless in setting out to create panic and fear when there is only reason to rejoice and celebrate in a fantastic performance by those now directing the affairs of the Savings Bank.

Finally, Mr Speaker, I want to move from the Savings Bank to the International Bank.

785 I want to thank the team that has helped to establish the Gibraltar International Bank so quickly. They have done a *sterling* job – if you will excuse the pun! Of course there are problems and today's customers want glitch-free operations from the word go, and are entitled to that. They are entitled to demand that and the bank *must* deliver that. But when you see an established entity like NatWest labour under technological problems, we have to understand what a superb job has been done by the independent board of directors of the bank, by the hands-on managing directors of the bank, by the builders that delivered its premises, GJBS, as ever brilliant at what they do, and by the staff of the bank, who already show they have tremendous pride in the institution they have actually themselves been partners in creating. So from Albert Langston, the Chairman, who did not hesitate when I asked him to serve in this hugely important role for our nation, to the teller who deals with basic queries, all have done an absolutely fabulous job.

795 I must also pause there, Mr Speaker, and reflect on the brilliant job done by Albert Isola, the Minister for Financial Services, who in the short time available has galvanised everyone to deliver with him – not under him – on this fantastic project. There is of course a lot of work to be done, but Gibraltar now has its own bank and we are all in this Community justly proud. Another building block of nationhood firmly established, Mr Speaker. Another milestone achieved. Another strong foundation laid.

800 Mr Speaker, the Government has already awarded the tender for Gibraltar's new power station. We will shortly also be in a position to make an announcement about the choice of option for an LNG storage, regasification and bunkering facility. This is one of the biggest capital projects for the Government and will guarantee Gibraltar's power needs for the next three decades.



As has already been reported to this House, and as I referred to earlier when setting out the commercial opportunities which may arise from it, the new power station will be located in the North Mole and will be a dual fired, by liquid natural gas-fired engines, as well as being able to burn diesel, should gas supplies not be available at any time. It would be criminal, Mr Speaker, to burn diesel if LNG were available.

This is a highly important project for our Community that cannot be mired in blatant electioneering. Indeed, Mr Speaker, delivering sustainable power to our nation is one of the most important things we do, finally undoing the failure of the previous administration to do so in their time.

This is an *essential* project. All economies rely on the ability of each to provide energy to its businesses and people, and Gibraltar is no exception. Gibraltar's long-term energy needs have not been catered for by the previous administration. Gibraltar is reliant on what, in a home or business, would be classified as 'emergency' generators – or for spin purposes, were called 'skid' generators.

Without power, Mr Speaker, Gibraltar has no economy. That is why we must undertake this new, less polluting project and do it quickly and in a cost-effective manner, which means that just the savings in the cost of the type of fuel will fund the ability – and indeed the ability to stop paying the costs of those 'skids' or emergency power I referred to – will enable us to finance the cost of the station in great measure. The previous administration has the prime responsibility to explain itself on this core policy failure during its 16 years in Government, Mr Speaker. This omission could have disastrous consequences for Gibraltar on its economy, but we will ensure it does not. We will not allow it to do so and have planned to ensure that we are able to deliver the power we need with a modern, clean and safe plant. The previous administration, Mr Speaker, left us a massive legacy problem for Gibraltar. It will be resolved in the best interests of Gibraltar.

Mr Speaker, the decision to use liquid natural gas-fired engines for the new power station will result in very significant savings in the cost of fuel, which now represents almost 60% of the total recurrent costs of the Gibraltar Electricity Authority. These savings will generate enough additional cashflow to meet the cost of any finance that may be required to meet the investment to fund this project – that alone, Mr Speaker.

This is also in line with the Government's manifesto commitment to investigate alternative sources of energy and eradicate the noise pollution and emissions in residential areas.

Another important Government project is the tunnel or underpass under the runway. Work continues in this respect of delivering that project, although the litigation process has slowed us down. De-watering has or is about to start and the road and roundabout south of the runway will actually shortly be finished, Mr Speaker.

And we will continue to defend that litigation and seek a substantial payment of damages to cover the extra over costs of completing the tunnel and related works. As we will continue to fight the complex Bruesa litigation, where claims against the Government now exceed €26 million, as well as the litigation by the OEM liquidator which seeks damages of £4 million from the taxpayer, which I believe Mr Speaker does not include the £4 million loan made by the previous administration to OEM.

Mr Speaker, all of these are the so-called 'golden legacy' of the previous administration, which we have been left to deal with.

Mr Speaker, this might actually, in fact, be an appropriate place to do something much more pleasant than go through this allegedly golden legacy, and congratulate Michael Gil, the previous Chief Technical Officer of the Government for the work he did with the inter-ministerial team on these projects before his retirement. His work also has recently been recognised by Her Majesty in the very richly deserved award to him also of the Order of the British Empire.

Mr Speaker, a number of further projects continue to be developed by the Government in order to make use of alternative energy sources and in order to reduce energy consumption where possible. This includes the use of solar energy for street lighting and Government buildings and the replacement of high-consumption lighting in Government offices and buildings for more energy-efficient LED lighting.

In respect of the Income Tax Office, in the financial year 2014-15 the office has continued to develop a programme of improvements aimed at providing a more efficient assessment and collection of taxes in Gibraltar. In this connection, the introduction of amendments to the new legislation introduced in 2011 is in its final preliminary stages.

In relation to assessments made on taxpayers, the Income Tax Office is currently issuing assessments for the tax year ended 30th June 2011, in respect of those individuals paying tax under the PAYE system, and assessments for the year ended 30th June 2014 in respect of self-employed individuals. In the course of this financial year, the Income Tax Office intends to issue PAYE assessments up to the year ended 30th June 2013.

In relation to tax arrears, the Income Tax Office continues to take a very serious view of employers who do not comply with their tax-paying obligations and the Commissioner will shortly be 'naming and shaming' employers who are not up to date with their PAYE payments by publishing their names in the Gibraltar Gazette – and I have no doubt all Members of the House will want to support him in that.

The Income Tax Office has, as part of its programme of improvements, introduced a more streamlined, accessible and user-friendly service to the general body of taxpayers in Gibraltar. In line with other

Government Departments, counter hours have been extended to provide a continuous uninterrupted service from 8.30 a.m. to 3.00 p.m.. In the implementation of HM Government's e-Government and modernisation, the Income Tax Office has now a new webpage including user friendly portals – for example, with question and answer sections.

And indeed, the ongoing modernisation of systems within the Income Tax Office has commenced with a comprehensive streamlining review of taxpayers' files aimed at improving back-office administration efficiency for the benefit of taxpayers whereby time spent re-filing and accessing files has been significantly reduced. The objective of the Income Tax Office is to continue this process as a phased project to scan the contents of all taxpayers' files and moving towards the digitisation of all records.

In conjunction with the new Office of Fair Trading, the Income Tax Office is actively involved in the introduction of the 'single point of contact' scheme through which businesses will be able to register on-line.

Improved systems for payment of tax via debit cards has already been introduced and refunds directly credited to taxpayers' bank accounts will be introduced shortly. Indeed, Mr Speaker, the House will be interested to know that 15,000 taxpayers have already submitted their bank details.

As part of its multi-faceted, user-friendly strategy to make taxation easier to understand – and, Mr Speaker trust Mr Frank Carreras to believe that that is actually *possible*! – the Income Tax Office has ambitiously embarked on a public awareness initiative with the publication of information leaflets. These initiatives also include advertising in the local press – for example, reminders on important payment-on-account dates – Business Support Unit Seminar presentations in August 2015, which are coming, and on Understanding Corporate Tax & Self Employed status, organised by the Office of Fair Trading. And it is intended to extend these outreach initiatives further to the public.

Mr Speaker, as the House has seen in respect of these fabulous figures on collection of personal and corporate taxes, the work being done by the men and women of the Income Tax Office is really superb and I wish to thank them for it on behalf of the people of Gibraltar and this House.

I will turn now Mr Speaker to my various departmental responsibilities beyond finance. I will start with matters relating to immigration.

Mr Speaker, the backlog of applications for exemptions from immigration control to enable persons to be granted British Overseas Territories citizenship – British citizenship – has now been eliminated. From April 2014 to date, we have processed a total of 135 applications, bringing the total number of applications that have been processed since December 2011 to 1,027. Of these there are 769 Moroccan nationals, 42 Indian nationals and 62 Spanish nationals, most of whom have been resident in Gibraltar for well over 25 years. Almost all of these applicants have also opted to register as British citizens and to help them to achieve this we have conducted 25 British citizenship ceremonies since December 2011.

The House will be pleased to hear, Mr Speaker, that Ms Dorian Reyes, long of the Civil Status & Registration Office has actually moved to physically work from No. 6 Convent Place in order to assist with the ongoing work that is created in relation to the day-to-day applications coming in so that we do not fall into backlog territory again. I welcome Dorian to my team.

Mr Speaker, in March 2015, we opened the 'One-stop shop' under the banner of 'Tell us once... we'll tell the others'. This has enabled the public to conduct their business related to the registrations of births and deaths from a single office without the need to visit other Government Departments and Agencies throughout the town. Registration of births averages at approximately 40 per month – I am only responsible for one this year, Mr Speaker! – and to date we have attended to over 150 families who have registered the births of their new-borns in these new offices.

Registration of deaths averages at approximately 20 per month and a total of 72 deaths have also been registered since opening.

In an effort to further improve the service, an appointment system has been started for the registration of births whereby persons are now able to pre-arrange the time and date that is most convenient for them to register the births of their children. The aim of this initiative is to minimise the waiting time for members of the public once they get into the office. With the co-operation of maternity staff in the GHA, our officers are advised of births together with a contact name and telephone number of the parents. The men and women of the CSRO then proactively call to arrange the appointments for the registrations.

The total cost for all of the above has been approximately £30,000, of which £28,393.53 has been spent on capital works.

This year we hope to further enhance the service with the introduction of an appointment system for the registration of deaths with the further co-operation of the GHA and funeral directors, and on-the-spot production of birth and death certificates for all new registrations. Too late for Oliver though, Mr Speaker!

Since the introduction of the Civil Partnership Act in March 2014, we have seen conducted a total of 35 civil partnerships – 18 in 2014, all of which were same-sex couples; and 17 from January 2015 to date, all but one of which were same-sex couples. At the moment, Mr Speaker, we also have five civil partnerships which have been booked in advance for later this year.

Mr Speaker, the fact that there has been one opposite-sex couple that has entered into a civil partnership demonstrates that we were right to listen to the initiatives of Unite the Union that sought that we should include opposite-sex couples in the right to enter into civil partnerships.

Mr Speaker, on the marriages front, we have conducted a total of 1,229 marriages from April 2014 to March 2015. That represents 288 more than in 2011-12, or a 31% increase, despite the introduction of the requirement for those who come from outside to spend a night in our hotels.

Mr Speaker, even the *love* indicator is up under the GSLP/Liberal administration! (*Laughter and banging on desks*)

Since the introduction in June 2014 of the reduction in the qualifying period for Gibraltarian status from 25 to 10 years, we have received a total of 167 applications under section 9 of the Gibraltarian Status Act and of these 51 have already been approved.

In March 2015, we finalised a three-year negotiation to seamlessly introduce the centralisation of the printing of all passports to mainland United Kingdom – which was not a policy initiative of the Gibraltar Government, or indeed of any government of any UK Overseas Territory. The total cost of this project to date has been £621,664 including the cost for a contingency stock of passports to last until 2020 – which has cost £413,000 – and £120,000 in capital costs. We still have an outstanding balance to pay of approximately £158,000 in respect of uncompleted milestones for that project.

As part of the negotiations, we have been able to retain our status as an issuing authority; guarantee the 10-day maximum turnaround period in the production of the passports; maintain the same cost for the passports to the public, with no increase; and retain the ability to print passports locally in emergency situations. Later this year and in par with the United Kingdom, we hope to introduce a new-generation passport which will incorporate extra security features together with wet signature and an on-line smart application form. The cost of this is as yet not known.

The first of the new e-ID cards will be issued at the end of June and will continue to be a validated travel document throughout the EEA. The new e-ID card will also incorporate many enhanced security features to form the back-bone of HM Government's e-Government initiative. It is envisaged that during the switch-over, the new e-ID cards will be issued without cost for a limited period of time and the existing laminated cards will be phased out during the course of the year.

The total estimated cost of this project is £1.9 million, of which £1.4 million has been spent to date.

Mr Speaker, I want to thank Paul Balban for the work he has done in assisting me in delivering this very exciting project which is the new e-ID card project, given the experience he had garnered in delivering the new driving licence project when we were first elected. I am very grateful indeed for his consistent help in delivering on this important project, not just for those wishing to travel with the new e-ID card but also because of the importance the card will have in respect of interaction with the Government's e-Government services.

Mr Speaker, I will now address my responsibilities as Chairman of the Borders and Coastguard Agency.

The Agency is now in its fourth year and continues to respond and adapt to the significant changes in demand. This year it is facing increased but welcomed challenges at the airport where the number of flights have increased, as well as at the port where throughout 2015 we will see the number and size of visiting cruise ships increase. At the frontier it works tirelessly with the current threat level to balance the very difficult challenge of fluidity versus risk and is being particularly challenged this summer as works on the Spanish side, scheduled to be completed this month, are delayed and expected to go on through the summer. No surprises there, Mr Speaker.

The Government continues firmly committed to providing opportunities for professional development for all staff, and as such continues to support the Agency's training and development initiatives. It embarked last year on the process towards Investors in People recognition and managers at different levels continue working towards Chartered Management Institute professional development qualifications.

Mr Speaker, by developing its staff and setting challenging objectives, the Agency continues to work hard to become the focal point for a more centralised immigration service in Gibraltar, working in partnership with other Government Departments and Law Enforcement Agencies to improve the level of immigration service Gibraltar provides. In the last year alone, the Agency has processed approximately 12 million people at our borders.

In addition, Mr Speaker, this Government's initiative to introduce amendments to the Immigration, Asylum and Refugee Act, granting Tourist Visa Waivers to Moroccan, Russian, Chinese, Indian and Mongolian nationals in possession of Schengen visas, continues to prove extremely successful, and close to 13,000 visitors, whom would not otherwise have been able to visit Gibraltar, have done so to date.

Mr Speaker, the Agency continues to develop its international links and works very closely with the RGP, with whom it continues to operate in partnership a very successful Ports Policing initiative. Internationally, it works closely and shares information with HMG's Home Office and Border Force – with whom it is in the process of signing an MOU – Spain's *Policía Nacional*, Interpol and more recently with Morocco's *Direction Générale de la Surveillance du Territoire*.

In addition to their immigration duties, the Agency continues to carry out aviation and maritime security duties at the airport and port, and have been subject recently to a thorough and exhaustive inspection by the Civil Aviation Authority to ensure compliance with HMG's Department for Transport and strict EU legislation. The aviation industry is thankfully highly regulated, and I am happy to report that despite the challenges, the Agency continues to meet the high standards set by the DfT and the EU.

The Agency Mr Speaker, has continued to prove that it remains committed to making a significant contribution to the security of Gibraltar and acting as a facilitator and working in partnership with the private sector, keeping Gibraltar open for business.

The Borders and Coastguard Agency goes from strength to strength, Mr Speaker, and I am working with Union colleagues in understanding and addressing concerns of some staff members there. What is clear is that this is an organisation which is professionalising what it does, under strong leadership, in a way that Gibraltar can be proud. They deal daily with an extraordinary number of visitors to Gibraltar at all our entry points and do so with discretion and nous. Recently we have seen how they and the Royal Gibraltar Police have worked with other international agencies all over Europe and even in Spain in order to stop a people-trafficking scam which sought to involve Gibraltar being used as a transit point. I extend our Community's sincere congratulations to all in the BCA and the RGP for that excellent result.

I turn now, Mr Speaker, to my responsibilities for Customs.

At the 2014 Budget Session, the Government announced the successful completion of negotiations with HM Customs Management, staff and the unions to implement what we called a 'roadmap for a change programme' to be introduced in the Department. Throughout this year we have been working closely with all stakeholders to introduce individual points of this agreement, as and when these were ready to come into force.

We have already seen the introduction of a new structure to bring the Department in line with modern operational needs. This has included the creation of 66 new posts to man the new marine section, commercial control units that will deliver timely revenue collection, statistics, trade facilitation and improved import/export controls, dedicated rummage teams for commercial activity, and a drug detector dog section to enhance import and export controls. An increase of the shift workers to deploy staff according to operational needs whilst maintaining core manning levels at entry points, the Training Unit to deliver in-house recruit and continuous development training and the IT Section to introduce new electronic modules.

The final recruit class of 2015 will start in September, and all induction training programmes run for 11 weeks. It is expected that the completed structure will be in place by December.

Gibraltar Customs have been around since 1750, when the then Governor, Lieutenant General Humphrey Bland made certain appointments. This year, however, was the first time that an official 'passing out parade' in recorded history of new recruits was held in the presence of their families and dignitaries.

All officers up to and including the Collector of Customs are now wearing a uniform to demonstrate the transition to an acknowledged, disciplined, law enforcement department. As a result, we have lowered the retirement age and years of service in line with other law enforcement or essential services.

This is a real success story of restructuring a department that was riven by division and is now unified in purpose. And I want to thank John Rodriguez and all the unions and the individual members of the Department for the way that they have responded to the Government's initiatives to develop the Customs Department in this way.

We have worked to resource the Department with adequate equipment and vessels. The Government has already procured two fast RIBs, which will enable HM Customs to safely conduct chases and patrols in Gibraltar's waters. These are the first new vessels acquired for Customs in nearly 20 years and have advanced safety features, thermal imaging and night vision cameras. Customs officers previously had to rely on forfeited vessels to do their work, Mr Speaker.

Moreover, works at Four Corners Station were completed, including the addition of two further incoming vehicular lanes to enhance searching facilities and traffic flow. An enclosed purpose built search bay with car lift was also built and we have recently finalised the installation of CCTV and ANPR cameras administered by Customs near to the frontier to monitor and tackle illicit activity.

Mr Speaker, this Government has demonstrated to all objective observers that we are determined to curtail illegal tobacco activity. In addition to the legislative measures already announced in this respect, we have also provided for the introduction of security gates to restrict access to the Commercial Gate during silent hours.

Outgoing vehicular barriers are now deployed which can allow us to carry out non-systematic checks on vehicles and persons. Changes to the Tobacco Act have included extending Special Zones which give additional powers to Customs to stop and search and limit the possession of cigarettes on persons, especially in the area adjacent to the frontier. We have seen the closure of tobacco retailers in Laguna and Glacis Estates, provisions to suspend tobacco retail licences or wholesalers who are in breach of the Tobacco Act, extended concealment and forfeiture powers, to the limit quantities of cigarettes to be kept in

shops, limit the hours of sale of cigarettes. The Collector of Customs, Mr Speaker, does not now consent to a change of director or shareholder of a body corporate if any person associated with that body corporate has been charged with an offence under the Tobacco Act.

Moreover, Mr Speaker, a Direction to the Trade Licensing Authority, published in the Gibraltar Gazette on 14th August 2014, which I referred to during the course of my Budget address last year, to strongly discourage the TLA from issuing any new retail tobacco licences unless an existing retail tobacco licence is surrendered has been issued.

In the final paragraph of that Direction, Mr Speaker, I have told the TLA that the Government expects it to keep HMGoG's policy on what is in Gibraltar's public interest at the forefront of its considerations and that a deviation from these directions will be an extremely rare and exceptional occurrence.

The investment in respect of the recruitment and development of Customs is already reaping benefits, Mr Speaker. Drug searches and arrests are up, including for Class A drugs. Tobacco operations to curtail illicit activity are on the increase and detections of commercial evasion of duty are on the rise. Very shortly, we will see the completion of the new EPU to house all officers dealing with commercial imports and exports, and we will be constructing new 'fit for purpose' premises for the Shifts, Marine and Dog Sections. What is particularly significant is the new buoyant mood within Customs, who have embraced this change programme. All see the exciting developments taking place and want to be a part of these and contribute to them.

Mr Speaker, I turn now to my responsibilities for broadcasting.

I am pleased to report that this financial year has been another successful period for GBC. This Government has made substantial investments in broadcasting over the past three years, and the results are there for all to see and hear. Better television, better radio and better online services – it is what the public expects, and I pay tribute to all those at GBC who have made it happen – although there is no doubt still a long road for GBC to travel.

That investment, Mr Speaker, has resulted in a number of additional media professionals being recruited, not only providing improved programming, but also enjoying quality careers in journalism, in radio and TV production, and in the technical professions too. And I am pleased to say that the feedback I receive is that the vast majority of GBC's employees are happy in their workplace and look forward to rewarding careers within the Corporation. This has all been possible due to the funds required having been made available by this Government, as well as the drive and determination of GBC's new management to introduce and develop the changes required. A big difference to the sorry situation endured by GBC in previous years.

The enhanced budget now available to the Corporation has allowed the introduction of further improvements on air. On GBC TV, *Newswatch* has been revamped, as has the weather forecast. New programmes have been introduced, and the current affairs series, *Viewpoint*, is now scheduled on a weekly basis.

The Corporation has rightly directed its resources to the type of programming that according to a recent survey is preferred by viewers, with continuity sequences also brought up to date, giving GBC a much more professional feel that is befitting of the community in which we live.

On Radio Gibraltar, Mr Speaker, programming has been extended on some evenings, taking advantage of new technology that our improved funding has allowed to be acquired.

GBC's online services have been totally updated, with a brand-new website providing on demand programming, as well as a continuously updated local news section seven days a week.

The GBC News and Radio Gibraltar apps have also been updated, with these having already been downloaded by thousands of users, with many others also following the news and radio services on social media too.

GBC's Chief Executive is ensuring that programming remains of the best possible affordable standard, for which a policy of long-term planning has been introduced at Broadcasting House. A number of specials are planned for the summer, as well as several new series starting in the autumn, other specials at Christmas, and with pre-production already having begun for programmes planned for 2016.

Mr Speaker, I am also glad that after some very tough negotiations GBC acquired 'affordable' rights to screen all of the UEFA European Qualifier 'Gibraltar' matches as an official host broadcaster. These have so far been hugely successful, and are scheduled to continue until October. The intention is for GBC to also negotiate the rights for the broadcast of any future UEFA Gibraltar national team matches, as and when these arise. It is right that our national team games should be available on our national TV channel.

Mr Speaker, our investment in local broadcasting has allowed more people to be employed in the industry, and new technology to be purchased. This year the Corporation has ensured that its IT infrastructure is upgraded in order to cope with the demands placed on it by the greater trafficking of digital video files, whilst also introducing a digital video archive, which until now had not existed at Broadcasting House resulting in many historic images being lost forever. It is the Government's intention to provide the

GBC archive on the Gibraltar National Archive, for this continuously growing bank of valuable images to form part of our national heritage going forward.

1110 Despite the positive advances at GBC, there are two aspect of the Corporation that we have not been able to solve so far during this term of office. The first is the withdrawal of GBC from the market in commercial advertising, which in our view can distort the advertising market. I am working on this with the CEO and the Financial Secretary.

1115 The second, Mr Speaker, is the relocation of Broadcasting House, which is now very much a necessity. With around 80 employees and a greater number of services provided, the Corporation has outgrown its current home in South Barrack Road, where it has been based for nearly 40 years. Although some very necessary works have been carried out to improve the working environment, there is no escaping the reality that it is not fit for purpose.

1120 Accordingly, the CEO and I continue to explore alternatives, having not been able to deliver the ones we had previously identified together and we are confident that in the not-too-distant future we will identify a new location, that could potentially also allow GBC to diversify and attract new forms of revenue. We have many ideas to explore together in this respect, and our joint aim remains a self-financing GBC, using Gibraltar's fiscal advantages as the main draw for others to use GBC's services.

1125 Mr Speaker, I am confident that GBC has a bright future ahead of it. GBC is increasingly attracting more positive feedback, especially in respect of its local productions and coverage of local events. Radio Gibraltar remains very popular within our community, where evidently many listeners like its programming style and choice of programmes, and GBC Online has become the 'go to' website for reliable local news updates 24/7, as well as on-demand programming. Gibraltar deserves a professional and reliable national broadcaster, Mr Speaker, and I am glad to report that this Government's trust in local media talent has paid off, with GBC now being a far cry from what we had inherited three years ago.

1130 In respect of other media, Mr Speaker, I continue to salute all our national print and internet media. I believe we have continued to be fair in our treatment of each of them and all of them. They are our fourth estate and a hugely important part of how our democracy works.

1135 Mr Speaker, the brilliant performance of our economy that I have been able to disclose today is not the product just of my work, and I do not present it as such. It is not the product of just my Ministers' work, and I do not present it as such, although we are clearly the lightning rod for its delivery. This is the product, as I do not tire of saying, of the combined effort of all of us in this economy. The combination of what the Hon. Father of the House called the real twin pillars of our economy: the use of our land and the employment of our human resources in the most efficient way possible.

1140 In this respect, Mr Speaker, Government's relationship with local unions, who represent the labour side of that equation, is an essential ingredient in delivering this great success. In my view, the Union/Government relationship is stronger than it has ever been. Unite, the GGCA and the GTA/NASUWT are our partners in delivering social justice and safe and secure places of work. In my role as Minister for Industrial Relations, I work closely with those responsible representative organisations for the good of their members and our citizens. And believe me, Mr Speaker, no-one sells out to the other, no-one kowtows, but everybody understands the mutual benefit in pulling together towards agreements that work for all sides.

1145 In respect of the Civil Service, we are working well to deliver a new Public Sector Code that has seamlessly implemented new working hours in a manner that has not caused any major issues for businesses.

1150 The progress we are constantly making in respect of e-Government is helping in this respect. There are areas where we progress faster than we expect and others where we do not, the introduction of pensions in the private sector being one, where we are nonetheless making strong progress. That is not to say we do not face challenges with each other or together on occasions, as it could not be otherwise. But the principles of social partnership are the ones we keep in mind, and with this we resolve matters together in a way that is most inevitably mutually beneficial.

1155 I would describe the relationship with the Ministry of Defence, Mr Speaker, in the same positive light and believe that there is much that we can achieve with colleagues in the MOD, as has been shown by the recent announcement of a new Lands Agreement. My Government is particularly happy that we are moving towards a transfer of the Defence Fire Service to Government and we are already talking about talking about the Global Agreement which will become relevant again in 2017. Again, many challenges on the horizon, but none that cannot successfully be dealt with if we are open, honest and frank with each other with a positive attitude to mutually beneficial outcomes.

1160 As we approach the end of our first term in office, Mr Speaker, the results achieved by my Government in the last three years speak for themselves: economic growth of more than 10% per annum; record annual budget surpluses; employment levels up to 24,422 – an increase of 13% or 2,903 since 2012.

1165 And employer and business representative organisations will have been delighted, Mr Speaker, with the annual reductions in the cost of doing business in Gibraltar which we have delivered, including the fact that there have been no increases in electricity charges, which is in effect, Mr Speaker, a discount of the rate of

inflation for the period, namely 11%; similarly, Mr Speaker, no increases in water charges, which is in effect also a discount of 11%; and also, perhaps more importantly, no increases in the employer social insurance contributions, which is also in effect also a discount of 11%. But in addition, Mr Speaker, reductions in import duties on most goods; discounts on early payment of rates; the abolition of salt water charges; and a £250,000 fund established to support start-up businesses.

And support for our working families has also been forthcoming. In the past three years we have already taken important steps in this regard with income tax abolished for those with incomes below £10,500; indeed significant reductions have been delivered in income tax across the board for all taxpayers. A 50% increase in Nursery School Allowance; support on the purchase of the family home – with abolition of Stamp Duty on the first £250,000 for first-time and second-time home buyers. And we have delivered increases in Maternity Grants and we have led increased levels of death-in-service gratuities to afford protection and security for working families in the Public Service. All, Mr Speaker, in just over three and a half years.

Mr Speaker, support for our senior citizens has also been strong. We have made donations of the surplus to the independent Trustees of Community Care, having discovered it empty of all its own resources. The Old Age Minimum Pensions and Minimum Income Guarantees have been increased every year. The Pensioners Utility Grant has been increased every year; and the Widows and Orphans Pension Scheme has been re-introduced, with an option for existing pensioners who were in it to re-join the scheme. In this respect, Mr Speaker, in line with our manifesto commitment, we will re-activate the Widows and Orphans Pension Scheme and to give those officers who opted out of the scheme in the late 1980s, as I have said before, the option to come back in. The required amendments to legislation have now been drafted and a Bill is due to be published shortly. The effective date of the amendments will be backdated to 9th December 2011 and all officers in service, retired officers who have expressed an interest in re-joining the scheme also since that date will be able to re-join upon payment of their arrears of contributions.

And support for our youth has also been forthcoming, with increased levels of scholarship grants for all our university students; increased numbers of teachers in our schools; and increased investment in school infrastructure.

Support for our disabled has already been outstanding with 50% increased rates for sponsored patients, significant increases in income tax allowances for our disabled; reductions in import duties on goods used by our disabled and elderly community.

Well, Mr Speaker, building on those foundations of social justice and fairness already delivered in our first three and a half years in office, I now turn to the Budget Measures for this financial year 2015-16.

Mr Speaker, in my Budget Speech last year, I announced that the Government were considering the introduction of a Payroll Giving Scheme which would allow tax-free charitable donations to be made regularly and automatically through employment earnings. I am now happy to report that following a study carried out by the Commissioner of Income Tax, Government will soon be announcing the introduction of the Scheme. Mr Speaker, Gibraltarians are an extraordinarily generous and charitable people. Many I know give out of religious conviction. Many give out of sheer generosity. And many others give simply because it is in our culture to provide for those who have less or need help at any particular time.

We as a Government are helping with the magnificent new Calpe House at Norfolk Square, but the foundations of that brilliant establishment were laid by the generosity of our community's charitable giving and, of course, Joe Bossano's courage in matching the public's donations. But as philanthropy is more and more professionally associated with Gibraltar, we must also make it easier for our professionals to give money regularly and easily in a more modern way. That is why I am going to be leading a review of our Charities legislation alongside this very positive introduction of facilities for payroll giving. It will be a hugely exciting project and I am very much looking forward to it in the coming weeks and months.

Mr Speaker, in order to further stimulate the retail sector and to make Gibraltar a more attractive place for national and international purchasers, the following reductions in import duty will be introduced, with immediate effect.

Import Duty on flooring, carpets and construction materials will be reduced for trade imports by half from 12% to 6% in order to assist local retailers in these products to be competitive, as individuals set out to decorate the almost 900 affordable homes that will shortly be conveyed to purchasers, as well as the almost 1,700 new affordable homes that are shortly to be marketed. In this respect also, a new mechanism will be introduced, on which I am already working with the Collector of Customs, the Commissioner of Income Tax and the Financial Secretary, to ensure that those who sell services into our Community from outside our frontiers will do so in a way which is fair to those who are established here. We envisage that all services being provided here will be subject to pre-notifications to the Collector and Commissioner and will therefore be subject to withholding taxes on payments. This will in particular apply to the sale of services into the home such as the sale and installation of kitchens, bathrooms and other fitted furniture. All of this presently comes blatantly through the frontier and only import duty is paid.

The new system being devised will be a simple one to operate for the consumer, who will no longer even have to come down to the frontier to pay for an importation. All will be able to be paid for online, with a credit card and a notification e-mail of duties paid and works value declared will be sent to the Customs and the Income Tax Offices and payments of duty and withholding taxes made on line. We do not want to hinder cross border services, Mr Speaker. Consumers must have choice and if they want to buy a kitchen, a bathroom or a fitted wardrobe from retailers outside our borders, they must have the choice to do so. But, indeed Mr Speaker, that is the single market we reap so many rewards from ourselves.

But the work done in Gibraltar, which is taxed in the hands of national retailers, must be executed by those from outside on the basis of a level playing field if they come here to do it, paying all taxes and duties that an established Gibraltar business also pays. Only in that way will a product or service provided in Gibraltar genuinely be subject to comparison with a similar product or service provided by a business outside of Gibraltar. This is a genuinely exciting development that e-Government will deliver and one that I know the business representative organisations will very much welcome.

Mr Speaker, trade imports of white goods rated A and above are reduced from 6% to 3%.

Import duty on the following items for the elderly, disabled and infirm is reduced to 0%, namely, hearing aids, walking aids, wheelchairs, glasses and frames for prescription spectacles, contact lenses and dentures.

Import duty on toys is reduced from 6% to 3%.

Import duty on hybrid vehicles by those with a valid trade licence is reduced from 2% to 0% and for private imports the import duty is reduced from the current range of between 12.5% and 17%, to a flat rate of 5%. In addition, Mr Speaker, the hybrid & electric vehicle new car registration cashback is increased from £750 to £1,000.

Import duty on inboard and outbound marine engines and marine engine spares is reduced from 6% to 0%.

In line with import duty on televisions, which was reduced to 0% in our first budget in 2012, import duty on television spares is now also reduced to 0%.

The duty on suitcases is reduced from 6% to 0%.

A one-off tax deduction is introduced against assessable income, with the percentage to be verified and subject to the discretion of the Commissioner of Income Tax, on the investment made by an individual, company or business that makes a significant improvement to the EPC rating of their premises.

In keeping with our manifesto commitment, electricity and water charges will again not be increased this year, despite the increasing costs of providing these public utilities.

Mr Speaker, our social insurance benefits will need to be funded, as far as possible, from the income receivable in social insurance contributions, with less reliance on Government contributions. As I announced last year, the Government continues to study a number of proposed innovative reforms to our social insurance scheme in order to make this self-financing for future generations of our community. An announcement in this respect will be made when the study has been completed. However, there will be no increases in social insurance contributions this year, meaning that in real terms, social insurance contributions have now been reduced in effect by 11%.

Mr Speaker, I will now deal with various changes to import duties which take effect as from midnight last night.

Mr Speaker, in support of this Government's continuing efforts to address the problems arising from tobacco and smoking generally, we will once again raise the import duty on rolling tobacco from £42 per kilo to £45 per kilo.

In line with our policy to encourage the use of LED lighting, including LED bulbs and LED torches, the import duty on which has already been reduced to 0%, the import duty on filament bulbs and other non-LED lighting is increased by double, from 12% to 24%;

Mr Speaker, the import duty on appliances as well as domestic appliances, known as white goods, with a C or D rating was doubled last year from 6% to 12%. This year we will also double the import duty on white goods with a B rating from 6% to 12%.

Two stroke motorcycles will see the duty levied on the importation rise from 30% to 50%, making the less polluting four stroke motor cycles more attractive since duty on those will remain at 15%. This measure will not apply to two-stroke motor cycles already held in bond in Gibraltar.

Mr Speaker, the import duty on wines, beers and spirits has remained unchanged for a number of years, in some instances for over a decade. These will be marginally increased this year but ensuring that the selling prices of these products in the market remains competitive.

Import duty on wine is increased from 39p to 50p per bottle; import duty on beers is increased from 27p to 30p per litre; and import duty on spirits is increased from 80p to £1 per bottle.

Mr Speaker, in order to assist working families with the purchase of their homes, as well as those families who may need to move to alternative accommodation as their family composition changes, no



Stamp Duty will be payable by first-time and second-time home buyers on the first £260,000 of the cost of their property, irrespective of the total cost of their homes.

In addition, purchasers of new Affordable Homes will benefit from a Rates Holiday, so that no Rates will be paid in the first full Rates year, then increasing by 10% every year until 100% is reached on the 11th year. Additionally, the Rates Holiday will commence on the 1st July following completion of the purchase of an affordable apartment so that no rates will be paid for that portion of the year earlier.

Maternity Grants are increased from £600 to £700.

In order to further assist our senior citizens, the Annual Pensioners Utility Grant is increased from £100 to £120. This represents an increase of 100% in this grant since the Government took office.

Old Age Pensions will once again increase this year as will the Minimum Income Guarantee in line with increases in the Index of Retail Prices.

In order to assist our pensioners with their investments, and address their need for instant access to their investments together with a reasonable rate of return, the Gibraltar Savings Bank will issue a new Savings Bank 'Instant Access – 5-year Pensioner Bond'. This five-year bond will pay monthly interest at 2% per annum; will allow our pensioners to have instant access to their investments whenever they need it with no early redemption penalty; and will pay an additional 10% bonus on maturity on any amount that remains invested for the full five years.

In addition to any other pension contributions to an Approved Pension Scheme and in order to encourage our community to save for their retirement, a new 'Retirement Savings Bond' will be issued by the Gibraltar Savings Bank. Investments will attract interest at 2% above the Bank Base Rate – currently 0.5% – and these will be redeemable on the investor's 60th birthday. Contributions to the GSB's Retirement Savings Bond can also be made by employers on behalf of their employees, with such employer contributions being allowable as a business expense for tax purposes. Up to £1,000 of contributions by the investor will also be deductible from the individual's assessable income for tax purposes, under both the Allowance Based System and the Gross Income Based system.

Mr Speaker, in pursuance of the Government's commitment to reduce the level of personal taxation for every taxpayer in Gibraltar, and having already complied with all our manifesto commitments in this respect, the following reductions in income tax will apply, with effect from 1st July 2015:

In relation to taxpayers on the Allowance Based System, the following reductions will be applied to the tax bands, namely: the first £4,000 of taxable income, currently taxed at a rate of 15% is reduced by 1% to 14%. The next £12,000 of taxable income, currently taxed at a rate of 18% is reduced by 1% to 17%.

The remaining taxable income – that is to say, income exceeding £16,000 – currently taxed at 40% is reduced by 1% to 39%.

In relation to the Allowances in the Allowance Based System, the following measures will be applied, namely: the Personal Allowance was £2,812 when we were elected and was increased to £3,100. This year it is further increased by £100 from £3,100 to £3,200, representing a total increase since our election of 13.8%, almost 14%;

The Spouse or Civil Partners Allowance was £2,632 when we were elected and was increased to £3,100. This year this allowance is further increased by £100 from £3,100 to £3,200, representing a total increase since our election of 21.6%;

The One Parent Family Allowance was £2,632 when we were elected and was increased to £4,000 last year. This year this important allowance is doubled from the figure we inherited from Members Opposite and is therefore further increased to £5,264 representing a total increase since our election of 100%, or 200% of the allowance;

The Nursery Allowance was £1,023 when we were elected and has been increased steadily to £4,000 over the years since we were elected. This year it is increased by a further 25% or another £1,000 from £4,000 to £5,000, representing a total increase since our election of approximately 500%, Mr Speaker.

The Child Allowance has not increased for some years. It is now increased from £997 to £1,100;

The Child Studying Abroad Allowance has not increased for some years either. It is now increased from £1,105 to £1,250.

The Dependant Relatives Allowance is increased from £190 to £300 where the relative is resident in Gibraltar; and from £139 to £200 where the relative is resident outside of Gibraltar.

Mr Speaker to further assist the many working families and young people who will be buying affordable homes from the Government and who complete on purchases after 1st July this year, the House Purchase Allowance will now be increased for the first-time homebuyers. This will be an increase for the first time since 2001. The allowance is increased by £500 from £11,500 to £12,000.

The Medical Insurance Allowance, which was £1,120 when we were elected, has steadily risen to £4,000 over the years since we were elected. This year it is increased by a further 25% or £1,000 to £5,000 representing a total increase since our election of approximately 450%;

Mr Speaker the Disabled Individual's Allowance was £2,724 when we were elected and was increased to £6,000 over the years since we were elected. This year it is increased by a further 50% from £6,000 to

1350 £9,000, representing a total increase since our election of the Disabled Individual Allowance – an important allowance for those who have a disability – of 330%;

The Blind Person's Allowance was a lowly £627 when we were elected and was massively increased by us to £4,000 over the years since we were elected. This year it is increased by a further 25% or £1,000 from £4,000 to £5,000, representing a total increase since our election of approximately 800% of this hugely  
1355 important allowance.

The Special Deduction for Senior Citizens, which has not been increased for some years, is increased from £10,887 to £12,000.

Mr Speaker, at present, persons who are aged 60 years or over and need to carry on working because they have no occupational pension receive a tax credit of up to £4,000 in respect of their earned income.  
1360 However, this tax credit is not available to persons who have commuted their occupational pensions for a lump sum or are in receipt of or are entitled to receive an occupational pension in excess of £2,000 per annum. In order to assist such persons, the £2,000 pension cap is, with effect from 1st July 2015, increased to £6,000. This means that all persons who are aged 60 years or over and remain in employment to supplement their income will receive a tax credit of up to £4,000 so long as their pension does not exceed  
1365 £6,000.

Mr Speaker, at present, new life insurance policies or increases to existing policies currently attract tax relief at 17%. We are today removing this cap and will now allow premiums paid in respect of new policies and increases to existing policies to attract tax relief at the taxpayers' personal rate of taxation.

In respect of taxpayers on the Gross Income Based System, the following increases in Deductions are  
1370 introduced.

An increase, Mr Speaker, in the private medical insurance deduction from £2,500 to £3,000 in respect of premiums paid for such cover with effect from the tax year commencing 1st July 2015; an increase in mortgage interest deduction from £1,000 to £1,500.

In order to further assist working families with the purchase of their first-time home, a deduction from  
1375 assessable income of £6,500 will be made to taxpayers under the Gross Income Based System in respect of approved expenditure incurred towards the purchase of their home if completion on the acquisition of the property occurred after the 1st July this year.

And an increase in deduction for contributions to an approved pension scheme from £1,200 to £1,500 is introduced in respect of any such pension contributions made with effect from the tax year commencing  
1380 1st July 2015.

Also in the Gross Income Based System, we are reducing the high-end tax band from 10% to 5% for all income exceeding £700,000. This measure will affect very few taxpayers at present but is an important part of starting to have one uniform personal taxation code across the board as we harmonise our system of personal taxation away from special statuses into one uniform code applicable to all residents.

1385 Mr Speaker, a number of other measures are introduced in respect of taxation which are designed to assist individuals and businesses alike.

In relation to individuals, the Government will shortly be publishing the details of a *tax amnesty*. Mr Speaker, I believe this is the first in our history that a tax amnesty has been introduced. As I said earlier, the international initiatives on transparency and information sharing that Gibraltar has signed up to will mean  
1390 not just that we will have to provide information to other states, but also that other states will have to provide information to us. That will mean that our tax office will see if some taxpayers have failed to declare income in past years. It is time to allow people to rationalise their tax affairs *before* they are caught out.

In order to do so, for a period of six months from midnight last night, individuals who repatriate monies held abroad which are the product of income accrued and derived in Gibraltar, or which on remittance to Gibraltar would have otherwise attracted taxation, will be able to wipe the slate clean on payment of 5% of the total amount remitted to Gibraltar and deposited here. Any individual who fails to avail themselves of this amnesty and in respect of whom the Commissioner of Income Tax subsequently finds taxable income abroad will be subject to a penalty charge in respect of the totals of such monies of 100% of the tax that  
1400 would have been due if properly declared at the time.

Also in relation to individuals, Mr Speaker, currently, the income received by students from employment during vacation is exempt from tax. This only applies to students who are in full-time education and will continue in education following the vacation period. There are a number of full-time students who work the whole year round – part-time and weekend jobs – and are being taxed on the income earned outside the vacation period. It is proposed that the tax exemption be extended to the income earned by a full-time student outside the vacation period.  
1405

Not in relation to tax but also to social insurance, Mr Speaker, currently where an individual has a secondary employment both employers are required to pay social insurance contributions. It is proposed that the employers' contribution in respect of an employee's secondary employment be abolished, and it so  
1410 is hereby, Mr Speaker. This is subject to the full contribution having been paid at least once in Gibraltar.

In relation to corporate tax, Mr Speaker, I will be commencing a detailed consideration, with the Gibraltar Society of Accountants and other business representative bodies in order to agree the treatment of capital allowances for intangible assets and the potential for the introduction of an Allowance for Research and Development Expenditure. This exercise has to be carefully undertaken to ensure that EU State Aid Rules are not in any way infringed.

In order to further incentivise new businesses to set up in our thriving economy and generate even more economic activity, companies, partnerships and self-employed individuals shall be able to claim 100% of its eligible Capital Allowances in the first year of trade. This will provide new businesses with maximum cash flows in their first year of trade, which is when they most need it, by providing immediate set-off of their start-up costs, thereby increasing their chances of success. This measure will apply to all *bona-fide* new activity for new businesses in Gibraltar on the purchase of new equipment. The provisions will not apply to restructures of existing businesses seeking to take advantage of this initiative.

Also in relation to corporation tax, and following proposals from ATCOM, in order to incentivise training in the workplace, training costs will be allowed as an expense against the profits of a business or a company at the rate of 150%. In other words, a company that invests £1,000 in training its employees with a view to them obtaining a qualifying qualification, will now be able to claim £1,500 as a deduction against its profit for the accounting period in its tax computation. As professional trust and company managers face the burden of continued training and retraining in new transparency initiatives such as FATCA and the like, this will help ensure that our professional intermediaries are able to provide the training their staff need. This allowance will nonetheless be valuable in many other sectors also and will no doubt stimulate further training being available to employees in diverse industries.

Mr Speaker, the audit threshold – that is to say the level of turnover beyond which audited accounts are required, is raised by a quarter of a million pounds from £1 million to £1.25 million, although a discretion is retained to the Commissioner of Income Tax to require an audit should he consider it necessary.

Also in order to assist small-scale start-ups, a capped 200% credit is introduced in respect of the cost of any architect's fees incurred in respect of successful planning applications under the Town Planning Act, and any fees charged by Government in respect of any such planning application, made by such a company in respect of its own property in the first 24 months of operation of any new company. The credit will be available to be deducted from tax liabilities in the first three years of operation of any such company. The cap will be at a total of £5,000 as this is *not* designed to be a measure to help large scale developers of land, but to assist small scale businesses who may be incurring planning fees in remodelling business premises.

Mr Speaker, to further encourage and assist small businesses and start up companies, a Social Insurance Credit is introduced of £100 per employee in respect of the employers' contribution for companies who have who have 10 or less employees. The credit will be made only against the final payment of the year and companies will only be eligible if the required payments have been made on time throughout the year.

For a new company, the credit will apply to companies with up to 20 employees in the first year of operation.

I turn now, Mr Speaker, to the annual consideration of Public Sector pay and the Minimum Wage.

Mr Speaker, despite the continuing pay restraints in the United Kingdom public sector pay over the last few years, the Civil Service and Public Sector pay in Gibraltar has continued to rise over the years and has kept up with the increases in the cost of living. The Government will once again increase Civil Service and Public Sector Pay under the 2015 Pay Review.

In order to give certainty to members of the Public Sector, many of whom will also be purchasing affordable property in the coming months and years, the Government is today committing itself to a three-year pay deal. The rate will see a pay increase linked to average rates of inflation of the past four years.

Mr Speaker, the average inflationary rate for the past four years amounts to, approximately, 2.75%. The Public Sector will therefore benefit from a pay increase of 2.75% per year for the next three years of pay rises of the rate of inflation in any one of those given years, whichever is the higher.

Let me just make that clear: it is 2.75% per year for the next three years, or the rate of inflation in any one of those years, whichever is the higher, should inflation go above 2.75%.

That means that public sector pay will rise *by a minimum*, by a minimum of 8.25% over the next 36 months, starting with effect on 1st August 2015.

Mr Speaker, in the Royal Gibraltar Police, the Prison Service, Her Majesty's Customs and the Fire & Rescue Service, an additional quarter of a percent will be added to the annual increases in the next three years.

Mr Speaker, the Government has been in negotiation with members of the Prison Service for some time now, in view that no meaningful review had been undertaken since the introduction of the Fresh Start Agreement in 1988. The Government values the service delivered to the general public by this highly professional body and we are committed to improving their terms and conditions. We have already undertaken an important step in modernising their working conditions with the abolishment of TOIL in November last year. Now every additional hour worked by a Prison Officer is paid for, and as from the

1st July weekend premiums will also be paid, bringing them in line with the rest of the Service. In addition to this, I am today able to announce that the present 3% abatement applicable to their pay is henceforth eliminated.

1475 In relation to the Royal Gibraltar Police, I am also very happy to announce that last week the Government and the Police Association agreed a way forward for the establishment of the new Gibraltar Police Federation, which I certainly believe will be an important step forward for the representation of the men and women of that force.

1480 And now, Mr Speaker, to the lowest paid in our Community who deserve our consideration as much if not more than any others.

Mr Speaker, before New Labour in the United Kingdom and before many other nations around the world, the first GSLP administration introduced the Minimum Wage in Gibraltar. We are justly proud of that achievement and our pioneering move in that respect. We were right to introduce the Minimum Wage and we are right to ensure it is kept under annual review.

1485 Therefore, Mr Speaker, in line with this Government's commitment to keep the National Minimum Wage under constant review, the statutory Minimum Wage was increased in our first Budget from £5.40 to £5.70 in August 2012; in our second Budget from £5.70 to £6.00 in August 2013; and in our third Budget from £6.00 to £6.15 with effect from 1st September 2014. Mr Speaker it was important that the Minimum Wage should have caught up with the cost of living as it now has.

1490 The Minimum Wage will now be increased further – in line with the increases in Public Sector Pay – by the average rate of inflation in the past four years, which amounts to approximately 2.75% and which equates to a Minimum Wage rise of 10p from £6.15 to £6.25 with effect from 1st September 2015.

Mr Speaker, the Minimum Wage will therefore have risen by 15.7% since our election, whilst inflation has risen 11% and nothing can make us prouder on this side of the House.

1495 Finally, Mr Speaker, in order to help the lowest paid in our Community, the tax-free threshold is increased from £10,500 to £11,000 for low earners. Mr Speaker this means that anyone who earns less than £11,000 will now pay no income tax. A fair measure by a fair Government that is fair to the lowest paid in our Community.

1500 Mr Speaker, there is a Bill before the House to amend the Income Tax Act. I have not proceeded with it before so that, by giving written notice of the amendments necessary to give effect to these Budget measures, when it is passed it will be up to date with the latest changes in our tax laws. Probably the first time that we are entirely up to date in many years.

1505 Well, Mr Speaker, before I sit down I will share with you that last year, as the year before, I was very disappointed indeed that the Hon the Leader of the Opposition did not actually provide any meaningful reply to my Budget address. I have this year, again, made a very large number of announcements about increased allowances, about GDP growth, about the important reductions we have seen in Gross and Net Debt as a share of GDP. All of these things are massively important for our Community. I have provided the detail behind the important figures that demonstrate that the criticisms we have heard throughout the year from our political opponents have been entirely unfounded. The falling debt, the growing rate of  
1510 Government Revenue, the tight control we have demonstrated on recurrent expenditure – all of these things are good for Gibraltar and demonstrate that our economy and our public finances are strong and resilient.

In the circumstances, and given it is an election year, I wonder whether the hon. Member Opposite might be prevailed upon to actually reply to what I have said, instead of simply reading a speech he prepared earlier and which he reads out now with little regard to what I have to say. Maybe, Mr Speaker  
1515 because it is an election year he will treat us to a detailed response? But, of course, I won't hold my breath!

On a more positive note nonetheless, Mr Speaker, I want to thank the unions who have worked with me this year, the Chamber, the Federation of Small Businesses, ATCOM and the Finance Centre Council for their input. As usual, it is not possible to give effect to all of their mostly sensible recommendations in their entirety, but the responsible feedback that they provide certainly helps me and my team to better calibrate  
1520 this appropriation and to make innovative changes for business. I look forward to continuing my full engagement with them.

It is also right of course that I should, on behalf of the whole of Gibraltar, also thank all public servants of Gibraltar without whom Government cannot operate and who, I will never tire of saying, are in the great measure as responsible for these great results as any of the 10 of us on this side of the House.

1525 In particular, Mr Speaker, our thanks go to you, the Clerk and the staff of the House for bearing with us this year. This year we have concluded the work of refurbishing the areas of Parliament behind the Speaker's Chair and the effect I think has clearly been favourable to you all in particular, as the environment in which you now work is more modern and dignified than it had been for many years. And I thank you again, Mr Speaker for the work being done on establishing the new register of electors. The  
1530 installation of the lift to make the Chamber accessible remains outstanding, pending a further round of consultation which I sincerely hope will happen quickly and be resolved positively so that we can finally make the Parliament an accessible building.

Mr Speaker, I must now also pick out for particular tribute and thanks the people who work with me in my corner of the Public Service at No. 6 Convent Place. According to some of the more short-sighted, it is wrong that we have invested in bringing our offices up to scratch. According to some, you are not entitled to the modern types of offices delivered to others at even greater cost. Well, you have my warm thanks extended to you all on behalf of all of the Government and a special acknowledgment, of course, to the staff of No. 6 Convent Place; amongst in the public service especially the team that works on my corridor of the building immediately to me.

It seems incredible to think that it is three and a half years ago that the Deputy Chief Minister and I walked into No. 6, with our wives, excited but with trepidation, feeling almost as if we were walking into someone else's domain. From the car to the desk and through to our modest corridor of 'power' as it might be called, all of those at No. 6 have made us feel at home and they have enabled us to deliver the best of ourselves for the benefit of our people.

And, Mr Speaker, I must tell you the truth: when the chips are down and Gibraltar is under attack, those people at No. 6 ensure that I feel surrounded by support and by the most effective team on the planet at the most emblematic address in our small nation that has finally being transformed into a representation of the modern Gibraltar. Because at the craziest moments, at the time when the world around us seems to be going mad, the people at No. 6 keep me sane. And now, Mr Speaker, after the short time that we have been in Government they have made us become and feel more than just colleagues. They are friends and I thank them sincerely not just for their work this year, but in particular for their friendship. I thank them for these first four years as we seek the people's confidence for four more years.

Mr Speaker, in this final Budget opening address of the lifetime of this Parliament, I want also to continue the tradition I established in my first year, when I addressed the House as Chief Minister for the first time, and which I think is particularly fitting in the system of real Cabinet Government such as the one I lead, and that is of thanking all other members of the ministerial team for their effort and determination in the course of the past financial year.

It is our work and the work of the public servants who so tirelessly work alongside us and the work of the rest of the nation each in their own sectors that delivers these excellent results.

Because the numbers in the Estimates Book, the growth in our economy, the increases in allowances and wages are just the metaphor of the success that our nation is enjoying under this administration.

This is a Budget that has confirmed that what so many called a mission impossible when we embarked on it, has become a mission accomplished in economic terms.

What they said could not be done, we *have* done.

This Budget demonstrates to our Community that we have mapped out the right long-term plan for our economy and our public finances: with Community Care having received £134 million; with the Savings Bank reserve estimated to be at £27 million by the end of the year; with a GDP of £1.64 billion and likely to reach between £1.75 billion to £1.8 billion next year; with debt down by £72 million; with average earnings jumping up; with more jobs than ever before.

Mr Speaker, this is the Socialist Liberal Government's fourth Budget, and for all of those reasons it is one to go forth and brag about – because this Budget delivers for those who work harder because they aspire to more. This is a Budget for the hard-working men and women who are the backbone of our economic success story as a nation.

Because this Budget shows that we work first for the people who cannot pay their bills and who cannot afford the cost of living, and we care about those businesses that need help to better establish themselves as the employers that drive our growth.

This is a Budget for the start up businessman and the working man. A Budget like all we have delivered before, not for those who put out their hands just to take; it is a Budget for those who put out their hands to work and for those who genuinely cannot work.

And we are delivering exciting opportunities for businesses in Gibraltar: working on the side of business and not setting out to hinder business; understanding the needs of those who want to create wealth and in that way spread wealth; a Government that wants to work to stimulate continued growth extending to every sector of the economy; a Government that is committed to seeing each taxpayer as a shareholder in this common enterprise that we call the nation we are building; a Government which is maximising shareholder value, delivering innovative solutions and making real the dreams of previous generations of leaders.

Creating an International Bank and a University; finishing off 900 new affordable homes and starting work on 1,700 others; turning our backs on a culture of professional mediocrity; and demanding higher standards of ourselves and others; and that is delivering growth in jobs and revenue and demonstrating the confidence of the diverse sectors of our economy that are not allowing the negative narrative of a desperate few to get in the way of the positive work of this dynamic executive team.

From the gaming industry to the financial services and from the Chamber and the Federation to the Unions in each sector, we are working together with all to deliver better ideas than just one of us might produce. Joined up Government. Joined up ideas. Joined up delivery.

And in the same way as we have worked with all sectors, we have worked with people of all partisan opinion because we put Gibraltar first always and we make no apology for that!

A Government for *all* of Gibraltar, as we pledged to be. A Government delivering a Budget for low earners and for high achievers in equal measure. A Budget that delivers social justice for all of our people, as we will always seek to do in every Appropriation Bill we bring to this House.

A Budget, Mr Speaker, that evidences why we have been right to pursue the course we set and take no lessons from those who left us an empty Community Care, an empty Savings Bank kitty and an empty useable cash reserve kitty. Because as will always be the case with us, this is the Budget of a Government that will always put country before party, people before politics and service above self.

This is the Budget of a nation coming of age, Mr Speaker – the Budget of a Government delivering estimate busting surpluses; a Government presiding over a record high in Gibraltarians in employment; and Gibraltar maintaining and consolidating its position as third in the international rankings of GDP per capita.

Mr Speaker, more reserves, more jobs and more cash surplus. And not a pre-election give-away Budget, not a Budget of goodies but a responsible Budget, delivering an adjustment and rebalancing of allowances where it is fair and equitable to do so.

Breaking records in employment, Mr Speaker. Breaking records in average earnings, Mr Speaker. And breaking the broken record of negativity that a disgruntled few have made their mantra.

And we can show, Mr Speaker, that we have not cynically held back in previous budgets. We have been generous throughout the four years in increasing allowances and deductions, so that no-one can reasonably suggest that we are doing so only this year.

So, Mr Speaker, it is therefore as ever with both great pride and equal humility in having been allowed by colleagues the honour of presenting once again the fruits of the work of our whole team in the opening address of this debate, that I commend the Bill to the House.

*(Banging on desks)*

**Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill?

The Hon. the Leader of the Opposition.

**Hon. D A Feetham:** Mr Speaker, the Leader of the desperate few request just a five-minute adjournment, just to use the bathroom, if I may, before I come back. If the hon. Gentleman agrees.

**Hon. Chief Minister:** Mr Speaker, this is a highly unusual request, but given...and in most parliaments the Leader of the Opposition prides himself on being able to get up and answer immediately, but given that his request is related to issues related to bladder and not anything else, I propose that the House should recess for a very short two-minute or three-minute adjournment, as long as it may take.

**Mr Speaker:** The House will now recess for five minutes, which will come very welcome to those who have older bladders! *(Interjections and laughter)*

*The House recessed at 1.35 p.m. and resumed its sitting at 1.45 p.m.*

### Appropriation Bill 2015 – For Second Reading – Debate continued

**Mr Speaker:** The Hon. the Leader of the Opposition.

**Hon. D A Feetham:** Mr Speaker, it is an honour for me to rise and deliver my third speech as Leader of the Opposition, and my eighth overall.

I start, Mr Speaker, before I examine the figures, addressing this House on the complete lack of openness and transparency with which this Government, and this Chief Minister in particular, have dealt with the management of our public finances. A lack of openness and transparency that goes to the very heart of whether this Chief Minister deserves the trust of the people of Gibraltar.

And it would be wrong for anyone, Mr Speaker, to assume that issues of openness and transparency simply go to the quality of our democracy, important as that is in its own right. They also impact on the ability of the Opposition and the community that we all serve, to identify emerging financial problems, before they become too big to deal with.

Today the hon. Member, the Chief Minister has said and I quote, ‘Gibraltar is more financially secure than ever before.’ But what we have witnessed over the last four years, is the systematic destruction of parliamentary governance in Gibraltar and, in particular, the deliberate disablement of the ability of this Parliament to scrutinise the public finances in any meaningful way.

Mr Speaker, this Government and this Chief Minister have made an absolute mockery of these annual debates. He can talk all he likes about root-and-branch reforms of this Parliament, but the reality is that the Government is effectively operating two sets of accounts. One set of accounts funded through the Consolidated Fund debated today, and the other funded through the Gibraltar Savings Bank.

The GSB is funding Government owned companies, Government expenditure and manifesto promises to the tune of £400 million, Mr Speaker. None of it appears in these accounts; none of it accounted for to this Parliament.

It is quite simply impossible, to take most of what the hon. Gentleman says about the state of public finances seriously, when he is treating the GSB as the Government’s piggy bank to fund Government expenditure, and more than half of Government spending and Government debt is hidden away in Government-owned companies in respect of which he either refuses to answer questions in this Parliament or when he answers questions, Mr Speaker, he does not provide accurate answers. And I do not use a stronger word than the adjective ‘accurately’, Mr Speaker, because I would fall foul of the Rules of this House.

But this False Dawn Chief Minister, Mr Speaker, does not comprehend, that when he is not open, that when he is not transparent, that when he is not straight with Her Majesty’s Opposition of Gibraltar he is not being open, he is not being transparent and he is not being straight with the people of Gibraltar, Mr Speaker.

Mr Speaker, trust is a word that is often abused in politics but it will feature very highly indeed during the course of my intervention today.

And I ask people of this small but great community, every single person that is listening to this debate today, does the man sitting opposite me deserve your trust, when he was elected on a New Dawn mantra of openness and transparency, and he has done everything that he possibly can to keep from you the taxpayer, from you savers, what he is spending your money on and he has, quite frankly, not played it straight with you?

Mr Speaker, a Chief Minister who is prepared to answer ‘no’ to the question, whether the Government has directly or indirectly provided any loans to the owners of the Sunborn, when in fact a Government-owned company had provided a loan of between £30 million and £40 million – we do not know how much because he refuses to tell us – a company which he had incorporated in secret and had hundreds of millions of pounds of savers’ money transferred into it.

Mr Speaker, for a Government that issues press releases like confetti at a wedding, Mr Speaker, he forgets to announce the fact that hundreds of millions of pounds of savers’ money has been poured into Credit Finance Company Limited, which he was using to provide loans to nameless third parties and to pay for Government expenditure.

Imagine the outcry if a government minister in the United Kingdom had decided to incorporate a Government-owned company, had hundreds of millions of pounds of savers’ money transferred into it, provided loans from the proceeds to third parties and made no announcement to Parliament about it, Mr Speaker. And then, when a question is asked in this House about loans to the Sunborn he answers, ‘No.’

Mr Speaker, there is absolutely no doubt about it, that Minister in the United Kingdom would have been forced to resign, Mr Speaker, and that is what the hon. Gentleman should have done when he answered in the way that he did in this Parliament, in the way that he did, Mr Speaker.

And he denied that a loan had been provided to the Sunborn right up to the day after the by-election, Mr Speaker. He only came clean with the people of Gibraltar the day after the by-election when it could no longer cause damage to his party. And he is going to give me sermons today, Mr Speaker, about putting country before party, Mr Speaker! (*Banging on desk*)

That is the New Dawn Chief Minister we have in front us. A Chief Minister who asked the people of Gibraltar to trust him on his management of these issues, but on 29th May 2014, when I asked him whether the Sunborn had paid that debt on its due date or whether it had been rescheduled he said yes, it had paid on its due date and no, it had not been rescheduled. Then when I asked the same question earlier on this year, he refused to provide me an answer, Mr Speaker.

Well what does he have to hide? What is he trying to keep from the public, Mr Speaker?

A man who refuses to tell me how much consultants are being paid, including the well-known Juan Verde, and whether they have any links, or have had any links, with any commercial entity awarded contracts in Gibraltar.

A Chief Minister, who somewhat surreally, it has to be said, talks about political corruption on the part of the Opposition, because we do not disclose who funded the Lloyds Register report and he does not tell this House and refuses to say whether his one-time business partner in a sunglasses shop who is the owner

of a company that has been awarded a tender for the 'not fit for purpose' new buses, Mr Speaker, was the lowest tenderer. That is the Chief Minister we have in front of us, Mr Speaker, who is asking for the trust of the people of Gibraltar on these issues and perhaps whilst he contemplates that, Mr Speaker, he should also perhaps come clean and say how much that individual has paid GSLP coffers over the years, Mr Speaker. (Interjections)

A man who wants us to disclose who paid for that expert report but refuses to disclose who paid for the US\$110,000 tickets to allow him to take a cropped photograph with President Obama, or whether that person has or has had any interest in any commercial entity bidding, or having been awarded, public contracts – to use Mr Speaker Jesse J's immortal words, 'What was the price tag on that, Mr Speaker?' (Interjections)

We are not using the people's money; *they are*, and production and disclosure of the Lloyds Register report was in the interests of the people of Gibraltar.

A Chief Minister, who insults the people's intelligence by appearing on public television, publishing a so-called balance sheet for Credit Finance Company Limited, when anyone with any rudimentary knowledge of these things knows that it was nothing of the sort. Who, in that same broadcast, said that not one penny of the monies in Credit Finance Company Limited were being spent on Government expenditure, but perhaps does not communicate with his Minister for Economic Development who, a couple of months later, comes to this House and in response to questions accepted that £347 million of savers' money transferred to Credit Finance Company Limited and then to Gibraltar Investment (Holdings) Limited, was being used to allow Government-owned companies to meet their cash flow requirements. Mr Speaker, I never thought that I would live to see the day where the Father of the House, Minister Bossano was more open and more transparent, playing it more straight with the people of Gibraltar than the Hon. the Chief Minister Mr Speaker. (Interjection)

A Chief Minister that allows the unprecedented issue by the Gibraltar Savings Bank of a press release the day before the by-election saying, and I quote, 'the Gibraltar Savings Bank does not provide any loans', when that was not true because from 2012 to 2013, the GSB had been lending millions of pounds to Gibraltar Investment (Holdings) Limited, evidenced by Fixed or Flexible Rate Loan Notes, Mr Speaker.

And the fact is that on the issue of the public finances of Gibraltar, the hon. Gentleman has been leading people up the garden path since he became Leader of the Opposition in 2011, and he does not deserve the trust of those listening to him on these issues.

It was the Chief Minister, not Minister Bossano, as the Father of the House, emphasised in his intervention on one of the motions debated here a couple of months ago, that told the people of Gibraltar that the previous administration was addicted to debt; when our debt was three times lower than it is today, as we will see in a moment. Indeed, the Father of the House was at pains to make the point that he had never criticised the level of Public Debt when we were in Government. It was the Chief Minister, Mr Picardo, that had done so when he was Leader of the Opposition – and that is certainly true.

It was the Chief Minister, who when he was Leader of the Opposition, started a relentless campaign, which we described as the 'Big Lie', to persuade people that our Public Debt was too high, that the previous administration had exceeded legal borrowing limits and that our public finances were in a ruinous state, whilst promising absolutely everything to everyone. Promises that included £750 million in capital projects, the freezing of rates, rents, electricity, huge increases in the public service and therefore in the recurrent expenditure, to reduce the Gross Debt by half, and to donate every single last penny of Government surpluses to community care.

Talk about trust, Mr Speaker.

I described it last year as a 'veritable miracle of biblical proportions'.

Well, Mr Speaker, the miracle continued, because on the 18th January 2012, in his very first address to this community, putting on his most serious face as only he can, he spoke, and I quote 'a serious public finance problem', 'a serious Public Debt problem', 'an impenetrable curtain' Mr Speaker behind which he found a '£100 million black hole'.

Well, Mr Speaker, despite that 'serious public finance problem', despite that impenetrable curtain behind which he found a £100 million 'black hole' within a year his Government was spending money as if it were going out of fashion Mr Speaker. No rainy day predicted or rainy day funds needed, whilst the GSLP sun shines over Gibraltar, Mr Speaker. No, Mr Speaker. He was the Bank of England printing money. When a GBC reporter challenged him on Government spending in the light of the statements that he had made a year before, he then said 'we have cured' any public finance problems that he had inherited. Another miracle. Mr Speaker the hon. Gentleman's talents are absolutely wasted in Gibraltar. He should be leading the Eurozone, Mr Speaker, out of a potential double-dip recession, Mr Speaker.

But more importantly, for the purposes of this debate, it is precisely because the hon. Gentleman promised so many things to so many people whilst at the same time saying that our Public Debt was too high when we were in office, that the Government has had to structure the public finances in a way that keeps £400 million away from the scrutiny of this House. He could never in a million years have delivered



on his manifesto commitments by borrowing within the legal borrowing limits or using reserves. And I remind the House that apart from the huge increases in spending, the GSLP/Liberals also promised to donate every last single penny of Government surpluses to Community Care. In other words, all the Government's spare cash was already committed.

Mr Speaker, I will come to Public Debt later, but in February of this year Net Public Debt reached £400 million, very close to the legal borrowing limit of £447 million – just £47 million short of that limit. To pay for their promises, they have had to resort to the use of the Gibraltar Savings Bank, because they could not legally borrow directly what they needed in order to pay for their many expensive promises, and they have taken advantage of the fact that any debentures issued by the Gibraltar Savings Bank, which is what they are using to fund their programme, is a debt of the bank and not a debt of the Government. But what they are effectively doing, is using the money that does not belong to the Government, Mr Speaker, without accounting for it to this House.

Mr Speaker, the legal borrowing limits have been set by Parliaments in order to ensure that Governments do not borrow in a manner that becomes unaffordable to this community. Parliament has deemed that last year it was only safe and prudent for the Government to borrow £447 million. This year that legal borrowing limit, based on 80% of recurrent revenue, is £457 million. Until Parliament debates the implications for this community of raising the legal borrowing limits, and approves any increase, the Government should not be manufacturing artificial devices to circumvent those legal borrowing limits, Mr Speaker. And that for us is the bottom line. Leaving aside the fact that the Government could not borrow another £400 million directly, if it had spent that money it would not only have wiped out the surplus, we would be operating under a deficit, Mr Speaker.

How can one trust a Chief Minister that is running the public finances on that basis, and all to cover up his Big Lie at the last election, Mr Speaker?

He should have the courage of his convictions and if he thinks that £800 million – it is over £800 million and I will come to the figure in a moment – Gross Debt is affordable by this community, he should to have the courage of his convictions to come to this Parliament to raise the legal borrowing limits and indeed have this Parliament debate whether it is safe and it is prudent. Not to have artificial devices, all self-serving, just simply designed in order to circumvent that legal borrowing limit because of all the promises that he made which he knew he could not pay for conventionally at the last election. Mr Speaker, and it is not true to say that they are doing the same thing that we did when we were in Government.

And I now turn to examine the Gibraltar Savings Bank, Credit Finance Company and Gibraltar Investment (Holdings) Limited in more detail.

What we have been seeing since the Chief Minister was elected in 2011, is a huge increase in debt security – either bonds or debentures – issued by the Gibraltar Savings Bank, which as I have said, does not rank as Government debt because it is legally a debt of the Gibraltar Savings Bank, even though the money is guaranteed by the Government. As at December 2011, the total value of debt security held by the Gibraltar Savings Bank was £24 million. The total debt security held by the Gibraltar Savings Bank today, excluding deposits, is £738 million. If you take into account deposits, Mr Speaker that figure is close to £1 billion.

Mr Speaker, when we were in Government, money deposited in the Gibraltar Savings Bank had to be invested in cash deposits, or cash deposits equivalents in terms of the protection of their capital value. That was a requirement in the Gibraltar Savings Bank Act. Effectively, monies in the Gibraltar Savings Bank had to be invested in very safe, liquid forms of investments where the money was easily and readily accessible by the Gibraltar Savings Bank.

In March 2012, the Chief Minister moved a Bill amending the Gibraltar Savings Bank Act and took out the requirement that investments of the Gibraltar Savings Bank had to be held in cash or cash equivalents. We voted against the Bill.

The importance for the purpose of this debate is that it allowed the Government to invest Gibraltar Savings Bank deposits in riskier, non-cash investments. It is the only reason why the Gibraltar Savings Bank is able to invest £400 million in Credit Finance Company Limited, which was incorporated barely a month before that amendment was moved by the Chief Minister. It could not have happened under the GSD Government.

Admittedly Mr Speaker, I have to say I am not even sure that the Chief Minister really knew the underlying purpose for that amendment that he, himself, moved in March 2012. And I say that, because on 15th November 2012, eight months after he had moved that amendment, in supplementary to Questions 1001 and 1002, the Chief Minister was asked whether he was able, and I quote:

‘to confirm that all the money represented by the issue of debentures by the Savings Bank is held in cash or near cash by the Savings Bank’.

That was the question. The answer was this:

‘Mr Speaker, that is what the Savings Bank Act provides, that investments must be held in. So unless somebody is in breach of the Gibraltar Savings Bank Act, then yes, I can confirm that’.

And later he repeated:

‘As far as I understand it, all investments of the bank are in cash or near cash, which is what the Gibraltar Savings Bank Act requires’.

Well, Mr Speaker, he obviously did not understand it, because he had already amended the law eight months earlier, in order to do away with the requirement that the Gibraltar Savings Bank invest in cash or near cash equivalents, Mr Speaker. Eight months after he moved that amendment to the Gibraltar Savings Bank Act, and he was blissfully unaware that the Father of the House, Minister Bossano, was about to transfer nearly £300 million at the time of savers’ money from the Gibraltar Savings Bank into Credit Finance Company Limited, Mr Speaker.

Mr Speaker, what happened to the much-vaunted communication in his New Dawn Cabinet, Mr Speaker? ‘Oops, I forgot to mention that the purpose of the amendment that you moved in March allowed me to transfer £400 million for the Gibraltar Savings Bank into Credit Finance Company Limited’, Mr Speaker!

Mr Speaker, pre-empting this year, his right-left, right-left jibe – which he uses every single year, Mr Speaker – perhaps it was my Socialist roots and my fondness for the Father of the House, as opposed to his Liberal roots and his rather frosty relationship with his former, and I emphasise *former* Minister for Employment, that made me spot how he was going to fund his manifesto before he did. Because, Mr Speaker, during my maiden Budget speech, during the debate in 2013, as Leader of the Opposition, before I knew anything at all about Credit Finance Company Limited, I said this:

‘Mr Speaker, I have been observing the Hon. the Minister responsible for the Gibraltar Savings Bank, Minister Bossano, for many years now. I may not always agree with what he does or the manner in which he does it, but he does everything for a reason.

I hope, Mr Speaker, that I am wrong and that the Government is not contemplating using that money to fund its capital projects and expenditure simply because it is committed not to borrow or to donate Government surpluses to community care.

The consequences for these annual debates and the transparency of Government finances would be devastating because it would blow a massive hole in the Government’s duty to account to this House at Budget time for expenditure because, as we all know, the Gibraltar Savings Bank expenditure is not reflected in these estimates’.

Mr Speaker, it was the only possible explanation for the huge explosion of Gibraltar Savings Bank debentures, where the Gibraltar Savings Bank was paying between 4% and 5% in interest. No credible bank in the world is paying that kind of interest. Those interest rates are there to attract more debenture holders, so that the Government can then use the money for its own expenditure and its attempts to fulfil the many promises that it made at the last election. That is the reason why there is that huge explosion of debentures in the Gibraltar Savings Bank. The ability to repay depositors and service their interest is something that we have absolutely no objective basis for assessing, Mr Speaker, because they refuse to provide us with information to enable us to do so.

That is the economic miracle that the Father of the House always spoke about, and that is the real driver behind this Budget, Mr Speaker. Let us spend somebody else’s money without accounting for it as Government debt or Government spending. And it is on that basis that the hon. Gentlemen opposite, and the Chief Minister, expect the people of Gibraltar to trust him, Mr Speaker and he hails this Budget as a magnificent budget.

If he had had to spend £400 million – which he could not have – but if he *had* had to spend £400 million out of the Government’s own pockets, out of the Government’s own money, he would not be making the surpluses that he is making today, Mr Speaker.

Mr Speaker, I hope that the hon. Gentleman does not, once again, deny that the £400 million invested by the Gibraltar Savings Bank in Credit Finance Company Limited has not been used to fund Government expenditure, when it is clear beyond peradventure, that the reverse is true. If the Government decides to pay the commuted pensions of civil servants or provide a loan to third parties, either to improve housing estates as he has done with Gib 5, or to pay their taxes, or to help people with commercial interest relocate to Gibraltar, they should do so directly and account for it in these estimates of revenue and expenditure. These items – those that I have just described – account for £108 million of the total spending of Credit Finance Company Limited, Mr Speaker. Those items in themselves would have wiped out the surplus. And even if one credits the expenditure of last year to last year, the expenditure of this year to this year, Mr Speaker, for

reasons that I am going to be explaining in a few moments in the way that he has calculated the surplus, it would certainly have wiped out, just those figures would certainly have wiped out the surplus.

The remainder, now some £321 million, has been loaned to Gibraltar Investments Holdings Limited, which according to Minister Bossano, is using that money in order to fund the cash flow requirements of all Government-owned companies. That, unfortunately, is the extent of the generosity of the Father of the House, because what he will not tell us is either how exactly the money in Gibraltar Investments Holdings Limited is being spent or what it is being spent on, Mr Speaker. I do not blame him, because I realise that he is probably under instructions from the Chief Minister in that regard.

Gibraltar Investments Holdings Limited is, of course, the company that has historically been used by successive governments to fund the capital and cash flow requirements of all Government-owned companies from the Consolidated Fund. If the Government is no longer funding Gibraltar Investments Holdings Limited through the Consolidated Fund, it will have more money in its pocket either to spend or by way of surplus and this, as I have been constantly repeating, has huge implications for the public finances of Gibraltar, Mr Speaker.

Mr Speaker, today he said that the debt in companies is being serviced by those companies. Well, Mr Speaker, Gibraltar Investments Holdings Limited makes no money, Mr Speaker. It makes no money. GRP may make some money, for example, from the sale of the properties, but to actually say that £321 million is going to be serviced from money generated by those companies Mr Speaker, on what planet does the hon. Gentleman live?

These companies will not be able to generate £321 million, if that money is being spent and of course we do not know how much of it is being spent because they refuse to answer questions in this House and to properly account for it in this House.

Mr Speaker, that is not the only concern we have with the use of the Gibraltar Savings Bank by Members opposite: 70% of all the assets of the Gibraltar Savings Bank as at 31st March 2015, some £738 million is being invested either directly or indirectly in Government debt; £251 million is owed directly by the Government in a Government debenture due by it; £400 million in indirect Government debt via Credit Finance Company Limited and Gibraltar Investments Holdings Limited. The balance has been used for the purchase of Gibtelecom shares for £37.7 million and £11 million in ordinary shares in something called GSBA Limited.

By way of illustration, Mr Speaker, of some of the points I have been making during the course of my intervention, if the Government had borrowed £37.7 million to buy back the Gibtelecom shares, which is how the Chief Minister in an interview with GBC sold it to the public – he said, ‘It is the Government that is buying back these shares’ – it would have been £10 million shy of the legal borrowing limit at the time of £447 million. That is the closeness of the margins that we are talking about.

There is not a bank in the world, Mr Speaker, that has so many eggs in one basket, and for the hon. Member to suggest that this is all within approved Bank of England guidelines, as he told Peter Schirmer of the *Chronicle*, is absolutely ridiculous. The hon. Gentleman just thinks that he can make statements of this sort and expect no-one to pick him up on it. Everyone wants the Gibraltar Savings Bank to succeed Mr Speaker, but the hon Gentleman cannot expect us to keep quiet about the risks associated with their policy particularly when we are faced with an impenetrable curtain, to use his words of January 2012, when we are not told precisely how that money is being spent – and in particular the money in Credit Finance Company Limited and Gibraltar Investments Holdings.

Mr Speaker, I now turn to an analysis of the Public Debt position.

The Gross Public Debt as per the forecast out-turn for 31st March 2015 stands at £447.7 million and cash reserves stands at £72.3 million. That gives a net debt of £375.4 million – up Mr Speaker significantly from the £354 million of last year. It is the second highest Net Public Debt figure in the history of this community even without taking the money in Credit Finance Company Limited into account. The highest was in February of this year when Net Debt reached £400 million. Ever since, Mr Speaker, the Government has been scrambling to put a break on spending in order to ensure the Net Public Debt did not increase even further before these debates.

Even without taking Credit Finance Company Limited into account, the Chief Minister who said that the GSD was addicted to debt in 2011, when Net Public Debt stood at £240 million, Mr Speaker, now presides over a Government where the Net Debt is £125.4 million higher! So much for the myth that everything that has to go up is going up, and everything that has to come down is coming down, Mr Speaker.

Mr Speaker, during a recent Viewpoint debate, the one that we had on the public finances, he told viewers that the Net Public Debt was £325 million Mr Speaker. The Net Debt this year has never been £325 million. He under-estimated in that debate on public television in front of all those viewers, the Net Public Debt of this community, by £50 million. And he expects the people of Gibraltar to trust him on these issues Mr Speaker.

Of course, what is £50 million to the Chief Minister who is the most high-spending, high-maintenance Chief Minister in the history of this community, Mr Speaker? (*Interjections*) What is £50 million between friends, Mr Speaker?

Even if you analyse the Public Debt in Gross Public Debt terms, which is what they spent the last election saying we should do, the forecast out-turn as at 31st March 2015 is £447.7 million in Gross Debt. It is noteworthy that in 2015-16 the Government intends to reduce Gross Public Debt by £47.7 million and yet there is no provision in the Consolidated Fund for that reduction. We can only assume that this money is to come from a sinking fund whose movements we have not yet seen but will include receipts from the sale of property and perhaps even the premium from the Eastside development.

I have asked in the past about this before, and the Government refuses to say how Gross Debt will be brought down in line with their manifesto commitment to £260 million – from £447 million to £260 million.

But, of course, any reduction using a sinking fund will be a temporary fix because unless the Government wants to avoid a cash flow problem in the future, it will need to increase Public Debt yet again. In other words, any reduction in Public Debt using the Eastside Development premium or the proceeds of the sale of properties, will be a political and financial sleight of hand designed to temporarily massage the figures prior to the next election – but it will be very short lived indeed.

Mr Speaker, there is no provision for example, in these estimates, for the new power station which in anyone's view will cost over £100 million. And let's not forget, the Net Debt is £375 million, the legal borrowing limit is £457 million. They cannot spend, they cannot borrow another £100 million, because they would be in breach of those legal borrowing limits, Mr Speaker. Or the sewage treatment plant: how are they going to be paying for that? Government projects have still not been paid in full. And there is only one way that debt is going to go up in the next few years – and that, Mr Speaker, is up.

Mr Speaker, none of this, of course, takes into account the £400 million which the Gibraltar Savings Bank has invested in Credit Finance Company Limited. And if you take that into account, the Gross Debt of this Community is not £447.7 million; it is an eye-watering £847.7 million, Mr Speaker, – 51% of GDP on his own analysis. And if you take into account not only the money that has been invested in Credit Finance Company Limited but also the purchase of the Gibtelecom shares which he said was a purchase by the Government when it is the Gibraltar Savings Bank and the other £11 million that I spoke about earlier, it is £886.7 million, Mr Speaker, – 54% of GDP.

And there is no point, Mr Speaker the hon. Gentleman telling me that he has not spent the money in Gibraltar Investment Holdings, because he refuses to account to this House about the precise way the money is being spent. It is the fact that we are met with an impenetrable curtain, again using the words that he used during his address to the nation on 18th January 2012.

And it is precisely, Mr Speaker, because of all the reasons that he outlined during the course of his speech about crisis in Greece and potential crisis as well, Mr Speaker, in Spain, that the Government ought to be cautious and ought to be prudent – and in my view borrowing at 54% of GDP with a Gross Debt of £886.7 million is not being prudent, Mr Speaker, in the current international climate.

Mr Speaker, I now turn to Government spending.

The reason why we are seeing unprecedented levels of Public Debt, is because the Government is spending at an unprecedented rate. In the year ending 2014, the Government had overspent by £50 million across Government Departments, and this year it has overspent by £28 million. This figure includes £16 million which in previous years had been paid to the Social Security Fund and from there to Community Care and which, since last year, has been transferred to a one-off payment out of surplus to Community Care. In other words, in previous years the money was paid to the Social Security Fund and then from there to Community Care. For the last two years, it has been added to the surplus and from there been paid to Community Care. This not only inflates the surplus but also deflates expenditure both in the Government's favour by £16 million. More smokes and mirrors, Mr Speaker. Importantly, however, that overspend of £28 million comes on the back of an increase in expenditure in this year alone of some £29 million, Mr Speaker.

Such is the level of Government spending that it is giving the Father of the House sleepless nights – and I regret that he is not here today, Mr Speaker, to listen to what I have to say. Because the architect of the rainy day fund, the disciple of budgetary discipline and of not living beyond one's means, Mr Speaker, has left a man in charge of his party that has absolutely no conviction for the core values those of founding fathers of the GSLP as far as these issues are concerned. Would the Father of the House have spent £6 million on a plush extension to No. 6 Convent Place; £1.2 million in travel and entertainment for No. 6 Convent Place; and all those new Mercs that the hon. Gentleman has parked in the Government garage?

And I genuinely felt sorry for the Father of the House, when he was left to explain, Mr Speaker, to Jonathan Scott of GBC that all this overspending, and spending on luxuries that are a million miles away from his core values, Mr Speaker, was due to consultants brainwashing Government Ministers. Mr Speaker that is the excuse that he gave to GBC. It is worth repeating: the Government is spending so much money

and is overspending because mischievous Government consultants are brainwashing Government Ministers into overspending, Mr Speaker.

1990 There is obviously a very serious trust issue going on there in the Government benches. I can just imagine an office at the semi-Venetian palace that has become No. 6 Convent Place, with a plaque outside it: 'Government Hypnotist, Spend without Guilt', Mr Speaker.

1995 Yes, Mr Speaker, I have to say, yes, it is absolutely ridiculous, and at one point during that interview, Mr Speaker, I thought he was going to say, 'I know that I told...' – and it is a shame he is not here, Mr Speaker, because he would recognise his words, in that interview that he gave in 2002: I know that I told Steven Neish in an interview on GBC, that I am not in the business of grooming horses, but the horse that I have in fact groomed to succeed me, Me Speaker, is the most high maintenance horse in the history of Gibraltar politics, Mr Speaker.

2000 At this rate the Hon. the Father of the House – dare I say it – will feel more at home on these benches than on the Government benches, because it is us who are talking about prudence and it is us who are talking about not living beyond your means. In the twilight of his career he is surrounded by Champagne Socialists and Liberals (*Laughter and interjections*) and he knows that when I tell him, Mr Speaker, when I tell him, Mr Speaker, [*Interjection*]... yes, and it is a shame he is not here, Mr Speaker... [*Interjection*] Champagne Socialists and Liberals, that is absolutely right. When I tell him that our ability to stand up to both Spain and, at times, the United Kingdom goes hand in hand with prudent and stable financial management, he knows that I am right; because I am taking a leaf out of his book, the leaf that appears to have escaped the Hon. the Leader of the House, the hon. Gentleman's successor to the post of leader of the Gibraltar Socialist Labour Party.

2010 Mr Speaker, on 31st March 2012 the overall recurrent departmental expenditure stood at £332.7 million. It now stands at £433.8 million. In other words, it has risen by £100.1 million per annum, or 30.4%, or £8.4 million per month. This figure does not actually take into account the change of practice in relation to the Social Security Fund and Community Care payments which I have alluded to before, in the sum of £16 million.

2015 Next year it is expected to rise by 36% from the position it was in March 2012 to £453 million and that is probably an underestimate because this year has seen a huge increase in the public service.

Mr Speaker again, as with last year, there have been huge increases in expenditure and overspending in Government Departments from the levels predicted in the Budget: 23 out of 41 Government Departments have spent more than their allocated budgets.

2020 Mr Speaker, the pernicious effect of those Government hypnotists have been fought more severely at No. 6 Convent Place, the hon. Gentleman's Department, Mr Speaker. No. 6 had an estimated expenditure of £15.6 million for 2014-15 and the actual has exceeded £20.4 million. It is in excess of a budget of £30.8 million in his own department, Mr Speaker. No wonder the Father of the House is having sleepless nights.

2025 No. 6 Convent Place is spending £20.4 million today compared to £7.5 million in March 2012 – a rise of 272% in expenditure! And the increases are across all expenses within his Department. Total payroll for No. 6 Convent Place has increased from £2.2 million in March 2012 to £4.5 million as at March 2015 with a further increase to £4.9 million by 2016. As at March 2014, No. 6 was spending £2.3 million, or a rise of 105% more, in salaries than it was in March 2012.

2030 Legal and consultancy fees for No. 6 Convent Place have increased from £666,000 in March 2012 to £3.7 million in March 2015 – a 560% increase. This, despite the fact that we have seen significant increases in legal staffing levels employed by No. 6 Convent Place during that very same period.

The mysterious Media Monitoring comes in at £450,000; travel and entertainment £1.2 million – it was £427,000 in 2012; Government communication, information and lobbying £1.25 million – it was £308,000 in March 2012; grants and donations came in at £1.84 million – it was £369,000 in 2012.

2035 Are some, Mr Speaker, of those expenses justifiable when there are schools in Gibraltar that have a huge and urgent need for attention?

2040 Mr Speaker, more is spent on travel and entertainment by No. 6 Convent Place than on books and equipment in all our schools combined – and the figure there is £980,000. Some of our schools are in dire need of refurbishment. Does he not feel a sense of embarrassment, Mr Speaker, that Bayside School is in the shabby state that it is today and that he has plush offices at No. 6 Convent Place that have cost the taxpayer £6 million? Does he not feel a twinge, Mr Speaker, of embarrassment in the contrast of those figures?

And this, Mr Speaker led by a Socialist – a so-called Socialist, Mr Speaker – a Liberal converted to Socialist, but a Socialist Government nonetheless, Mr Speaker.

2045 The Government has shown an abysmal lack of priorities in other areas too. The Marrache legal aid, £10 million: where is the priority, Mr Speaker, of spending £10 million in legal aid and legal assistance which is a combined of both, Mr Speaker, (*Interjections*) – why would he change the law which would benefit only a handful of defendants, when Bishop Fitzgerald school is in the state that it is today, Mr Speaker?

They can laugh all they like, Mr Speaker, but I will be judged by a jury of the people of Gibraltar and I ask the people of Gibraltar to compare those figures; (*Interjections and banging on desks*) £10 million for a handful of defendants where Bishop Fitzgerald school is in the state that it is today, Mr Speaker.

And £3.6 million spent on the Dr Giraldi home, the conclusions of which the Government then spent its time systematically trashing... not forgetting the way that they also trashed the reputation of a highly reputable judge of the United Kingdom and of our present Court of Appeal.

Mr Speaker, Gibraltar is still suffering power cuts as a consequence of the failure of the hon. Gentleman opposite to prioritise power supply, Mr Speaker, which I shall return to in a few moments – but, of course he has a plush extension to No. 6 Convent Place to show for it.

Mr Speaker, turning now to recurrent revenue: recurrent revenue increased by 25% since March 2012, from £454 million to £571 million whilst as I have already said that expenditure has increased in the same period by 30%.

Mr Speaker I was quite astonished when during the course of his intervention he said this – and I do not want to mis-quote him, he said: ‘Recurrent revenue increases explain why the Government can spend so much money.’ Mr Speaker, that is a complete and utter nonsense. That cannot explain... rises in recurrent expenditure cannot possibly explain why the Government is spending so much money, when the current expenditure, Mr Speaker, is increasing by more than the current revenue and the Government is spending nearly £700 million, Mr Speaker in capital projects, most of which we say – certainly Government expenditure – we say, he is tapping into money that has been transferred to Credit Finance Company Limited.

So therefore, from March 2012 recurrent revenue has increased by £117 million. Of that, Mr Speaker, £48.9 million, or 41%, was accounted for by an increase in import duty, the bulk of which is of course tobacco revenue, Mr Speaker.

Mr Speaker, as I said last year, increases in recurrent expenditure are expected to continue to outstrip increases in recurrent income in percentage and monetary terms next year. In fact, there is an expected decrease in recurrent revenue next year of some £11.6 million and departmental expenditure is expected to rise by £19.5 million. That is a worrying trend, Mr Speaker, that I have been alluding to and pointing to for the last two years.

I now turn to economic growth. The forecast Gross Domestic Product for the financial year 2012-13 was £1.32 billion, and the forecast GDP for 2013-14 was £1.484 billion. Today the Chief Minister has said that economic growth for the year ending 31st March 2015 was estimated at £1.64 billion, an increase of 10.3%.

These figures are very good figures, and yes, I have no hesitation in saying that. But that growth, as the Chief Minister readily admitted in an interview with Peter Schirmer of the *Chronicle*, is being driven almost entirely by Government projects which we would say are funded by direct or indirect Government borrowing. So it is not the case as he has said today that the main driver of economic growth is the private sector, and there is an inconsistency yet again, one of many, between what he said to Peter Schirmer at the *Chronicle* and what he has said today during the course of his intervention.

Indeed, that growth is being funded by direct and indirect Government debt, is what the Father of the House said – Mr Bossano – in a debate on one of the motions in relation to my Magazine interview a couple of months ago, when he said – and I quote:

‘The entire global economy is engaged in quantitative easing. Engine of growth is government selling debt to central banks. The entire global business community also does gearing by which they invest more than they have and they make a profit because the result in borrowing and investing at a margin means the equity holders get a better return. Without borrowing we would be living like Neanderthals in Gorham's Cave. It is true that in Opposition the GSLP criticised the level of debt but it is also true that I never did.’

– and that is the point that I made earlier before–

‘I always said the important thing is not how much you borrow; the important thing is how you use the money that you borrow. If you use the money to invest profitably it allows you to service the debt and pay the loan and have money for something else. If you borrow £100 and you waste it that's bad borrowing. And if you borrow £1,000 and make a lot of money that's good borrowing. So the judgment has to be if the money borrowed is going to result in the creation of growth. What you don't do is borrow to create pay rises because then you can never escape that debt trap’

Well, Mr Speaker, he is absolutely right. Government growths in the economy are being driven by increases in debt by what the Government is borrowing both directly in the £347 million Net Debt, £447 million Gross Debt, and also the money in Credit Finance Company Limited.

But, of course, at some stage the £886.7 million gross will have to be repaid and we cannot judge the ability of the Government to do so from the information that he has provided. So we cannot say, we cannot

judge whether it is good borrowing or bad borrowing to use the Minister for Economic Development's words. It is certainly *not* economic growth generated by huge investment and that is why it is important that the Eastside Development commences as soon as possible. It cannot come too soon, Mr Speaker.

The Hon. the Chief Minister has been promising inward investment since he was Leader of the Opposition when in an interview with Gerard Teuma in May of 2011, he said that he had investors up his sleeve and all that he has been able to show for it so far, has been a coin-minting company from Austria.

That is why, Mr Speaker, we welcome the Eastside Development. But it is also fair to say that we have been here before on the Eastside Development. The first GSLP Government in the 1990s came very close to concluding a deal, and in 2005 the then Chief Minister, Peter Caruana, and the then Trade and Industry Minister, Joe Holliday, signed an agreement with the Reuben brothers and Multiplex Construction Limited, Australia's largest construction company and a leading property developer in the United Kingdom, for an investment in the Eastside worth well over £1 billion. Unfortunately the economic slump post-2007 prevented the project from prospering.

The GSD hopes, in the national interest, that this latest project prospers and wishes the Government every success in that regard. Anything that creates jobs and economic development in Gibraltar will be welcome and will be supported by the GSD.

Mr Speaker, there are a number of further issues that I want to touch upon before I conclude, that do not relate to the figures in this year's estimates and expenditure.

I start in this regard with the LNG power station. I remind the hon. Gentlemen opposite that it was their manifesto commitment that they would honour any binding agreements that we had signed in respect of Lathbury Barracks Power Station if they won the 2011 election. And of course we had signed binding agreements with the French company for a power station at Lathbury Barracks; and if they had honoured that contract, then power cuts would have been a thing of the past because that power station would have been built by now. There is absolutely no doubt.

So when he talks about power cuts being the responsibility of the GSD Government, he is talking absolute nonsense and I do not understand how on earth he can make that point. That power station would have been built by now and the decision to scrap it is entirely theirs.

And it is not only the fact the power cuts would have been a thing of the past had they built that power station, it is the safety that concerns the GSD Opposition, because what they have done is not only do away with a contract that we signed for the Lathbury Barracks but to plunge headfirst into plans to build an energy power station at the North Mole, without having any safety reports at all that tells them that it is safe to do so, Mr Speaker. The timeline, that we know from press releases, that the hon. Gentlemen opposite had themselves published, is that the first time that they went to the Health and Safety Executive in the United Kingdom, that they first made contact, was on 7th June 2013 and the Health and Safety Executive came to Gibraltar for the very first time in January 2014.

The policy decision for the LNG power station was made in 2012, it went out to tender at the beginning of 2013 and tenders closed in August 2013. It is just simply impossible for the hon. Gentlemen to have had any safety reports of any kind of cogency, before they made that ill-fated decision to locate an LNG power station at the North Mole. And if I am wrong, I challenge him in front of all the people of Gibraltar in these debates to publish the expert reports that he had in 2012 and 2013 when he made those decisions. He cannot, because he had no expert reports, Mr Speaker, and he still does not; and when he gives his personal guarantees that he has given today about having a mature operation for LNG, a risk analysis that will be put to the people, there is going to be less risk than an aeroplane crashing, he is talking without having the tools at his disposal because he has no expert reports at his disposal – and if I am wrong let him prove it, let him publish it.

And before I go from this particular issue I should say this: over the last couple of weeks when there have been renewed power cuts, the GSLP Party machinery has gone into overdrive, claiming that somehow all those power cuts were due to sabotage on behalf of the GSD. (*Interjections*) Well, yesterday there was a power cut of some 10 minutes and I have a cast-iron alibi, Mr Speaker, because I was at the American Chamber of Commerce conference with the hon. Gentleman and he saw me there. But of course I cannot account for the movements of Mr Netto (*Interjections*) who may have been spotted wearing a balaclava with wire cutters, jumping fences into the Spark's generators, pulling the plugs so that we had the power cuts of yesterday. (*Interjections and laughter*) What an absolute nonsense, Mr Speaker, what an absolute nonsense, and it just reeks of absolute panic on the part of the gentlemen opposite!

Mr Speaker, I, too, want to pay a tribute; I, too, want to thank all the members of staff of this Parliament for the assistance that they gave to the Opposition during the course of these last four years. If it was not for the assistance that your staff provide, Mr Speaker, our job which is already a difficult one would be doubly difficult.

I also want to congratulate Frances Garro, on her award, it is a very well-deserved award indeed (*Banging on desks*) and I have no hesitation in joining the Leader of the House in his voice in that regard.

Mr Speaker, I also want to pay tribute to a man who has spent 23 years in this Parliament, 16 of which he served as Chief Minister of Gibraltar, 22 years as leader of the party that I have the privilege to serve. It is his last budget and I want to say to him that it has been an absolute privilege for me, an absolute privilege, and an honour to form part of his Executive for the last 11 years, eight of which he was the leader, four years as his Minister for Justice. I have described him as the greatest Gibraltarian of our time and without denigrating anybody, I do not resile a single word from that description. (*Interjections*)

I want to thank him, [*Laughter*] I want to thank him for giving me a political home, Mr Speaker, [*Laughter and interjection*] and for taking me under his wing nearly 11 or 12 years ago. And I wish him, on behalf of the GSD – and I am sure that I do so on behalf of this entire House – all the best, all the success for the future in his legal practice and whatever else he decides to do. Anything away from politics is well-deserved for all the service that he has given the people of Gibraltar. (*Banging on desks*)

Mr Speaker, in the final analysis, and to conclude, this Chief Minister is leading a Government that does not deserve the trust of the people of Gibraltar: a Government that is going to extraordinary lengths to keep half the Public Debt and spending from the scrutiny of this House and from the public that we are all here to serve; a Government that is effectively using the Gibraltar Savings Bank to circumvent legal borrowing limits established by this House in order to prevent any Government from borrowing in a manner that becomes unaffordable for this community; a Government that has shown itself to be the most opaque in the history of this House and through that opacity is in practice preventing this House from spotting emerging financial problems before they become too big to deal with.

A Government that, even when one excludes hidden spending and hidden debt, is spending money as if it were going out of fashion and has saddled this community with the highest levels of Net Debt we have seen, in circumstances where the Chief Minister told the people of Gibraltar that we, the GSD, were addicted to debt when Net Debt stood at a fraction of what it is today. A Chief Minister that prioritises expenditure in his own Department and luxuries rather than on schools; a Government and a Chief Minister, Mr Speaker, who in short, does not deserve the trust of the people of Gibraltar. (*Banging on desks*)

**Chief Minister (Hon. F R Picardo):** Well, Mr Speaker, I hope at least his friends and family tell him that was a good speech.

I propose that we come back at 4.30 p.m. to hear something much more insightful from the Deputy Chief Minister.

**Mr Speaker:** The House will now recess until 4.30 p.m.





# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**AFTERNOON SESSION: 4.30 p.m. – 5.51 p.m.**

**Gibraltar, Monday, 22nd June 2015**

## **Business transacted**

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# The Gibraltar Parliament

*The Parliament met at 4.30 p.m.*

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

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

## Order of the Day

### GOVERNMENT BILLS

#### **Appropriation Bill 2015 – For Second Reading – Debate continued**

**Mr Speaker:** The Hon. Dr Joseph Garcia.

**Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, this is my 17th contribution to a Budget debate in this House, my fourth as a member of the Government. It is also the last Budget before a general election takes place later this year. I have been collating data for these debates therefore for the past 17 years.

It is important to make the point, once again, that there is a vast improvement in the volume of information that is available and in the accessibility to such information compared to what was the case when I first started. This improvement benefits both sides of the House but it is particularly beneficial to the Opposition. Indeed, as I have remarked before, sixteen years ago *Hansard* was not available until nearly a year after the event. This severely curtailed the ability of the then Opposition to do its work – how things have changed Mr Speaker!

The existence of something as simple as a Parliament website means that a considerable amount of information is now placed in the public domain automatically. These changes reflect the Government's commitment to the democratic agenda. That democratic agenda listed 28 points. Twenty of these have been finalised and the remainder are in progress. *Hansard* is now produced far quicker than before and it is placed online. The proceedings of this House are now televised.

We have delivered on a more inclusive form of politics. Collective decision-making through the Cabinet is now the norm. A Command Paper on Freedom of Information legislation has been published. The Chief and a Bill Minister has answered questions from the electorate once a quarter. A 20-year rule for the release of documents is in place. A Public Interest Disclosure Act has been adopted. A Ministerial and Parliamentary Code are nearly finalised. There have been more meetings of Parliament than ever before with no limit on the number of Opposition questions. More economic and financial data is published by the Government automatically on-line than ever before. These are not cosmetic changes, Mr Speaker. The way in which Gibraltar works has been transformed.

The Opposition should not belittle what has been achieved. We have gone as far as the pledges in our manifesto allow. This is, after all, what we were elected to do. However, in some cases we have gone even further than the manifesto itself.

The reforms which have been introduced go to the very heart of the way in which Parliament places information, including its proceedings, before the press and before the people. It is a fact that the system in place now is therefore far superior to what was there before. The GSD, Mr Speaker, had plenty of time to reform the system over a period of 15 years and they did not. The plain fact is that in a quarter of the time we have already gone much further than they ever did.

Mr Speaker, moving on, the House knows that this year is the 75th anniversary of the wartime evacuation of the majority of the civilian population of Gibraltar. The Government has set out to honour that generation of Gibraltarians.

A series of activities to commemorate this landmark in the political development of Gibraltar and its people have already taken place and more will follow. A set of stamps was issued last year. A dedicated website on the Evacuation has been set up by the National Archives in Gibraltar. The Archives have used the website as a focal point for the creation of a register of former evacuees. The number of persons who have registered on-line and in person has exceeded all expectations. The result of the success of the project was that a memorial event had to be moved from the Evacuation roundabout to Casemates Square quite simply because there was not enough room at the former location to accommodate everyone.

There are now over 700 people in the register of evacuees and they will be invited to the events that are being planned for later on in the year.

The House will know that a very successful exhibition on the subject took place at the John Mackintosh Hall last month. This included photographs and memorabilia showing evacuee life in Madeira, Jamaica, Northern Ireland and London. The exhibition generated considerable interest. There were always groups of people browsing over the photographs and over the other exhibits. I had the pleasure myself of seeing groups of young schoolchildren being taken around the different exhibition rooms. The Government would like to thank Mr Joe Gingell who very kindly donated the majority of the material to the Archives for this purpose.

Mr Speaker, given the success of the exhibition, I am happy to report that the exhibits have been converted into digital format and that the Government intends to place everything on-line. Therefore the whole collection will be available electronically all day every day to anyone in Gibraltar or indeed in the whole world.

The highlight of the Evacuation commemoration so far was the memorial event which took place on Friday, 22nd May. This was the anniversary of the exact day when the first evacuees sailed for French Morocco on the Government scheme 75 years ago. It was a pleasure for the Government to have marked the occasion in a way which clearly touched those people who were forced to leave our shores under threat of war so many years ago. The memorial event and the reception which followed were both very well attended, as was the earlier talk by Dr Suzanne Francis-Brown from the University of the West Indies.

The Chief Minister has already announced that Monday, 7th September this year will be a Public Holiday known as Evacuation Commemoration Day. This is a fitting tribute to the sacrifice made by many thousands. The day will serve to remember further those evacuees who are no longer with us and at the same time to again honour those who remain. The details of forthcoming events will be announced nearer the time.

Mr Speaker, it is important to commemorate the Evacuation at this juncture for a number of reasons.

Firstly, because the sad reality is that the number of evacuees will have regrettably diminished by the time the 100th anniversary comes round. Secondly, because younger generations of Gibraltarians should learn about this watershed in the political development of Gibraltar. The Government considers that it is essential that young people come to understand and to appreciate the sacrifices made by their forefathers, without which Gibraltar as we know it would not exist today. Indeed, it is the understanding and appreciation of our history and of the struggles of the past that prepares us best for the challenges of the future. Mr Speaker, I would like to take this opportunity to thank everyone who was involved with the exemplary organisation to date of the Evacuation events. This includes the Archivist and his staff, the Ministry for Culture, the Protocol Section, the press team and finally my own personal staff in No. 6. *(Banging on desks)*

In the same vein, Mr Speaker, last year a very successful seminar on 'self-determination' was held at the Garrison Library. A number of high-profile international and local academics looked at the concept from different angles. There was considerable debate and discussion. The right to self-determination of the people of Gibraltar featured specifically in the presentations that were delivered and in the questions afterwards. There was also discussion on the subject of devolution and regional identity, with an examination of the case studies of Scotland, the Basque Country and Catalunya. The imposition of direct rule on the Turks and Caicos and self-determination in relation to the Falkland Islands were also raised. I know that my friend and colleague Joe Bossano contributed to these debates.

Mr Speaker, this year, a follow-up seminar will take place from 22nd to 24th October at the Garrison Library. The subject matter will cover the Second World War and the subsequent progress towards decolonisation through the principle of self-determination. In this way, the World War II theme will tie in very well with the parallel commemoration of the wartime evacuation of Gibraltarians. I would like to thank the Director and staff of the Garrison Library for their continued assistance with this project.

Mr Speaker, I move on now to Europe.

In December I was formally allocated the portfolio of European Affairs and political lobbying. This formalised the work which my office had already been doing for some time. Indeed, it was already taking up an ever increasing amount of that time. It will be recalled that in August 2013 the Prime Minister, David Cameron, formally requested the involvement of the European Commission after the unacceptable and deliberate delays generated by Spain at the border.

The Government continues to actively bring the situation at the border to the attention of the European Commission. Reports are compiled in my office every month and sent to the Commissioner responsible in Brussels. The Chief Minister and I held several meetings with Commissioner Malmstrom, who handled the Home Affairs brief in the Barroso Commission and more recently I have met with Commissioner Avramopolous in the Junker Commission who is responsible for Migration and Border Management.

There have been two inspection visits to the frontier. The first took place in September 2013 and the second in July 2014. The House knows that the Commission made a number of recommendations following on from those visits. The Commission saw in July 2014 that Gibraltar had complied with the recommendations that had been made to us.

They also saw, as was clear to the Government and to any impartial observer, that Spain had not complied by the due date. This was reflected in the tone of the Commission's subsequent letter to Spain of 30th July 2014. The Commission took up a number of issues with Spain. This included the exit checks that Spain was then conducting on persons and vehicles leaving that country. The Commission called for the intensity of these to be reduced or eliminated completely. The waiting times, then up to five hours to enter Spain, the Commission described in that letter as 'disproportionate'.

The Commission also told Spain that the period of time during which 100% of vehicles are checked were not compatible with a sound risk-based approach and that such checks should be eliminated.

Spain was also asked to increase the planned number of lanes going into the country from two – one red and one green – to three – one red and two green. The Commission expressed concern that Spain had not discussed the programmed temporary works with Gibraltar, and although a *note verbale* had been sent to the United Kingdom late in the day, they urged that there should be direct engagement between Gibraltar and Spain as well. There has, to this day also been no formal direct engagement with Gibraltar and our information is that the *note verbale* was never received.

Mr Speaker, it has probably not escaped this House that the works on the Spanish side of the border appear to have been designed to cause the maximum disruption possible at different points in time. There is no doubt that with better planning, organisation and coordination it would have been possible to carry out these works with a minimum of inconvenience to those crossing the border in either direction. Sadly, this has not happened.

On 2nd February 2015 the European Commission met Spain in order to discuss the implementation of their technical recommendations. This meeting confirmed that the works relevant to frontier flow will be ready by the end of June 2015 and that the works that remain would take until the end of the year. The House knows that this information was released by the European Commission in response to probing from the Petition's Committee of the European Parliament. It is significant to note that the Commission, from studying the data supplied by Spain itself, has concluded that although the number of checks on persons have decreased, 'it is still high'. The Government takes note that the Commission has acknowledged that Gibraltar has:

'Progressed in adopting the relevant measures to address the recommendations [that they made]'

In the case of Spain, however, they make it clear that:

'Further efforts are needed in order to balance the intensity and the frequency of checks with the objectives being pursued.'

Mr Speaker, it is a just recognition of the efforts made by Gibraltar that the European Commission has now acknowledged just how seriously we take these matters. Whether the infrastructural changes on the Spanish side will be completed in the timescale given remains to be seen. These changes must be accompanied by different procedures in order for there to be any real and sustained improvement in the flow rate of traffic across the border. Mr Speaker, we will wait and see.

It is certainly very useful for the Government to be able to engage directly with the European Commission and with other institutions in Brussels. The House will recall that thanks to the hard work of the EUID and the Ministry of the Environment, the Spanish complaints against the artificial reef, the bunkering of vessels and the land reclamation on the Eastside were all dismissed. That is to say the Commission found that on examining these cases, there had been no breach of EU law on the part of Gibraltar.

It is also significant that a complaint about pollution in Western beach, caused by illegal sewage connections to a storm drain in Spain, has finally been addressed. This complaint was first made many years ago by the Environmental Safety Group and Sir Graham Watson. It moved at snail's pace for many years until we raised the issue directly during a meeting in Brussels with the relevant Commissioners. Finally, Spain has accepted liability for the problem and we now await a programme of works to see when they intend to rectify it.

Mr Speaker, it is important to stress that results will not always go our way, nor will they be to our liking, but at least this is a positive start.

In the area of taxation, for example, the Government continues to be concerned at the way in which Spain is manipulating the European institutions with a totally political agenda. This is one of the reasons why my friend and colleague, the Chief Minister, addressed the TAX Committee of the European Parliament during our visit there in May. The fact that Gibraltar chose to appear before the Committee at our own request was not lost on the Chairman.

In this context, it is important to note that Gibraltar was not included in the list of 30 tax havens published by the European Commission last week. However, Mr Speaker, we have seen Spanish Commissioners, Spanish Members of the European Parliament and even Spanish judges adopt questionable positions on Gibraltar in the past. Spain continues to push and we must push back.

Therefore the Government continues to raise Gibraltar's profile in Brussels in different ways. This year I have visited the EU institutions three times, on one of those occasions with the Chief Minister. In each visit we have chosen to concentrate on specific issues like the border, taxation or aviation. In January a very successful exhibition was held at the European Parliament. The location of the stand on the main third floor concourse worked very well and many MEPs and officials approached us to learn more about Gibraltar. Indeed, it also led to the ire of a senior *Partido Popular* MEP who brought television cameras to the stand and denounced it as a provocation to Spain. The result, Mr Speaker, was an increase in the number of visitors as a consequence of the additional publicity!

I also took the opportunity to meet with two Commissioners, Violeta Bulc who is responsible for Transport, including aviation, and the Regional Development Commissioner Corina Cretu.

At the end of May, Gibraltar House in Brussels was officially opened by the Chief Minister. The building will serve as the nerve-centre for the Government's enhanced operations in Brussels. Indeed, it had been used as a base before it was officially opened by both the Financial Services Commission and the Citizen's Advice Bureau.

The Government was delighted with the interest in Gibraltar shown during the opening by Ambassadors, Members of the European Parliament, Brussels-based think tanks, and the media. The Government's activities in Brussels are guided and directed by Sir Graham Watson whose commitment, energy and network of connections have already proved to be extremely useful. A lawyer from the EUID Daniel D'Amato has been seconded there. There are two interns recruited locally in the same way as happens in the EU and one original member of staff who has served Gibraltar for more than 10 years, continues to do so. Mr Speaker, the Government is confident that this team, supported from a legal perspective by the Attorney General, Michael Llamas, and politically by myself will assist in putting across the Gibraltar message across in Brussels.

I must also at this stage express the gratitude of the Government to the United Kingdom Representation UKREP who have been very helpful during the period of the establishment of the office and with whom we continue to work closely.

Mr Speaker, on aviation the Government welcomes the position taken by the United Kingdom in relation to the inclusion of Gibraltar Airport in EU civil aviation measures. The Government has been assured that this remains a red-line issue for the United Kingdom.

In a written statement to Parliament earlier this month, the Parliamentary Under-Secretary to the UK Department of Transport Robert Goodwill said that the UK will continue to press for the extension of air passenger rights legislation to Gibraltar Airport in line with the EU Treaties.

The House can rest assured that this Government will continue to lobby at every opportunity, particularly in Brussels, to ensure that our position is fully understood. We cannot do more than is being done at present.

In January, as part of this strategy, I addressed the European Policy Centre, which is one of the main think tanks in Brussels, precisely on the subject of aviation coupled with an explanation of our position as part of the European Union. The hall was packed with diplomats, officials, MEPs and journalists. This helped to get across the Gibraltar point of view. In March of this year I was able to meet with a number of Vice Presidents on the Transport Committee of the European Parliament and with different spokespersons from different political groups. It is important that Gibraltar's message should continue to be heard face to face.

For the first time, I also met with the coordinator of the European People's Party, EPP, which contains Spain's *Partido Popular*. The House will recall that the EPP voted against Gibraltar's inclusion in civil aviation legislation as a block. It was a lively meeting but nonetheless a very useful one.

Mr Speaker, the position of the Government is that Gibraltar is entitled to inclusion in EU civil aviation legislation as of right. The UK Act of Accession lists the areas of Community policy which do not apply to Gibraltar. Aviation is not listed among them. Therefore the exclusion or suspension of Gibraltar Airport from such measures would run against the Treaty and would be illegal.

The Government continues to argue that there was already a wording agreed at Cordoba between Gibraltar, the United Kingdom and Spain for the application here of EU law on civil aviation. This was a clause which stated that such legislation would apply without prejudice to the positions of the United Kingdom and Spain as to the sovereignty of the land on which the airport is situated. The acceptance by Spain of this language between 2006 and 2011 meant that EU civil aviation law was extended to Gibraltar during that time. However, it is important to point out that this principle was applied going forwards and in relation to new and amending legislation but it was not applied going backwards.

In other words, Cordoba required the UK and Spain to seek the inclusion of Gibraltar in pre-2006 measures as well. This did not materialise and has further complicated the situation. Mr Speaker, the House knows that at the end of 2011, a new Spanish Government chose to dishonour what their predecessors had agreed and we are where we are today as a result of that. In other words, progress on EU aviation dossiers is not being held up by Gibraltar and is not being held up by the United Kingdom. It is important that the blame for this impasse is placed roundly and squarely upon Spain.

Mr Speaker, the House will know that Gibraltar will be included in the Referendum to determine whether the United Kingdom should leave the European Union or remain within it. The United Kingdom and Gibraltar Governments are now engaged in discussing the detail of the legislation that will be required to make this happen as well as the timing.

The Chief Minister has asked the Attorney General, Michael Llamas, and I to represent Gibraltar in the working group that has been created between the two Governments. Good progress is being made.

Mr Speaker, the Government welcomes the political decision to include Gibraltar in the UK Referendum because we are part of the European Union, and clearly have something to say on the subject.

It is no secret that the view of the Government is that both Gibraltar and the UK should remain in the EU. This is the case for both political and for economic reasons. We all know that our experience with the European Union over the years has been far from perfect. For years many of us have urged the EU to be more robust when it comes to calling Spain to account over its behaviour towards Gibraltar. Very often we play by the rules of the club and we do not enjoy the benefits of the club. I have told them this in Brussels myself to their faces.

However, the harsh reality is that without the framework of rules provided by the European Union, Spain would and could do much worse. Who can forget the reports that early on the *Partido Popular* had commissioned a study to see whether they could close the frontier? Who can forget Mr Margallo's plan for a frontier toll which was scuppered by the European Commission? Things are not perfect in the EU, Mr Speaker, but we can work together to make things better.

Before I close on the subject of Europe, I would like to welcome the recent visit to Gibraltar by Cecilia Wikstrom MEP, who is the Chair of the Petition's Committee of the European Parliament. The Government is convinced that there is no better advertisement for Gibraltar, no better advocate for Gibraltar, than Gibraltar itself. We have nothing to hide. It was a very useful visit.

This week a group of Parliamentary Assistants to MEPs arrive in Gibraltar on a fact-finding visit. They come from Estonia, Hungary, the United Kingdom and Poland. It is important to make sure that the Assistants are well-briefed of the reality of Gibraltar because very often MEPs depend on them for advice.

The Government intends to continue visits to Gibraltar by relevant MEPs and also by Parliamentary Assistants. I would like to take this opportunity to thank Michael Llamas and the EUID for their assistance and support to this new Ministry. I would also like to thank Sir Graham Watson and the staff of Gibraltar House in Brussels.

Mr Speaker, I move on now to my responsibility for Civil Aviation.

Within the UK, responsibility for the conduct of aviation security inspections in all UK Airports, including those of the Crown Dependencies and Gibraltar, has passed from the Department for Transport to the Civil Aviation Authority. In common with other European airports and in response to European legislation that will come into effect on 1st September 2015, the Airport is preparing for the increased use of Explosive Trace Detection equipment in the screening process. Although already used in the screening of hand luggage, the legislation will, for the first time, allow the use of the Explosive Trace detection equipment in certain circumstances for the screening of passengers in lieu of the standard hand search. The use of this equipment will be less intrusive for passengers and should help to speed up the screening process. To meet the requirement the Airport is in the process of procuring one additional Explosive Trace Detection equipment.

Mr Speaker, during the course of the last financial year, as a part of the ongoing work in preparation for the Tunnel project, the Government has significantly upgraded the security fencing along almost the entire length of the airfield's northern boundary. The only remaining area of the northern boundary without fencing is the part at the very eastern end of the airport, which cannot be completed until after the tunnel works there have been finished.

Mr Speaker, on aviation safety, the Gibraltar Airport Emergency Orders have been completely rewritten during the last year. The air terminal was fully exercised as part of these new Orders, which incorporated

new roles that had not been previously practised before. There was a very positive feedback from the staff that participated. Indeed, two full-scale exercises have taken place at the Airport to test the integrated response from both the Airport and Gibraltar Emergency Services. The second exercise was observed by a specialist inspector from the United Kingdom Civil Aviation Authority and received very favourable comment.

The continuing efforts made by all Departments including in the plan to take ownership of their respective areas and to suggest improvements deserves recognition and I would like to record my thanks for all their efforts.

Mr Speaker, my colleague the Minister with responsibility for Tourism, Samantha Sacramento, will deal with airport issues in more detail. I simply want to congratulate her and her predecessor, Neil Costa, for the growth of 8.1% in the number of passengers handled through the air terminal. There has also been a growth of 4.7% in aircraft movements. The two new services provided by Royal Air Maroc to Tangiers and easyJet to Bristol have no doubt contributed to this growth. I continue to take a close interest in these matters having shadowed tourism in Opposition for more than ten years.

Mr Speaker, I welcome the fact that work has continued to improve the passenger experience at the air terminal with all staff now receiving disability awareness training specific to the aviation industry and again I congratulate my colleague for that.

I take this opportunity to thank the Director of Civil Aviation, the Air Terminal Director and the management and staff of the Borders and Coastguards Agency.

Mr Speaker, I now move on to my responsibility for Town Planning.

The Government is satisfied that the commitments it made in relation to Town Planning are either in place or in progress. The Town Planner is the Chairman of the Development and Planning Commission, DPC. The meetings of the Commission now take place in public. Objectors and applicants are heard at DPC meetings as a matter of right. A sub-committee of the DPC has been set up in order to expedite minor works. The Environmental Safety Group is now a valued voting member of the DPC. The minutes, decisions and agenda of DPC meetings are published on-line. A new Town Planning Act is about to be published as a Command Paper. A part of the planning process is now available on-line. The rest is to follow. Government projects are subject to the planning process using a mechanism which has worked very well. The details of all Government applications are available on-line.

There can be little doubt, Mr Speaker, that by any objective analysis, the planning process is now light years ahead from where we found it. No system is perfect, but what we have today is certainly a huge improvement compared to the system that we inherited. The level of public participation and the level of public debate and interest in the planning process has exceeded all expectations. This is a good thing. It is often standing room only for the public and the media in the DPC. The Opposition continue to be obsessed with turning the clock back to the system that they used to preside over. We have replaced that secrecy with transparency. We have replaced a closed system with an open one. We have let the public into the planning process, when they shut them out.

Mr Speaker, there were 1,645 planning applications made from January 2012 until the end of May 2015. Two hundred and fifty of those applications related to Government projects. The policy of the Government continues to be that under the new legislation the views of the DPC must be taken into account by all applicants including by the Government itself.

Mr Speaker, it is important to highlight the fact that there is already more information available on-line automatically about planning applications than ever before. As I have indicated, the ultimate objective of the Government remains to make the whole planning process of any application available on-line. I am pleased to tell the House that the development of this policy is now in its final stages. Mr Speaker, e-planning will make the planning process even more accessible and interactive with the public. This is in line with the overall policy of the Government to increase contact with the public electronically. It is important to stress once again that at the same time as the improvement in electronic interaction between the department and the public, there has also been a reinforcement of staff on the ground.

The system that we inherited was unsustainable, Mr Speaker. There was no proper structure which allowed for succession planning and for smooth internal operation. There are now two young assistant town planners who were locally recruited in place. There are town planning technicians with proper job descriptions that they lacked when we came into office. This has resulted in improvements for the staff and in improvements for the public. There are also more administrative grades in place.

Mr Speaker, at a meeting of the Urban Renewal Committee earlier this year, it was decided to commence the review of the Gibraltar Development Plan. This will be a work in progress and it will take time. The last plan dates back to 2009. The traditional practice was for these plans to be renewed every 10 years which means that the 1991 plan should have been reviewed by the then GSD Government on or around 2001. It took eight more years for this to happen, until 2009, when the new plan was finally formally put in place.

Mr Speaker, the number of Building Control applications received continues to increase with an all-time record of over 500 applications processed in 2014. There has also been a record number of Approval Notices issued which now stand at over 400. This was reflected in another all-time record with respect to the revenue generated by the department of £289,225. The Government has recently advertised for the post of TG1 in the Building Control Department, where the intention is to also provide, over a period of time, a similar succession chain as in Town Planning.

I would like to take this opportunity to thank the management and staff of the Town Planning and Building Control Department for their continued positive and professional approach. It is public servants like them who are instrumental in the successful delivery of the policies of the Government. The Town Planning and Building Control Department is at Head 12 and the total amount of estimated expenditure for this financial year 2015-16 is £1.127m.

Mr Speaker, I will say something briefly now on Urban Renewal and Land. A new urban renewal officer is now in place at the Town Planning Department. There are a number of useful projects that the department has now embarked upon as a result. This includes the compilation of a database which will show all vacant properties in Gibraltar particularly in the Upper Town area. This work will culminate in the long term in the creation of an action plan for the areas of the Upper Town that most need work and where action is most critical. It is important to make the point that in many cases buildings are not owned by the Government. This means that there will be a need to work closely with private sector landlords when the time comes. It is also relevant to point out that Land Property Services Ltd and the Ministry for Housing are now engaged in identifying those Government-owned properties that can be put out to tender in the Upper Town. This has already happened both with individual dwellings and with building clusters. It is clear to the Government that there is a demand for these properties and the policy will remain to regenerate the Upper Town and bring it back to life in this way.

Mr Speaker, during the financial year 2014-15, 19 residential properties were advertised and sold by tender. In addition to this, seven commercial properties have been advertised for tender during the same financial year. A number of sites have been advertised for expressions of interest. This includes the old air terminal, The Mount, Lathbury Barracks Parade Ground, the KGV Site, part of the Victualling Yard and Central Police Station. A number of these are still open for applications or are pending assignment, further discussion, or completion.

I would like to take this opportunity to thank the management and staff of Land Property Services Ltd and at the Lands Office in Convent Place for their assistance and support throughout the year.

Mr Speaker, the House will recall our commitment in Opposition to ensure that prime plots of land were not permitted to continue to lie idle. We wanted to ensure that developers developed. This is a policy that we have pursued in Government. It has turned out to be very successful. We had been critical of the terms that the previous Government had negotiated with the Ocean Village group when we were in Opposition and we vowed to change these. Those changes were made. The result is that the World Trade Centre project has finally got off the ground. This is an example of a project that had been stalled for a number of years that is now finally moving. There will be others, Mr Speaker.

The Government also came to an agreement with the developers of the Mid Town site whereby part of the plot was handed back to us. The remainder of that plot, as the Chief Minister said earlier, is now finally being developed. The announcement made last week in relation to the Eastside also falls into this category. The Government negotiated and agreed to buy back the plot of land from its original owners for £28 million after the plot had been allowed to lie idle for many years. It will be sold for £83 million by way of cash premium and will lead to the development of the Blue Water resort. There are plenty of public gains from this project. This includes over 1,000 affordable homes, a car park, a public pool on the Eastside and a law enforcement marine base. Mr Speaker, the total development value of the project will be an investment in Gibraltar in the region of £1.1 billion. This will deliver considerable economic growth and opportunities for employment.

The Government looks forward to the progress of these and other developments. It is important to point out that the estimate from the Building Control Department is that private sector capital investment in Gibraltar has grown to £106.8 million in 2014.

Mr Speaker, by way of conclusion I would also like to say a few words on the delivery of the GSLP/Liberal manifesto which has been our programme of Government over the last three and a half years. Time has gone by quickly. We have taken our commitment with the electorate extremely seriously. In the recent past, other Governments have regarded their manifestos as little more than a 'wish list'. We took the view in Opposition that this was not good enough. A manifesto is much more than a vague idea or a rough indication of the way in which a Government intends to proceed. A manifesto is a commitment with the electorate. It is a commitment that this Government takes seriously.

It is true that sometimes the best Government plans can be thrown off course by unforeseen circumstances. This has happened to all Governments and it will happen to us too. There are areas where we have had to accommodate the commitment at a different location in Gibraltar, due to technical or other



considerations. Therefore the car park in the centre of town was moved the short distance from beneath Commonwealth Park to above Reclamation Road. The bathing area at Mid-Harbours has now been provided in the GASA area and so on.

However, the number and proportion of manifesto commitments which are complete, in progress or on-going is without precedent in Gibraltar and the Government takes considerable pride in this achievement. From Commonwealth Park, to affordable housing, to the small boats marina, to the University and the new schools, to improvements in health and elderly care, this is tangible and there for all to see.

Mr Speaker, there are those who will nonetheless still choose to nit-pick no matter what the Government does. In many ways the arguments that those people parade are often inconsistent or contradictory. For example, those who held two or three meetings of Parliament a year now call for greater democracy. Those who practised a closed system of town planning call for greater transparency. Those who used to carry out capital works using Government companies, complain when others continue the same practice. Those who presided over 16 years of traffic chaos mock the positive solutions that we have started to roll out. Their approach is one of 'do as I say and not as I did'.

Mr Speaker, this is not a credible way for an Opposition to conduct their business. Having said that this is also clearly a matter for them. However, the electorate will see through this. They will also see through the second pillar of their strategy which is the well-worn tactic of scaremongering. This is sadly the approach they have chosen to adopt on matters like the LNG power station, on public finances, or on the savings bank.

The reality is that by any objective analysis this Government has improved Gibraltar for the better. We have progressed forward with the physical fabric of Gibraltar, with improvements to administrative practice and with important additions to our legislative framework as well.

Mr Speaker, the Government knows that everything is not perfect and that there is still plenty of work to be done. No Government can be perfect. However, it is clear nonetheless as we approach an election that we have taken Gibraltar huge strides forward in a positive direction.

Mr Speaker, I conclude by thanking you, the Clerk and the staff of the House for your support throughout the year. I also want to publicly thank my personal staff in my office at No. 6 Convent Place.

Thank you. (*Banging on desks*)

**Mr Speaker:** The Hon. Mr Paul Balban.

**Minister for Transport, Traffic and Technical Services (Hon. P J Balban):** Mr Speaker, it is an honour to stand here today to deliver my fourth Budget address. The last before a General Election, when the people of Gibraltar will be able to take account and analyse exactly how, in their minds we have fared, as a Government.

It is my honest opinion, Mr Speaker that we have done well. (**A Member:** Hear, hear.) It is impossible to please everyone, but I sincerely think that we have managed, via our thorough manifesto promises, to steer Gibraltar well into the future. Our successes across the board have been noteworthy indeed, two new schools, a University for Gibraltar, almost 1,000 new affordable homes already close to completion and a new 1,700 recently announced, the refurbishment of the once forgotten housing estates, public meetings of the DPC, a new small boats marina, a draft traffic plan, a new psychiatric unit, Commonwealth Park, achieving the lowest levels of unemployment ever seen locally, a new bank for Gibraltar, the Gibraltar Mega Music Festival, a new ID Card, the list goes on and on, Mr Speaker.

I am very proud of being part of this team, working together for what we believe is for the good of Gibraltar. Clearly, not all will agree with us, not least the hon. Members sitting across the floor. Mr Speaker, clearly they would have done things differently, of course they would have, but they had their chance for almost 16 years in Government. Now it is our turn.

Mr Speaker, I sincerely think that most will agree and I am very confident that this will become evident when the time comes for the electorate to choose the way forward, that we have done very well indeed.

Mr Speaker, I will now turn my attention to my Ministerial responsibilities and start with Technical Services, a Department that often goes by without sufficient mention, as they quietly are responsible for providing all the technical advice and know-how to the vast majority of Government projects. I wish to put on record that I am most grateful for the assistance provided by such a professional and hard-working Department. I can still recall my first briefing meeting when the one thing that rung out most clearly was that the Department felt that they were not being put to their full use. Too much outsourcing was being done then and the Department felt that they could do so much more. Today, TSD is at the heart of most Government projects.

During the past Financial Year, the Department has been involved in a number of projects covering a large variety of areas such as coastal protection works and rock fall prevention as well as works in relation to their defined responsibilities such as highway maintenance and works to the main sewer amongst others.

On the coastal works side, Technical Services has been directly responsible for the delivery of two major projects. The Sandy Bay Beach protection and regeneration project was completed in time for last year's bathing season and has seen a major transformation with the creation of a wide stable beach, *(Banging on desks)* something that has not been the case for a number of years now. This project was one of our manifesto commitments.

The Department has also led on the North Mole Reclamation project, which is currently underway. This project will see the existing Western Arm extended northwards by just under 120 metres. In all, nine concrete caissons have been sunk to create the perimeter of the new reclamation. Approximately 80,000 tonnes of rubble from the Eastside will be processed as fill material and a new landmass of approximately 10,000m<sup>2</sup> will be created. These works are earmarked for completion in July this year.

For the incoming year, Technical Services will continue to develop various other coastal works projects including regular maintenance of the existing coastal defences.

Turning now to cliff stabilisation and rock fall prevention projects; Following a tender award, the Department carried out slope stabilisation works above Windmill Hill Road in an area, which had suffered from a major landslide. In addition, assessments and designs for further rock fall protection measures at the Eastside slopes and Green Lane were commenced and are currently on-going as part of the Government's cliff stabilisation and rock fall prevention programme which will continue during this Financial Year.

Technical Services Department have also been fully involved with the need to relocate the Motorcycle Club from Brian Navarro Way to a new site within the Governor's Cottage Industrial Park. The original motorcycle club suffered extensive structural damage following a major rock fall in November 2012. Given the rock fall hazard that exists in this area a new site for the motorcycle club was identified within the Governor's Cottage Camp Industrial Park. The Department acted as project managers at all stages of the design, including the procurement and construction of the club. I am pleased to announce that this was completed in November 2014.

Mr Speaker, with regard to highway maintenance, the works programme has once again been successful over the past year with on-going repairs to roads, footpaths and retaining walls. Resurfacing works have been carried out during the past year to a stretch of Europa Road to the south of the '1772 Club' where a new footpath has also been constructed to improve pedestrian safety in the area. Additionally, resurfacing works has also seen the extension of the Catalan Bay car park to provide better parking facilities for beach users and the resurfacing of a new temporary coach park on the site of the old air terminal.

The replacement of pelican crossing lights and equipment has been undertaken in a number of locations working jointly with the Gibraltar Electricity Authority. This year saw the introduction of countdown timers at the Line Wall Road crossing. This was as a direct result of the recommendations of the Sustainable Transport, Traffic and Parking Plan – the STTPP for short.

Yes, Mr Speaker, the plan which has received much attention of late, often mocked at by the hon. Members Opposite, **(Two Members: Shame!)** a plan that they themselves would have been proud of, a plan that they would not discard through their own admission and that is clearly a very good thing, a plan that the Members Opposite would wish we rushed for who can imagine what reason.

It is this Government's General Policy as part of this Plan that we encourage people to adopt alternative and more sustainable modes of transport, the most basic of which is walking itself. In order to do this, it is this Government's view that we must provide the necessary infrastructure and facilities to make walking safer, more comfortable and hence acceptable to the population at large. These countdown timers will help to do exactly that. They inform the pedestrian of the time that they have left to cross and therefore give them confidence, feeling less rushed when crossing the road. Pedestrians can therefore now take an informed decision as to whether they will have enough time to cross and there is no confusion between cars and pedestrians as to who has right of way. The programme to improve our existing pedestrian crossings will continue during the coming year with the installation of further countdown timers at some of our busiest pedestrian routes. Importantly, there will also be important new pedestrian improvements at the Trafalgar Interchange, by way of a new puffin crossing at Ragged Staff, something very much needed and was very obvious, and that came across loud and clear as part of the public consultation process of the STTPP. This new crossing at Ragged Staff is earmarked for completion shortly. **(A Member: Hear, hear.)** *(Banging on desks)*

Mr Speaker, as in previous years, the Department continues to successfully manage road closures and diversions on the Public Highway, both for its own in-house works and for all utility companies and contractors, in a manner that balances the need to undertake works against allowing vehicles to circulate. The increased construction activity generated by new projects makes this task increasingly difficult. In order to reduce the impact of road closures works are only carried out avoiding peak times wherever possible, and after-hours and weekend work, as always, is the default condition imposed on contractors in order to minimise inconvenience to the public.

As stated in my last Budget speech, Mr Speaker, a comprehensive major resurfacing programme was commenced by the Department last year in an effort to tackle the under-investment in road maintenance in

past years. Major resurfacing works were undertaken along Rosia Road and also along Line Wall Road. Over the coming year the major road resurfacing programme will continue with the resurfacing of the southern section of Queensway from Ragged Staff Roundabout until the Mid-Harbours roundabout. Additionally, the roundabout at Europort Avenue, adjacent to the fuel station, which is colloquially known as Morrison's roundabout, has been completely resurfaced. These works were undertaken at off peak times and weekends, thus avoiding the traffic disruption that would inevitably ensue should these works be carried out during normal working hours.

Mr Speaker, as many will have by now noticed, walking along certain stretches of Main Street has become safer for ladies wearing high-heeled shoes. We are pleased to announce that works to repair the joints in the paving on Main Street have now commenced. These works entail the lifting and relaying of the stone blocks along Main Street and the filling and stabilisation of all joints using a special polymer resin. Presently a stretch of Main Street from its junction with Engineer Lane to its junction with Cooperage Lane has been completed. These works will be extended to other areas during the course of the year. These works were another one of the manifesto commitments for which the appropriation of funds was sought last year and this should see a vast improvement to what was an area of concern to many.

Mr Speaker, works to install a new fire-fighting main and emergency telephone line along the full length of Dudley Ward Way Tunnel in line with our manifesto commitment have also been recently completed. During the coming year mobile phone coverage and ventilation requirements will be designed with a view to improving the current situation as much as possible, working within the constraints imposed by this ex-military tunnel. The measures in place now make the tunnel a far safer place making it possible for the essential services to attend to any accident within the tunnel expeditiously.

Mr Speaker, although I have already touched upon and mentioned the Sustainable Transport, Traffic and Parking Plan earlier, I will now turn to this major Government project and indeed Manifesto Commitment. The STTPP has been a truly inter-ministerial and inter-departmental project which has seen involvement of Technical Services, including Highways and our Traffic team, the Ministry for the Environment, the Bus Company and our consultants Mott MacDonald, who are market leaders in Traffic and Transport Plans across the world for many years. Mr Speaker, Although my shadow has complained about the time that this project has taken, he must understand that for a project of this magnitude, one that cuts across the whole community and affects all of us whether we choose to drive or not, walk or take the bus or not. This plan is not something that should or indeed can be rushed in any way, shape or form. One cannot spend taxpayer's money on ideas dreamt about one lazy Sunday afternoon having then to back track when it fails through a lack of proper research. Mr Speaker, this plan is a comprehensive document, which will form the blueprint for traffic and transport for at least the next 10 years. Already the plan has churned some very well thought out ideas, which are within the very comprehensive draft document already published.

Mr Speaker, I am very proud to have delivered a major manifesto commitment in the form of this draft Sustainable Traffic, Transport and Parking Plan for Gibraltar. As part of this plan and with the use of digital modelling, we now have the means to be able to put certain potential scenarios to the test. We can now compare before and after scenarios to compare what real effect a change has on traffic flow. This draft document was open to public consultation until the end of March this year and our consultants are presently compiling a database of all responses received. This database will set out the issues and suggestions raised by members of the public and how these will be considered and addressed as part of the work to complete the final version of the plan, which is earmarked for completion before the end of this year.

Mr Speaker, as part of the work carried out so far a number of pilot schemes have already been introduced including a new drop-off zone outside St Joseph's Middle and Primary Schools as well as the introduction of a temporary roundabout at the junction of Glacis Road and Bayside Road. The changes at St Joseph's School have brought about mixed comments ranging from the very positive from parents picking up and dropping their children off with much greater ease, to the negative of residents who are unhappy about the loss of permanent parking in their area. Parking still exists all day except for three hours each day and parking is restored at all times during weekends, public and school holidays.

Change, Mr Speaker, especially when it comes to parking, is something that is difficult to come to terms with and any traffic plan will be faced with these issues at every single step of the way. We are currently working very hard with the tenants of the South District to try to find solutions to these in conjunction with other historical issues, which have surfaced as a result of these new changes. We are clear that for any plan to work, we have to be brave to enforce change that will hopefully bring about the long-lasting positive changes that will benefit Gibraltar as a whole, including the environment.

Mr Speaker, Gibraltar has one of the largest vehicle ownership rates in the world. The easiest thing politically would be to do nothing until one is forced to do something in the future. It takes a forward thinking Government to try to bring about positive change in this respect. To be able to see the whole benefit of the plan one needs to wait until all of the parts of the puzzle are in place. This will come about once the final document is read and discussed in order to prepare a plan of action based on the recommendations received. Until then the picture will be incomplete.

Mr Speaker, on traffic matters the Department has continued to make good progress this year and has seen a number of other improvements and initiatives. Speed Indicator Devices have been installed on several of our main arterial roads. These Speed Indicator Devices are vehicle-activated signs, which detect and display real time vehicle speeds as vehicles approach them, in order to advise drivers of the speed they are travelling at. The aim of these devices is to provide information, which will allow drivers to change their behaviour towards speed and are one of several measures that form part of a wider speed management plan. In this respect the Department is also carrying out a full review of the speed limits on all of Gibraltar's roads and has commenced a programme for the installation of speed cameras on some of the roads which statistically have the highest accident rates in Gibraltar in an effort to make our roads safer for all our users. The Ministry for Traffic has been working closely with the Royal Gibraltar Police to ensure that the speed cameras are placed in the most strategic of locations throughout Gibraltar, especially in accident hotspots. There have been other road calming measures also set up using speed ramps within densely populated areas. For example, Prince Edward's Road, Lower Castle Road, St Joseph's Estate and at the entrance of Camp Bay.

Mr Speaker, other initiatives have included the installation of a new pelican crossing at Queensway by the area of King's Bastion and the upgrading of the zebra crossing on Glacis Road to a pelican crossing. Apart from the new pelican crossing at Ragged Staff the Department is currently carrying out a review of crossings at the Trafalgar Interchange with a view of making changes to improve circulation routes for pedestrians in this busy junction, which has historically neglected the needs of those travelling on foot.

More initiatives will continue until the final plan is printed and beyond. Mr Speaker, this plan is not short term but a plan for the foreseeable future.

In relation to assisting the Bus Company with improving their service to the public, Technical Services identified a means to allow buses to turn around within the area of Brian Navarro Way. This area is relatively narrow and in the past prevented buses from safely turning around without the need to manoeuvre and cause an obstruction and danger to other road users. A purpose built lay-by was constructed within an area of waste ground bordering the main road to allow the safe turning circle of buses. This has meant that there is no longer the need of having an extra minibus to service this route and hence a saving may be made to the public purse. These works were completed at the start of the year at a cost of £57,848.83.

Mr Speaker, moving onto the sewers section, during the past year flood prevention measures along the southern end of Fish Market Road and at Wellington Front were completed, meaning that the historical problems of flooding in both of these areas during periods of concentrated heavy rainfall will now be a thing of the past.

The condition and upkeep of Gibraltar's main sewer and storm water drainage networks continues to be a matter of great concern for the Government, arising from a lack of investment and neglect to what is arguably the most important and essential part of our local infrastructure. To this end, works were carried out to desilt large sections of our drains at a number of locations. These have included the main sewer along Rosia Road, the Main Street sewer from Bell Lane to King's Street and the main storm water culverts from Reclamation Road to Bishop Caruana Road. Further desilting works will progressively be extended to other areas.

Other works carried out have included the relining of the Main Sewer along Line Wall Road from the junction of King's Street up to Bomb House Lane, the relaying of a collapsed storm drain along the Europort and the laying of new storm water culverts at Marina Bay.

Funding is once again being provided this Financial Year for the purchase of equipment to allow the sewer infrastructure sections to continue to provide an efficient service in respect of its inspection of the sewers network.

Mr Speaker, this is also the case for the Garage and Workshop where funding for new equipment is also being provided. They will continue to provide a service to maintain the fleet of Government vehicles, including the refuse collection vehicles. The situation within the Garage and Workshop is also under review, given the previous administration's hurried signing of a Collective Agreement only a few weeks before the Election last, which placed them in a Government owned Company as an interim measure that would allow them to receive a 12% pay increase.

Mr Speaker, the Technical Services Department is one of those Government Departments who are rarely in the limelight but they work tirelessly behind the scenes to deliver on their defined responsibilities maintaining public infrastructure and to support and provide technical advice to other Government Ministries and departments. As can be seen, they will continue to do so this coming year in all manner of projects in order to deliver on the Government's extensive and comprehensive programmes.

Mr Speaker, turning now to Public Transport, late last year, an amalgamation of the Ministries of Traffic & Public Transport took place following a reshuffle of Ministerial responsibilities. The Ministry is now responsible for the Gibraltar Bus Company together with the local taxi service. Within public transport there are many challenges that one is faced with in an attempt to improve the provision of such an important

service to the community. Furthermore, in order to be truly successful in the policies surrounding the STTPP, an efficient public transport service is essential.

The Government by way of the Ministry is continually looking for ways to improve the taxi service within Gibraltar. Clearly there are a multitude of issues that can affect the taxi service as indeed the bus service, the greatest of which are the traffic problems associated and surrounding the frontier and also the airfield barrier crossings. These, on a Sunday during the summer schedule, close to allow no less than nine scheduled flights to land and takeoff. This added to any potential private or military aircraft and runway-cleaning operations inevitably lead to great delays and an unavoidable deterioration in service. With the barrier down at least 20 times on a Sunday, clearly we have a problem. No doubt, a victim of our own success in attracting more flights to Gibraltar, something which we can only be totally proud of, but unfortunately this will affect other operations in such a small place like ours. It is at the airport arrivals terminal that we see the effect of this traffic build-up together with the frontier taxi rank itself. Hence, it is inevitable that this has a bearing on the taxi and bus service.

Mr Speaker, Government by way of the recruitment of five transport inspectors and the installation of the taxi GPS tracking system has managed to improve the taxi service in some areas, but we continue to work hand in hand with the GTA in order to jointly identify strategies to continue to better the taxi service throughout Gibraltar.

The new MAN buses have provided Gibraltar with a much-needed improvement to its aging fleet. The previous bus fleet was in fact not so much aged, as in fact simply showing the strains of being driven in an environment such as ours where we are faced with very steep hills, high temperatures and narrow, winding roads. They have clearly not provided the taxpayer with the years that were promised when they were first purchased. The old blue buses were fitted with American supplied gearboxes which when the service provider in the UK stopped supplying spares for, spares became almost impossible to acquire. Therefore a minor fault in a gearbox meant having to adapt a completely new gearbox from another manufacturer. Once this occurred the buses' performance was critically diminished leading to their steep decline. The new buses are fitted with powerful six-cylinder engines, which will amply provide them with sufficient torque to remove all historical issues associated with the previous buses, already mentioned. Users can enjoy travelling in air-conditioned comfort. These new buses are fully compliant with all the legal provisions applicable to all Public Service vehicles. Hence Gibraltar can now be proud of having a state of the art, eco-friendly and modern bus service, which will ensure an efficient, scheduled service for passengers for years to come.

Furthermore, Mr Speaker, Government is also looking into purchasing several extra minibuses to service the Upper Town area. Several models have been identified and negotiations with the relevant vehicle dealers are underway. These will also provide an accessible service to all of its users. The present buses are also insufficiently capable of negotiating all of the roads within the Upper Town area and especially at the junction between Gardiner's Road and Europa Road, the present buses' lack of clearance due to its very protruding overhang is causing much damage to the underside of the bus leading to a great ongoing maintenance cost.

Mr Speaker, I now turn to the Driver and Vehicle Licencing Department. This Department is working closely with the Driver and Vehicle Standards Agency (DVSA) for the introduction of the tachograph cards for our drivers. At an administrative level, a Memorandum of Understanding has already been drafted and the DVLD is awaiting DVSA's comments. The Department is working forcefully to try and find a workable solution for our few local HGV drivers.

The European Commission has adopted rules for linking national electronic registers of road transport undertakings. This linked-up database is called the 'European Register of Road Transport Undertakings' (ERRU). ERRU allows a better exchange of information between Member States, so that the competent authorities can better monitor the compliance of road transport undertakings with the rules in force. Undertakings that do not respect the rules when operating abroad will face the consequences in the Member State where they are based. This creates fairer competition conditions in the road transport market. The set-up of the national registers and their interconnections are required under the legislation on the access to the profession of road transport undertakings. It is in line with this Government's commitment that we introduce and comply with all EU legislation, Mr Speaker, I can safely say that all the necessary procedures to link up to this database are now in place and are up and running.

Mr Speaker, as part of Government's initiative to provide personalised support and to assist applicants and transport undertakings wishing to complete the new driver Certificate of Professional Competence (CPC) initial qualifications and periodic training, training is being provided by the DVLD and will be ongoing. In the past year, 21 drivers have successfully passed the Bus Certificate of Professional Competence and 18 drivers have successfully passed the Lorry CPC initial qualification. Moreover, the Government, in an effort to ensure that all Directive requirements are met will continue to deliver the 35-hour periodic training for existing drivers during 2015-16. Presently, 151 bus and 71 lorry drivers have successfully attended the CPC periodic training. With this initiative both transport undertakings or individual applicants

who take advantage of the possibility of completing the 35 hours of periodic training over the five-year period will be able to spread the training costs over the full five-year period.

Mr Speaker, the carriage of dangerous goods by road carries the inherent risk of accidents. Taking into account the safety requirements of vehicles in Gibraltar that carry dangerous goods, and in accordance with the Transport (Carriage of Dangerous Goods by Road) Regulations 2010, Government will continue to provide training to the DVLD's technical staff in order to qualify them for the issue of an authorisation certificate to these vehicles. This year a further course will be held by qualified persons from the Driver and Vehicle Standards Agency (DVSA), in UK in order to train the newly recruited vehicle testers. This course will be held in Gibraltar.

Mr Speaker, the introduction of the Motorcycle Compulsory Basic Training Course for riders continues to be a tremendous success. Feedback from the public at large has been extremely positive. Due to the fact that demand surpasses supply, Government is working with the DVLD and looking into possible measures to increase the delivery of these courses.

The demand for the issuing of the new photo card driving licences continues to be on the increase, and the waiting times for the issuing of these driving licences continues to be at an all-time low, between five to six working days. This combined with the success of an extra business counter being provided at the MOT offices is ensuring an excellent service for businesses and the public at large.

Mr Speaker, notwithstanding the above, the Driver and Vehicle Licensing Department continues to use information and communication technology as a tool to achieve better customer services. The general public is now able to access a number of online services and applications via the new e-Government portal; for example, roadworthiness test bookings – MOT bookings and driving test and theory test bookings. Furthermore, the Department is also working on a service to purchase personalised number plates online. These services will allow people to access and pay for such facilities 'at any time' and from the comfort of their own homes. This comes as a wealth of new market footprint coverage opportunities for the DVLD that will appropriately cater for market demands and service requirements.

Mr Speaker, further to and in keeping with our manifesto commitment, I am satisfied that all the relevant outstanding EU legislation and amendments have now been transposed. Furthermore, in anticipation the Department is now working closely with the EUID and studying all future directive proposals in order to expedite their swift implementation as and when the need arises.

Moreover, the Department together with the EUID, is looking to update all existing national traffic and transport legislation and determining ways that will make both Acts more user friendly.

The Traffic and Transport Commission continue to meet on a monthly basis; The Traffic Commission is constantly working to assist our citizens in all matters relating to traffic, while the Transport Commission works hand in hand with all the transport undertakings and the GTA in order to mutually find strategies to continue to better the Public Services in Gibraltar. To this effect, I am very satisfied that both these bodies have been able to promulgate all traffic and transport regulations successfully. From here, I would like to thank all the members of both Commissions, many of which are appointed volunteers.

Mr Speaker, E-Reg is the Association of European Vehicle and Driver Registration Authorities. It is a European co-operative made up of all the European registration authorities dealing with subjects concerning registration and documentation of vehicles and drivers. The main objective of E-Reg is to bring together all the European registration authorities to be able to share knowledge, experience and good practices and also identify, follow and influence European developments and regulations. I was proud to announce that from 3rd to 5th June 2015 the E-Reg General Meeting & Annual Conference took place here in Gibraltar. Government is positive that having held this conference here will further strengthen existing liaison procedures between European authorities and Gibraltar making this beneficial not only to the Driver and Vehicle Licensing Department but to Gibraltar as a whole.

To this end, I can proudly state that to date the DVLD has successfully completed and surpassed all the Commitments as set out in our Manifesto.

Mr Speaker, Gibraltar Car Parks Limited continues to manage all covered and non-covered parking within the assigned car parks throughout Gibraltar. They are responsible for keeping the car parks in check for maintenance issues and for their cleaning. Gibraltar Car Parks Limited have assisted the Ministry for Housing with the parking schemes within Chilton Court and Albert Risso House. Recently Gibraltar Car Parks Limited has also been working within Mid-Harbour's Estate to bring into use the much needed parking barrier system within the estate, controlling access to those not from within the estate. This will go a long way in keeping such a large car park more secure.

Mr Speaker, this year, in fact barely months ago construction began on the 1,000 space multi-storey car park within the Mid Town – close to the city centre, on the site of the old Naval Football Grounds. Three hundred parking spaces have been sold to members of the public almost immediately. This building will house 700 public parking spaces together with the Coach Park. The expected completion for this car park is within autumn 2015.

Coaling Island is another area that has been designated as a parking area for private vehicles. This area was full of derelict vehicles and boats. The area was cleared and on the 16th October 2014, this free car park was officially opened to the general public, affording two disabled parking bays; 40 motorcycle bays; 88 motor vehicle parking bays; and 11 parking bays for GHA/CMHT employees from the Community Mental Health Team. There is a second phase expected in this area once the works related to the mid harbours new boat marina is complete.

Mr Speaker, I now turn to my responsibility for the port.

During the course of Financial Year 2014-15 the Gibraltar Port Authority spent a total of £5,650,323, including Capital expenditure, from a budget of £5,762,000. Under recurrent revenue, the Gibraltar Port Authority made a total of £4,812,863.

Looking at developments, the new electronic Vehicle 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 vehicle's movements, further streamlining port operations. Feedback suggests that local agents in general are very satisfied with this new product; nevertheless, the Gibraltar Port Authority continues to develop the programme to facilitate further the smooth running of the port.

Mr Speaker, in fulfilment of further manifesto commitments, work continues to improve port facilities and infrastructure, including the provision of enhanced facilities for operational personnel. As part of this commitment HM Government of Gibraltar continues to invest in the port. It also pleases me to announce today that work on the new port administration building, incorporating improved facilities and a better location for the Vessel Traffic Service, the VTS office, the GPA's nerve centre, is well underway. The concrete framework is fully complete and the first walls are starting to go up. Mr Speaker, we are also considering the possibility of replacing the VTS equipment itself, de-risking the move and building in improved performance, functionality and resilience for years to come, in the system which underpins safety of navigation in our busy waters. It is envisaged that the project will be completed towards the end of this year, representing a substantial injection of capital investment in the port in order to fulfil yet another critical manifesto commitment.

Mr Speaker, the process of tendering for a new port launch is also well underway and it is anticipated that a new vessel could be ordered within the next 12 months, to considerably enhance this important capability.

On security, Mr Speaker, in addition to the new closed circuit television system that was introduced at the port two years ago, 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 Department of Transport UK's recommendations. Linked to this, a new traffic management plan for taxis and coaches will be implemented shortly to assist with passenger flow.

Mr Speaker, the first stage of the Small Boats Marina, which will accommodate 700 small boats, has now been completed with the main perimeter quay having been laid. The second phase is well underway, along the main quayside, housing the infrastructure for all required services. Plans are also being considered for the use of the long outer berths for super yachts. It is expected that the Marina will be completed by September 2015 and the allocation process for berths is currently being considered and will be announced shortly.

The GPA, in close consultation with other Government Departments and Port Operators, has recently revised its Oil Spill Contingency plan. As a result, we now have a modern, up-to-date plan that reflects both the local environment and operations, and investment in equipment, by this Government. The new plan encapsulates the provision of the additional 600 metres of oil spill containment boom purchased last year, already pre-positioned at both harbour entrances to the west of Ocean Village. Mr Speaker, this delivers a significant improvement in the response time to successfully mitigate any impact of pollution to these areas. The revised plan also includes the Vikoma Alligator Skimmer purchased the previous year. Looking ahead, the tender process for the delivery of a specialised Oil Spill Detection radar to provide full-time dedicated coverage of all British Gibraltar Territorial Waters is almost completed – a state-of-the-art, low-profile system, adding an invaluable tool to the arsenal at the disposal of the Port Authority to continue protecting our maritime environment. Mr Speaker, further enhancements to the monitoring tools of the Port Authority, such as portable thermal imaging equipment, are also being considered.

Mr Speaker, the Environmental Health and Safety Advisor is doing an excellent job in raising health and safety awareness throughout the port community, ensuring compliance with safety regulations and marine environmental legislation. I am pleased to say that this is resulting in a positive shift in the port workers' culture and behaviour in this area of critical importance.

More generally, it is pleasing to see that activity levels in the port are showing a positive trend across the board. The port continues to go from strength to strength. The recent doubling of VTS operators, together with the introduction of a number of initiatives aimed at further improving efficiency, are bearing fruit in commercial terms. Safety, of course, remains our top priority and our professional crew members

820 continue to play a pivotal role, providing a vital search and rescue capability in our busy waters, 24 hours a day, throughout the year, often in challenging and hazardous conditions.

Mr Speaker, I would like to conclude my contribution to my Budget address thanking all my staff that have worked so hard to see our commitments become a reality. Thanks goes not only to those who ensure the rolling out of our commitments, my senior members of staff, but also to all those who do not go by unnoticed, who perform all the valuable functions within the service throughout all the various Departments and offices.

I also wish to reinforce my appreciation to all the staff here within Parliament who work tirelessly to ensure that proceedings run as smoothly and efficiently as they do.

830 In particular, I would finally also like to thank my personal ministerial staff for all of their help and support during the past year. It has been a very busy year and they have lived up to the expectation, as usual. Thank you. *(Banging on desks)*

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I move that the House do now adjourn until tomorrow morning at 10.30 a.m.

835 **Mr Speaker:** Before we do that, I had intended to raise a small matter to digress for a moment, before I called upon Dr John Cortes.

The budget session is an occasion when there is a particular Rule that becomes more relevant than on any other occasion and that is Rule 45(3). In my mind – I will be very blunt – it is a stupid Rule.

840 It is a Rule that forbids Members from reading their speeches. **(A Member: Ah, yes.)** Of course, what is implicit is that they are able to do so with the permission of the Speaker, which the Speaker obviously readily gives.

845 But why does that Rule have to be there in the first place? Is it because that is a Rule in the mother of Parliament? But it is a pretence, because even in the mother of Parliament, they do read their speeches, though the Speaker pretends that they just have copious notes – nonsense! They have got speeches written out and they read them. And that is what I did for 20 years that I was in the House. So this Rule is a nonsense, to my mind.

850 The House should have a Standing Rules Committee. Do we have one? *(Interjection)* I became Speaker in October whereas the House started in January. There may or may not be, I am not sure whether there is. If there is a Standing Rules Committee, it would be the easiest thing in the world to circulate a round-robin proposing that Rule 45(3) be deleted completely, I would suggest and the other sub-paragraphs be renumbered, that is all it takes. But I cannot for the life of me understand the sense behind this Rule, which is never observed, and as I say, I think it is nothing more than a pretence.

855 So if hon. Members agree with my sentiments, perhaps they can take some action in the future. They are going to be here longer than I am.

**Hon. Chief Minister:** Mr Speaker, thank you very much for pointing that out.

I have always found it something which is remarkable in the sense that it is a Rule observed in its breach in the time that I have been here.

860 I believe there is a Standing Rules Committee, which is appointed immediately after the election and the then Backbencher and I nominated people who had been on it from the beginning and that you should rightly refer the matter to them, and I think the proposal that you have made is the right way to deal with it.

865 **Mr Speaker:** And so, you are proposing that the House adjourns until tomorrow morning at...?

**Hon. Chief Minister:** At 10.30.

**Mr Speaker:** At 10.30. The House will now adjourn until tomorrow at 10.30.

*The House adjourned at 5.51 p.m.*





# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.27 a.m. – 2.05 p.m.

Gibraltar, Tuesday, 23rd June 2015

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# The Gibraltar Parliament

*The Parliament met at 10.27 a.m.*

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

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

## Order of the Day

### GOVERNMENT BILLS

#### **Appropriation Bill 2015 – For Second Reading – Debate continued**

**Mr Speaker:** The Hon. Dr John Cortes.

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Good morning, Mr Speaker.

In your intervention at the end of yesterday's session I for a moment wondered whether I would have to memorise this speech overnight, so I am very glad with your leave that I didn't have to!

Mr Speaker, as I start my Budget address, my fourth, and my last before an election, I do so with an overwhelming sense of achievement and pride. And I do so also in my capacity as Gibraltar's first Minister for Climate Change, a title which I also carry with pride.

For this Government has delivered unprecedented change in environmental governance, sustainability and climate change adaptation and mitigation, a level of change that has placed Gibraltar in a position of leadership within the UK Overseas Territories and small island states.

Sound environmental governance includes government, business and civil society, and views natural resources as collective public assets that are not diminished when they are shared, thereby allowing communal benefit from clean water, air and biodiversity. Gibraltar's environmental policy has changed considerably to this effect over these past few years. This change, Mr Speaker, has been specifically recognised by the United Nations Environment Programme, major international NGOs, the Global Island Partnership and others.

These last four years have seen the Department network in Europe where we have proudly flown the flag of environmental governance and leadership, leaving our mark in the international arena. Organisations such as the United Nations Environment Programme, the United Nations Economic Commission for Europe, the Climate and Clean Air Coalition and of course the European Commission are now far more aware of Gibraltar and how we strive to lead by example in all that we do.

Mr Speaker, to further prove the point, last summer we hosted an expert group meeting on sustainability that included representatives from around the Mediterranean, from universities, Government Departments and also from the European Union and the United Nations. Networking at the wider Mediterranean level is where we now propose to focus, having as we do a great deal to contribute and to learn from our counterparts at a regional level.

Perhaps the biggest testament to our increased presence in the environmental arena was the UN Climate Change Summit held at the UN headquarters in New York where I had the honour and privilege of being invited on behalf of the Secretary General to represent Gibraltar, in the General Assembly Hall with world

leaders from countries large and small, as we focused on our collective global ambitions to halt climate change and mitigate its impacts. It has been an inspirational year on the environmental front, Mr Speaker.

35 The icing on the cake came in December when the Department of the Environment and Climate Change was admitted as a member of the International Union for the Conservation of Nature (IUCN) – the world’s largest global environmental network. This is a ground-breaking achievement for the Department given the international reputation and role of the IUCN, which acts as a United Nations observer and has consultative status on several international conventions on nature conservation, biodiversity and climate change. I had  
40 the pleasure of paying a visit to the IUCN’s Secretary General in Geneva last month and was rightly proud of the positive reputation Gibraltar already has in these circles.

Mr Speaker, environmental civil servants and advisers continue to be involved in discussion and decision-making at all levels of Government, working not only for my Ministry but for all other Ministers who call upon their input and advice on a regular basis.

45 The green filter continues to work well, with Department officials playing an increasing role in planning, as well as in the EIA process. Departmental scientists attend all DPC meetings and work hard to ensure that planning conditions are met. The Government’s green procurement policy, which was instrumental in changing the environmental dynamics within the local market, is being reviewed and updated. By continuing to apply and direct the public sector’s purchasing power towards green alternatives,  
50 we continue to stimulate the market and create niches for green initiatives, employment and economic regeneration.

Staff at the Department continue to work across the public sector through their involvement in numerous committees, ranging from transport to noise, planning, to climate change and infrastructure projects. In this context a number of policy documents are currently being updated, the most notable being  
55 the Environmental Action and Management Plan and the Climate Change Programme. These will be published in coming months and will be based on research and data that allow for informed policy decisions. This is how we work, Mr Speaker; we do not produce reports stating wishful policy without hard facts and substance. Policy in this Government is based on sound science.

I am pleased to say that while Gibraltar continues to develop, I see no imminent conflict with or danger  
60 to its environment or its biodiversity. For example, the new Mons Calpe and Eastern Beach developments will be ready for smart metering, for fitting of electrical car charging points, will have low consumption water heaters and renewable energy sources. And the 1,700 new affordable homes and related developments on the Eastside will not be a threat to our environment either. They are on brown sites, will be energy efficient, incorporate renewables, and contain large landscaped areas.

65 Mr Speaker, I am pleased to inform Parliament that the 2015 figures on recycling have already seen an increase of approximately 38.5% in mixed packaging waste on cans and plastics, 15% on glass, 21% on cardboard and 60% on paper. This has been possible due to the combined efforts of the Department, Master Service, and of course, the general public, clearly and increasingly fulfilling its role in improving recycling practices at home and in the workplace. Additional pink bins have been provided this year to further  
70 increase the recycling rates of waste electrical and electronic equipment. In fact, we are already half way through the year and have nearly surpassed the amount of these items recycled in the whole of last year.

Our recycling campaign continues to expand and this year’s World Environment Day saw the launch of yet another kerbside recycling service, the recycling of waste cooking oil in the new orange bins.

75 Mr Speaker, I take this opportunity to announce the upcoming delivery of yet another environmental manifesto commitment in relation to waste management – the creation of Gibraltar’s first dedicated eco-park. This new facility will be a one-stop shop for recycling all household waste streams and will be fully operational this summer.

Looking ahead in terms of our long-term waste strategy, we re-issued the tender for a waste treatment facility since none of the initial tenders submitted met the required technical specification. This project is  
80 going through a renewed tender process in order to ensure that we get the best value for money and just as important, the best possible environmental option.

Mr Speaker, one of the successful outcomes from the Litter Committee, which continues to meet on a regular basis with stakeholders and includes NGO membership, is the designation of dedicated litter wardens. These officers have received the necessary training and patrol Gibraltar daily, creating awareness,  
85 educating and deterring people from irresponsible tipping. No-dumping signs will shortly be going up in litter hotspots to further remind the public that in Gibraltar bins are only a short distance away and there is no excuse for the illegal dumping of refuse.

Works continue on refuse cubicles around Gibraltar, with four cubicles being completed last year and three new temporary cubicles installed.

90 I once again take this opportunity to thank all the members of the litter committee for their hard work and dedication. It really is a pleasure working with them and I very much look forward to continuing to do so.

Collaboration with NGOs continues. Regular meetings take place between Government officials, and myself, and a number of organisations such as the GONHS, ESG, and Housing Estate Committees.

The Nature Conservancy Council continues to be consulted on issues associated with the protection of Gibraltar's natural environment in line with my statutory obligations under the Nature Protection Act.

Mr Speaker, this past year has seen a concentrated effort by the Department to raise awareness of a whole array of environmental issues in schools. This included, once again, their involvement in World Environment Day, which this year also saw involvement from NGOs and environmentally friendly businesses. A lot of effort has gone into both energy-efficiency and marine awareness and you may have seen the episodes on GBC on the work carried out by the Department in respect to our waters. Perhaps the most popular awareness initiative has been the launch of Gibraltar's underwater camera, the first of its kind in Europe. This underwater camera forms yet another element of the wider marine surveillance programme carried out by the Department to monitor the status of marine habitats and species within British Gibraltar Territorial Waters. A dedicated website has been created on the Department's Thinking Green website to provide all with real time footage of Gibraltar's rich underwater environment.

This pioneering project is proving to be successful for many reasons. It is continuously providing scientific data on Gibraltar's marine diversity and water quality and perhaps more importantly, Mr Speaker, from the point of view of delivering a mindset of sustainability within our community. Children and adults alike, entertain themselves in the wonders that underwater Gibraltar has to offer. The appreciation of nature and the realisation that sustainable management is essential can best be achieved through visual appreciation and understanding. Our marine environment is too often remembered for the wrong reasons, or forgotten due to its inaccessibility, and this programme thrusts the marine realm into our daily lives, in a non-intrusive yet highly exciting and educational manner. Once again, Mr Speaker, this initiative has been recognised far and wide.

Mr Speaker, the Government's online geoportal also continues to work well and is being used widely, here and abroad. The interactive map of Gibraltar, produced by the Technical Services Department together with the Environment and IT, is continually being updated. The increasing use of GIS among the public and private sectors is yet another success story in the Environment portfolio. An interesting point of note is that in the last two months the number of hits from USA has increased significantly to the point where the USA is currently the number one country in terms of page visits to our geoportal.

I am also pleased to say that for the second time running, the Department of the Environment attended the UK Overseas Territories Workshop on the Environment and the use of Geographical Information Systems. The workshop was funded by the Foreign & Commonwealth Office and took place in Turks and Caicos in February last year, where the Department took the opportunity to showcase how Gibraltar is making use of GIS and 3D modelling tools for environmental research and planning purposes. Gibraltar's participation in these workshops is important in fostering collaborations and strengthening links with the UK's Overseas Territories and Environmental Research Institutions.

Mr Speaker, in order to stress the importance that this Government places on building partnerships with our colleagues from the Overseas Territories, Gibraltar will host an international environmental conference in July this year with a focus on the UK Overseas Territories, Crown Dependencies and other small islands.

The conference will provide a forum for government environmental bodies, NGOs and commercial organisations to discuss key conservation issues and highlight success stories, exchange ideas, and forge partnerships. Overseas Territories, Crown Dependencies and other small island communities that share similar environmental problems and possibilities will benefit from learning about one another's history and experience of planning and conservation initiatives.

Mr Speaker, both the Gibraltar Electrical Authority, which I now chair, and the Department of the Environment and Climate Change have been working extremely hard on other fronts regarding Gibraltar's Energy and Climate Change Strategy.

The Department of the Environment and the recently created Climate Change Task Force, chaired by the Deputy Chief Minister, have already addressed key aspects of Gibraltar's strategy during the course of the year. The strategy will be elaborated further in the revised Gibraltar Climate Change Programme and is divided into four main overarching themes which include: Adapting to climate change by building Gibraltar's resilience; facilitating the transition towards a low carbon economy; improving our understanding of climate change science and raising climate change awareness and changing consumer behaviour through educational initiatives.

This follows the strategic approach adopted by the United Nations Environment Programme for combating climate change. Some of the key measures that form part of the strategy are being implemented already and include: Developing and encouraging the uptake of solar energy; developing and encouraging the uptake of marine renewables and improving end-user efficiency.

The ongoing programme by the GEA to replace public building lighting and street lighting with solar powered devices and/or LEDs is proving particularly successful, as proven by the figures released by the GEA which shows a considerable reduction in energy use. The reductions represent 19% in street lighting

from 2012-13 to 2014-15, 50% in floodlighting from 2011-12 to 2014-15 and 22% in traffic light consumption from 2012-13 to 2014-15. These represent a reduction both in carbon emissions and in cost to the Government.

Other key initiatives that have been carried out recently include: the introducing of financial incentives to increase the uptake of solar technologies such as the Solar Energy (Deductions) Rules 2015; protecting local carbon sinks – the extent of the Nature Reserve has been increased; an energy-efficiency awareness campaign, currently underway, and an energy awareness website which is being developed to be launched later this year.

Mr Speaker, that is not all. This year I also commissioned and published our first ever city level inventory of greenhouse gas emissions for Gibraltar which provides an accurate understanding and picture of the major sources, activities and contributors of these emissions.

Work on other day-to-day energy issues continues to take place. In relation to energy performance of buildings, the Government has completed a Building Renovation Strategy which sets new cost optimal levels of energy performance for new and existing buildings as well as defining nearly zero energy building standards as we move towards 2020. The assessment of the energy performance of public buildings is ongoing. In the last financial year, approximately 267 Energy Performance Certificates have been issued and 37 EPC site visits have been carried out by staff of the Department.

The Department has also participated and been actively involved in a number of other EU conferences and workshops.

Mr Speaker, where does all of this leave us? Well, the total amount of carbon dioxide emitted from power generation fell by 24% from 181,182 tonnes in 2013 to 141,936 tonnes in 2014. Clearly our energy and climate change policies are not only taking shape, but showing results.

Our coastal water, bathing water and groundwater monitoring programmes continue to operate smoothly with samples being collected on a monthly basis from all our beaches, offshore locations around Gibraltar's coastline and from Gibraltar's freshwater aquifers. The Department also continues to collect and monitor marine sediment, phytoplankton, fish and bivalve tissue samples.

Data collected is used by the Department to help meet its reporting obligations under the Bathing Water, Water Framework and the Marine Strategy Framework Directives; these are key pieces of EU legislation that have an important role in the management of our territorial waters.

Mr Speaker a notable development in this aspect relates to Western Beach, already covered at length by the Deputy Chief Minister in his address yesterday. What I can add is that potential outflows to all the other beaches have over the past two years been systematically blocked or diverted, so that there can be no danger now of any sewage outflows in any of them. The Department closely monitors all discharges to the sea.

The importance given to the quality of our waters and our beaches is clearly enshrined in the announcement I made earlier this year regarding new wastewater treatment plant; a project that should have taken place many years ago, but which the previous Government ignored despite the fact that it is an EU Directive requirement.

The tender process is now nearing completion and I will be making an announcement soon. This will ensure that Gibraltar is finally compliant with the EU's Urban Wastewater Treatment Directive.

Mr Speaker, the Department of the Environment and Climate Change is also making steady progress with its support of the artificial reef programme, with new additions to the reef network such as the Sunswale which was recently deployed in the vicinity of the Rosia Marine Conservation Zone. This project has been warmly welcomed by local conservation groups, recreational divers and fishing associations.

It has now been nearly two years since the artificial reef programme was re-invigorated by the Department with the creation of the North West Artificial Reef and I am very pleased that, as I had anticipated, the reef has proven to improve marine life in the area.

Work is also being carried out on other marine ecosystem restoration. This facet of the marine programme draws on historical sources and local expert knowledge to inform the re-introduction of species that were known to exist in the Bay such as fan mussels, oysters and sea grasses, the latter species being a tremendously important source of food, oxygen and habitat as well as an excellent carbon sink.

Mr Speaker, in line with this Government's manifesto commitment to regulate fishing, diving and other marine activities in British Gibraltar Territorial Waters, it gives me a great sense of pride to be able to say that this past year has seen the publication of the Marine Protection Regulations and the Tuna Preservation Regulations. These are probably the most significant pieces of local environmental legislation published for 20 years. They set to regulate a myriad of activities that take place in our waters such as fishing, diving, scientific research and the activities of dolphin tour operators.

Some of the key measures introduced in the regulations include the licensing requirements, minimum fish sizes, the creation of Marine Conservation Zones and the ability to implement designated fishing seasons and yearly quotas for species requiring additional protection such as Atlantic bluefin tuna. No-

anchoring zones have also been designated and included in the regulations to protect the seabed, particularly reefs.

Mr Speaker, the regulations are a very significant step in the long road of regulating marine activities in our waters. The Department has had to make key changes to the way it operates to be able to administer the functioning of the regulations. A dedicated counter has been created to process all licence applications and queries and a number of guidance documents published to better inform the public on how the regulations work. A marine species identification booklet has been produced and is made available to all applicants to highlight some of the common fish and mollusc species found in Gibraltar, along with their corresponding minimum sizes.

Both regulations were subjected to a lengthy consultation process encompassing a wide variety of stakeholders, including but not limited to, recreational anglers, divers, marine biologists, cottage and big game fishermen, spear fishermen, diving and dolphin tour operators and sports fishing enthusiasts.

In line with the spirit of co-operation and continued consultation, the Marine Protection Regulations also provided for the creation of a statutory working group, which I chair. This working group meets on a regular basis and serves as a platform to discuss relevant issues such as sustainable fishing activities in BGTW.

Mr Speaker, this fulfils many of the recommendations of the 2013 Fishing Report. And it has stopped, virtually overnight, the past problem of non-resident anglers along the shores with multiple rods not allowing space for others and littering the shoreline. I cannot but stress the immensity of this task and achievement, involving tremendous dedication from the Department's staff and wide-ranging discussion with many people, to arrive at what are workable pieces of legislation that achieve the dual purposes of safeguarding the marine environment for future generations while allowing all responsible activities to continue in an organised manner.

The Tuna Preservation Regulations, in particular, show the world that Gibraltar has stepped up to assume its international obligations and is well capable of being entrusted with legislating for the protection of its marine resources within the whole of BGTW, much of which falls within a European Special Area of Conservation. The closed season for tuna, for example, now follows the provisions of ICCAT, the International Commission for the Conservation of Atlantic Tuna. Any bluefin tuna that is now caught within British Gibraltar Territorial Waters during the open season needs to be reported. A dedicated office and landing point has been created where anglers are able to dock against the jetty to weigh and report any tuna catches. Alternatively, anglers may also submit the required forms electronically. An awareness campaign on sustainable fishing practices will also form part of this landmark initiative along with a tuna-tagging programme. The programme builds on the ongoing work carried out by the Department together with local fishing clubs on species that are commonly found in Gibraltar such as the white bream.

Mr Speaker, Gibraltar has never ever had this level of responsible regulation, which looks after the interests of nature, those who fish, and those of us who enjoy eating fish, sustainably. In this way we can clearly refute any allegations from others that we are illegally exploiting or failing to protect our marine resources.

Mr Speaker, in terms of environmental health, the Environmental Agency, with its dedicated team of environmental health professionals continues to work on many fronts and expand its work in environmental monitoring including control, building control, waste regulation and food import controls. In addition to the developments mentioned in my speech last year, the Agency has also: incorporated the issuing of ship sanitation certificates into its work; become the main entity liaising with the UK's Health and Safety Executive on major projects such as the new power station; continued to liaise with pollution specialists; continued to expand its GibEnviro app; continued to provide specialised waste management training to staff and to waste industry representatives; established a partnership with the University of West England to provide practical Environmental Health training; continued expanding its anti-dog fouling campaign; and delivered food hygiene courses to organisers and participants of outdoor events such as Calentita, the Fair and it has also revamped its annual Christmas campaign.

The Agency does a tremendous amount of excellent work for the community that often goes unnoticed, but is nevertheless absolutely essential for maintaining the level of Gibraltar's environmental governance.

Mr Speaker, works on the improvement of the North Front Cemetery are progressing. In the past 12 months, walls have been plastered and painted, toilets refurbished, signs and information panels erected as well as paths cleared. We will be installing CCTV cameras in order to combat any future spouts of vandalism as was, unfortunately, the case recently. Mr Speaker, I am also pleased with the recent publication of a Command Paper on the revised Cemetery Act, the old Act dated from 1889, bringing this legislation in line with modern times and allowing for more efficient management. Another important development that I am pleased to share with this House is the digitisation of cemetery records using GIS.

Mr Speaker, we all know how important green areas are for our well-being. Between April 2014 and 2015, we have therefore continued with the urban planting programme and planted a total of 158 trees around Gibraltar. At the same time, the Department has worked extensively on the maintenance and

improvement of existing green areas. And what better showcase of the value of green areas and the benefit they bring both environmentally and socially to the community than Commonwealth Park. The park continues to be enjoyed by very many and has now become one of Gibraltar's prime recreational areas.

How many in this House doubted! How many questions were asked suggesting it would be a waste of money, or impossible to achieve or maintain! Mr Speaker, people have voted with their feet, and their feet are now firmly in the grass. And to think that the Opposition could not find a way to support the Act that guaranteed the protection of what is now one of Gibraltar's most cherished assets.

Work will now shortly start on the first of the new dog parks, which is expected to be completed in September. The Gibraltar Botanic Gardens have also been improved. Their work is expanding beyond the purely recreational to an increasing role in taxonomy, ecology, conservation and education. Indeed, this capacity building has facilitated the integration of the Botanic Gardens as a key associate partner of the University of Gibraltar's Institute of Life and Earth Sciences, which will allow the gardens to continue to develop as a key player in research and conservation in the region, and promote Gibraltar internationally.

In addition, there have been many improvements to planted areas and a much greater outreach to involving young people. April next year sees the 200th Anniversary of the opening of the Alameda Gardens, and a number of improvements and events are planned to celebrate this historic date.

I move now to the Gibraltar Nature Reserve, an area that as you know I hold very dear. The Government remains committed to restoring Gibraltar's natural assets in a sensitive and environmentally friendly manner for the enjoyment of residents and as an improvement to our tourist product. No one can deny that the Government, through its Environment, Tourism and Heritage Ministries has pumped more investment and done more to revitalise this natural treasure in three years, than the GSD did in 16 years in Government. (*Banging on desks*)

The revitalisation of the Nature Reserve was well overdue. The gravitational pull of such new attractions to cruise liners to Gibraltar cannot be underestimated. To assist in the marketing process, a nature reserve app for smartphones has been launched and is available for both Apple and Android devices. Another application that is currently being developed is an interactive encyclopaedia of Gibraltar's rich wildlife.

Mr Speaker, formerly derelict areas of historical interest continue to be renovated and reopened to the general public. The project also includes upgrading the various paths in the nature reserve with an all-round enhancement of safety and accessibility features. Innovative attractions and facilities for the general public will be provided as part of the project including a spectacular new suspension bridge at Royal Anglian Way and a glazed lookout, or 'sky walk' at Mount Misery.

Mr Speaker, the launch of the Gibraltar Nature Reserve Management Plan is imminent. The new plan contains a wide range of recommendations for the Upper Rock and other areas of ecological importance in Gibraltar that were afforded protected status under the Nature Conservation (Designation of Gibraltar Nature Reserve) Order 2013.

A large number of measures being included within the new plan have already been implemented or initiated in different parts of the reserve during the past year such as: improving visitor access and restoring paths within the Upper Rock and the Northern Defences; improved firebreak clearing programme including the creation of new firebreaks; installation of nature reserve demarcation and traffic awareness signs along with interpretation panels; installing new balustrades and restoring road barriers; re-populating key species such as the Barbary partridge and the wild rabbit.

Mr Speaker, I have to pause here, given the fact that I was accused by Members of this House of being responsible for the decline in the numbers of the secretive Barbary partridge, and was blamed for its imminent disappearance. Ongoing surveillance has revealed that not only have the imported partridges acclimatised well to their new environment, but more importantly, hatched young in several locations within the Nature Reserve. I would like to acknowledge and thank GONHS for their support and for the monitoring that they do, providing the Department with vital scientific information without charge, and to also thank the Upper Rock management team for their increasing role in improving this wonderful natural asset.

There are other measures being carried out including: increasing resources for the Department's Environmental Protection and Research Unit; increasing human resources for the Upper Rock Management Team; increasing security in the Upper Rock with dedicated environmental security guards patrolling day and night; creating new picnic areas; securing, restoring and improving access to heritage assets within the Upper Rock such as Genoese Battery and Royal Anglian Way; the continued systematic removal of invasive and alien species, largely through the astounding voluntary work by Bart van Thienen and continued installation of bird and bat boxes within and outside the nature reserve, particularly in the town area.

Mr Speaker, the export of a group of Barbary macaques to the Blair Drummond Wildlife Park in Stirling, Scotland, grabbed international headlines in October last year. This was the first large scale export of macaques since the 1990s. The exportation followed a period of extensive research and discussions with

park officials which allowed for the relocation of approximately 30 macaques from the Middle Hill troop, that was frequenting Laguna and Catalan Bay. The macaques were flown to the UK on a chartered aircraft and then transported by road to the safari park. They were accompanied at all times by two experienced Gibraltar keepers from the macaque management team with additional support provided by officials from the Department.

The selection of this particular group was facilitated by the tracking work carried out last year by a team of US researchers from Notre Dame University together with the macaque management team, GONHS, the Veterinary Clinic and the Department of the Environment, sponsored by National Geographic. The exercise was carried out flawlessly since all the animals were trapped with minimal disruption and I would like, once again, to thank all those individuals involved for I know how hard they worked to execute this task to perfection.

Mr Speaker, Members and the public will have noticed that, since October last year, the trouble caused by macaques in built-up areas is hugely reduced. Mr Speaker, as they are free-ranging animals they do of course have the ability to turn up anywhere in Gibraltar of their own free will. They will surely do so, and there are still one or two areas where this is the case, but the situation is very much improved, thanks to both the exportation and the increased resources which we have provided which allow movements to be better tracked, problems pre-empted, and response and action to drive them away to be much more effective.

Mr Speaker, a year ago I was repeatedly condemned in this House by Members Opposite for what they claimed was a total failure in the management of the macaques. I would reply then that the problem dated from before my time as Minister, that my former advice to the former administration had been systematically ignored, and that nature takes time to respond. They did not want to hear. Well, Mr Speaker, while we can of course in future have a resurgence in macaque activity in some areas – and we will of course respond – I think that I have so far been proved right.

Work on the management of our macaques has continued on numerous fronts. New personnel have been employed to tackle on the ground situations and new ponds created in different parts of the Upper Rock such as Prince Phillip's Arch, Royal Anglian Way and Middle Hill. All the macaque feeding sites are being given a facelift and I am very pleased to say that works are now nearing completion. The end product will result in a significant improvement for our macaques and our tourist product.

Mr Speaker, the new Macaque Action Plan will be published this summer although once again, numerous measures are already well underway such as: providing new facilities for food storage and preparation; clearing of scrub in different areas of the reserve; the provision of new watering points; and developing of a macaque education and awareness application for mobile devices.

We have also embarked on a revitalised macaque awareness initiative in collaboration with the GONHS, the Gibraltar Veterinary Clinic and Monkey Talk Gibraltar, thus bringing all stakeholders together for the first time.

Mr Speaker, the Environmental Protection and Research Unit goes from strength to strength. During this past year, the section has more than doubled in size and I am proud to say that there are now six officers working on a shift system. A new vehicle has been procured in addition to the two marine vessels and environmental patrols are now being carried out every single day of the week, both on land and at sea. The fact that our own environmental protection vessels are now regularly patrolling Gibraltar's marine protected areas is clearly sending the right signals. The section continues to work hand in hand with the Royal Gibraltar Police.

Mr Speaker, the Gibraltar Air Quality Monitoring Programme has continued to operate smoothly during this past year and has once again achieved levels of data capture above 90%, thanks to the efforts of the Environmental Agency and Government appointed air quality consultants.

As always, there is still room for improvement and a five-yearly Monitoring Regime Assessment is being carried out to inform the configuration of the network over the life of the next air quality monitoring contract. This will consider what additions we may have to make to monitoring units and how these will need to be relocated following the commissioning of the new power station, which may include a monitoring unit in the North District.

Other notable developments that have taken place in this field during the year include: investigating the implementation of an air quality forecasting service for Gibraltar; the expansion of the monitoring site at Bleak House which is now monitoring heavy metal concentrations in air; upgrading the air quality compliance dashboard to optimise the page for visualisation on mobile devices; and participating in an EU project aimed at evaluating the impact of marine tourism on air quality and climate change.

Mr Speaker, the Department of the Environment has been transformed. It is now what it deserves to be, and its staff in all the disciplines – scientists and administrators, wardens and divers, as well as all its various contractors – work tirelessly to improve the environment in Gibraltar and our environmental performance on the world stage. It is a pleasure to have them all as colleagues. *(Banging on desks)*



Mr Speaker, 2014 was a very challenging year for electricity production in Gibraltar when on Easter Sunday one of the Waterport engines suffered a major mechanical failure, which subsequently led to a huge fire that took out Gibraltar electrical power supplies and extensively damaged poor old, battered Waterport Power Station. Government was quick to react and within a period of one week it had arranged for the delivery of additional rental plant to replace the generating plant that had been lost in the fire in order to ensure that there was sufficient installed capacity to deliver the electrical energy demands of Gibraltar.

This led to seven months without power cuts – the longest period since at least 1995. Even with the three power cut episodes that we have suffered recently, the average number of power cuts is infinitely smaller for this year than for as many years as I have been able to go back – which is more than 20 – and why? Because we have a tremendously professional team at the GEA, and because this Government cares.

The Authority will continue to improve the reliability of the system to minimise the likelihood of generation power cuts and reduce emissions during this interim period, while the new power station is being designed and constructed. To this end we have already started the process of decommissioning the ex-OESCO engines in the South District Power Station and this will be followed by decommissioning GMES Power Station as both of these power stations had ageing plant that have been major contributors to NOx emissions in the South District.

The failure of Waterport last year sadly led to a brief increase in NOx emissions, reversing the trend that we started in 2012, although happily these levels started to fall once again this year.

Mr Speaker, there is no doubt whatsoever, whatever the Leader of the Opposition might say, that all the problems that we have been facing in relation to power, stem from the former administration's crass and irresponsible failure to act on advice, recommendations and reports that the Waterport Station and the distribution system were on the point of collapse about a decade ago. I am not at all convinced that their horrendous, polluting, carbon-belching eyesore of a power station would have been ready by now. For one thing, Mr Speaker, *they* are the ones who were having trouble finding the money for it.

And Mr Speaker, minutes after his speech claiming that it would have been finished, the Leader of the Opposition said to GBC that ours would take more than four years to complete. Even though the new plant will require much less infrastructure, being close to Waterport, and cause much less disruption being as it will be in an essentially industrial area and accessible by sea. What lack of knowledge of the subject, Mr Speaker! He did not mention the problems they were encountering with storing the diesel in the old MOD tanks, having to set up a new docking operation that would have poured diesel from tankers into pipes by GibDock. No concern for the flammability of diesel – which is much greater than LNG – or the smells that would have affected the residents of the South District in the event of a leak. Nor how long would all that take.

Perhaps more extraordinarily, Mr Speaker, the Leader of the Opposition made allegations of inside information, claiming that the project was 'beset' by problems. What problems, Mr Speaker? Are his informers letting him down? Or maybe he has seen something I haven't when he's been there at night with his wire cutters? (*Laughter*)

But in any case, it was too little, too late. Or perhaps too much too late, when you consider the huge price of their proposal and their secret promise to increase the cost of electricity by 5% per year for 20 years! (**A Member:** Oh!) If an air terminal quadrupled in price, what price a power station?

Mr Speaker, *the* biggest headline last year from the point of view of improvements to the environment and quality of life in Gibraltar was the award of the contract for a new power station to the French construction giants Bouygues. This state-of-the-art power station will be capable of using both gas and light fuel in order to be as efficient and environmentally friendly as is technologically possible. It will deliver a potential 80 megawatts of power, plus an additional 4 megawatts through heat recovery – a tremendous environmental plus – about 20 megawatts more than the GSD's planned station. Moreover, it will guarantee energy self-sufficiency for Gibraltar for the next 30 years and more, if not quite 'to infinity and beyond' as Buzz Lightyear would have said.

We were absolutely right not to proceed with the previous administration's contract for a power station that would have burnt more polluting fuel and would have cost more and incurred huge fines for Gibraltar in respect of carbon emissions. This was not just the right decision; it is the right investment for our nation's future.

Mr Speaker, it may not be wise for me, as a politician, to publicly reveal one of my biggest weaknesses. Let's call it a 'rookie error', Mr Speaker, but here it goes. I have a weakness for science fiction. I enjoy moving into a fictitious world of technological fantasy, ridden with fantastical dangers which at once excite and terrify you, but with the comfort of knowing that they will never really happen. It is with some knowledge of the genre, therefore, that I must attribute to the Opposition one of the worst examples of science-fiction writing that I have ever read. Fiction certainly, although it verged in fact on science comedy, because, at least true science fiction tends to be well researched. Mr Speaker, their leaflet on the, 'Dangers of LNG' was a veritable disgrace. From the photograph of a burning tank which had burnt on their watch, and in any case was of a totally different fuel, to their mathematically incorrect analysis of comparative

cost, it was an insult to the community. Fortunately it has already been almost forgotten, which shows, thank goodness, the maturity of the electorate.

Mr Speaker, the true figures show that even allowing for costs of cancellation, relocation of businesses from the North Mole, reclamation and temporary supply, this Government's power station will cost about £26 million less than the former administration's. When you take into account that ours will be able to produce 84 megawatts as opposed to their 64, the cost per megawatt capacity for their station would have been over £2 million and ours just over £1 million, nearly half the cost. And this still does not factor in the cheaper fuel for our station, savings from discarding rental plant, nor the clear environmental benefits in the emissions of virtually no particulate matter, no sulphur, and much less nitrogen dioxide.

Let me reiterate, Mr Speaker, that LNG is just about the safest fuel around – LNG, Liquid Natural Gas, not LPG, Liquid Petroleum Gas, which is the one that causes explosions. The few googled reports of LNG burning that the GSD have used are none of them in the kind or size of plant that we are planning for Gibraltar. The plant being designed for Gibraltar will be a world leader in safety.

Seriously, Mr Speaker, the people from Lloyds went on the information that they were given. This information was incomplete and inaccurate. In good faith they prepared the best possible report based on the worst possible quality of information. *(Interjection)* No-one is questioning their calibre, but you can only work with the information that you have, and the GSD just did not have it. So Lloyds, I repeat, in perfectly good faith, made assumptions on conjecture. Such important decisions cannot be based on inaccurate information. Mr Speaker, the Opposition has abused the name of Lloyds Register and has tried to manipulate their honest report to suit their own scheming ends. The report points out potential difficulties that need to be overcome, these in many cases being precisely the difficulties that our potential providers are succeeding in resolving.

Mr Speaker, the Lloyds report concludes that some of the risks are:

‘Significantly greater than those found to be acceptable for conventional LNG marine storage terminals.’

I repeat the key words, ‘conventional marine storage terminals.’ This one will not be conventional. The report does express concerns that the port is, at this point in time, not equipped for handling LNG. Well of course it isn't. It isn't equipped for handling herds of stampeding elephants either. We've had no need to deal with either up to now! *(Laughter)* But all the necessary adaptations will be made in order to be able to do so – to handle LNG, Mr Speaker, not to handle stampeding elephants – although there is just about as much danger of a significant incident in our LNG plant as there is of a stampede of pachyderms suddenly disembarking in the port and taking our fair city by storm.

Mr Speaker, I am certain that Lloyds Register would not recommend boiling water being poured over anybody's head. They would point out that you have to be aware of the potential dangers of boiling water and the need for it to be handled carefully, and for there to be safeguards in place to avoid scalding. But that does not mean you cannot make yourself a cup of tea! You must ensure you use a safe kettle and that you are trained in how to pour, and how much to put into a cup before it overflows.

Mr Speaker, the Government and the GEA are doing things responsibly. The UK's Health and Safety Laboratory have advised that an LNG power station and storage in Gibraltar are doable – provided it is done correctly. Therefore we are awaiting the detailed designs – which we are on the point of receiving – in order for them to finalise the detailed assessment. That is the time when we will, responsibly, share these with the public. Lloyds has essentially said nothing different to this.

Mr Speaker, the matter is one over which the Opposition should be showing a responsible approach and be willing to wait until all the studies have been completed and all the science is clear before resorting to spreading fear. Is this too much to ask? Their failure to do so, their rushing into the fray only betrays their real lack of confidence in their own position.

Mr Speaker, the GSD does not care about power, or clean air, or safety. They do not care who they scare with their misinformation and fabrications. Their approach is not about genuine concerns, but a vile attempt to inject needless fear into our community. It is an absolute disgrace. *(Banging on desks)*

Mr Speaker, the Opposition will very soon find all its arguments come tumbling down. As the author Gonzo Arzuaga, paraphrasing none other than Albert Einstein, said:

‘A smart person knows how to fight a battle. A wise person knows which battles not to fight.’

Mr Speaker, the Opposition, are not smart, and, most certainly, they are not wise. They have lost this debate even before it has really started. As Members will know, and the Chief Minister made reference to this in his address, cruise ship giants Carnival Cruises have just ordered four brand new cruise liners, with a capacity for 6,600 passengers each, all powered by gas and carrying LNG storage tanks. And to quote the President and CEO of Carnival, Arnold Donald, speaking recently to Bloomberg TV:

‘We certainly wouldn’t be doing anything we didn’t think was perfectly safe.’

Mr Speaker, I have spent my entire life fighting for a safe environment –I am not about to change now. I can confidently say that the new power station will be safe, clean, virtually non-polluting, with enough capacity to cover our energy needs for years, and will be supplemented by renewable energy as we develop this.

To return to the more mundane, Mr Speaker, I can report that during the last financial year a total of 179.2 million units were billed and the amount collected was £24.6 million.

The number of consumers rose slightly to 19,411, an increase of 138 from the previous years.

The total installed generating capacity at the end of the year stood at 95.48 megawatts as new rental plant replaced the ageing plant. Once this plant is decommissioned and the turbines removed from site to make way for the new power station, the installed capacity will be 75.08 megawatts which is more than sufficient to meet the forecast peak demands until 2017 of approximately 42 megawatts, until the new station is commissioned.

The price of fuel supplied during the last financial year has decreased substantially to levels that had not been seen over the last 15. It started the year at £559.40 per tonne in April 2014 going down to £358 at the end of December, before going slightly up again to £368.94 per tonne in March 2015. These low oil prices have not had a huge impact on our fuel expenditure on account of the Authority having entered into a hedging arrangement which has been in place for the last six years. I must add here that the cost of LNG remains lower.

Mr Speaker, the Authority continues to upgrade and expand the network and the supervisory control and data acquisition that is used to monitor the generation and main distribution system, thus providing a better and faster response when dealing with power outages. This year we have installed the fibre optic link through No 7 High Voltage ring in preparation for the full automation and monitoring of all the substations as part of the new power station infrastructure works.

Improvement works also continue to the electrical supplies to Laguna and Moorish Castle Estates as part of the block refurbishment and lift programme.

Improvements to the public lighting network continue with replacement of existing street lights with LED and /or low energy lanterns. This year Waterport Road, Queensway and Catalan Bay village have been done. As I mentioned earlier, this has seen a reduction in the street lighting electrical consumption of 15.3 % compared to 2013-14 and 18.7 % compared to 2012-13. These are true savings in energy and money.

We continued also replacing our Christmas lights with LED lights and again received very positive feedback from the public of last Christmas’s lights, and in particular the switching on ceremony that was organised in conjunction with the Ministry of Culture.

Training and development of technical staff of the GEA continues. This year we arranged specialised training courses to introduce modern jointing techniques that reduce the down time in repairing low voltage joints by more than 50 %. This was in addition to the refresher health and safety and fire training that is part of the continuous development of Authority staff.

During 2015-16 in addition to the day-to-day maintenance and repairs, work will continue on the new power station infrastructure and we will see the start of the associated infrastructure new distribution centres at Waterport and Mid Harbours.

The design of the new power station will gain momentum with the EIA and the technical review of the engineering design by Bouygues that will be carried out by the Authority technical team supported by Mott MacDonald as technical engineering consultants.

Work is also programmed to continue on the replacement of substations which were procured this last financial year and which now will be replaced to increase the reliability and robustness of the high voltage network.

Mr Speaker, as you know, my portfolio was extended by the Chief Minister last December to also include responsibility for water production, as Chair of AquaGib Ltd. During the period AquaGib has maintained and improved on its levels of service and performance indicators in respect to the provision of potable and seawater, and sewerage services. In order to achieve this level of service AquaGib had an expenditure of £12,115,000.

In addition, AquaGib Ltd has continued to invest over the period on capital projects as part of its asset replacement plan aimed at maintaining and improving the water infrastructure assets in Gibraltar as included for in their contract with Government. During this period a total of £730,000 was spent on capital projects, which included: the replacement of potable and seawater mains; replacement of customers’ water meters, meter cupboards and manifolds; improvements to the reverse osmosis desalination plants by the building of new chemical dosing equipment and a second pass RO polishing unit at the Waterport Plant; also phase 1 improvements and upgrading to the Scada system of remote monitoring and operation of the

RO plants, pumping stations and reservoirs; IT upgrading to handheld remote meter reading equipment; and the replacement of the pumps at the Varyl Begg Sewage Pumping Station.

The form of electricity and water bills has been changed in order to provide more information and encourage efficiency. Indeed, this reflects AquaGib's policy and new energy efficiency measures are constantly being reviewed in all the company's activities.

The approved budget set by the Company for the provision of potable and seawater supply, and sewerage services in Gibraltar next year is £11,100,000. This reduction in budgeted cost follows the resolution of the ex MSF employees employment issues as a result of the Collective Agreement between the Government, AquaGib and Unite the Union.

The approved budget set by the company on capital projects as part of its asset replacement plan in Gibraltar has been set at £638,000. This includes the following projects: replacement of more potable and seawater mains; replacement of water meters; replacement of RO membranes at Governor's Cottage Plant; rock stabilisation works at Governor's Cottage; phase 2 improvements and upgrading to the Scada system; and IT upgrades to the Sage 200 system.

As you can see, Mr Speaker, there has been tremendous activity in all my non-health-portfolios, much of interconnected, and reveals a logic and forward thinking linking all of these within one Ministry.

And so, Mr Speaker, I turn to my health related portfolios.

In relation to the Ministry of Health and the Gibraltar Health Authority and now Elderly Residential Services, let me set the scene, Mr Speaker, by quoting a cruise passenger who sadly had to be hospitalised in Gibraltar. He wrote to the Authority saying:

'I was a patient in your hospital for two weeks and I do wish to express my gratitude to all concerned with my treatment. The medical and nursing care was first class with a general standard of efficiency. A high standard of training coupled with effective organisation shone in every way. So thank all of you for your share in getting me fit enough to return home. I count myself very lucky that the ship docked where such a fine hospital is available.'

(A Member: Hear, hear.) Mr Speaker, this Budget speech will primarily highlight the improvements made to our health service during the last financial year.

Mr Speaker, there is of course much more to do. I continue to listen to the people I represent and realise that there are no easy answers to some of the problems which have built up over many years, just the painstaking work of putting right what was wrong. But I am as determined as ever to deliver a health service of which to be proud.

Mr Speaker, in previous presentations to this House I have made reference to the need to change the GHA's management structure. I am now pleased to report that this has now been completed. This has allowed the team to start setting up essential groups and committees such as the Clinical and Corporate Governance groups which are essential and will ensure we address issues such as patient safety, staff training and development, audits, learning from clinical incidents and accountability.

Mr Speaker, as we know, the GHA provides a comprehensive range of health services for the people of Gibraltar. This includes Primary, Secondary, Mental Health and the Ambulance Service, together with arranging care in the UK or Spain for those patients whose medical condition requires that to be done.

Mr Speaker, we are extremely fortunate to have the high calibre of professionals delivering these services for a relatively small population. People now want to be informed about their care, and want to be involved in decisions about their care. Patients also expect to be active participants in developing plans for their own care. The public is more aware than ever before about health care. Therefore in order to continue building on our reputation and respond to the challenges of the future, the values that underpin healthcare practice must reflect what the public expects of us.

Mr Speaker, I gave a commitment over three years ago and with the assistance of all at the GHA, we will continue to seek ways of improving all areas. We have a vision of the kind of organisation we wish to be and the service we wish to provide, and our strategic plan sets out that vision and how it will be achieved.

Mr Speaker, in its strategy, we have identified five key objectives which are: (1) prevention rather than cure; (2) provision of care and services; (3) training, development and succession planning; (4) governance, quality of care and safety; and (5) communication and engagement.

Mr Speaker, I will now turn my attention to specific areas of our health service, what has been achieved and what is in the process of being introduced.

In the field of public health and health promotion, health promotion is one of the key ways to improve the health and quality of life in our community. We promote the comprehensive childhood immunisation programme, but at the same time we also look to the more senior members of our community, for which the GHA has introduced a new vaccine against shingles, which will be of great benefit. Shingles is more common in people aged over 70 years, and complications are also more likely in older persons. For this

reason as of this year the shingles vaccine will be available to all persons during their 70th birthday year, or if older than 70, on their 79th birthday.

Mr Speaker, during this period, Government also introduced vaccinations against meningitis C for students who were starting university as a means of protection against the disease. Meningitis vaccination has been routinely given to infants in Gibraltar for many years. However, research has shown that the protective effect of the vaccine may decrease as the child grows older. Young persons who enter into higher education for the first time usually move into areas where people live close to each other, such as university halls of residence and shared accommodation where they are exposed to unfamiliar bacteria. They will benefit from the protection offered by a single dose of the meningitis C vaccine.

We have also requested the necessary vaccine stocks to be able to introduce meningitis B vaccination in the autumn at the same time as the UK.

Mr Speaker, the colorectal cancer screening programme was formally commenced on 1st April last year. During the first year of the programme a total of 2,159 invitations were sent and 2,204 test kits were dispatched. In response, 849 samples were received, of which 638 or 75% were negative. During this year, the screening programme picked up two cancers.

Mr Speaker, as promised last year, the GHA introduced a new screening programme to detect aneurysms of the abdominal aorta from 1st March this year. This programme aims to detect such aneurysms in older men who have a higher risk of the condition, which can be fatal if not detected and treated in time.

Mr Speaker, our ability to screen the hearing of neo-natal babies is also progressing even further, with staff being trained and new equipment procured.

Members will be aware of recent UK news reports where consideration is being given to a 'new', safe and non-invasive system of genetic screening for unborn children. Well, I am proud to say that we introduced that system almost a year ago – the first national health service provider anywhere in the world to do so! This has greatly reduced distress to mothers and also reduced unnecessary referrals to the UK. We have also acquired the services of a visiting consultant geneticist to advise on any issues that arise.

Screening programmes remain one of my priorities. The breast screening programme is expertly run and regularly improved upon, but I have discovered that the cervical screening programme that I inherited is far from satisfactory and this year we will work on bringing it up to the required standard.

Mr Speaker, another commitment from last year was to undertake the second Health and Lifestyle survey. The creation and successful completion of such projects highlights the commitment by this Government and the GHA to even closer understanding of the health of our people.

The 2015 survey will once again aim to find out the levels of perceived health in the resident population, as well as gather information on eating, drinking, physical activity and other lifestyle parameters. It will also be able to make comparisons with the earlier survey and examine trends. The information from this second survey will be valuable in determining future health priorities for our community.

Mr Speaker, in keeping with another of the commitments made last year, the GHA has set up for the first time ever a specialist microbiology service which will be delivered by Hampshire based Gibraltarian Consultant Microbiologist, Dr Nicholas Cortes – no relation, Mr Speaker.

Dr Cortes is providing advice to GHA doctors throughout the year, as well as making regular visits and training staff. He is providing guidance on clinical practices and expert advice on matters related to infection, something that is increasingly important with the emergence of organisms that are resistant to antibiotics.

He also provides advice on specific patients and conditions, as well as support in developing policies and protocols and in improving clinical governance. This service will support the work of our health professionals, but most significantly benefit our patients and our other service users.

Mr Speaker, on Health Promotion and Public Education, the Department has been busy throughout the year with the following programmes delivered: Skin Cancer Screening Day; Autism Awareness; Breast Feeding Awareness Day; World Asthma Day; World Blood Donor Day; Noise-Induced Hearing Loss; Dental Health Awareness Day; Dementia Awareness Day; Mental Health Week; Heart Health; No-Smoking Day; the Well Child; and Hand Hygiene Day.

Mr Speaker, one of the greatest Public Health challenges during 2014 was addressing the Ebola crisis. The Authority took the lead in building up preparedness for a response to the threat posed by the potential arrival of Ebola Virus disease into Gibraltar. Gibraltar's Port protocols were strengthened with specific measures applied to ships or persons having visited from affected areas. The Borders and Coastguard Agency, Pier Masters, HM Customs, the Airport and the Police were all similarly prepared.

A comprehensive 'Viral Haemorrhagic Fevers Policy' covering preparedness, disease recognition, personal protection, infection control, investigation, clinical management, specialist advice and waste disposal was prepared.

A dedicated reception and isolation unit within St Bernard's Hospital for admitting potential suspected cases was swiftly and safely created, together with a comprehensive training programme delivered by our excellent Infection Control Nurses to healthcare workers.

Two simulation exercises were successfully held on 5th November and 11th December 2014 to test these plans. We were well ahead of the game.

Mr Speaker, as I have mentioned already, the management structure review that I initiated in 2012 is now complete and we are now adapting to this and streamlining operations.

As part of its new services, the GHA HR department will shortly be introducing and conducting exit interviews with all employees who leave the organisation. The benefit to the organisation of encouraging staff to complete the exit interview process is that important information can be obtained which can be used to support other initiatives and policies such as health and well-being, stress management and equality.

Mr Speaker, in order to support the HR function of the GHA, we have entered into a formal agreement with the UK's NHS Employers, which will allow us access to the various services provided by the organisation. These provide access to publications which include guidance and case studies, access to seminars and webinars on topics such as health and wellbeing at work, staff engagement, organisational development, raising concerns at work, equality and diversity, just to mention a few.

Mr Speaker, the GHA will benefit immensely from this arrangement, from the experience and expertise that can be obtained from NHS employers. We are working hard in becoming the exemplary HR department of Gibraltar. Mr Speaker, staff are the most important asset a health service has, and we aim to provide practical support on all aspects of managing human resources, which in turn promotes better care to patients.

Mr Speaker, the GHA held its seventh annual Staff Awards Ceremony this year. Around 140 members of the staff and their guests came together to celebrate the long and loyal service of staff who have worked for the GHA for more than 25 years and a range of individual and team acts of outstanding performance in the last year. Special mention needs to be given to Mr Stephen Mascarenhas and Mr Francis Mauro who work as GHA messengers and were joint winners of the GHA's prestigious 'Employee of the Year Award'. *(Banging on desks)*

Mr Speaker, on the issue of the consultant contract, I can report that we are in the final stretch to full resolution, with just some minor details being worked out between the negotiating teams of the GHA and Unite. We are also reviewing the contracts of our Non-Consultant Hospital Doctors (NCHDs).

Mr Speaker, in keeping with a manifesto commitment on the subject of General Medical Council (GMC) registration, doctors will in future need to be registered and licensed to practice by the GMC in order to register under the Medical Registration Board in Gibraltar.

The new procedures follow extensive discussions with private and public sector doctors in Gibraltar, as well as with the UK Department of Health and the GMC. We are working with doctors to ensure a smooth transition, to guarantee that currently registered doctors are reassured, and to resolve any issues that may arise without prejudicing anyone's ability to practice legitimately.

Mr Speaker, this process has required the enactment of further rules establishing the role of Responsible Officer who will oversee the licensing of doctors in Gibraltar. There will also be a comprehensive programme of Continuing Professional Development (CPD) and regular appraisals to a standard acceptable to the GMC in order to be revalidated. This process has already commenced in the GHA with the support of the Health Education Wessex Training Board.

Mr Speaker, the process will provide comfort in the knowledge that all our doctors will be validated by the greatly respected GMC and is already serving as a catalyst leading to improvements of standards of practice and good clinical governance. I look forward to working with the MRB and the doctors in making this a working reality.

Mr Speaker, in the same vein, new regulations to govern Allied Health Practitioners are also in place. The benefits of this arrangement also include improved standards of practice and good clinical governance.

Mr Speaker, this Government, as none ever before, is committed to a quality service and safe professional practice.

Mr Speaker, the School of Health Studies (SHS) is at the heart of healthcare provision in Gibraltar, providing health care education to a range of staff in various settings, and maintaining close links and working with Kingston University and St George's University of London.

Mr Speaker, the school has over the last year introduced a range of new initiatives. The Enrolled Nursing Programme has had over 40 pupil nurses taking part. Enrolled nurses registering with the Nurses, Midwives and Health Visitors Registration Board Gibraltar have and will take up employment with the GHA in various care settings. This is a joint award with the Pearson/Edexcel's Qualification and Credit Framework (QCF) level 3. This was an innovation of this Government and is an opportunity not available in the UK. It has opened the possibility for nurses to train through all the different levels while staying in Gibraltar.

The first ever degree programme delivered fully in Gibraltar is due to render its fruit this year. Eleven students are expected to graduate in autumn 2015, and existing posts have been earmarked for all the students. The school is looking forward to offering joint degrees and working closely with the new University of Gibraltar.

The part-time MSc in Leadership and Healthcare has entered its second year. Senior managers from across the GHA are participating in the first ever programme of study at this level. A number of other training programmes have received considerable school input – for example, QCF levels 2 and 3 for health care assistants and Ambulance Service personnel, and assisting the ETB with their Care Training Programme in co-operation with the Care Agency.

The school is also assisting with the Clinical Governance aspects of the Ambulance Service ensuring that this service is patient centred, safe and effective.

Mr Speaker, in order to improve the learning experience and environment, there has been investment in the refurbishment and additions to the IT facilities within the school, which will offer staff and students further resources in the form of a 20-seater computer suite.

Mr Speaker, to show this Government's commitment to healthcare education, an unprecedented year-on-year BSc Nursing programme is to run in September 2015 as opposed to the alternate year intake. This will allow more local residents to fill registered nurse posts.

Mr Speaker, I am pleased to reveal that the school's programme have received an exceptional External Examiner report from the Southbank University of London regarding the academic quality of the BSc (Hons) Adult Nursing programme. The school has also received two further outstanding external reports from 'Pearson/Edexcel' regarding the support candidates receive from the school, as well as practitioners in the field.

Mr Speaker, finally on Health education, two GHA teams were shortlisted for the prestigious awards of Innovation Nurse of the Year and Lymphoedema Nurse of the Year by the 'British Journal of Nursing'.

The last 12 months have seen significant steps being taken by the GHA Ambulance Service to raise the pre-hospital care to current UK standards. Most GHA Ambulance staff have over 10 years' experience, reflecting the high staff retention, extensive experience and strong motivation for the job. The recent designations of a Clinical Development and Training Officer and a Resilience and Special Operations Officer have allowed these leadership roles to focus, develop and expand into their respective specialties.

Mr Speaker, Paramedic Service practice was introduced successfully on the 1st December 2014, and already the benefits of using these advanced skills are clear, with out-of-hospital pain management demonstrating to be a prevalent area of practice. Advance Life Support can be delivered out of hospital, providing lifesaving interventions at the incident site.

The Paramedic Response Vehicle (PRV) has proved to be at the sharp end of Gibraltar's pre-hospital response. Furthermore, attendance of a paramedic allows the possibility of triaging incidents, thus ensuring that resources and skill are used more effectively.

Mr Speaker, our multi-agency relationships are getting stronger, and our professional interactions are now providing reciprocal benefits. During this period, Gibraltar has exercised two multi-agency aircraft disaster exercises with many lessons learned by all agencies and at all levels.

Mr Speaker, Sponsored Patients and Visiting Consultants: the number of referrals to tertiary centres outside Gibraltar continues to rise, with over 3500 cases managed during this past year. Mr Speaker, this Government will continue to be committed to the programme and ensure patients with complex clinical needs get the best possible care and outcomes. It is for this reason that we have just two weeks ago entered into an agreement with St George's Hospitals Trust which will provide a range of treatments both in London and in Gibraltar, by way of visiting consultants and specialised nurses, which will not only ensure the best possible treatment, but also result in more efficient use of funding. This will improve such services as neurology, neuro-surgery, spinal issues and back conditions and gastro-enterology. The agreement with St George's will include the use of in-hospital accommodation for families. Moreover the acquisition of the new, expanded Calpe House will, when complete, also provide for much more economical accommodation for our patients.

Still in relation to sponsored patients, Mr Speaker, I am pleased to announce that we have now completed the review of sponsored patients allowances and that, from the 1st of July, the weekly maximum allowance will be increased from £427 to £504, with a corresponding percentage increase in the allowances for those staying at Calpe House. Other improvements include greater flexibility in arranging return dates and escort conditions for the children and the elderly.

These are much overdue changes that have been discussed with and welcomed by patient groups.

Mr Speaker, I will now summarise developments in various other departments:

In Radiology: commencement of the Abdominal Aortic Screening programme which they run; and a premium ultrasound machine has been purchased, which includes an advanced foetal heart tool, which facilitates and enhances the foetal heart investigation.

Mr Speaker, the most significant investment in this department this year will be the replacement of the CT scanner which is currently 10 years old. This is further evidence of this Government's commitment to enhancing medicine in Gibraltar, and to ensure that there is proper upkeep and updating of equipment. This new scanner will increase the GHA's diagnostic capability, together with a better and safer service, particularly with regards to dose-saving software, reliability and image quality. This package has also included the training for staff in the department. It will be the most advanced CT scanner in use in the whole of Europe.

The possibility of bringing an MRI service to Gibraltar is now actively being pursued, as we continue to make plans to expand the St Bernard's campus to cater for growth and a distribution of our services.

Mr Speaker, this year has seen an increase in the requests for many tests across all of our Pathology services. This is related to workload increase and a greater dependence on laboratory tests in disease diagnosis and patient management, with a significant number of tests, including those for tumour markers having increased by over 300%. The department continues to work with service users to fine-tune test repertoire, as well as implementing tests that reflect best practice and modern approaches to diagnosis and management.

Mr Speaker, in conjunction with the UK, the GHA has introduced a new-born baby screening test. The GHA's Department of Pathology has been involved since 2012 in the pilot study, which was run by Sheffield Children's NHS Foundation Trust for the testing of Heel Prick samples taken from babies between five and eight days old, for certain genetic conditions in addition to those already checked. We can now identify these rare genetic disorders at a much earlier stage.

All these inherited conditions are those where babies have problems breaking down amino acids. Knowing about these conditions early allows dietary advice to be given to prevent the build-up of harmful proteins in the system and thus reduce the impact of the disease.

Mr Speaker, the move to a purpose-built facility at the St Bernard's Hospital catering site is planned to take place during this summer. This will change the way meals are served to patients, and quality above all will be the main benefit. Already the process to improve the patient meal experience has commenced with the successful pilot introduction of bulk food delivery in John Mackintosh Ward. Excellent feedback has been received from patients and relatives.

Great thought has gone into the design of the facility in terms of energy efficiency which will reduce running costs.

The new facility together with the changes to be made in the way that meals are served will give a wider choice of meals to our patients.

Mr Speaker, the GHA's estate is spread across multiple sites that include St Bernard's Hospital, Primary Care Centre, Ocean Views, Community Mental Health and the Catering Facility. There is also an increasing amount of equipment maintained for patients in the community.

During this last year, a total of 2,833 work requests and emergency call-outs were attended to. This is a significant increase in workload, which mirrors the increase in assets now being managed. The clinical engineering team has also been engaged in numerous major projects as part of an ambitious programme of improvements across the GHA, including: the expansion of clinics in the Primary Care Centre; a new Dermatology Clinic; expansion of the Blood Department; of the Community Mental Health Facility; relocation of the Hospital's liquid oxygen tanks; installation of a new lift for St Bernard's Hospital; and a new vital signs central monitoring system for A&E.

Mr Speaker, over this financial year, we have made substantial progress in our medical devices lifecycle replacement plan and continued to invest in equipment, upgrading critical medical devices that are nearing or at the end of their specific lifecycles.

Mr Speaker, I would like to stress the importance of investment and maintenance of equipment. The GHA repeatedly demonstrates its professionalism and dedication to ensure that St Bernard's Hospital and other sites remain operational.

Mr Speaker, in keeping with the Government's policy for promoting e-Government, the GHA reached an agreement with EMIS/Ascribe, a leading UK based company, for the provision of a full integrated electronic patient record (EPR) for Gibraltar. This follows a European tender process that started in 2013. The introduction of an electronic patient record was well overdue.

Mr Speaker, I am glad to say that we are now in a position to introduce this and that it will mark a huge milestone in the development of Gibraltar's healthcare, probably one of the most significant ever.

Mr Speaker, the GHA and EMIS/Ascribe have been working together to deliver a unique, world-leading product combining all areas of healthcare, the most integrated system anywhere, and will be jointly branding the product. As this develops, patient records will be electronic, so that wherever you go within the system, your clinician will be able to access all of your records. No more lost notes or referral letters, Mr Speaker.

Your GP at the health centre will be able to see your record of interventions in the hospital, X-rays, scans and other results, and your hospital doctor, at A&E or in the clinic, will be able to see your health



centre records. At the end of the process, a GP on a house call, on a mobile device, will be able to access your notes, as will a consultant doing a ward round in hospital. There will be alerts that appear on screen for certain conditions or medications, increasing patient safety even further. Prescribing and dispensing tools will also be greatly improved.

875 Mr Speaker, the preparation for this has been huge, with intensive training sessions, here and in the UK, and a great deal of organisational work being done by several teams, including the clinicians who will be using the system, and administrators, as well as the GHA's own IT and IS experts who have been commended for their expertise by EMIS/Ascribe. This has been an initiative like few that the GHA has seen, and the whole team and everybody involved there have to be congratulated.

880 I am pleased to state that the EPR Programme Board, which I Chair, and which includes Gibraltar and UK representation, last Friday gave the green light to go live for the Primary Care and A&E modules ahead of schedule tomorrow. (*Banging on desks*) Further modules will follow in phases, with full implementation expected in 18 months.

885 Mr Speaker, EPR will modernise and transform the way we deliver healthcare. It will bring many benefits to both staff and patients by significantly improving the management of information, allowing us to extract important statistics, and most importantly, making the patient journey smoother and more efficient – a true game changer.

890 Mr Speaker, the IMT team has otherwise had quite a busy year. Apart from the work done in supporting the EMIS team on the EPR project, other significant projects have included installing all of the IT systems and equipment and network infrastructure at Ocean Views, Community Mental Health and the new clinics at the Primary Care Centre. The team has also engaged in the installation of a hospital Wi-Fi network, a centrally managed digital dictation system for medical professionals and the British Sign Language online translation services.

895 Mr Speaker, the Day Surgery Unit continues to expand its services and the number of procedures undertaken. The unit continues to undertake on average between 85% to 90% of all elective patients requiring surgical procedures of all specialities. This is way above the UK mean. During 2014 a total of 2,666 surgical procedures were undertaken within the Day Surgery Unit.

900 Mr Speaker, the continued success of the Day Surgery Unit which allows a reduction in demand for inpatient beds with an estimated freeing-up of over 1,200 bed days on wards, together with the use of the newly refurbished and equipped third theatre, improved utilisation of theatre time, improved bed management, the recruitment of surgeons in Orthopaedics and ENT, extra surgical initiatives and the transfer of long-stay elderly patients to the newly refurbished John Mackintosh Wing have resulted in minimum elective surgical cancellations due to beds not being available, despite the increased bed occupancy experienced during this last winter.

905 Mr Speaker, all of this has contributed to the drastic reduction in the size of surgical waiting lists in St Bernard's Hospital to what is now the lowest in years. Mr Speaker, from a total surgical waiting list hovering around the 1,000 mark, in May this year it stood at just 387 patients, about a third, and this despite the fact that more clinics and more activity actually identify more cases. As one example, the plastic surgery waiting list was 154 in March 2013; it is now 80. The list for ENT was 125 and is now 49. And for  
910 Ophthalmology, it was 140 and is now zero. (*Banging on desks*)

The number of operations carried out has also increased, with the figure from January to May this year being 1,432 compared with 1,282 for the same period last year.

915 Mr Speaker, this is an unbelievable achievement in such a short time after so many years of the same old story. It goes to show that this Government's policy of empowering and encouraging clinicians and other stakeholders, and supporting them, produces results.

Mr Speaker, we are now planning extra initiatives in Plastic and Orthopaedic Surgery, to reduce the waiting lists even further.

920 Mr Speaker, the GHA continues to explore opportunities of repatriating services. Even though in the short-term this represents a greater cost, these costs will be recovered in the long term. The quality of the service is maintained and there is less disruption to patients who do not need to travel abroad. Services repatriated so far have included: Cardiology Service – by increasing the Cardiology Service agreement with a visiting consultant to allow more work to be done locally; upper limb surgery – thanks to the specialisation of the new orthopaedic surgeon, the GHA is now able to offer certain upper limb surgery locally, thereby reducing the need for referrals to the UK; ENT Services – the GHA will now be able to  
925 offer a variety of otology and laryngology surgical procedures locally, reducing the need of tertiary referrals to the UK and reducing the need to bring a visiting consultant over.

930 In oncology, the GHA is close to an agreement that will see cancer treatment carried out in Gibraltar by way of chemotherapy, consultant support and a multi-disciplinary approach to cancer treatment. In line with developing the strategy for cancer services, the first step has been the recruitment of the Cancer Services Co-ordinator, with whom I look forward to working very closely in the future. (*Banging on desks*)

Mr Speaker, I am pleased to report that we now have an Associate Specialist in Accident and Emergency who, together with a new 24 hour administrative presence, is reforming the way we work in this front-line department.

On Primary Care, Mr Speaker, an area where we still need to continue to improve, especially with respect to access to services and availability of GP appointments. It is a challenge that we are overcoming and developments this year have included: four new clinics for use by the GPs have been developed; three and a half extra GPs are now working in order to reduce waiting times by increasing the availability of appointments. The increase will also provide GP cover for palliative care at the Cancer Centre.

Dermatology Service: a GP with special interest in Dermatology will support the Visiting Consultant service and carry out procedures locally. This will avoid delays in having to wait for the visit by consultants from the UK. To further support this service, a new dermatology clinic has been built, designed by the team as a bespoke dermatology unit, allowing the service to have an established base and provide a better service.

Works on the fifth clinic in the Dental Suite is currently being completed to allow for extra clinical sessions for both Orthodontics and general dentistry, with the aim of reducing waiting lists.

There is also a repeat prescription box, with relevant request forms that has been set up to facilitate patients obtaining a 'last prescription appointment'. This service has allowed the release of extra GP appointments.

A British Sign Language Video link Service was introduced this year for patients with hearing impairment. This will fill a communication gap which was missing and will allow this client group to access the services with no barriers. Initially this has been installed at the Primary Care Centre to allow clinicians and service users to communicate, but it is planned to roll out this technology to secondary care. A text service for the profoundly deaf has also been introduced.

I can report, Mr Speaker, that these improvements have resulted in the famous queue for appointments on the first of the month having been cleared in June in just 15 minutes.

For Dementia and the Elderly, Mr Speaker, in line with the completion of the GHA Strategy, the drafting of the Dementia Strategy for Gibraltar is also nearing its completion. Part of this strategy is the development of the Dementia Day Facility which will be ready in a few months. The new Bella Vista Day Centre will offer services for up to 90 users and will provide much-needed rehabilitation care to clients and support to family members. Some of the services provided include current services which will be re-located to the new site.

Mr Speaker, I would like to give a special mention here to the Gibraltar Alzheimer's and Dementia Society which through their work, commitment, dedication and financial contribution through fund raising – as well as choosing the name for the centre – have been key stakeholders in making this project a reality.

As members know, in December last year I was entrusted also with the residential services for the elderly. Of relevance here is the new Dementia residential facility, also due to open in a few months and which will look after 52 residents. I must also mention the opening during the past year of John Mackintosh Wing, thanks to the hard work of the former Minister for the Elderly, my friend and colleague, Samantha Sacramento, also as a residential home for the elderly.

During the coming year we will be building up on these developments to improve provision of elderly services, including of course Mount Alvernia, and we will continue to work closely with the Care Agency to ensure smooth transition between home and residential care.

Mr Speaker, as we all know, the GHA has the largest Government budget. The financial year 2014-15 saw the budget top the £100 million mark. The main challenges to controlling expenditure correspond to clinical demand-led items, mainly GPMS prescriptions, Drugs and Pharmaceuticals and Sponsored Patients. The GHA is studying ways of becoming more efficient in these challenging areas.

Mr Speaker, on the element of Capital Expenditure, however, with the creation last year of the GHA's CAPEX committee, we continue to deliver tight budgetary control, with capital expenditure being well within budget this financial year. Necessary major works have been completed, new equipment procured, and a phased, planned and co-ordinated asset replacement programme is in place. This is thanks to a more informed prioritisation of expenditure and controlled capital replacement programme as a result of improved communication with all stakeholders that has clearly identified budget holders, and greater participation from user areas – all part of the streamlining resulting from the management restructure.

Mr Speaker, I now turn my attention to Mental Health, and I have deliberately left this to near the end of my budget speech since it is most definitely one of this Government's greatest achievements during these three years.

Mr Speaker, as related in my first Budget speech to this House, there were tears in our eyes when the Chief Minister and I first visited KGV on being elected. I had returned after 20 years and could not believe the state of the building and the horrendous conditions that patients had to live in and staff had to work in, being the clear result of years of neglect and lack of investment by the previous administration, together with their lack of vision and sense of priority.

Mr Speaker, both the Chief Minister and I vowed to create a centre that Gibraltar would be proud of, and never again would Mental Health be the Cinderella of our Health Service. We achieved this. (*Banging on desks*)

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**Several Members:** Hear, hear.

**Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):** Very proud – very good.

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**Hon. Dr J E Cortes:** Mr Speaker, the Leader of the Opposition in his address yesterday asked Members of this side of the House whether they got a ‘twinge’, presumably of guilt about the state of a school. Well, Mr Speaker, it is not a twinge the opposite side should be feeling, but a cramp of the most bone-twisting kind. Nay, Mr Speaker, they should shrivel in shame for having created and maintained a mental home with such inhuman conditions and kept it going in its Victorian decadence well into the 21st century, condemning some of our less privileged citizens to a life of squalor – indeed, forcing some of them to live out the end of their lives in the old KGV. Thank God, Mr Speaker, for the professionalism of the staff and the care that they provided so that at least they could maintain as much of their dignity as possible.

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Mr Speaker, the main focus of work in mental health this year has therefore been in preparing for the opening of the new facility, Ocean Views. The 7th February 2015 saw the long awaited migration to this site, a 52-bedded, state-of-the-art, modern facility and a bright new chapter in Mental Health. A historic and truly memorable day for Mental Health in Gibraltar.

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Mr Speaker, I pay tribute to all the members of the Mental Health team at every level, who worked diligently for many months in partnership with all stakeholders including service users, carers, support groups, relatives and the general public to ensure the transition was carried out with precision, safety and causing minimal disruption to patients.

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Mr Speaker, this is not just about a brand-new facility, but a new philosophy of care. This will reflect a holistic approach in the diversity of the therapeutic programme which will be available. The new treatment plans currently being introduced are comprehensive and based on a recovery model approach, as many of the patients treated demonstrate difficulties in a variety of life circumstances.

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Ocean Views will now offer a Psychiatric Intensive Care Unit, a multi-functional suite which will cater for specific cases such as adolescents, vulnerable adults, mother and baby and forensic cases. The other wards will cater for acute admissions, rehabilitation, elderly mentally ill, together with two male and female rehabilitation flats.

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There are improved clinical areas, an Activity and Rehabilitation Centre, together with ample open spaces and gardens. This provides a good balance of residential and recreational areas in an environment which is conducive to healing.

Mr Speaker, this new facility and approach to mental health care has already started to show its benefits. The patients absolutely love the new facility and they are benefiting from the large investment which has never before been made.

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Mr Speaker, critical to the overall Mental Health Service and clients has been the need to review and update the current Mental Health Act. A multi-professional group has been working on this piece of work for the past two years and I will have the satisfaction of bringing the Bill to this House later this week.

Mr Speaker, keeping in line with the commitment to improve Mental Health Services, this year has seen the completion of a full refurbishment programme to the community mental health department based at Coaling Island, achieved with minimal disruption to the running of clinics and services provided by this excellent team. Following from the official opening on 24th September 2014, very positive feedback has been received from service users, relatives and members of the public embracing the new therapeutic and welcoming environment.

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Mr Speaker, this huge investment in our Mental Health Services is aimed at offering more effective clinical care pathways that are integrated across acute, community and residential care settings. This has been necessary to ensure that patients and service users are supported at all stages of the care journey and in a setting that is most appropriate to their needs.

I will now summarise, Mr Speaker, a few other key developments during the year. The new Complaints Procedure: in line with our manifesto commitment, we reviewed the Complaints Procedure, with the relevant legislation completed and published. The process has now been moved away from the GHA and is now managed by the Complaints Handling Service which works under the umbrella of the Office of the Ombudsman. The new scheme commenced on 1st April 2015 and aims to provide a more independent and fairer process in managing complaints.

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Mr Speaker, even though there was a bilateral agreement between the UK and Gibraltar which had been in place since 1974, where patients referred by Gibraltar had the benefit of transplantation services in the UK in the past, for many years our patients had been denied access to the UK’s transplant services. Thanks

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to the joint work done by the Gibraltar Dialysis Patients and Friends Association, by the Chief Minister and myself, these difficulties have been resolved. The GHA is in the process of signing a Memorandum of Understanding with the National Health Service Blood and Transplant Service to ensure access for our patients who require transplants.

Mr Speaker, I am pleased to report that, in keeping with our philosophy, clinicians now play a greater role than ever before in the running of the GHA. After decades of inaction, the Medical Advisory Committee (MAC) has been reconstituted and now meets regularly with the management team and with me. One of the first initiatives being planned together with the MAC is a sexual health policy, an area where we need to progress.

Other areas which we are planning to develop this year and where progress is already being made, include stroke management, child health, and telemedicine.

There is also a great deal of working together with health-related NGOs, including general users' groups such as the Health Users' Forum, and also, but not exclusively, those relating to sponsored patients, breast cancer, prostate cancer, multiple sclerosis and other neurological conditions, maternity and child issues, breast feeding, sexual health, mental health, and autism. All these groups have my full support and encouragement and I am grateful for their commitment and energy.

In relation to autism, the GHA has advanced tremendously in its work in support of autistic children and young people, and their families. There is now a highly trained and motivated multidisciplinary team – including members of other Departments such as the Education Department and Social Services – and very successful courses have been held for parents. We are at last filling a huge gap that existed in this area just three short years ago.

The Government will also shortly be entering into an agreement with Cancer Relief in relation to a hospice in Gibraltar, showing how willing we are to work with charities and support groups.

Mr Speaker, to finish I would like to thank all at the GHA, without whom these achievements would not have been possible. I am incredibly proud of nurses, medical staff, AHP's and the administrative, secretarial and other support staff – from labourers to domestics and everybody else – for their professionalism, dedication and commitment to ensure the GHA provides a quality service. I am grateful too to my new colleagues in the Elderly Residential Services with whom I have now had the pleasure of working for some months.

Mr Speaker, I want to thank all the hundreds of members of the public who come to see me, or write to me, for bringing problems to my attention that I invariably try hard to solve. Without this feedback, we cannot improve.

And I want to thank the Trade Unions, with whom I work regularly and closely, for the constructive, effective and tireless way in which they carry out their essential and legitimate duties in supporting all our employees.

I would also like to thank all those public servants and any other employees in so many departments that I am involved in for their incredible commitment and work, including of course the staff of this House.

And of course my own personal staff, based at Environment and at the GHA, some of whom will sadly be retiring soon. They are lovely people, an incredible group of professionals, dedicated, supporting, loyal and great fun to work with, even during the times when we are under pressure. You have made all the difference to me over the past three and a half years. *Thank you.*

Mr Speaker, I will never be satisfied that I have done enough. We clearly have some way to go still in providing the standards of excellence that we all aspire to. But I can confidently say, for example, that never in the history of the Gibraltar Health Service has so much progress been made in such a short space of time. The same can be said, Mr Speaker, in other areas of my portfolio.

Mr Speaker, I have absolutely no intention of slowing down. *(Banging on desks)*

**Hon. Chief Minister:** Mr Speaker, before you ask for the next speaker, I wonder whether people want a five-minute comfort break before we move on to the next speech? I propose a recess for five minutes.

*The House recessed at 12.10 p.m. and resumed its sitting at 12.20 p.m.*

**Appropriation Bill 2015 –  
For Second Reading –  
Debate continued**

**Mr Speaker:** The Hon. Jaime Netto.

**Hon. J J Netto:** Mr Speaker, it is with great pleasure that I stand to deliver my 20th Budget address and by my own free will the last one that I will be doing, given that I will not be offering myself for re-election at the forthcoming General Election. (*Banging on desks*) I am grateful, Mr Speaker, to all hon. Members.

In today's speech I will commence with matters to do with Utilities, then Social Services, followed by the Environment, Health & Safety and finally some minor issues with regard to matters that I have had the pleasure of contributing through my passage in local politics.

Mr Speaker, the overriding issue as far as Utilities is concerned has to be the need to have a new power station, to provide a reliable and stable production of electricity to meet the needs of our community and for business to execute work in a smooth and efficient way. Here it is obvious that the present Government inaction on this vital project for Gibraltar has been shambolic to say the least. (**A Member:** Hear, hear.)

Three and a half years ago the party opposite produced a 'False Dawn Manifesto' in which it stated among other things, 'We will ensure that Gibraltar's power needs are provided for and any binding agreements entered into in respect of the new power station will be respected'. Yet the very opposite has happened to this commitment as stated in their manifesto. The very first thing that the new incoming Government did was to cancel the contract for the construction of the power station, which was signed by the previous Government. In order to do so, as if money was no problem whatsoever, it had to pay some £5 million to compensate the company for the cancellation of the contract and works already carried out.

Following the cancellation of the contract, the Government entered into a period of dilly-dallying in order to see what alternative to the existing power station they could come up with. During the last three and a half years the Government has provided, in this Chamber and outside, dates for commencement and completion of the new power station, only to be superseded by new dates, endlessly.

Whilst this was going on, power cuts kept occurring, and to this effect the Government went on overdrive to smear the GSD with an incessant number of press statements to say that the power cuts were due to the 'creaking infrastructure' inherited from the period of the GSD Government. In fact we heard it this morning from the Hon. Minister himself. This distortion and manipulation of the facts was proved wrong when I placed a number of questions in Parliament, which showed that the majority of times in which there had been power cuts was due to the interim generators brought by the present Government.

From the very beginning of this term of office by the current Government, I have stated unequivocally that the GSD Government policies to have a diesel power station, given Gibraltar's specific circumstances was the right one even if that meant that because of health and safety consideration we should have to pay a higher price for the plant.

Mr Speaker, we should not forget that the GSD project for a power station was based on a 'best available technology' at the time, and it was also approved by the Pollution, Prevention and Control Regulation with the necessary permit issued; therefore, completely safeguarding the environment within the context of European and Gibraltarian law, even if the Minister this morning would want us to believe otherwise.

A project that if the new Government would have honoured its manifesto commitment would have meant that the new power station would have been finished by now with the necessary infrastructure to go with it, and having power cuts being something of the past. (**A Member:** Hear, hear.)

Despite this, the current Government has tried to tarnish the project with a number of pseudo-arguments that do not stand to scrutiny. On the one side it argued that natural gas is a clean source of fuel, whilst diesel is not. The reality is that both are fossil fuels, and both pollute – even if the Hon. Minister for the Environment and the Chief Minister want us to believe otherwise.

The fact remains that with today's technology the criticism of diesel power stations have largely been overcome by the use of selective catalytic reductions systems and exhaust catalyst. On the other hand, natural gas is a fossil fuel composed mainly by methane, and has a high fugitive escape from the extraction and transportation of the fuel giving rise to the biggest cause of greenhouse effect on the ozone layer – something the Hon. Minister for the Environment keeps silent on. (*Banging on desk*)

Another false argument by the Government is to state that the GSLP Government project will cost half the price of the GSD one. This brings me to the despicable innuendo stated by the Chief Minister when he stated in a GBC interview, 'One is tempted to ask who was going to pocket the half of the extra amount it was going to cost' – the inference being that someone somewhere must have been profiting from it, quite an outrageous and scandalous statement from someone who holds the office of Chief Minister.

I also notice that a year ago the Chief Minister actually said that their project was going to cost half the price of our project. Today, this morning, the Minister for the Environment said it was going to cost £26 million less. At this rate, by the time that their power station is done, it is either going to be the same or even more, at the rate they are changing their tune.

Yet Mr Speaker, we know from answers in Parliament that the overall cost of the present project by this Government, as I said, will be almost on a par with the one that would have cost under the GSD Government or more. Under the contract of the GSD it would have been around £120 million for the power station inclusive of the installation of a new dual distribution network all around Gibraltar with five new

distribution centres. Yet this compares with answers given in Parliament for some expenditure so far as October of last year to be around £90 million, whilst there remain other unquantified expenditure in relation to the reclamation – pipelines, LNG storage tanks and the so-called 17 years of infrastructural works announced by the Government. So, this is another false dawn argument.

Then we have the cheaper cost to run the gas power station than the diesel one. Yes, it is true that gas is cheaper today than diesel given the over-abundance of gas in the world markets due to the new controversial process of fracking to extract gas. However, we do live in a volatile world with scenarios in which pricing is changing so fast that no-one can predict with absolute certainty the price of fossil fuels within the next 12 months, let alone in 10 or 30 years' time. Proof of this is that no-one saw the drop of oil in the last 12 months. Still, it will remain to be seen if fracking will be permitted to stringent regulations to come, and what will this do to the current practice and cost.

Mr Speaker, what is totally improper for this Government to do is to spend hundreds of thousands of pounds of public money in the acquisition of consultants' reports on how to proceed with the power station, and for the Government to refuse time and time again to provide Parliament with copies of all relevant documents inclusive of health and safety ones. Clearly this would be inadmissible in democracies that do not provide genuine accountability and transparent standards in order to allow a fair level of information and debate on important matters. Yet here, the Government operates in a secretive and opaque manner in order to avoid being scrutinised by Parliament in the hope to accomplish its objective in a *fait accompli* without having proper accountability over its decision to implement policy, more so in what is a very sensitive project.

Despite the delay in the Government to construct a new power station, today not a single brick has been laid in respect of this or even the provision of LNG storage tanks to supply the power station at the North or Detached Mole. Furthermore, it has not even determined whether it is possible to store large enough quantities of LNG safely in order to make the project economical. In addition, the Government has still not worked out – nor reached an understanding with the RAF – on how the new power station can be run without exhaust plumes disrupting flights, which we know is a matter of concern. In short, it is a project that is beset with problems and, at this rate, it is unlikely to be completed by 2020. (*Interjections*)

The fact remains that the GSD has been expressing concerns about the use of LNG so near populated areas since the beginning of Government intentions on this matter. However, when the Government made a decision to locate the LNG Installation in the Detached or North Mole without having all the necessary safety reports beforehand that this raised alarm bells given the cavalier way in which it was proceeding. This haphazard manner in which the Government is operating is a result of a post-tender decision to have a private entity to build the facility at no cost to the Government in exchange for bunkering rights.

The current situation is that while a contract has been awarded for an LNG power station, none has been awarded for the construction of the LNG storage facility which is required to supply the power station.

It is obvious from the Government's own communiqués that all the necessary health and safety reports, including gas cloud models and blast risk assessments, were not obtained before the decision to build an LNG installation at the Detached or North Mole was made.

On 17th February when the Government said the 'the rigorous risk assessment process...is now underway' and when we pointed out that these assessments post-date the decision to locate and build an LNG installation so near urbanised areas, they said on 18th February that, 'the original contract with Bouygues was for the design, build and all safety reports associated with the proposed power station' and that they were 'not in a position to be able to publish these reports at this time due to commercially-sensitive information they contained'.

There is a huge distinction between safety reports associated with the power station and safety reports associated with the supply of it via an LNG storage installation. It is clear that no report has been obtained prior to the decision to locate an LNG storage installation at the Detached or North Mole. To the extent that the Government relies on reports produced by Bouygues, the latter have a commercial interest in the project and are not independent: no responsible Government would make a decision to build an LNG installation so near a densely-populated area based on the reports of those who are going to build the power station and therefore have a commercial interest in the... post-dates the decision to build the power station at the North Mole and build the LNG installation at either the North or Detached Moles. (*Banging on desk*)

The Government has committed itself to a project and awarded a multi-million pound contract, whilst on its own admission not fully understanding the full safety implications. It now wishes to stifle debate to avoid having its position further compromised. At no point has our community had an opportunity to hold an open and frank debate on the issues with all the facts to hand because the Government admits that those facts are not yet available. The GSD will not take the Government's hopes for outcomes on trust and remains unwilling to accept the same level of risk which the Government appears to be willing to accept when faced with the potential catastrophic consequences of an accident at this facility to our community.

Mr Speaker, the Government may be content to proceed in this adventurist and amateurish way, but the GSD is not prepared to go along with what is one of Gibraltar's most important projects. Hence the reason

why it went out of its way to have a world-leading authority to make a report to determine the safety aspect of the Government policy on LNG plans for the power station and the proposed bunkering facilities. Even if the Minister for the Environment wished to rubbish the report, I am sure that the mantra of science is not going to be one that is going to cover him that much.

1235 In its executive summary it states that the proposed LNG terminal options within the Port of Gibraltar have been assessed on their suitability to handle major hazards and based on the findings of the HAZID study are judged to present high risks, some significantly greater than those found to be acceptable for conventional LNG marine storage terminals.

1240 Furthermore, both the North and Detached Mole have been evaluated for suitable terminal locations and based on typical safety criteria and project are seen as not suitable for the purpose the Government is considering. No doubt the Government has moved – and is moving – to spin the conclusion of the report, as we have seen this morning by the Minister, with all sort of smokescreens and personal character assassination aspersions to divert public attention from the authority of Lloyd's Register, but the fact remains that the GSD Opposition has contributed further to having a proper transparent debate where the  
1245 Government has been caught severely neglecting this community's real concerns. What is clear is that the GSD is not alone in our concerns over the use of LNG given the press statement issued yesterday by the Environmental Safety Group which also points to the unacceptable risks being taken by the Government.

In concluding this aspect of my Budget address, Mr Speaker, the GSD remains convinced that this is *not* a safe location for our community to have an LNG bunkering facility and power station. We would not  
1250 build such a facility at the present location. The outgoing Government is hell-bent in doing this regardless of the safety considerations that should come first, for them the commercial interest of bunkering companies comes first.

Mr Speaker, there are many good reasons for the electorate deciding to kick out the present Government from office at the forthcoming General Elections, but the manner in which it has failed to address the needs  
1255 of providing the new power station is a monument to their incompetence and a good reason for the community not to trust them ever again.

Mr Speaker, I now turn to Social Services. At the end of her last year's Budget address, the hon. Lady the Minister for Social Services, stated, 'We will not take our feet off the pedal. It is full speed ahead for us as we continue to meet our manifesto commitments'. Yet in measuring the strength of the feet on the pedal,  
1260 one has to come to the conclusion that either the feet or the pedal requires a major overhaul in order to get the manifesto commitments completed.

Take as examples, the commitments on 'Life Planning for Disabled Persons Programme', or the 'Disability Action Plan', both manifesto commitments. Here throughout the last three and a half years what we have heard repeatedly by the hon. Lady is an amount of waffle enough for Parliament staff to provide a  
1265 file on its own in *Hansard*. The double-talk and beating around the bush is colossal. Once one has stripped all the excuses and pussy-footing, what we have is the fact that the commitments have not been done, regardless of the dressing-up by the Minister in the form of, 'This does not mean that the work has not been done in different strategies that will form part of the plan as it is developed'. In other words, having failed to deliver, the Minister described what social workers have been doing for years, long before the hon. Lady  
1270 arrived at the Ministry.

Another failure on the part of the hon. Lady to deliver is on the transposition of the UN Convention on the rights of disabled persons. Here again, the excuses by the hon. Lady are considerable, such as it has taken her three and a half years to consult all stakeholders, or that the matter has been ongoing, or that it is near completion, etc. It is really quite pathetic. The fact remains that their manifesto commitment on  
1275 page 82 states, 'We will legislate to further protect disabled people within our first year in Government'... and I say that again, 'our first year in Government', 'using the terms of the UN Convention as a model.' On this score the hon. Lady has failed – and failed miserably.

Mr Speaker, even in the quite easy task of establishing an Equal Opportunities Commission as provided for in the existing Equal Opportunities Act – that there is in place thanks to the GSD Government – and for  
1280 which it is a manifesto commitment under the GSLP/Liberal party, the hon. Lady has miserably failed to deliver on such a minor assignment. Good job that at least the primary legislation on Equality was done by the GSD, because if this too had to be done by the hon. Lady, judging by her non-performance in this matter, it would have taken the hon. Lady some 20 years to do, based on the excuses of, 'It is ongoing', 'It is being considered', 'We are consulting', etc.

1285 Another area where the 'feet on the pedal' have had a lacklustre performance is in the completion of the Dementia Care Unit. Three and a half years ago, the hon. Lady inherited a project from the GSD which had already spent close to £10 million in converting the Old Naval Hospital and refurbishing the buildings with just £1 million for completion under the first GSLP budget. Yet it has taken the hon. Lady all this time to complete something that was four-fifths done. The hon. Lady may try to claim that the delay was necessary  
1290 because, according to her, one room was too small for having a resident, despite that such a room was not. Therefore the delay in delivering this GSD project is another sign of incompetence and lack of willingness

to prioritise such a project over other fanciful ones like the extension to No. 6 Convent Place. Another issue of concern in this matter is that in the new Estimate Book it does not have an added provision for recurrent expenditure for the staff that will be necessary to man the new Dementia Unit, despite the fact that the intention is now – at least now – to open the facility sometime this summer.

Mr Speaker, the Minister for Equality, in her maiden speech in June 2012, she stated that by having a Minister dedicated for this, for the first time to equality issues, that this will be an important step by this new Government. She also stated that this will mean that ‘vulnerable people will be given priority’.

Despite the fanfare by the Minister for Equality about how she will now be the saviour of minority groups, one has to say that not once in three and a half years she has said anything about the plight of the Moroccan Nationals in Gibraltar, let alone done anything positive to contribute to solving the long-standing grievances by them. Here we do have to mention that in solving their problems this has been thanks to the work done by the late Bernard Linares when he reversed the decision of the GSLP to forbid Moroccan children access to our schools; (A Member: Hear, hear.) my own decision to give Moroccan Nationals equality of services in the then ETB – something of which I will have to say more later; or the commencement to naturalise the Moroccan Nationals for which I thank the current Chief Minister for completing this process from the initiation of this process by Sir Peter Caruana QC. It beggars belief that the Minister for Equality should have been silent on such an important matter throughout this term of office.

It also beggars belief that the Minister for Equality should only answer my question about conducting a survey to determine any discrimination against female employees in relation to obtaining less income for work of the same grade or profession as male colleagues, with the standard answer of, ‘It is ongoing’. This is an initiative that has been important for Unite the union which has been putting pressure on the Minister who seems to be unconcerned about the petition of the union. The fact remains that whilst the hon. Lady is too busy in having photographs of herself published every other second day in the press, she has forgotten that during her tenure of office that female participation in statutory bodies is less now than when the GSD was in office – quite an indictment for someone who said in her maiden speech that equality issues will be placed at the heart of policy decisions. (*Banging on desk*)

It is obvious that the Equality Minister has not yet understood that an Equality Minister needs to take positive steps to end discrimination. One good example from where the hon. Lady could learn a lot is from the positive action taken by the GSD Government in providing professional courses to female civil servants so that the glass ceiling of not allowing such employees access to middle and higher management be broken from the situation *we* inherited by the previous GSLP Government. (*Interjection*) I think they are starting to like me, Mr Speaker, it is nice to hear some background music to... (*Laughter and interjections*)

Mr Speaker, the GSD legacy closed the gap between men and women through the introduction of social policies, such as maternity grants and equalisation of pension rights; the support of working parents, with school lunches and family-friendly hours; and encouraging upward social mobility for women through training within the public sector.

This Government has failed to provide a concerted effort to positively encourage more women to participate in bodies linked to influencing policy-making and the introduction of further meritocratic policies, such as equality legislation. And even today, it is pathetic for a so-called socialist government to wait for a European Directive in order to implement paternity leave in the private sector. If they were real socialists, they would have had the boldness to do it right now. They could even adopt the very successful legislation on maternity leave as a model, brought about by the GSD Government, as a tool to emulate and implement the paternity leave. (*Interjection*)

As expected, the Minister for Social Services will claim that thanks to this new Government they have brought about a new dawn in which they will have advanced the rights of minority groups. Well, the only thing to their credit in this area was the legislation on civil partnership, although we do notice the existing tension between the Minister and the Equality Rights Group due to the slow pace in advancing their overall rights. The hon. Lady’s slow pace in advancing disability issues rests in the fact that in three and a half years we still do not have a lift to allow disabled persons access to this Chamber, although I did notice that the Chief Minister justifying this inaction in this matter on the basis that they still need to consult further – three and a half years and they *still* need to consult further!

Where, Mr Speaker, have we heard these words before? Is it the standard answer given by the Minister for Social Services which are, ‘It is ongoing’, or, ‘It is that people are being considered’, or, ‘We are consulting’ – excuses for not delivering on their promises.

Mr Speaker, at our last month’s session the hon. Lady refused to provide Parliament with a copy of the Care Agency Training Programme. Quite apart with the disdain in which this false dawn Government treats the legislature in blocking access to information, there are only two reasons why the Minister refuses to provide me with the reasonable request to such information. The first is that it would expose her to having to acknowledge that the majority of the training delivered in this term of office is a natural development of the training and objectives under the previous Government, like when the hon. Lady stated that the Training



Officer had been employed in *her* period of office, when this actually happened in *my* term of office. Alternatively, the decision stems from the blocking of the Opposition's role in Parliament to scrutinise the validity or priority of the training provided, as set against the objectives of the Care Agency. Well, the hon. Lady may wish to overtake the Father of the House in terms of refusing to provide information, but the Minister cannot claim to be open and transparent in the execution of her responsibilities in this House.

Mr Speaker, this year we finally had the release of the Sir Jonathan Parker Report on the Dr Giraldi Home Inquiry. (*Banging on desk*) (*Interjections and laughter*)

It seems everyone is getting very excited, Mr Speaker. (**Mr Speaker:** Order! Order!)

There can be no doubt that Sir Jonathan's findings completely vindicated the position of the GSD throughout this unfortunate saga: namely, that all allegations of abuse in the Dr Giraldi Home – including those contained in the witness statements obtained by Ms Hernandez, when the Chief Minister was her lawyer, for her unfair dismissal claim – were properly investigated by the Social Services Agency at the time; and that those of a criminal nature were referred to and investigated as appropriate by the Royal Gibraltar Police. And that neither the Chief Minister nor the Minister for Social Affairs at the time – Sir Peter Caruana QC and Yvette Del Agua respectively – in any way attempted to cover up or prevent any allegation from being investigated properly and in accordance with due process and the rule of law.

Sir Jonathan could not have been more categorical in his findings when he states: 'I accept, without qualification, the evidence of Yvette Del Agua, Jaime Netto and Sir Peter' and also when he states that Joe Bossano's suspicions were 'unfounded in every respect.' (**A Member:** Shame.)

The fact that the GSD has been vindicated, however, is not something that the Opposition wishes to gloat or give more importance than is merited. What the Opposition does consider unfortunate and an utter disgrace, however, is the refusal by the then GSLP/Liberal Opposition to believe the words of Gibraltar's highest authorities, including the RGP and the Chief Minister at the time.

It will be recalled that the GSLP/Liberals, purely for their own cynical and partisan political ends, relentlessly propagated and exploited the allegations publicly, both locally and in Spain. As a consequence, the names and reputations of many hard-working employees at the Dr Giraldi Home were dragged through the mud unnecessarily, causing them, the residents of the Home and the families of employees and residents, undue suffering and anguish. (*Banging on desk and interjection*)

The Opposition is of the view that those Members of the Government who participated in the programme '*Espejo Publico*' in Spain, in which the Dr Giraldi Home was described as 'The House of Horrors' should have done the decent thing and inform *Antena 3* of the outcome of the Inquiry. It is shameful that those who made untold damage that was inflicted on the Home, its residents and its employees, did not restore the reputation in Spain of the RGP and the Attorney General, whose respectability and professionalism were called into question during the programme, remain shamelessly silent now that the conspiracy to tarnish the Home, its employees and the GSD Government has so miserably failed in the Courts.

We also note Sir Jonathan's findings regarding Joanna Hernandez, and find these to be highly revealing, apart from the fact that many of Sir Jonathan's descriptions of Joanna Hernandez's shortcomings as manager serve to exonerate the decision of the Social Services Agency in not renewing her contract. Sir Jonathan found that 'Joanna Hernandez' bullying manner often resulted in members of staff not turning up for work or taking time off due to stress'.

The inexplicable delay, of over a year, in relation to the investigation into claims of bullying against Ms Hernandez by 35 trainees is a cause of great concern to the Opposition and, no doubt, to the 35 trainees themselves. It is regrettable that the Chief Minister, who was personally responsible for calling the Dr Giraldi Home Inquiry, and who had no apparent qualms in getting personally involved in the recent investigation into allegations of bullying against the RGP, is now so reluctant to get involved in the bullying allegation against Joanna Hernandez and, instead, persists in a perfunctory passing of the buck to the Chief Secretary.

The very least the Chief Minister could do in this regard is to ensure that the investigation into the claims by the 35 employees is conducted in a timely fashion and in a manner consistent with the principle of fairness and natural justice. Whether it is acceptable or, indeed, proper for the Chief Minister to pretend to wash his hands of any overseeing or monitoring responsibility in relation to the bullying allegations against Joanna Hernandez, is a matter for the electorate to decide, particularly in the context of the Dr Giraldi Inquiry.

Finally, we conclude that the £2.6 million Dr Giraldi Inquiry was an unnecessary, politically-motivated exercise that could have easily been avoided had the GSLP/Liberals not demonstrated such utter disregard and contempt for the unequivocal and categorical confirmation by the highest authorities in Gibraltar, that all the allegations had been investigated and appropriate action been taken at the proper time.

The electorate will be able to decide for itself whether the damage and detriment to the Dr Giraldi Home, its employees, its residents and Gibraltar as a whole, precipitated by the GSLP/Liberals wilfully

ignoring of the truth and preference for a cynical, politically expedient exploitation of the Dr Giraldi affair, was worth it.

1415 Mr Speaker, I now turn to the Environment. In my last year Budget address I started by congratulating the Minister for making a commencement in relation to the use of renewable energy in a number of areas, such as the solar photovoltaic panels and the solar water heating sets installed at the Tercentenary Sports Hall, the GASA Municipal Swimming pool and in the housing estate of Tangier Views. The materialisation of these projects based on the consultant's reports that have been commissioned over the last few years is  
1420 generally to be welcomed.

However, what concerns me is the slow pace in which the Minister is proceeding with Gibraltar's renewable energy action plan in accordance with the EU target dates for Gibraltar's compliance. It should be noted for the benefit of those listening to this debate that the EU targets set for the European Countries is to produce 15% of energy consumption from renewable energy sources by 2020, and 27% by 2030. At the  
1425 moment we are only producing 0.061% of the total energy generated in Gibraltar; this is a long way short of the EU targets.

If we consider that within the Government strategy we have constant delays in the construction of the new power station, and despite a more recent statement that the plant will be operational by 2017 – although we believe that it will be by 2020 is a more likely scenario. In addition to this we have more and  
1430 more delays in the commencement of both the Waste Treatment Plant and the Municipal Waste Treatment Plant which are integral parts in the package to produce renewable energy. This means that our readiness to meet our EU targets for renewable energy for 2020 is starting to be seen as difficult to meet.

Yes, the continuation of solar photovoltaic and solar water heating projects are good things in themselves, but they do not contribute to the extent that we all would like to see, at least not in the short  
1435 term. Also, the vertical axis onshore wind turbines will not produce the amount that will help us to meet our targets. Nor will the private company which will convert wave movements into renewable energy, again another project which has experienced delays in getting started. In relation to the power purchase agreements that investors or developers might contribute, this requires further details to see if the estimates of producing 10 megawatts are realistic or not, inclusive of the details of the project and duration.

1440 One needs to consider that photovoltaic electricity-generating schemes do require large areas of unshaded south-facing surfaces on rooftops and/or vertical facades to work correctly. A typical flat in Gibraltar with a couple, with two kids as average, consume typically 7,000 kilowatts per hour per annum, to provide this requires 6 kilowatts of photovoltaic array occupying 72 square metres. Therefore, I look forward having the details of this scheme.

1445 In addition to this, the use of marine currents and other micro-technologies welcome all as they are, are items that still need to be quantified and produced before we can realistically place them within the overall package of measures to meet the EU requirements in this matter.

Just to make it clear, Mr Speaker, I am not at this stage saying that it is unachievable, the attainment of 15% by 2020, I have chosen my words carefully by saying that I am concerned about the delays in starting  
1450 some of the more important projects that will contribute to a greater extent towards our targets, although a clearer picture will emerge in the next two years to determine if hopefully we do achieve the objectives. What is true, though, is that had the GSD won the election in 2011, our programme of co-generation between the power station, the waste water treatment plant and the new incineration plant would have given us, by 2016, 4% of renewable energy which means that these projects plus the use of all other practical  
1455 measures available today, would have given us a lead in the attainment of the 2020 targets from the low levels in which we find ourselves today.

Mr Speaker, yesterday the Hon. Chief Minister introduced a number of measures within the overall environmental objectives that should be welcomed without reservation. The fact that LED lighting is to remain at 0% of import duty, and filament bulbs are to go up from 12% to 24% is what I would call a  
1460 progressive measure. In this vein, import duty on two stroke motorcycles from 30% to 50% is to be welcomed too. Also, the move on hybrid cars going from 2% to 0% in import duty is a further good measure; this alone with having used hybrid cars down to a flat rate of 5% is also a good move.

That said, Mr Speaker, the Government is certainly not leading by example when it comes to the purchase of Government vehicles for its own fleet of vehicles. The figures provided last month in term of  
1465 the cars bought for Government Departments, authorities, agencies and Government-owned companies, shows that when we exclude the purchase of the G1, or the hybrid cars for official use, then the vast majority of cars purchased are rated as excessively polluting, very polluting or quite polluting under the categories applied by the EU thresholds. Here we have again another example where the environmental filter has not worked again.

1470 Therefore, in this score, the Government has certainly not meet its manifesto commitment when he states on page 32, 'The whole of Gibraltar's transport fleet is powered insofar as possible by non-polluting engines'.

Mr Speaker, moving on to the sewage treatment plant and the municipal waste treatment plant. The Government had a manifesto commitment on page 33 in which it stated:

‘We will develop a sewage treatment plant, the absence of which has allowed La Linea to defend its own sewage landing at Western Beach by saying we also put our sewage into the sea’.

1475 The fact remains that this manifesto commitment has not been implemented, nor will it do so in the remainder of the term of office of the present Government. As a result of this inaction this has landed the British Government into the European Courts for failure to provide the sewage treatment plant.

1480 The hon. Member opposite may wish to justify the non-implementation of this party manifesto commitment on the basis that neither did the GSD when in Government, but despite this being a poor excuse the fact remains that this project should have been done in 1991 when the GSLP was in Government.

1485 The fact remains that the party opposite, when drafting their manifesto, prioritised the need to do the sewage treatment plant because doing the sewage plant would stop people in La Linea from justifying their own discharge of sewage in Western Beach. So we have a double whammy with the non-implementation of this important commitment, on the one hand for genuine environmental reasons which are paramount in any consideration; and on the other hand stopping La Linea from using our own neglect in this matter as justification for them not stopping their own discharges of sewage at Western Beach, this despite the close relationship that existed between the Chief Minister and the previous Mayor of La Linea in the last three and a half years.

1490 So, having used pseudo-nationalistic reasons for doing the sewage treatment plant in Gibraltar, today we have neither. This exposes the hypocrisy and double standards of the members opposite, whereby when the problem of discharges of sewage from La Linea into Western Beach in the last year of the GSD Government their attitude then was of orchestrating campaigns against the then Government along with their media-friendly press for not pursuing the matter with speed and vigour – (*Banging on desk*) delays which have continued for the last three and a half years and with the present Government adopting the same policies that the GSD did when in Government.

1495 Last month the Minister, in answer to one of my questions, said the commencement of the work for the sewage treatment plant will be once the financial and technical negotiations are finalised. Mr Speaker, at this rate these negotiations are going to last more than when NASA had to negotiate with the US Government its budgetary programme for 2015.

1500 Could I remind the Hon. Minister that the tender for the sewage treatment plant was allocated in October 2014 to Northumbrian Services Ltd for £22 million. One would have expected that the technical specification at the tender stage would have been examined when the award was done. I also have noted that in the Draft Estimate Book on page 156, there is a token figure of £1,000 for this project. Therefore I would be grateful if the Hon. Chief Minister in his right of reply could indicate if the award to Northumbrian Services Ltd has been done away with or not, and if a different company is going to carry out the works, or is it going to be a public sector-driven project?

1510 In relation to the municipal waste treatment plant, the Hon. Minister said at the last meeting of the House in May that a decision on the tender award would be carried out on this side of August. This is the latest of a long line of delays which started back in February 2013. Back then the Government chose to announce to the press of its decision to proceed with the municipal waste treatment plant, and throughout this period the public has been subjected to a range of excuses from the Government, ranging from the Government has been assessing the consultant reports, the technical personnel have been assessing the technical details of the new plant, and so on *ad infinitum*.

1515 If this is not a definition of doing things as one goes along then nothing is. What matters is providing a new plant given the Government desire to provide these services from Gibraltar and not, as is the case, from Los Barrios. More so in the context of impending compliance with the EU Landfill Directive for the amount of biodegradable waste that shall be allowed into landfill.

1520 So we look forward to seeing the Government stop assessing, the technical personnel stop assessing the technical details, and the changing of the goalpost in deciding what to do – and the works actually starting. One thing that I have noticed is that there is no provision within the Draft Estimate Book for this financial year for this project. Therefore, once again I would be grateful for the Chief Minister in his right of reply, to provide an explanation as to how this project in going to be financed and by whom?

1525 Mr Speaker, moving to fishing in British Gibraltar Territorial Waters. (**A Member:** Ooh!) Three and a half years ago, the Hon. Minister for the Environment made a declaration of war in Facebook by stating that in British Gibraltar Territorial Waters (*Laughter*) ‘*aqui no se pesca*’, only to find ourselves three and a half years on, ‘*aqui si se pesca*’! Worse than the use of pseudo-nationalistic rhetoric as it is, it has been a monument to plunging Gibraltar into one of the most diplomatic blunders in its history. Furthermore, it did

so without having anything in its place, without being aware of the consequences of its actions, and still less in being able to foresee how events would spiral out of control as a result of his decisions.

Such is the serious and ridiculous situation we are witnessing today that the newly created reefs are being used by Spanish fishermen who come to Gibraltar without having a local licence, without accepting our jurisdiction of our waters and benefiting from the catch of fish in the reefs by the use of nets which are prohibited by the Nature Protection Act, (*Laughter*) an Act drafted initially by the Minister when he was the adviser of the Government back in the 1990s, and thereafter with the current amendments to the legislation as the Minister for the Environment has sought fit to do lately. One cannot provide a higher accolade to the Minister for having achieved such a monumental failure in his responsibilities. This is the nearest one can come to a Monty Python sketch of the sublime and the ridiculous.

Yet in order to cover up his inexperience in this area, the Minister rushed to obtain, subsequent to the declaration of war, a fishing report in order to provide the mantra of science and data collection in order to justify the blunder of his judgements. Then, when these feeble appearances became hollow with the electorate, both the GSLP-friendly media outlets and prominent GSLP activists orchestrated a campaign to blame the RGP for not upholding the law within BGTW. This approach nevertheless becomes the opposite when the Chief Minister feels free to inform a Spanish Programme *Viajando con Chester* that Spanish fishermen are allowed to fish without any hindrance. So, we have statements of one kind for local consumption and another story for the Spanish media. The worse in this impasse now lasting three and a half years is that there is no resolution in sight, so the mantra of science and data collection will continue in order to provide cover for the Minister.

Mr Speaker, moving on to the Barbary Macaques. (*Banging on desk*) What I do notice from the figures provided by the Hon. Minister is that the population of the macaques from 2012 onwards are, broadly speaking, on a par with the ones of the last three years of the GSD Government. We have a figure of 158 monkeys for 2015, which is a drop from the average numbers of the last five years. This is probably due to the fact that in October 2014 we exported 30 macaques to Scotland and the fact that the true figure for 2015 is not yet complete for the year.

What we can say is that given the fact that there is not in the horizon any further initiative to export further macaques, and given that the rate of birth continues to be on a par with the figures when the previous contraception method was utilised, then in this scenario we can say that the population of macaques will continue to grow over the next few years, more so when culling has been ruled out by the Minister.

As I have stated for a number of years now, what the Minister will not say is what is the ideal number of macaques that can be sustained within the Nature Reserve, before we observe further packs from splinting and forming new groups outside the Nature Reserve and thereby continuing to have the problems and conflicts that exist between the local population and the macaques.

The Hon. Minister has spent well over two years in preparing a Macaque Management Plan, and has come with the most flimsy of excuses for not publishing the plan. The reason for adopting this attitude is obvious, he does not wish to be judged and measured against any targets and explanations for the policies he adopts. Once again, as with the subject of fishing, he looks for cover in the mantra of science and data collection, despite the fact that he has been doing this for the last 30 years on this subject! Yet, whilst the Minister adopts this attitude ordinary people are being attacked or their property stolen or vandalised. As I said to him some time back, it is only a matter of time when we have a serious accident to lament. Kicking the problem into the long grass is not the answer.

Mr Speaker, moving on to the culling of seagulls: in my Budget address of last year I criticised, quite rightly, the Minister for not having any sense of value for money with the decision to terminate the FERA contract for the culling of seagulls given that the company FERA was far more successful in culling seagulls than GOHNS. Despite this, what the Minister decided to do halfway in 2012 was to terminate the FERA contract and essentially forward the amount of the contract sum to GOHNS, notwithstanding the fact that even the figures for culling by GOHNS in 2013 was far less than those of previous years by FERA and of past performance of GOHNS itself as well.

So, we have gone from paying GOHNS £84,005 in the financial year 2012-13 to an estimate of £230,000 in the current Draft Estimate Book – that is an increase of 270% – and from culling an average of 3,020 in 2012-13 to culling 2,617 in 2014. No doubt, Mr Speaker, a good deal for GOHNS in getting more taxpayers' money for doing less, but the Hon. Minister seems to be unconcerned about taxpayers' money. Last year the Minister saw fit not to address this issue in his budget address, and he has done so also this morning. Perhaps the Minister is thinking about launching another management plan that will examine the science of culling and data collection in order to justify such an increase for doing less. Yet all it takes is to ask the people living in places like Catalan Bay and they will certainly provide him with the data he needs in order to see the massive overpopulation of seagulls we have and how the Minister has failed to tackle this issue.

Mr Speaker, moving on to the state of the Botanical Gardens: once again, in my Budget address of last year I rightly criticised the Minister for having allowed the state of the Botanical Gardens to fall so drastically. Subsequent to my speech, I raised the matter in one of my questions to the Minister last year, and the Minister acknowledged that there was a need to inject a substantial amount of money in this new financial year in order to carry out the necessary works that are so vital to the gardens. Yet, when I look into the new Draft Estimate Book for this new financial year there is no financial provision for the kind of works that the gardens desperately need. The only provision is one of £50,000 for a dog park at the Alameda Gardens. What is becoming clear, Mr Speaker, is that the Botanical Gardens is being abandoned as a priority by the Minister, whilst at the same time more and more money and resources are being made available to the Commonwealth Park.

Today, the story of the Botanical Gardens is one in which it is in a deplorable condition particularly in relation to the pathways and the whole area in Grand Parade Walk. What we have is one description, as we have seen this morning, about the state of the gardens given by the Minister in Parliament, and the very opposite when one goes to the gardens and witnesses the state of disrepair onsite as I did last Sunday.

Mr Speaker, moving on to landscaping and planting of trees. Once again I need to reiterate, as I did last year, that what Gibraltar is lacking is a coherent plan for landscaping throughout Gibraltar particularly when it comes to the planting of trees and the maintenance of such once placed at different areas. What we do have is a situation in which trees are being planted in an *ad hoc* manner with some already dying and some already dead, due to the fact that no proper forward planning has been done for ground preparation, use of organic materials, soils, manure, irrigation, etc. – all important components for the successful life of the trees.

It is a pity that in a large measure the success or death of a tree planted in Gibraltar will depend on whether such a tree is located within a defined area under contract, such as the Botanical Gardens and Commonwealth Park which do have personnel and resources to support the young tree, or whether such a tree is located in an isolated area without an existing contract in place that would look after the tree. What Gibraltar needs is a Landscaping Management Plan in order to plan and implement proper procedures when planting new trees and safeguarding existing ones throughout Gibraltar.

Mr Speaker, moving on to the Barbary Partridges, the importation of 270 partridges from Morocco was a knee-jerk reaction by the Hon. Minister given what was the imminent disappearance – (*Laughter*) I think I had better repeat this, he seems to have liked it! (*Laughter*) The importation of 270 partridges from Morocco was a desperate knee-jerk reaction by the Hon. Minister given what was the imminent disappearance of the local stock of indigenous partridges in Gibraltar, due to the fact that no action had been taken by the Minister to tackle the natural predators of partridges and their chicks, which are in the main feral cats and seagulls in the Nature Reserve.

Whilst it is good to note that the 270 imported partridges seem to have settled well in their new habitat and are laying eggs and young chicks are sprouting around, I have to criticise the Minister again because he is incapable of taking long-term action to tackle the source of the problem of dwindling numbers of partridges in the Nature Reserve. The Hon. Minister knows that unless and until the problem of feral cats and huge numbers of seagulls exist, it will be only a matter of time when, as a result of his inaction in this matter, that we will have to import further partridges from Morocco in order to commence the cycle *ad infinitum* for failure to do the right thing for political expediency in being all things to all people. The Minister needs to decide whether the conservation of the partridges is paramount or pleasing individual groups that have a sectoral interest in the environment, here the Minister cannot have it both ways, as they conflict with each other.

Mr Speaker, moving on to transparency and accountability. The concept the Government has in relation to transparency and accountability rests in the numerical occasions in which Parliament meets and being able to access Hansard in a short period of time. That is the extent to which their much-flaunted 'New Dawn' era would usher from a GSLP/Liberal Government. I am not going to dwell with the elephant in the room as far as transparency, accountability and openness in relation to Gibraltar's finances, the Hon. and Learned Leader of the Opposition has masterfully exposed the Government for driving a coach and horses in opaqueness from the duties towards Parliamentary standards of accountability that the Government has been involved in since its commencement. (*Interjection*)

Mr Speaker, for years I have been asking this Government to provide Parliament with a copy of the Gibraltar Climate Change Programme, and all I have received from the Hon. Minister is evasive answers wrapped in spurious science talk in order not to provide the report. The irony here is that the only document available in the Department of the Environment website is the one placed in 2008 under the GSD Government. The Gibraltar Macaque Management Plan never gets to see the light of publication in order for people to judge the Minister's policies in this matter. True also with the minutes of the Nature Conservancy Council for Gibraltar, while anybody can access the UK equivalent body through the internet.

What is astonishing here is the level of excuses the Minister is prepared to indulge in, in order not to provide the information on the basis that the Council is an independent Statutory Body; yet the Minister is

1650 content to abrogate political responsibility for the advice given to him on such important environmental matters from a Council whose existence stems from the Nature Protection Act, and for which the Minister is responsible. Neither has the Minister provided the Upper Rock Management Plan, that the Hon. Minister has decided now to change the title to The Gibraltar Nature Reserve Management Plan – no doubt in order to provide further excuses to delay providing the information to Parliament.

1655 The last available annual report of the Department of the Environment in their website is 2012. So the 2013 and the 2014 are still not available to either members of the public who do have an interest in the environment, or to Parliament. Notwithstanding that in reply to one of my questions the Minister did say that the 2013 has now been finalised and that it would be sent to me electronically – something which has not happened.

1660 In addition to all this the spectrum of treating Parliament with such disdain ranges from refusing to provide Parliament with copies of the Health & Safety Executive and the Health & Safety Laboratory in relation to the proposed LNG facilities in Gibraltar, the safety report requested in relation to the ship-to-ship trans-shipment of LNG that has taken place in Gibraltar these last few months, or to the health and safety reports and audits conducted in the Health Authority or the Education Department.

1665 Even last week, when I asked for a total of eight reports to the Minister for the Environment paid for by the Taxpayer, and the Minister responded that he would only provide five of them within 24 hours of replying to my questions. Well, Mr Speaker 120 hours later I have received four of the five reports promised on the same day as Budget Speeches commence – meaning yesterday. How convenient. The one that has been promised but not given is the Climate Change Strategy and Implementation by Geoff Lye. Furthermore, one of the reports that I did ask for named, Renewable Energy Strategy will also not be provided because the Minister has decided that the report needs to be reviewed by the Department of the Environment.

Well, Mr Speaker, if I would have asked for a review of the report written by New Resource Partners by the Department, I would have asked that question, but I did not, all I want is the report for which the taxpayers have paid, and which I am entitled to have both as a Member of this Parliament and because of the right to environmental information law that the GSD Government implemented and for which the Minister is adamant not to respect. All these are good examples of the 'New Dawn' Government in ensuring that access to information to Parliament gets blocked despite being paid by the Taxpayer, and being entitled to it, as I said, by the right to environmental information legislation.

1680 Lastly in this area, the non-completion of documents as is the case with the Transport Climate Change Strategy Project by Mott MacDonald Ltd, seems to be holding back other important pieces of the jigsaw as far as the Sustainable Traffic, Transport Management and Parking Plan and the completion of data for the National Renewable Energy Action Plan for Gibraltar.

1685 Mr Speaker, I now turn to health and safety. One of the best ways to describe the attitude of the present Government towards health and safety in this term of office can be by saying that they simply lack a willingness to engage with the subject in order to develop this area of responsibility or to provide the unit with any kind of resource, planning, management, support, direction, cohesion, or even lacking any coherent policy – or even a policy at all – in this matter.

1690 During this term of office we have had three Ministers holding the responsibility, the first being the Hon. Paul Balban. He started his tenure by saying early in 2012 that, 'The problem with health and safety practices is that it is very reactive and not pro-active' in a prepared speech on the occasion of the ISOH inauguration in Gibraltar. Yet his passage as Minister for Health & Safety is clearly worse than being reactive, because at the very least being reactive means that one reacts to events once it has happened, the Hon Minister did not even do this!

1695 His time as Minister can be defined as the Minister who did not even react either to the statements made by professionals in the field, nor to my suggestions on how to develop health and safety policies for the good of all those that rely on having such a Department. When the second reshuffle came, the Chief Minister placed the Hon. Joe Bossano for this responsibility, and from the very beginning I knew that health and safety would be abandoned to its fate, because if there is one consistent thing about the Hon. Joe Bossano over the years in relation to health and safety is that he has had no problems in hiding the fact that he thinks that health and safety should be done away with, because in his opinion health and safety only wrecks business and employment opportunities.

1705 It did not take long to see that the then Minister adopted his habitual style of ambiguous, longwinded, and meaningless answers to the subject of health and safety, often playing to the gallery rather than attempting to provide Parliament with reasonable answers to reasonable questions. It is a scandal that the then Minister for Employment, Training and Health & Safety did not know or care for the strategy fact whilst placing the so-called training providers with any particular form of training at all, while being on site.

1710 This is something that I had to wrestle with him over a period of time in Parliament, in order to find out. His answers to Parliament were riddled with evasive statements, which are surprising given the duty of care

to young trainees within the working environment in which the Minister had decided to place them. Even to this day, there is not in place any form of proper procedure to record, even less to judge the quality of training inclusive of health and safety given to trainees – if any at all! Trainees are being left to their own devices without any kind of proper, supervised and recognisable training; it is a cynical ploy by the Hon. Mr Bossano to hide young persons from the unemployment list without any meaningful training leading to jobs. It is back to the days in which the Hon. Minister decided in his period as Chief Minister to close the two Training Centres from the AACR period and create the VCTS in its place.

A clear example of the Hon. Mr Bossano relinquishing his duties as Minister for Health & Safety is the fact that he did not even mention a word, let alone policies, in his Budget address on this subject, something which in 20 years in this Chamber I have not seen by anyone on either side with responsibility on one of their portfolios.

With regard to the third and current Minister for Health & Safety, I cannot judge him as critically as the two before, given that he has only been exercising this responsibility for a short period of time. I think that he does have the potential for doing the kind of major overhaul Health & Safety requires, (*Banging on desks and interjections*) given – wait for it! – that he is an energetic and intelligent person. (*Banging on desks and laughter*) But in truth he simply does not have the time to do this kind of review, (**Several Members:** Ah!) less, implement the necessary changes, as he is even having problems with getting the staff to place the Health & Safety statistics on the Government website – a set of statistics that, had I not bothered to ask from the beginning of this term of office, not even this would have been carried out.

Mr Speaker, this Government's performance on health and safety over the last three and a half years has sadly lacked vision, enthusiasm and knowledge of the issues that need addressing. During all these years when I ask my questions about which industry groups have been targeted for inspection, the practical totality has been to the construction industry. There seems to be no desire, willingness or concern about using the existing resources available to be spread more evenly across the whole spectrum of all industry groups, giving the same treatment for inspections across the whole breadth of the legislation that they need to monitor. It is as if the Government is signalling to all other industry groups, other than the construction industry, do whatever you like, legal or not, because the policy of the Government is to turn a blind eye.

The pathetic answer I have received to this question has been that there are construction sites all the time commencing and need the kind of supervision shown in the figures presented. It is as the Government expects with this explanation for anyone listening to say, 'Oh yes, that is true', without realising that the statistics provided do not support the proposition that this is necessary at the expense of all other industry groups. It is the kind of analysis that even children doing statistics for their A-level would understand: an answer that says more about how the Government treats Parliament with such disdain, than getting on with doing the overhaul health and safety so desperately needs in Gibraltar.

Mr Speaker, despite all the artificial obstacles placed by this Government to provide Parliament with Health & Safety reports, I have tried from the beginning of this term to be constructive in this subject by suggesting policies that would be beneficial to the development of health and safety. Of course, they are free to reject them, but what is not acceptable is to bury their heads in the sand in the hope that the subject-matter will go away. I have told them that if they wanted to be proactive they could well have started by looking at the policies that I developed, between 1996-2000, (*Laughter*) as Minister for Health & Safety – indeed, indeed! In that period, I constituted a Health & Safety Advisory Council with specialised practitioners who used to advise me as Minister for the Development of Government Policy.

We started doing Codes of Practice in order to self-regulate specific industry groups or activities, we held annual Health & Safety seminars in which large numbers of organisations and trade unions participated, and we applied a holistic approach to Health & Safety legislation across the whole spectrum of industry groups. In a nutshell, there are three pillars to a proactive approach to health and safety: the first, up-to-date legislation; second, proper monitoring and enforcement across the whole spectrum of all industry groups; and thirdly, ongoing training and awareness to all industry groups and social partners. Yet the Government ignored this and have done nothing at all for three and a half years. (*Interjections*)

Mr Speaker, this is a Government that, when I ask for Health & Safety reports on Government Departments, Authorities or Agencies to be provided for in Parliament, they have no qualms in saying that they will not provide me with such reports, as they state that such reports are internal documents; therefore, for the current Government, Parliament is not paramount to the actions or inactions exercised within the competence of individual Government Ministers.

This is the Government that promised openness and transparency, and what they have practised is opaqueness and unaccountability. This is the Government that, when I have asked if they will provide the names of the companies that have breached the Health & Safety legislation the answer was, 'No we will not provide you with the information', despite the fact that this is available in the UK by searching the Health & Safety Executive website for UK offending employers. This is the Government that, when asked if all Government Departments, Authorities, Agencies and Government-owned companies have available an accident book, the answer was, 'The situation is the same as it was when we got into Government'. Here,

the then Minister Joe Bossano was not even willing to tell his officials to send an email to all Heads of Departments and Chief Executives requesting to know what the situation is – a clear example of the attitude that he could not care less.

1775 This is the Government that, when I have asked how many health and safety committees exist in Government Departments, Authorities, Agencies and Government-owned companies, the answer was, ‘None, as was the case with the previous Government’, without even knowing or bothering to ascertain that in the Health Authority there was one which was constituted in the period of the GSD Government.

1780 This is the Government that, when I have asked how many Codes of Practice have been done since getting into Government, the answer is ‘None’. This is the Government that cannot say how many working days have been lost through accidents at work either in general terms, or within the various industry groups in order to assess the nature and occurrence of such, thereby allowing greater knowledge for directing resources and provide better-targeted policies on such industry groups.

1785 This is the Government that, on every occasion they listen to the speeches at the Workers Memorial Day in the lobby of Parliament by Trade Union Officials and professionals, in terms of the need to have better statistics or annual reports, the Government Ministers nod their heads in agreement only to do nothing after the ceremony has finished – not least to have the decency of allowing the Leader of the Opposition to place a wreath in the ceremony. (*Interjections and laughter*)

1790 This is the Government that, when I have asked for annual reports to be re-commenced again, have stated that they could not do this because the old software package is no longer suitable, some three and a half years ago. Worse still when, with great laughter, Minister Bossano said ‘No, we will not!’ failing to understand that the purpose to have annual reports is for the benefit of professionals, businesses and Trade Unions.

1795 This is the Government that, when I have said that the Factories Act needs reviewing and consolidating, the two previous Health & Safety Ministers have said that there is not a need to do so. This is the Government that, when I have asked in Parliament if a review of all current practices, policies and procedures in relation to health and safety is being conducted, the answer has been to say, ‘No’, whilst on-going discussions between the Chief Minister and Trade Unions are taking place, thereby not providing Parliament with details of such.

1800 This is the Government that, on the one hand issues a press statement as they did on 23rd February 2015, under the heading ‘UK Health & Safety Executive have approved the LNG Power Station’, and when the Opposition repeatedly ask in Parliament for copies of the reports, it is denied at point blank with all sorts of excuses. It is the same style of that of a *República Bananera*, which treats their Parliament with arrogance, opaqueness and disdain for the democratic process, more so in a matter of great public importance.

1805 In concluding this aspect of my speech, Mr Speaker, one has to say that given the systemic failure to do anything positive on health and safety on the part of the Government, the jury, if this was a song contest, would automatically give the Government, a ‘no point’ verdict for non-performance.

1810 Mr Speaker, on 14th May I proudly attended the local IDAHO events just beneath where we are right now, and after the event I answered some questions from Steven Neish of GBC. One of the questions in particular was if I felt that equality issues have been advanced more in the period of the GSLP/Liberal Government than it had been under the GSD Government. Regrettably the answer I gave was to say that this had been so.

1815 I say ‘regrettably’, because my mind in that moment in time was fixed on the IDAHO events and the Civil Partnership legislation that was brought to Parliament by the present Government and passed. However, with hindsight, I have to say that my answer then was erroneous. It is easy for any politician at times to answer the wrong question when in a split of a second in front of a camera we are expected to be infallible; nor am I the only politician to have given the wrong answer in the history of politics, at one moment in time.

1820 Given that this is an important matter, and given that I have now had the time to do the research, it is clear that equality issues when observed objectively have been advanced more in the period of the GSD Government (*Laughter*) than in the present one. In order to support this assertion we need to compare the achievements in this area. First of all, the very first thing the GSD Government did on arrival in Government was to reverse two fundamental instructions by the previous Chief Minister before 1996. This was to disallow Moroccan kids, many born in Gibraltar, to attend schools in order to obtain an education as this was denied by the GSLP Government then.

1830 The second was to reverse the instructions of the then Hon. Joe Bossano to the then ETB in not allowing Moroccan Nationals who had been working and living in Gibraltar some 25 years to have their new employers’ terms of engagement accepted, thereby placing them in a position of illegal work without having social security cover for accidents at work or from contributing to the Social Insurance Pension Scheme. On arrival into Government that decision was immediately reversed and some 300 Moroccans who had been working illegally had their working relationships acknowledged and legalised. In addition to this



we also took the opportunity to extend to Moroccan workers equality of treatment for the services of the then ETB along with Gibraltarians, notwithstanding the fact that they were then Non-European Nationals for the purpose of applying European legislation in this field. This was also extended to a number of other Non-European Nationals, mainly Hindus, given their number of years in Gibraltar.

Other areas covered were maternity leave entitlements, which went beyond the EU threshold by having the Government pay for maternity leave entitlements both in the public and private sectors. These allowed all small businesses to provide such an entitlement without causing them to absorb the payment as this was done through the Government. In addition to this an enhanced paternity leave entitlement in the public sector for fathers to spend quality time with their new-born children.

A Minimum Income Guarantee Scheme was introduced which allowed hundreds of elderly persons to receive, for the first time, either an income or an enhanced income in retirement so that they could live with dignity in being able to purchase the essentials of living adequately. Another set of measures were, to allow for the first time divorced women pro-rata old age pension rights, and also married women to be given 'rate contributors' to get an old age pension in its own right.

At the time of arrival into Government only a handful of women civil servants enjoyed the position of Executive Officer due to the lack of professional training given by the previous GSLP Government. As a result of this, the new GSD Government embarked into a massive professional programme which has managed to push women civil servants beyond the 'glass ceiling' of the Executive Officer posts into higher management inclusive of some Heads of Department now being led by women for the first time.

An area of regret seen since the present Government is in office is the diminution of women's presence in the various statutory bodies of the present Government. Here we have observed a rolling-back of the numbers of women's participation of essential statutory bodies which are thereby excluding an important sector of our community into the life of such bodies.

Other important paradigm shifts in equal rights were when we obtained constitutional human rights provisions up to date with the European Convention of Human Rights; and in addition for the first time ever an Equality Opportunities Act in order to stop discrimination in the field of work. The Equal Opportunities Act that prohibited discrimination on the basis of sex, religion, belief, racial or ethnic origin, sexual orientation, disability, etc. in the place of work.

It is of public knowledge that Danny Feetham brought a Private Member's Bill when in Government, for the purpose of equalising the right to sex at the age of 16, but this was opposed by the then Opposition on a partisan basis with a few Members of the then Government acting freely and individually on conscious decisions. However, despite this the then Chief Minister, the Hon. Sir Peter Caruana QC, took the issue for a judicial review and today this right is enjoyed without discrimination. As a consequence of this, equality for sex has been achieved, and homosexuals are no longer criminalised for enjoying the same rights that others do.

Therefore, with such a positive track record, it is impossible that the present Government can come anywhere near in enhancing equality issues as the GSD Government has done.

Mr Speaker, during the passage of a politician either in Government or in the Opposition there are those moments in which, when looking back, we tend to cherish more than others. For me, one of those moments was when elected for the first time into Government in 1996 as Employment Minister, it was then that I was approached by the Moroccan Workers Association to inform me that as a result of instructions issued by the previous Chief Minister to the then ETB, staff were not processing notice of terms of engagements from employers employing long-standing Moroccan workers, thereby placing some 300 workers in a position of performing illegal work.

Upon being informed by the management of the Department of this being so, I took the decision of regularising this shameful act, so that Moroccan workers could be protected by the Social Security scheme in case of accident at work, paying taxes into Government coffers and paying towards their old-age pension.

The idea that a so-called socialist did instruct a Department to refuse to accept notices of terms of engagement of workers who by that time had served Gibraltar some 20 to 25 years, in order to force them to repatriate back to their country of origin, is in my opinion one of the most shameful and despicable acts in the employment history of Gibraltar; more so, when such a decision emanated from someone who called himself a socialist. Therefore, for a person like me to have been in a position to reverse such a wicked decision was a delight and an honour, given my ideological background. (A Member: Hear, hear.)

Yet, reversing the decision of the previous Chief Minister was not enough for me, so I went further and took the policy decision of allowing the unemployed Moroccan workers and other long-term non-European residing nationals, such as Hindus, equality of services at the ETB in order to assist them in their search for employment, inclusive access to new vacancies and the employment of an employment officer to assist in the bureaucratic process of registration. No doubt this was equality *par excellence* given that by virtue of their non-European status they were not legally entitled to do so.

Another thing that surprised me as Employment Minister was the lack of progress by the previous so-called Socialist Government in either furthering the interest of workers, or in reducing the huge weight of taxation as it affected inversely low income bracket workers. Again, it was a great pleasure for me as we transposed the European Directive on Maternity, despite the fact that the then Transport & General Workers Union had been requesting this to be done on numerous occasions over the years, to the GSLP Government.

Also, the fact that the GSD Government extended statutory redundancy rights and an insolvency fund to cover all workers in all industry groups as this was not the case before the arrival of the GSD Government. Again, something the TGWU had requested the GSLP Government to do on numerous occasions, only to be ignored by the then GSLP Government.

In the area of occupational pensions particularly in the recently-created private companies of the Government by the previous GSLP Government – that was non-existent. It took a GSD Government to address this matter in a decided way and provide the mechanism and resources to deal with this.

On the statutory minimum wage, the Chief Minister repeatedly mentions that the GSLP Government enacted the statutory minimum wage well ahead of the UK Government – in fact, he said it in his speech yesterday. This *cliché* is repeated *ad nauseam* in the hope of providing some kind of socialist backbone to the GSLP Government. The problem here is that the Chief Minister is prone to ride roughshod over the small detail of his great socialist mentor particularly how the scheme was introduced back in 1989, to the extent that the standard minimum wage was introduced in 1989 – that is certainly correct – but given the incomplete and distorted story given, it is important for the record to once again make sure that the small detail is examined and illustrate how rather than being a great social initiative it ended undermining some workers in the private sector.

In August 1989, the GSLP Government introduced the Standard Minimum Wage Order in Gibraltar for weekly-paid employees only. The only discernible reason for restricting the standard minimum wage generally was that at this time the administrative assistant hourly rate of pay was £1.68 for a 16-year-old person, £1.82 for a 17-year-old person, £2.22 for an 18-year-old person and £2.36 for a 19-year-old person. This obviously was less than the hourly rate of pay for the newly introduced minimum wage at £2.50. Therefore the GSLP Government designed a Minimum Wage Order in which the GSLP Government as an employer could use the deliberate loophole of not applying the minimum wage to its own employees because administrative assistants were paid monthly. (*Interjection*)

So we had a so-called Socialist Government deciding as an employer to keep its own administrative assistants below the minimum wage. Quite shameful. And to boot when private sector employers found out at the time that by transferring their weekly-paid employees to monthly they could pay less than the hourly rate of the new minimum wage, there was a movement to circumscribe the legislation thereby negating the minimum wage as a concept of a living wage.

Mr Speaker, I am proud that in my first term as Minister for Employment, we closed the deliberate loophole created by the GSLP Government, thus making all employers in Gibraltar comply with the minimum wage both in the private and public sector and for weekly and monthly paid. This was set at the age of 16, thereby closing all the deliberate loopholes of the so-called Socialist Government.

The Chief Minister may claim that this initiative of the then GSLP Government is something that he can boost as being socialist, but I can assure him that it was not something to be proud of, even less by any socialist standard he maybe advocating from, if any at all – even from the ‘Champagne Socialist’ standard. Therefore, I take huge pride as an old fashion socialist to have taken the initiative to put right what was a disgraceful act by a so-called socialist government. (*Interjection*)

Mr Speaker, another area of huge satisfaction is in the area of opportunities given to female civil servants. When the GSD Government arrived in 1996, we found that only a handful of EO posts were held by female civil servants, there were no HEOs, no SEOs, and certainly no Heads of Department by female civil servants. This was due to several reasons: firstly, there had been no provision by the GSLP Government for professional development of civil servants in order to allow opportunities to progress in what was a male-dominated environment. There was under-investment in the Civil Service and a clear plan to privatise large chunks of the Civil Service, something I was able to stop as a branch officer of the TGWU with the help of a prominent executive GSLP Member of the GSLP who passed to me secretly all the then Chief Minister’s reports and timetable for execution.

As a consequence, there was uncertainty, demoralisation and a glass ceiling which made female members of staff inaccessible to promotion based on qualifications. This brings to mind the famous words of Noam Chomsky, when he said:

‘The the standard technique of privatization: defund, make sure things don’t work, people get angry, then you hand it over to private capital.’

This situation changed with a massive introduction of professional courses leading to recognisable qualifications by the GSD Government which broke the glass ceiling and by the time we ended with our

1950 term in office in 2011, female civil servants occupied most of the EO posts, moved into the HEOs and SEOs and saw for the first time a female Head of Treasury in existence. A remarkable turnaround in equality of opportunities, when resources are channelled towards eliminating discriminatory practices, a practice that was not on the radar screen of a so-called socialist government.

1955 **Mr Speaker**, being controversial at times does not mean necessarily that the controversy is not one that is supported by good arguments and with the need to move from frozen *laissez-faire* attitudes that afflict political establishments at different times in their political evolution. One such occurrence was when I presented a private motion during the parliamentary reform discussion here in this Chamber in order to stop the practice of the recital of the Prayer before the commencement of proceedings – (*Interjections*)

1960 **Mr Speaker:** I have been amazingly liberal, but there is a limit. The Prayer has got nothing to do with the estimates of expenditure.

I will allow the hon. Member during the course of this meeting... On the adjournment of the House, I will allow him to raise the matter of the Prayer if he so wishes, but he is not going to do so during the estimates of expenditure. There is a limit to which a minority can have its will over the majority; there is a limit to that and I am not going to allow it. The Rules are the Rules and the established agenda of this House is not going to be put into question by the hon. Member as part of his valedictory speech before he retires from public life.

I hope that it is clear and I ask the hon. Member... and I will allow him on the adjournment, when the House adjourns *sine die* he can raise the matter of the Prayer if he so wishes, but not now.

1970 **Hon. J J Netto:** Mr Speaker, I will certainly bow to your decision, but from tradition and from the last 20 years in which I have been in this Chamber, whenever there has been a Member on either side of the Government or Opposition, in which they have stated clearly that is their last Budget speech, there has been a tradition, in the last 20 years, in which that particular politician has been able to make a kind of statement as to the issues they have felt proud about in the period in which they have been in this Chamber.

Now, if you do not want me to mention it, fine, I will just move on –

1980 **Mr Speaker:** Can the hon. Member state an occasion when, since the beginning of this legislature in 1950 any Member of the House has stood up in the course of a debate to question whether the House starts a meeting with a prayer or not?

Can he point to such an occasion? Can he point to an occasion during the 20 years that he has been a Member?

Why does he have a bee in his bonnet about this thing? It is not an imposition. It is for the Members here in the House to decide what should be in the agenda and what should not!

1985 **Hon. J J Netto:** Mr Speaker, it is not my intention to cause controversy. I am not questioning whether the majority are in the right and I am in the wrong – that is not the issue – I am not trying to make that point or to reignite the debate again. I am only stating the fact that I stood up on a Private Member's motion, but –

1990 **Mr Speaker:** This is not –

**Hon. J J Netto:** Mr Speaker, if you want me to move on, I will move on. I do not have a problem –

1995 **Mr Speaker:** This is not the first time that the hon. Member has raised the issue.

During a debate in this House, on a report produced by a commission of which I was the Chairman, during the course of a lengthy debate on the recommendations of that report, the hon. Member had nothing to say at all about the report. All that he spoke about was a prayer, on that occasion. That is all that he said.

2000 And now, once again, here we are... an important debate on the estimates of expenditure on the Appropriation Bill and he has the gall, the cheek, to raise this question of the Prayer, when he has other avenues. He can raise the matter in the House whenever he wants to. No Member in this House is debarred by bringing up properly and giving notice of a motion, bringing up such a question. He can do so, no-one is stopping him from doing so; though no doubt there will be people on Facebook, and what have you, who will say that the Speaker is ramming religion down the throat of hon. Members. And that is a fallacy.

2005 Hon. Members decide what are the Rules and I, as Speaker and the servant of Parliament, and as the servant of Parliament, I implement the Rules and I try to abide by the Rules. I have been very, very lenient this afternoon, I can tell the hon. Member, because I think it is a tradition – very, very lenient because I have never heard a Member of the Opposition in the 20 years that I was in this House, defending what he was doing in his first term of office 20 years ago. That is the extent to which I have been liberal, if he wants to know.

2010

But on the question of the Prayer, I am not going to allow him now to say another word; so would he please revert to his prepared speech and finish his valedictory speech as he should have done so in the first place.

**Hon. J J Netto:** Well, Mr Speaker, all I can say as I said just now, it was not my intention to reignite the debate. It was a passing comment, so I had no intention of reigniting the debate.

But I will carry on, Mr Speaker... whatever decision you take I will accept – I have to, in any case.

During my time as a politician in the GSD there have been some who have questioned my participation in what they say is ‘a right-wing government’. An interesting concept when one scratches the surface of the cliché. Yes, it is true that all political parties in Gibraltar revolve themselves in the centre of politics, yet during the 16 years of GSD Government we did not have any single privatisation. In fact we brought back some that had been privatised by the so-called socialist government before us; a so-called right-wing government that did much more than the GSLP Government to enhance protection of workers’ rights in the employment field; to reduce the enormous tax burden from the levels inherited during the GSLP Government and to foster greater equality measures for different groups in our society.

Yet my arrival in the GSD back in 1995 was due to an historical contingent fact. The Gibraltar that prevailed then was one of high levels of unemployment for Gibraltarians; privatisation; lack of protection for workers in redundancy and insolvency cover in various industry groups; lack of occupational pension schemes; no maternity cover with paid leave in the private sector; hundreds of elderly couples with no or insufficient earnings to live from; no financial help for divorced women, with hardly any decent service for elderly people; care in Mount Alvernia run by voluntary work with insufficient Government grants to maintain itself, less still to open the two-thirds of the building closed; services for the disabled run on a shoestring budget, or worse still having the Dr Giraldi Home closed because, in the words of the then Chief Minister, employing professional people would be too costly; a handful of Social Services personnel that was totally inadequate to provide the most basic cover to those in need of such services; a climate of fear and intimidation. A proliferation of the tobacco smuggling through ‘fast launches’ who, in the words of a head boy student of Bayside Comprehensive School within the Liberal Studies Programme of the school, named Fabian Picardo, asked the then Chief Minister, the Hon. Joe Bossano, ‘Legalism apart, was there not a moral problem for Gibraltar’s Government in the trafficking of tobacco?’ only to be told by the then Chief Minister, ‘There was no such moral problem in economics.’

To be fair to the then Chief Minister, he has always maintained the view that matters of economics are amoral, throughout his entire political life. This is where he never saw or understood the breakdown in law and order that ensured riots on the streets of Gibraltar; or even the fact that there have been many economies around the world who do believe in having high standards of ethics in the execution of economic policy.

Mr Speaker, a Gibraltar which had arrived at a crossroad, in which one option was to fall over the cliff face, and the other a call to duty by placing the interest of Gibraltar first and foremost, in order to execute a 180-degree turn and save Gibraltar from certain disaster. Thankfully, the arrival of the GSD Government and its passage has ensured that Gibraltar has obtained a high degree of prosperity, security and stability hitherto unknown in its history. That said, such advancement is now beginning to be rolled back, due to the present Government’s reckless policies on financial matters, the never-ending fishing saga, and the opaque nature of not providing basic information to Parliament, amongst others.

That said, I have been in public life since being a teenager and my upbringing has not been typical of such, as I have spent most of my time helping others whether as a trade unionist, or as a politician. I believe I deserve some time out from the day-to-day political arena. Yes, politics is in my DNA and at this moment in my life I do want to take a step back, catch up with my reading of books, observe politics more from an international perspective and perhaps one day be able to contribute at another level in the many concerns that this planet has, be they environmental or social.

I would like, Mr Speaker, to wish everybody well in this Chamber and that its deliberations may be for the good of our city and its people. (*Interjections*) Finally, once again... No it is part of it. It is part of it, not all of it – there are parts of it which are not.

To say, as I have just said, to wish everybody its deliberations for the good of our city does not mean the statement in itself is religious. It does not have to be.

Finally, once again, I give my sincere thanks to the staff in Parliament for being so helpful to me and the work they do in ensuring the excellent services they provide. Also, I would like to thank the many public servants who have worked so hard for me in all the various Departments that I have had the privilege to be in during my time as a Minister, their sense of loyalty and willingness to work positively when encouraged to do so, regardless of party political allegiances, is something that I have valued and encouraged.

Thank you. (*Banging on desks*)

**Hon. D A Feetham:** Well done. Well done.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, given the soporific effect of that contribution, as head boy now of this place, can I pray to move that the House do now recess until 4.00 p.m.

2075 **Mr Speaker:** The House will now recess until 4.00 p.m.

*The House recessed at 2.05 p.m. and resumed its sitting at 4.00 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 4.00 p.m. – 7.54 p.m.

Gibraltar, Tuesday, 23rd June 2015

## Business transacted

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# The Gibraltar Parliament

*The Parliament met at 4.00 p.m.*

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

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

## Order of the Day

### GOVERNMENT BILLS

#### **Appropriation Bill 2015 – For Second Reading – Debate continued**

**Mr Speaker:** The Hon. Gilbert Licudi.

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):**

5 Mr Speaker, I have the honour to report to the House on the areas that form part of my ministerial portfolio, starting with Education.

Mr Speaker, the estimates reflect that the amount required in the year ending 31st March 2016 for salaries, wages and expenses is £44,767,000. The forecast outturn for the year ended 31st March 2015 is £42,168,000. There is therefore a proposed increase this year of £2,599,000 in the Education budget.

10 A significant part of the increase relates to personal emoluments and scholarships. Hon. Members will note a provision for 2015-16 of £15,707,000 for scholarships, compared to the forecast outturn in 2014-15 of £14,135,000; an increase of just over £1½ million.

Records confirm that 2014-15 saw 363 mandatory scholarships – this figure includes school leavers and students on Masters, PhD and other postgraduate courses – and 23 discretionary awards; a total of 386  
15 additional individuals who are benefiting from higher education. As I have explained in a recent press release, nearly 900 students are now being funded to study an enormous number of courses in universities across the UK. Indeed, some are also being sponsored to study in other countries, such as Malta and Ireland.

Mr Speaker, it gives me great pleasure to report that the Washington internship programme is now in its  
20 third year. This has been a resounding success and continues to be in demand. Thirty-three internships have already been awarded over the last two years, with a further intake of 27 graduates taking up their internships in September 2015.

An additional £500,000 was also invested in training requirements for both the public and the private sector. Twenty-seven Government Departments, Authorities and Agencies have benefited from courses in  
25 their field of work and all essential training bids for the public sector were met. Sixty thousand pounds was also invested in a number of distance-learning courses for Government employees. I am happy to say that a further £65,000 was spent on the provision of training for, primarily, staff at the Government's Human Resources Department, who were able to obtain an industry-standard qualification from the Chartered Institute of Professional Development (CIPD). The primary demand for funding for courses from  
30 individuals from the private sector continues to be in relation to accountancy qualifications, AAT and ACCA, as well as maritime and port operations such as safety training. The Department of Education also continues to support the Gibraltar Insurance Association with provision for training with their professional Chartered Insurance Institute examinations and continues to fund IT courses for senior citizens.

Mr Speaker, the financial year 2014-15 saw a number of refurbishment projects undertaken to extend  
35 and preserve the life of several of the older buildings servicing educational needs. These include: (1) the installation of a high-quality waterproof membrane to the flat roof of the original old building at St Anne's

School to prevent water ingress, at a total cost of £112,000; (2) waterproofing works and internal and external repairs were carried out at St Bernard's Nursery at a total cost of £64,000; (3) the south-west sea-facing facade and fire escape of Bleak House was refurbished at a total cost of £76,000 – the works undertaken include a full window replacement, which is sympathetic to the building's heritage and suited to the exposure of inclement weather; (4) waterproofing works were also undertaken on the roof of the assembly hall at Bishop Fitzgerald School whilst repairs were also carried out on the elevated fire-escape routes of both Governor's Meadow and Bishop Fitzgerald School at a total cost of £119,000; (5) the construction of steel staircase to create a new fire escape at St Mary's School that exits via Prince Edwards Road for the total cost of £25,000; (6) a covered walkway to protect children when travelling from the main building to the lunch hall annexe at St Joseph's First School, for a total cost of £52,000; (7) the replacement of the drama studio flooring and painting works at Bayside School, for a total of £96,000; (8) resurfacing the playground at St Martin's School to rubber crumb flooring at a cost of £75,000; (9) maintenance and refurbishment works to all exposed timber supports at St Paul's School plus additional refurbishment works to the lunch hall and the installation of fencing in the perimeter wall for the sum of £62,000; (10) £10,000 was also invested in the purchasing of new drinking fountains for all schools.

Additionally, Mr Speaker, a further £50,000 was expended in response to emergencies arising from extreme weather conditions, including St Mary's School, St Joseph's School and John Mackintosh Hall Annexe, which suffered from severe flooding due to rainwater ingress during the severe rainstorm in February, whilst the roof and façade of Bishop Fitzgerald School was also damaged during the high winds and repaired.

The minor works programme for the current financial year will include: (1) the reconfiguration and refurbishment of multiple rooms within St Martin's School to create an extra classroom with the corresponding sanitary facilities; (2) internal refurbishment at Varyl Begg Nursery and the installation of mechanical ventilation and extraction systems to improve airflow and prevent recurrent damp issues; (3) shading canopies will be installed over the rubber crumb playgrounds at both Varyl Begg Nursery and St Mary's School to protect children from direct exposure to the sun and the excessive heat caused by the black surfaces; (4) replacement of the assembly/sports hall flooring at Notre Dame School; (5) general overhaul of the workshop facilities and extraction system at Bayside School; (6) replacement of old and malfunctioning freshwater mains supply pipes at Westside School; (7) the replacement of non-slip linoleum in schools, which is part of an ongoing programme of works.

Mr Speaker, in respect of major works I am happy to report that the building of the new St Bernard's First and Middle Schools is on target and will be finished in time for September 2015 opening. (*Banging on desks*) As I have outlined in the past, the conversion of the old hospital site into two new schools was part of the Government's 2011 General Election manifesto, where we said we would consider relocating in particular Sacred Heart School, and it is something that we are very proud of. The schools will also provide facilities for community sports and activities and will go a long way towards providing much needed facilities in the upper-town area. Worthy of mention is the central hall in the Middle School, which has a glass roof atrium and will be available for students and teachers to carry out social and educational activities. Both schools will also boast cutting-edge technology for teaching and learning, with several educational technology initiatives being piloted at the site as from September.

Mr Speaker, I am equally proud to be able to state that the construction of our new University of Gibraltar core campus is also on time and will be ready for a September start. (*Banging on desks*) Again, the University will also boast cutting-edge technology and a robust, managed Wi-Fi system to ensure that all parts of the campus have access to broadband internet and networking facilities: a necessity if we are to embark on the collaborative, multi-site educational projects that are planned with other universities and providers.

As I have outlined elsewhere, Mr Speaker, there will be four faculties at the University: Health Studies and Sports Science; Business, which will include specialisms in Accounting and Finance, and Law as well as ICT; Life and Earth Sciences with Gibraltar and Mediterranean Studies; and Tourism and Hospitality. The four faculties will provide a series of undergraduate and post-graduate programmes in collaboration with internationally recognised universities as well as locally developed courses, including courses for qualifications in Gibraltar tax and in Gibraltar law. The University will also be a centre for research in key areas associated with Gibraltar's culture, environment and heritage. Prospective students and interested parties will be able to find out more about the full range of courses available from the University website, which was launched last week. In the first 24 hours after going live there were 6,000 visits to the website from various parts of the world.

The core administrative team has already been recruited to service the needs of faculty and students. The executive team is currently completing the process to procure furniture and all the necessary equipment for the University.

I also wish to emphasise the fact that the University is designed to serve the needs of the community and the Gibraltar economy. With this in mind, we have created the Institute of Professional Development



and Continuing Education. This will provide courses leading to professional qualifications, public and private sector continuing professional development and courses developed to meet industry needs in Gibraltar. The Institute will be a proactive and forward-looking enterprise and the aim is to provide wide-ranging professional training opportunities in Gibraltar.

A further component of the University will be a language centre for the teaching of English as a professional language. Ever more, English is being seen not only as a useful everyday language but as the international language of business. There is a huge demand for this and the University of Gibraltar and its Institute of Professional Development and Continuing Education are ideally placed to service these needs and, indeed, become a centre of excellence.

Mr Speaker, interactive whiteboards continue to be the most widely used hardware for teaching and learning through technology. Over the years our teachers have become adept at using interactive whiteboards and these are now predominant in all our schools. This technology was first introduced locally some eight years ago and numbers have steadily risen to over 300 units. It is expected that they will continue to serve this purpose for several more years. As with everything, however, constant technological development in the field of education means that there are now newer devices coming onto the market and the Department of Education is looking into all possible options.

During the course of the year a team, composed of the Director of Education, a headteacher and a senior teacher, visited several schools in England. These schools have received nationwide recognition of their excellent use of technology and the Department of Education hopes that some of the very exciting uses of technology they witnessed can be adapted for use in our schools, particularly given that emphasis now seems to be moving towards the development of interactive hand-held devices for use by teachers and children. In looking to develop the use of interactive hand-held devices, such as tablets, a group of science teachers from the middle and secondary sectors attended workshops in the UK to look further into the potential of these devices.

Mr Speaker, There is a strong emphasis on developing the coding and programming skills of our pupils, and some schools have introduced coding as early as reception year. First and middle schools have used web-based programmes such as Tynker, Code.org and Scratch to introduce the coding elements of the computer science curriculum. A working group, composed of teachers leading this subject area, has continued to meet regularly and host workshops with a view to sharing good practice. A subject specialist from the secondary sector also attended a conference in London to receive advice on how to incorporate the changes and transition from ICT to computer science in this sector.

Mr Speaker, the Department of Education continues to work in conjunction with the Gibraltar Regulatory Authority, the Royal Gibraltar Police and the Citizens' Advice Bureau. These bodies have fed into a 'Control Your Privacy' campaign, directed at both teachers and pupils. Presentations with question-and-answer sessions have been held at Bayside School for years 9 and 11, Westside School for year 11, the Gibraltar College with two presentations for different cohorts, and for children in year 7. This year's campaign has more than doubled the number of pupils being addressed.

Applications for nursery placements are slightly higher in comparison to last year. There will, however, again be a nursery place available for every application should parents wish to take up the offer they receive.

Mr Speaker, the new Special Educational Needs Code of Practice in the UK now includes mental health for the first time. This is as a result of the recognition that there has been an increase in the number of children and young people being diagnosed with mental health issues. To keep abreast with such issues, the Department of Education sent two senior secondary teachers to a conference in the UK concentrating on 'Promoting Positive Mental Health in Schools' in November. They had an opportunity to attend some of the following workshops which were on offer. These included self-harm, body image, depression, exam stress, anxiety, low self-esteem, and behaviour.

In March, a small number of teachers attended a conference organised by Childline on the issue of self-harm. The aims of the conference were to increase awareness about the topic and how to deal with a disclosure and to explore ways of supporting young people in our community.

In January, the occupational therapists from the GHA delivered a presentation of a fine motor skills programme to a group of first school teachers, which could be used to support pupils who were experiencing difficulties in this area.

In April, the educational psychologists offered an 'Early Birds Plus' course for parents of children aged five to eight diagnosed as falling within the autistic spectrum. The programme consists of eight group sessions and a series of home visits by the psychologists. The course aims to provide training, insight and, where necessary, reassurance to parents and carers with a view to building adult confidence, encouraging joint working with professionals across all relevant agencies, as well as establishing sound working relationships. This is a new course and in the future the Educational Psychology department will offer this course at least twice a year.

Mr Speaker, the Advisory Service has facilitated in-service courses in the following areas.

(1) Safeguarding Children Tier 1 training. This multi-agency team has continued to offer training. Individuals from different schools attend along with others from other agencies. In addition, two of our schools have set aside a whole school in-service day and invited individual teachers from other schools to attend.

(2) Dignified Care and Responsibility training. Restraining children should always be a last resort strategy. DCRT is commended for its focus on de-escalation techniques and serves to reduce the need to physically restrain children. This course includes both the theoretical aspects as well as understanding aggression and aggression cycles, triggers, self-awareness and risk assessments, as well as the practical skills needed to safely restrain children.

(3) Train the Trainer. In previous years this training has been offered by an outside agency to our schools in the form of an in-service day. This year the Department offered a three-day Train the Trainer course. Eleven teachers were trained and they are now in a position to offer one-day training to our schools. Three schools have already received training.

(4) Assessment and Reporting. In a response to recent changes in the National Curriculum, the Advisory Service is working on an assessment and reporting policy for schools. The National Curriculum working groups for the core subjects at primary level are also meeting in relation to the changes in assessment and reporting.

(5) Literacy. A small number of teachers have been on courses for literacy in the UK, in areas related to changes or increased emphasis within the new National Curriculum. The focus has been on guided reading, which gives pupils the chance to apply strategies they already know to new texts, and 'Talk for Writing' which enables children to imitate the key language they need for a particular topic orally before they try reading and analysing it.

(6) Language, Learning and Play. In-service on Language, Learning and Play through core texts in the Early Years Foundation Stage and the Power of the Picture book for teaching mathematics is also being given by one of our teachers to the early years co-ordinators.

(7) First Aid Courses in schools. This is part of a rolling programme facilitated by the Advisory Service. This year the Advisory Service has started delivering twilight sessions to schools on self-evaluation. The underlying concept is that schools must think and learn for themselves as organisations. Therefore, teachers have been encouraged to tell us what they think, where their priorities lie, what things they do well and where they need help to improve. Furthermore, we have also started delivering a new revised code of conduct to teachers. This is a document designed to assist teachers to better understand what is expected from them and serves as a guide and code of ethics for teachers.

We have also taken on board the changes occurring within the primary and secondary sectors in the UK, such as the abolition of the National Curriculum levels, increased allocated time for school subjects, as well as new content. As such, we are distilling new assessment protocols to be used to track children's progress and ensure a value-added approach to teaching and learning. The new breadth and depth of the changed GCSE and A-level curricula and specifications has meant that our schools, under guidance from the Department, are working hard to recognise the curriculum and the time allocated to subjects: this is an on-going exercise.

The Department of Education will this year be introducing Spanish lessons earlier in the curriculum. This follows a number of requests from parents as well as from professionals. Spanish will now be delivered in first schools, with introductory programmes starting as from September of this year. (*Banging on desks*) A final decision as to the actual programmes of study, format and mode of delivery will be taken during the course of that academic year.

Mr Speaker, I am particularly proud of the fact that the Department of Education and a group of teachers are working in collaboration with the Heritage Trust, other stakeholders and experts to produce materials that will be used for the formal introduction of a programme on local history in our schools. Initially, the first core textbook along with its online materials and web-based content will cover the Great Siege. This again covers many requests we have had across the community for the formal introduction of local history in the curriculum in our schools.

I am happy to say that the Advisory Service has set up a flourishing homework club at the John Macintosh Hall with the invaluable help and support from a group of dedicated teachers from the Gibraltar College assisting students with GCSE and A-level study. Students are given the opportunity to attend and be able to work in a calm and controlled environment and be supported by monitoring teachers. These clubs have been taking place for the better part of this academic year and comprise of three two-hour sessions a week. The popularity was such that although the club started off with two teachers a third had to be recruited to assist in January as well as extra rooms having to be made available. This initiative, which was also a manifesto commitment, has been a resounding success. (*Banging on desk*)

The Advisory Service is actively involved in the push to raise standards in literacy and numeracy and to awaken in children a love of reading. It further wants to make mathematics relevant to their lives, to link the teaching and learning of mathematics to situations where children can see the relevance in sports, the arts,

220 music and economics. We want children to enjoy their learning and we want teachers to make their lessons addictive so that children want to learn and find out more. Throughout this year the Department will be delivering a series of master classes to teachers with a view to improving the delivery of quality lessons.

Mr Speaker, we must not forget those children who struggle, or who perhaps have not done as well as they should have done. I am happy to report that the repeat provision afforded at both Bayside and Westside  
225 Schools has given these students a second opportunity. Furthermore, both our secondary schools are now firmly committed to offering an alternative vocational provision. The ASDAN, (Award Scheme Development & Accreditation Network) which offers a more vocational, life-skills-based pathway, has worked extremely well in Bayside School and is now being taken up in Westside. These alternative programmes and qualifications are well established in the UK and offer flexible ways to accredit skills for  
230 learning, skills for employment and skills for life. Key staff at Westside and Bayside are studying other alternative programmes. The schools will shortly receive in-service training from an established qualifications provider and awarding body, with a view to introducing an alternative BTEC (Business and Technology Educational Council) pathway into our two secondary schools. BTECs offer work-related qualifications for learners who are taking their first steps into employment, progressing through their  
235 careers, or planning to enter university. They are a highly valued qualification to help to build core employability and life skills in young people who may prefer a more practical, competency-based approach to learning.

Mr Speaker, all of our children continue to enjoy a range of fascinating science and mathematics activities and experiments prepared by outreach teams from the British Science Museum and Cambridge  
240 University. These initiatives continue to be sponsored by the Kusuma Trust and serve to give children different perspectives of what science and mathematics are all about.

Furthermore, the Young Enterprise scheme continues to thrive and clearly enjoys the support of the business community and is now firmly rooted in both secondary schools. I would add, Mr Speaker, that yesterday was the final of the Young Enterprise company scheme, which I attended. The winners yesterday  
245 will take place in the UK finals, which take place next week – that is on 1st and 2nd July. The winner was a company called Biodiversity, producing a book, which I think has enormous promise and has already shown that they can sell it as far afield as Canada and Australia through the internet and Facebook. They are having enormous success and I wish them, on behalf of the Government, every success in competing in the national finals next week. (*Banging on desks*)

Mr Speaker, I turn to Justice. HM Government of Gibraltar again congratulates Michael Llamas QC on his appointment as Attorney General for Gibraltar. (*Banging on desks*) Mr Llamas is the first Gibraltarian Attorney General of modern times. Since he was appointed Chief Legal Adviser to the Government by the previous administration, Mr Llamas has been shouldering the burden of much of the advisory work done for the Government in civil matters. This appointment is appropriate recognition of his legal talent and hard  
250 work. There can be no doubt that he will be an excellent Attorney General for Gibraltar who takes over from Ricky Rhoda CBE QC.

In the same breath, Mr Speaker, HM Government of Gibraltar would like to thank Mr Rhoda, who has served for 20 years, making him the longest-serving Attorney General in Gibraltar, (*Banging on desks*) for the excellent and important work he has done over many years. His time in office has seen considerable  
260 change, especially since the 2006 Constitution. I am very glad that Mr Rhoda, although stepping down as Attorney General, has nevertheless agreed to stay on to assist with the work of the Attorney General's Chambers. Chambers therefore continues to benefit from the vast experience and expertise which Mr Rhoda has.

Mr Speaker, I turn to matters regarding legislation and I highlight some of the issues we have dealt with and are currently working on. Mr Speaker, following the UK's so-called 'opt-in', 2014 proved to be a particularly busy year with regard to implementing legislation in the area of European police and judicial co-operation, also known as Justice and Home Affairs. As a result of this, a raft of legislation was commenced on 1st December 2014, including measures in areas which until that date had not applied to Gibraltar. The transposition of this legislation provides new and further opportunities for enhancing the  
270 participation of our police and judicial authorities in tackling cross-border crime and serves to once again demonstrate Gibraltar's positive approach and commitment to the implementation of EU measures and full transparency with all of our EU partners.

The measures cover a wide ambit, from strengthening our legislation on the European Arrest Warrant and combatting child pornography to allowing for formal co-operation between law-enforcement agencies.  
275 Other measures include asset recovery, exchange of intelligence and information, the mutual recognition of criminal freezing orders, confiscation orders, financial penalties, previous convictions and bail conditions. These new important measures are already being used and tie into other administrative changes that have been negotiated with the UK. As an example, only last month Gibraltar was able to effect the surrender of a person subject to an European Arrest Warrant to Poland by transiting the prisoner via the UK.

280 In January of this year, the Government implemented new legislation in order to ensure EU-wide protection for victims of violence. These regulations, which cater for both criminal and civil orders, mean that persons who have been the victims of violence, and particularly those who have suffered domestic violence or stalking, can be assured that orders made in one member state for their protection can and will be recognisable and effective in other EU member states. This not only implements an important EU obligation but also builds upon the work reported on in my address last year to strengthen domestic legislation by creating new offences – for example, like we did with stalking.

285 Mr Speaker, the Government included in its manifesto a commitment in relation to legal aid and assistance. On 25th September 2014 the Government published the Legal Aid (Fees and Expenses) Rules 2014, which replaced the previous 2012 Rules. This was completed following extensive consultations with the Bar Council, the Registrar of the Supreme Court and the Chief Justice. The 2014 Rules (a) substantially increase the rates payable under legal aid across the board, (b) allow, where a case is of exceptional difficulty or complexity, regardless of whether it is a fraud case or any other form of criminal case, for it to be certified so as to increase the remuneration payable and (c) ensures that outside counsel are paid no more for their work under the scheme than local counsel would be paid. This new system properly balances the need to ensure that persons receive adequate representation before the criminal courts and the need to provide value for money for the taxpayer.

290 Further legislation in the area of the local legal system is being introduced in this session as the Supreme Court (Amendment) Bill 2015. The Bill will amend the Supreme Court Act so as to set new training requirements for barristers and solicitors who wish to commence practice in Gibraltar after 1st July 2015. This regime follows consultations with the Bar Council and the Chief Justice and will ensure that persons who wish to practise law in Gibraltar as barristers or solicitors are on an equal footing. Barristers and solicitors will have to complete a practical training requirement at a local firm for a period of no less than 12 months, a part-time academic course in Gibraltar law that will be taught at the University of Gibraltar by senior local practitioners, and a professional skills course.

305 Mr Speaker, on 1st November 2014 saw the commencement of the new Companies Act and the new Insolvency Act, together with related regulations. These pieces of legislation are enormously important to the sector and their commencement completes the Government's manifesto commitment in this area.

Mr Speaker, the Government is in the process of introducing proceeds of crime legislation, which among other things will allow for the forfeiture or confiscation of assets arising from criminal conduct even in the absence of a criminal conviction. This important piece of legislation also seeks to prevent the abuse of our financial system and terrorist financing.

310 A Bill to consolidate Gibraltar's money-laundering laws and provide for the confiscation of the proceeds of criminal conduct, its value and the civil recovery of the proceeds of unlawful conduct together with the necessary investigatory powers was published on 4th June of this year. It is expected that the legislation should be enacted by July of this year.

315 Mr Speaker, I turn to matters related to the Gibraltar Law Courts. In April this year and on advice of the Public Service Commission, Ms Hazel Cumbo was appointed Chief Executive of the Gibraltar Courts Service after having been substituting for the post since 2013 following the departure of her predecessor, Mr Alan Davies. *(Banging on desks)* Mr Speaker, this is a welcomed appointment and I wish Ms Cumbo every success in her role, and I know all Members of this House do as well.

320 Mr Speaker, the Gibraltar Courts Service is constantly looking at ways in which to improve their services, especially through the ongoing training and professional development of all staff members. In addition, the management team and staff work hard to establish a solid administrative structure through which the public can have access to the judicial system. In June last year the first meeting of the Court Users Committee, chaired by Mrs Justice Prescott, took place. The Committee provides a very useful interface between the various stakeholders involved in the administration of justice. Its role is to discuss matters of mutual interest in order to improve the use of the courts and the service provided to its users. The Gibraltar Courts Service fully supports this initiative.

330 During the past year the Gibraltar Law Courts have continued to maintain a high level of performance and the services they provide have been further enhanced.

The Magistrates' Court continues to hold Second Court sittings on at least two days per week, resulting in dates being offered for hearings that are six to eight weeks from the date of request.

335 Mr Speaker, in the Supreme Court the judicial complement of the Chief Justice and three Puisne Judges has proved to be a great success. As reported last year, the vast majority of applications received at the Supreme Court continue to receive notice of 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. Furthermore, the dates of those first hearings in respect of non-urgent applications are now typically within two months of the date of the application to the court.

In respect of criminal trials I am happy to report that the small backlog created during October 2013 and July 2014 was dealt with and the court dates provided for criminal trials are now within two to four months of a request for a trial date.

In October last year the electronic diary system for the Supreme Court became fully operational. In addition to the formal listing notice, the new system assists court staff in dealing with enquiries relating to pending hearings as well as providing law firms with quick notification e-mails with dates set down for court appearances.

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, are now available for download in pdf format from the website. Lists of legal practitioners, commissioners for oaths and public notaries are also available. Judgments for both the Supreme Court and Court of Appeal from 2012 to 2015 inclusive are now available for download. Divorce, dissolution and matrimonial jurisdiction judgments are not uploaded unless they raise matters of general principle and have been anonymised. Furthermore, in order to make the website more user friendly, a search facility has been incorporated enabling users to conduct searches of the contents of the website, including judgments by case name. All reported judgments for the period 1812 to 2012 inclusive are now available from the judgments website and future reported judgments will be uploaded subsequent to their publication in the Gibraltar Law Reports volumes.

During last year the courts recording facilities were improved with the total replacement and installation of new software and some additional hardware. This new system has proved to be much more reliable and has greater functionality than the previous one.

All in all, Mr Speaker, the modern, responsive and up-to-date service provided by the Gibraltar Courts Service is a far cry from the system we inherited in 2011. (*Banging on desks*) I wish to thank everyone at the Courts Service, in particular the new Chief Executive, Hazel Cumbo, and the Registrar, Liam Yeats for their efforts and leadership in making this possible.

Mr Speaker, I turn to matters related to HM Prison. I am glad to report that generally it has been an uneventful year for the Prison Service. The Prison Board has characterised life in prison as 'relaxed and positive'.

In respect of population figures, the first four months of 2015 show similar figures when compared to 2014. Daily average inmate population figures for January 2015 stood at 48 prisoners, down from 50 prisoners in January 2014. April 2015 saw an average of 64 prisoners, up from 58 in April 2014. The average population for the last financial year stood at 53 prisoners, just up from 49 in 2013-14.

Between June 2014 and May 2015 there have been a total of 16 female admissions and 12 juvenile admissions.

This year, there have been, on average, 2.5 cases of indiscipline reported per month. Most of these are in respect of minor disciplinary offences, such as disobeying instructions from prison officers or using abusive or improper language.

This year has seen further improvements to the rehabilitation and vocational programmes on offer to prisoners. A new woodwork instructor offers classes in the afternoons. There is also a new drug addiction counsellor who attends several times each week and offers the '12 Step' programme. These additions complement what is now a comprehensive array of services that aid in the rehabilitation of offenders.

In April and May 2014 His Excellency the Governor presented a number of prison officers with Overseas Territories Long Service and Good Conduct medals and clasps. These are very deserving awards and I congratulate and thank these officers for providing many years of loyal and exemplary public service.

I turn to policing matters. Mr Speaker, the Government has outlined a number of strategic priorities, which have been taken into account by the Gibraltar Police Authority in the annual policing plan, namely to agree fresh targets in the efficient use of resources and additional road-safety measures; continually review its strategies to combat drugs-related crime; review how it delivers its services to the community, with continued emphasis on public communication and neighbourhood policing; and maintain Gibraltar's reputation as a secure and safe place for its inhabitants, workforce and visitors.

Mr Speaker, last year I informed this House that the Gibraltar Police Authority had approved the re-establishment of the post of Chief Superintendent, a position which has now been filled by Richard Mifsud. This has led to further promotions, the most notable of which are Richard Ullger and Cathal Yeats, who have achieved the rank of superintendent.

Mr Speaker, we are fortunate to have an exceedingly high-calibre officers in the RGP. They do excellent work for our community, dealing with both major and minor crime and security matters. This can be evidenced not only in Gibraltar. Our current Commissioner, Mr Eddie Yome, is presently the President of the European Association of Airports and Seaports Police and Vice President of the International Association of Airports and Seaports Police. We should be very proud and thankful to have a professional like Mr Yome not only managing our policing affairs locally but also at the helm of these important and influential international associations. (**A Member:** Hear, hear.) (*Banging on desks*)

Mr Speaker, to the Government there is no doubt that the RGP are worthy of esteemed recognition. The RGP, like other emergency services, ensure that we are protected day and night. The RGP are often on the front line of matters affecting the security of our community. In very many respects they are our protectors, keeping us safe and well at all times. The Chief Minister has announced that we will start a process of recognition and of bestowing honour on our emergency services, starting with the Royal Gibraltar Police, for which the RGP is grateful and which we thank the RGP for all their efforts, and they are certainly very deserving of that honour.

In police work no two days are the same and the RGP has to be extremely versatile in order to cope with the different challenges that our officers have to deal with on a day-to-day basis. Just to highlight a few examples, Mr Speaker, on Sunday, 6th April an RGP marine crew, whilst out on patrol in the area off Europa Point, overheard a report by Spanish Maritime Rescue Service concerning a search-and-rescue operation in progress. The report concerned a white 6-metre vessel with two persons on board which was drifting five miles east of Europa Point. The RGP vessel, with the assistance of Windmill Hill signal station, located the vessel approximately six miles south-west of Europa Point and proceeded to ensure that the crew, consisting of two Spanish nationals, were safe and sound. The Spanish Maritime Service was contacted and the vessel was then towed by them to the port of Algeciras.

A generator caught fire and exploded, as we have heard during the course of today, at Waterport power station on 19th April 2015. Although there was no need to evacuate residents in the area and no-one was injured, the RGP were very active in speaking to, advising and reassuring residents, as thick black smoke was billowing from the power station.

On 15th July 2014 a local man was arrested for the offence of stalking. A search warrant was executed at his residence, where a number of electronic devices and computer equipment were seized. During the course of the search a piece of cannabis resin weighing approximately 1.9 grams was also seized, for which he was further arrested. This was the first time that someone was arrested under the new offence of stalking.

On Sunday, 23rd November 2014, following numerous calls from members of the public, RGP officers responded to a road traffic collision by the multi-storey car park on Devil's Tower Road. Two local males, aged 23 and 24, believed to have been travelling in the vehicle, were conveyed to St Bernard's Hospital suffering from serious injuries. A 27-year-old local man, the driver of a second vehicle also in the area at the time and believed to be travelling in the same direction, was arrested on suspicion of dangerous driving.

On the European Arrest Warrant, Mr Speaker, a 59-year-old Spanish national was extradited to Spain following the execution of a European Arrest Warrant. This followed a request for extradition by Spanish judicial authorities who sought to prosecute the man in relation to an allegation of rape and sexual assault on a minor. The alleged offences took place in early December 2014 in Spain. Shortly after midday on 2nd January 2015 he was handed over to officers of the Spanish Policía Nacional at the Frontier.

In the early hours of Thursday, 12th March 2015, following an extensive investigation by officers of the RGP Safeguarding Unit in conjunction with Interpol USA, a British national was arrested by RGP officers on suspicion of the offences of possession of indecent photographs of children, distribution of indecent photographs of children, taking and publishing indecent photographs of children, and voyeurism. He was subsequently charged with being in possession of indecent photographs of children and voyeurism.

I am thankful, Mr Speaker, to the RGP for the work that they do day in and day out. To them it is just another day at work. To me, I am truly glad that they have the courage, dedication and professionalism to be there in the front line, doing the things they do to keep our children, friends, family and visitors safe all year around.

To do this, Mr Speaker, the RGP is required to have strategies, resources and the necessary assets in place. Her Majesties Government has made available to the RGP new premises at Watergate House in Casemates. This will house a new RGP substation in the heart of town. The existing RGP office at City Hall will relocate to Casemates during the course of this summer.

The RGP relocated from its marine base at Coaling Island to a new purpose-built facility at Gun Wharf. The new Gibraltar Government Marine Section provides berthing facilities for all RGP vessels and a crane to service the fleet. Mr Speaker, the assets of the RGP at sea have been considerably increased during our time in office with the addition of two interceptor vessels, two large patrol boats and several jet-skis. The RGP's new 26-metre patrol vessel *Sir Adrian Johns* was named and became operational in November 2014. The vessel, which was constructed in Croatia, has substantially increased the RGP's marine capability.

The installation of CCTV has served as a successful deterrent and is a useful mechanism to prevent and detect crime. The continued future deployment of cameras will further strengthen the RGP's capabilities to combat crime and gather evidence.

Two new general-purpose police dogs have been acquired by the RGP. Funding was also made available for the continued dog handler training required in order to properly deploy the dogs.

Following the request by officers for the issue and use of police body-armour vests the RGP has invested considerably in the purchase of this specialist protective equipment, which is now being used by most frontline officers.

The RGP will this year be launching a pilot scheme in the use of body-worn video cameras with the aim of fighting crime whilst demonstrating transparency and accountability. The pilot scheme will allow for the RGP to establish the benefit of the cameras, which are already widely used by many forces in the UK. All footage recorded will be subject to legal safeguards and adhere to RGP internal policies and guidelines for the proper use of the cameras.

The Government will this financial year be making available funding for the acquisition of a LiveScan digital fingerprint scanning system. The system allows for the capturing of fingerprints electronically, therefore removing the need for cards and paper forms and making the current process faster, cleaner and more accurate.

Mr Speaker, as can be seen, this Government, when necessary and appropriate, continues to invest responsibly every financial year on all fronts, and the RGP is no exception.

Mr Speaker, the work of the Probation Service is to protect the public by the effective rehabilitation of offenders. This is achieved by tackling the causes of offending and enabling offenders to turn their lives around. To this end the Probation Service will be seeking to further develop its links with other stakeholders such as the Police, Prison and Courts Service. The intention is to create a more responsive, integrated and seamless service that will manage offenders in a more effective way to reduce serious crime. Probation officers provide a crucial service in assisting the various courts in determining the risk that offenders pose and how these can best be dealt with at the time of sentencing. In this respect, during 2014 the Probation Service, at the request of the courts, was asked to provide presentence reports in 134 of the more serious criminal cases. The vast majority of these were completed within the three weeks agreed with Courts Service.

Following sentencing, some of these offenders are placed by the courts on Unpaid Work Requirements, formerly known as Community Service Orders, and are required to undertake work under the direction of the Community Service Officer, who is an integral part of the Probation Service. During 2014 the Court made a total of 22 such orders, and so far this year we have already surpassed that figure. The tasks these offenders have undertaken enable them to make a positive contribution back to society and bolster their rehabilitation. They currently work with various community groups and public services on a wide range of projects. One such venture has been the complete refurbishment of the Garrison Library, in particular its grounds and gardens, which have seen a complete transformation.

In April of this year all of the probation officers undertook a two-week course in connection with the assessment and management of sex offenders. They are now fully qualified and accredited to UK standards to undertake these tasks. This work is undertaken jointly with the Royal Gibraltar Police.

The Probation Service also works closely with the Prison Service and provides the Parole Board with assessments for inmates eligible to be considered for parole. During 2014 the service provided 56 such reports, which resulted in 24 inmates being released on parole under licence, all of whom remained under the supervision of the Probation Service.

Mr Speaker, turning to civil contingency, in Gibraltar we need to be ready and able to deal with potential emergencies and disruptive events. These can range from an epidemic to deliberate attack or acts. Crises can happen suddenly – for example, an explosion or a plane crash – or develop gradually, such as a flu epidemic or a large fire. Over the last 12 months the Civil Contingencies department has engaged with frontline emergency and essential services in order to ensure that in a major incident they are not only able to communicate and co-ordinate effectively between them but, where necessary and appropriate, under the management of the Civil Contingency Committee – that is the C3.

Gibraltar is not immune from the rest of the world. The recent threat of the Ebola virus spreading to Gibraltar was real, and steps were taken to ensure that we were able to meet this threat by being prepared. The work of the Civil Contingency department is based on three main actions: risk assessment, preparation and planning, response and recovery. Using the Ebola threat as an example, the Pandemic Plan was put into action. The Civil Contingency department co-ordinated the departments and organisations that had direct responsibility under the Plan. This involved continued assessment of the threat, updating preparedness and the provision of equipment that would enable St Bernard's Hospital to manage any possible case of Ebola. This process was monitored throughout the threat period, during which the C3 met twice to monitor the situation and act as necessary.

In March this year, as we have already heard from the Deputy Chief Minister, we had an air crash disaster exercise, which went extremely well with all its aims and objectives being met. The new inter-agency major incident command support unit vehicle was utilised for the first time at this exercise. The exercise followed from lessons learnt during a previous exercise which was held in December 2014. I highlight this issue because I think it is important to carry out regular exercises in order to ensure that when mistakes are made they happen during an exercise and not during a real event.

Civil Contingency staff members are currently engaged in commissioning the telecommunication systems within the new co-ordinating complex at No.6 Convent Place, colloquially known as 'the bunker'.

This modern and state-of-the-art facility will allow Ministers and senior officers to effectively manage any incident using the latest technology and operating from an excellent working environment.

Mr Speaker, I am also happy to report that the Government has provided funds this financial year, under the Improvement and Development Fund, for the purchase of emergency equipment to be used within  
525 evacuation centres. This is the first phase of a three-year programme aimed at building up stocks of essential equipment and resources to be used if it were necessary to deploy a large number of people to areas of safety during a major incident.

I turn, Mr Speaker, to the Gibraltar Fire and Rescue Service. Mr Speaker, this is an important year for the Gibraltar Fire and Rescue Service, as it celebrates the 150th anniversary of the formation of a fire  
530 service in Gibraltar. It was on 20th November 1865 that an Order in Council established the Sanitary Commissioners of Gibraltar, the forerunners of the City Council, whose responsibility was to ensure that adequate resources to prevent and fight fires were provided in Gibraltar. On 16th June 1976 the Fire Service Ordinance was passed in the Gibraltar House of Assembly. The Ordinance set out the constitution, duties and powers of the Gibraltar Fire Service. On 20th November 2014 the City Fire Brigade was renamed the  
535 Gibraltar Fire and Rescue Service, a change that truly represents the modern and progressive role carried out by the Service.

The start of the celebrations commenced with the launch of the 150th anniversary stamps on 18th February this year. This was followed by group photos on 23rd March, a talk at the John Mackintosh Hall on 9th April entitled 'Bucket To Pumps (History of the Fire Service)', and 23rd July will see the  
540 launch of the book 'A Tradition of Service'. Other functions are expected to follow during the course of this year.

Mr Speaker, the Gibraltar Fire and Rescue Service does a truly fantastic job for the community. It is an organisation composed of people who dedicate their lives to protecting others and we are all very proud of the work and level of service that they provide. Their training and professionalism really does make the  
545 difference between life and death in situations where those precious few moments, the first minutes are vital for measured success.

During the financial year 2014-15 various officers attended a number of courses in the UK, mainly at the Fire Service College and other UK institutions, and in Gibraltar at various institutions and venues as required by the course in question, ranging from management to coxswain courses.

Furthermore, with regard to operational incidents as a whole, the GFRS responded to 1,403 calls, of  
550 which 116 were actual fires and 714 were other forms of emergencies. The balance was comprised of other requests, including 180 false alarms but with good intent.

In addition to call-outs that appertain solely and directly to GFRS resources, the Fire Control Operators have also mobilised the GHA ambulances on 4,655 occasions.

The GFRS is also involved in numerous statutory processes that require the issue of licences, such as building applications, certificate of fitness, petroleum licences etc. A total of 872 licences were processed in  
555 2014-15.

The Service is involved in many other processes focusing on fire safety at home, work and in the community. This is comprised of talks, courses, drills, investigations and the distribution of booklets and  
560 leaflets.

Much is owed to our brave firemen who deal with high-risk situations; and when they are not, they are constantly training for it. Thankfully, in Gibraltar we do not have many major incidences of fire. Our firemen nevertheless need to be trained to the highest standards, because in any major fire the danger to loss  
565 of life is potentially high and there is usually a real need to make quick and informed decisions.

On 3rd December 2014 and 18th March 2015 the GFRS was involved and played a major role in the two major exercises, which I have already described, at the Gibraltar Airport, and has contributed significantly to the creation of the Gibraltar Air Crash Response Plan.

Throughout the year the GFRS has attended numerous incidents of varying nature, some placing considerable demands on the Department's resources. On 28th December 2014, a fire broke out within a  
570 storage compartment adjacent to and owned by the Sunborn Hotel. Given the operational requirements of such an incident, a recall of eight firefighters was implemented in order to cover for any other eventuality. In order to guarantee the safety of persons in close proximity to the incident, an evacuation of the Sunborn Hotel and surrounding structures was carried out. Thankfully, the blaze was brought under control without incident or further disruption.

On 8th May 2015 the GFRS was requested to attend a cave rescue at Lower St. Michael's Cave. Even though the incident did not escalate in terms of resource requirements, it was nevertheless prolonged due to the difficulties encountered by our rescuers in the extrication process and the environment in which they  
575 had to work.

Mr Speaker, a project management team has been established, composed of senior and sub-officers from the GFRS and a Government representative to plan – and are working on the plan – for the construction of  
580 the new fire station. A separate training area suitable for conducting fire and rescue simulations has also



been identified. The project management team has carried out a familiarisation visit to a number of UK Fire and Rescue Service stations and training facilities as well as bringing back invaluable information in respect of different hosing and breathing-apparatus equipment. The visit has proved invaluable as it provided first-hand experience of what is required from a purpose-built training facility – its design and layout, quality of construction – together with an analysis of the advantages and disadvantages and lessons learnt on building and operating a training facility as well as a new fire station.

Mr Speaker, I turn to end my contribution on international exchange of information. Mr Speaker we have Tax Information Exchange Agreements signed with 27 partner countries, 13 of which have been actively requesting information. All agreements have entered into force with the exception of Greece, Italy and Turkey. Italy has now ratified the TIEA with Gibraltar and we are expecting reciprocal notification for entry into force at any moment. Three further TIEAs are in the final stages of being conducted, concluded and signed.

Over 100 requests have been received and fulfilled by the Exchange of Information on Request Unit (EOIR) of Gibraltar Finance to date, with a further 50 or so received and processed by the Income Tax Office, the latter relating only to requests from Spain.

The processes put in place by the Exchange of Information Unit were reviewed by the OECD Global Forum and published in the phase 2 report 'Implementation of the OECD standard in practice' in October 2014. The 120-page phase 2 report examined 10 essential elements of Gibraltar's record in exchange of information on request and individually rated Gibraltar as compliant in seven of the elements and largely compliant in the remaining three. Importantly, Gibraltar was not judged to be partially compliant or non-compliant in any of the essential elements reviewed.

No requests for information have been received under the multi-lateral convention.

Gibraltar has established a network of over 130 tax information exchange mechanisms to the OECD standard with some 77 countries, of which around 100 have entered into force. These comprise bilateral tax information exchange agreements; Directive 2011/16/EU on Administrative Co-operation in the Field of Taxation; and the OECD and Council of Europe Convention on Mutual Administrative Assistance on Tax Matters.

Council Directive 2011/16/EU on Administrative Co-operation in the Field of Taxation is due to be amended by the end of this year by a new directive to provide for mandatory automatic exchange of information in the field of taxation. This will implement the Common Reporting Standard, or so-called 'Global FATCA', enabling automatic exchange of information with EU member states and extending coverage worldwide to over 100 signatories of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information. The MCAA was signed by the Chief Minister on behalf of Gibraltar in Berlin in October 2014. (A Member: Hear, hear.)

As a consequence of the above efforts, Gibraltar continues its progress of removal from the so-called 'tax haven' lists. Poland has become the latest jurisdiction to update its schedule of countries and territories that it considers to be non-co-operative and thus discriminates against. Over the last six months or so, Canada, Estonia and Italy have also removed Gibraltar from similar lists.

Mr Speaker, before I end my address I would like to refer briefly to a matter for which I also have ministerial responsibility, and that is the small boats marina. Last year I informed the House that works on the marina had started. This year I am happy to report that works on the marina are well advanced, with an estimated project completion date towards the end of the summer. The project encompasses a 700-berth facility, a promenade for public use, as well as an outer wharf of around 600 metres for commercial use principally aimed at the super and mega-yacht market. This is a much-awaited and anticipated project which we are nearing completion on.

Finally, Mr Speaker, I would like to thank my staff and all those who work in the various departments which form part of my ministerial responsibilities. Much has been accomplished in these past four years and I am grateful to all of them for their support, hard work and dedication, but in particular for rising up to the many challenges that we have all faced together.

Thank you, Mr Speaker. (*Banging on desks*)

**Mr Speaker:** The Hon. Albert Isola.

**Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, I have the honour to present my second Budget address in relation to the areas that form part of my ministerial responsibilities in what is our Government's fourth Budget since the General Election of December 2011.

Mr Speaker, before starting, I think I would like to just make an observation or two in respect of what we have heard this far from the Members opposite, and in particular, Mr Speaker, in relation to the Leader of the Opposition's contribution, where he put, it appears, political trust as a central plank of his Budget contributions; a surprise to me and, I am sure, to many other people, Mr Speaker, when you consider that in an election year you would have thought there would be maybe a proposal, an alternative programme, an

idea, a suggestion or something – but not in this case, Mr Speaker. Not even, I regret, to congratulate us on having got unemployment down to 190 people or having achieved corporate tax rates increasing in financial services and gaming since 2011 to 2015 by over 300%, or even on the new houses that have been announced or the park, or any of the different issues that have been done. But no, Mr Speaker, it seems and it is indeed ironic that the man who puts political trust as his bandwagon seems to be the only politician that I can recall having carried out as many political summersaults as he has, and it would be more akin to a political circus than a parliament. Nevertheless, Mr Speaker –

**A Member:** And he is not here to hear it!

**Hon. A J Isola:** And he's not here to... I am sure he is listening carefully outside, behind the Chamber. **(A Member: Shame!)**

Mr Speaker, I think it is also appropriate to thank Mrs Isobel Ellul-Hammond and indeed Jaime Netto for their many years of service, and particularly Mr Netto for his many years of service, to this Parliament in their final Budget session. *(Banging on desks)*

And I think, although Mrs Ellul-Hammond will continue to serve the community in a new capacity with the GHA, I have no doubt that Members opposite from this side will be relieved to hear that Mr Netto won't! *(Laughter and banging on desks)* His contribution, Mr Speaker, in rewriting history *à la Jaime* is really quite incredible! *(Laughter)* I did not understand much of what he said – but that is normal – but the one bit that I did recall was his description of the Botanical Gardens as having been left into ruin and a ramshackle and a shadow of its former self.

**A Member:** Like the Opposition benches!

**Hon. A J Isola:** Well, Mr Speaker, I happen to have hosted an event last night at the Alameda Gardens, adjacent to the Lion's Pond, and I have to say, together with the former Undersecretary of State for the United States, who was with us, we were all blown away by the magnificence and beauty of the Botanical Gardens. **(Several Members: Hear, hear.)** *(Banging on desks)* And so, other than deride my good friend the Minister with responsibility, Mr Cortes, I congratulate you, sir, for what is an absolutely spectacular Botanical Gardens, despite what our friend Mr Netto may have to say. **(A Member: Hear, hear.)** *(Banging on desks)* Indeed, Mr Speaker, having heard him, I wonder where he has been these past three and a half years, because it seems he may well have been in hibernation. *(Laughter)* None of the areas that he touched upon had any regard or the slightest regard for the different areas that Members opposite on this side of the House have been dealing with, Mr Speaker. It is absolutely staggering!

But finally, Mr Speaker, before I move on I must also thank Sir Peter – who unfortunately is also not here, but I am sure listening carefully from his radio in his office – for his many years of service to the community, sir. I find that whether you like, dislike, enjoy or do not enjoy his contributions, the one thing that you must have for him so, is respect. **(Two Members: Hear, hear.)** *(Banging on desks)* And Mr Speaker, I consider Sir Peter to be a personal and professional friend and I am grateful, as I am sure every Gibraltarian is, for the many years of service he has devoted to our community. And, I look forward to continuing to work with him in different capacities in the coming months and years, Mr Speaker. *(Banging on desks)*

Mr Speaker, all Governments face challenges, *(Interjection)* and there is no doubt in my mind that the announcement by Barclays in October 2013 of their exit from retail banking in Gibraltar was one of the larger challenges that we have faced. The inability, through a lack of supply of people and businesses, to bank is a huge threat to any community and especially so to one like ours, which is essentially a service community.

When the Cabinet agreed to launch GIB in December of 2013 we began to work through all of the objectives of what we wanted to see. We started with a blank piece of paper but with a very clear focus of where we wanted to end up: a modern innovative digital bank, independently managed on commercial terms, providing first-class retail banking services to our community. What we have today, Mr Speaker, is exactly that, although I concede our card and cheque book suppliers have let us down and we will overcome these difficulties in the coming days and week. It is, Mr Speaker, unusual for a new bank to open, let alone in the timescales that we have, and in those instances, Mr Speaker, a new bank would have some three months of testing before opening their doors; our bank, Mr Speaker, had barely three weeks because of the pressure of the impending closure of Barclays.

We have, Mr Speaker, every confidence in Lawrence Podesta and Derek Sene and their staff at the bank, as well, of course, as the magnificent board of directors, and are extremely grateful to them for all of their complete professionalism in having achieved already what many thought was an impossible task. We are immensely proud of the launch of the bank and of course recognise and are thankful for the support and contribution of all those across the community who have worked with us in delivering this project.

Mr Speaker, in the area of financial services we have continued and accelerated the push for new business, worked on the legal and regulatory framework to enhance and improve the business environment for all and introduced significant legislation to Parliament to further support this sector. I am delighted to say that all this has been done and made possible with the full co-operation and support of the Finance Centre Council, with whom we work on all of these issues. I am most grateful to the Council and the individual associations with whom we frequently meet and work through the many challenges we face. There is much more to be done, of course, and I look forward to continue working with them. As one of the members of the Council reminded me, the relationship they enjoy today with Government is a far cry from the begging and waiting for a meeting with the members opposite.

Mr Speaker, we will during this year, in partnership with the sector and the regulator, continue to deliver ground-breaking reform in legislation and regulation. We believe this investment will stand us in good stead in the years ahead, as a pragmatic, efficient and responsive approach to regulation will become ever important in the new world in which we all compete.

Our commitment to meeting international standards remains as strong as ever and has proven to be absolutely the right decision to take when elected back in December 2011. Our industry has always sought a level playing field and as we systematically challenge each and every country which blacklists Gibraltar, with the support of the United Kingdom government, we continue to drop from these lists as it is inexcusable for us to remain on them. Mr Speaker, we have not only entered into these commitments to exchange information but we have complied with them. As my learned friend, Mr Licudi has just mentioned, the OECD phase 2 report on Gibraltar published last October confirms exactly that. We are largely compliant in the effectiveness of our exchange systems, as are the UK and Germany – Mr Speaker, a staggering endorsement of the progress that we have made in this area.

In business development, Mr Speaker, I think it is fair to say that never has Gibraltar and its financial services sector featured in so many articles, interviews, features and positive news stories as we have done these past years, especially in the individual trade press and media. Never has Gibraltar been represented at so many events and exhibitions in this field as we have these past years. Never have we hosted flagship events in Bermuda, Hong Kong, London, Geneva, Zurich and Singapore, raising the profile of our jurisdiction still further, and in all of these with the full support of the industry in a planned and structured programme.

We have totally delivered on our promise to dedicate energy, staff, time and resources in the promotion of this sector, which they had all been crying out for prior to December 2011.

In the area of funds, under the direction of Phillip Canessa we have exhibited, sponsored and attended conferences in all the main jurisdictions that we are focusing on, including London, Switzerland, Hong Kong and Monaco, and will next week be visiting Singapore and Hong Kong once more to maintain the momentum on our drive to attract business from the Asian market with the sterling support and tireless work of our man in Hong Kong, Mr Jason Cruz. **(Several Members: Hear, hear.) (Banging on desks)** All of these conferences and events, as well as the direct marketing by Gibraltar Finance in visiting professional firms in all of these jurisdictions, is carried out with the direct support and involvement of the Gibraltar Funds & Investment Association, for which we are of course extremely grateful. GFIA works closely with us both at a technical level on legislative and regulatory matters and also in our business development activities, and for this we are grateful and look forward to continuing this work together.

This year we have, for the first time ever, added a dedicated funds lunch event in London on the day after Gibraltar Day, at which we had close to 200 guests, the majority of whom had been invited directly by Gibraltar Finance to meet the local professionals attending the event. We have had excellent feedback from this event and hope to repeat this again next year. Further, Mr Speaker, we have, also for the first time ever, organised with Informa PLC a dedicated funds conference here in Gibraltar with both local and international speakers and close to 100 delegates, many of them from outside Gibraltar. We have discussed this for many years, the pros and cons of organising such an event, and I am pleased to say we have concluded that the event worked extremely well and are looking to repeat this again next year. On both these initiatives I am pleased to say that we worked closely with GFIA and will of course continue to do so.

In the field of private client work, Senior Executive Paul Astengo has driven through a series of legislative changes originating from a request by STEP to Government over six years ago and which have now come to fruition and are in fact before this House for consideration. The work to bring this legislation to this House has been significant and would not have been possible without the commitment of Paul and the private sector firms who have assisted us in the preparation, thinking and drafting of these measures. To each and all of them we are most grateful and I hope, as they do, that these new measures will allow our sector to continue to grow by increasing and expanding the suite of services available to our professionals. Gibraltar Finance has attended in this area some 24 events this past year, exhibiting and speaking at many of these. In addition, Paul has attended over 70 direct meetings with professional firms in the United Kingdom and Switzerland, often with private sector firms and presenting the Gibraltar proposition. We

believe that the UK and Switzerland are the main markets for this area of business and the combination of supporting events and direct meetings are the most effective way of driving new business to Gibraltar.

We are also considering our efforts in the area of Family Offices in close co-operation with the private sector, and also in the process of agreeing a closer working relationship with the Gibraltar Philanthropy Forum, who have done some superb work in the past and with whom we are keen to expand this further. Paul has also driven, with private sector professionals, the review of cryptocurrency, leading to a full consultation process and now a final definitive decision pending Cabinet approval.

We need to be engaging and innovative as we look for new opportunities, balanced always by our ability to regulate effectively and to preserve and protect our reputation as a leading international financial services centre.

Mr Speaker, the Category 2 Committee has now completed its work in reviewing our existing legislation and proposing widespread and innovative changes, which are presently under consideration. This product has served us well and its review was long overdue. There is no doubt that the proposals present us with an opportunity, albeit with its challenges, and we look forward to working through the detail with the Committee. I am most grateful to the members of this private sector who drove these proposals forward, especially Nicholas Cruz and Peter Montegriffo, with the enthusiasm and energy which so typifies our private sector whenever they are asked to engage with us.

Mr Speaker, we also continue to grow our social media presence as a method of increasing awareness to a wide yet appropriate audience. Our database stands in excess of 4,000 individuals, which we interact with almost on a daily basis. Our electronic bookshelf, hosted on ISSUU.com, now has some 90 publications covering the full range of topics that are of interest to our readers. These include self-generated fact sheets, articles, manuals and guides created by private sector firms. To date, these publications have been read in excess of 6,000 times.

Mr Speaker, in the area of insurance and pensions, Mike Ashton, our senior executive, has continued his drive to push Gibraltar into new areas of business and, of course, new markets.

Last year we received a letter from HM Treasury confirming that Gibraltar could access the UK part 7 insurance transfer business. Whilst it was not the statutory instrument we preferred, it was a significant step forward after almost seven years of non-productive negotiations with the United Kingdom authorities on this matter. Since last July we have been working hard to clarify certain aspects requested by the run-off industry and currently expect that the first application for a part 7 transfer from the UK to Gibraltar will be initiated during 2015. Once this process is clarified we expect and understand there will be significant growth in this sector and are in direct communication with a number of intended new entrants.

Mr Speaker, a further new area of business we have worked on this year has been the insurance linked security business (ILS). We have worked closely with the Horseshoe Group, headquartered in Bermuda, who set up an ILS working group with Government and international senior practitioners from across the ILS base. Following the FSC's publication of the ILS guidelines in September 2014, Gibraltar's first ILS transaction of €100 million by Lottoland, a Gibraltar-licensed lottery operator, was finalised in April 2015. This was little over 12 months since we formally announced our intentions to work towards being an alternative ILS jurisdiction at the largest annual ILS conference in New York. We are grateful to INEA for their confidence in our jurisdiction and we continue to work actively to promote Gibraltar as a European domicile for this business. I am, Mr Speaker, delighted by the progress we have made in this area. (A

**Member:** Hear, hear.)

We have continued, sir, the process of marketing and raising the profile of Gibraltar as an insurance jurisdiction with participation at key insurance industry events and conferences and extensive networking on a global basis. We continue to seek opportunities to add greater diversity to the current insurance sector, where the predominant class of business is UK motor insurance. We have had a number of high-level discussions with insurance groups that are interested in gaining a better understanding of the benefits and opportunities that Gibraltar offers to new applicants. Given the level of seniority with which we are engaging, it leads me to conclude that Gibraltar's insurance industry will continue to grow and to diversify.

Mr Speaker, following on from the work we completed in 2013, Gibraltar Finance has, since the autumn of 2014, been working closely with the FSC and their FSC pension consultant and industry representatives on new personal pension regulations to widen and strengthen the existing regulatory environment. A consultative document was published earlier this month and we expect the regulations to become law before the end of 2015.

We have also looked at a set of broad parameters to enhance the existing occupational pension regulations, and again, working closely with the FSC and local industry representatives, we plan to start on this once the personal pensions regulations have been completed.

Mr Speaker, Gibraltar has become a favoured jurisdiction for QROPS, but we want to expand the breadth of pension products to include contract-based pensions and pension schemes established with a PCC cell, subject of course to robust regulation, in order that Gibraltar can develop into a truly international pensions centre.

Mr Speaker, we are totally committed to ensuring that our regulatory regime is robust but efficient. We believe that speed to market and a practical and pragmatic approach to regulation is what the industry requires and are constantly investing in this process. There is no question that this is work in progress and we have some way to go before achieving, but I am confident we are going in the right direction and will get to where we want to be. I will continue to work closely with Samantha Barrass, the CEO of the FSC, and the Finance Centre Council to ensure we make this happen.

We are also working hard and investing in the new legal framework for financial services through the legal reform programme. This is a mammoth task, but I have no doubt that we will end up with legislation which will be very much more efficient for licensees, professionals and the regulator to navigate. I cannot stress the importance of this initiative for the sector and look forward to delivering this radical overhaul of complex and often clumsy legislation.

But, Mr Speaker, how has this sector performed in real terms since 2011? This House will recall the election noises from Members opposite that we could not be trusted to tackle the difficult challenge facing this sector and that it was, in effect, too big a risk. Well, Mr Speaker, the numbers demonstrate that this could not have been further from the truth. Against a background of continued challenges and a world economy struggling to get itself on its feet again Gibraltar has not just held its own, which would have been an achievement in itself; we have grown significantly by whichever measure you choose to consider. The Chief Minister has already referred this House to the data, but I do not apologise for repeating some of these. Jobs in our sector in 2011 stood at 4,083, 31st October, and at 31st October 2014 had increased to 4,643 – almost 600 new jobs in this sector, and I understand the numbers in 2015 continue to grow at a similar rate this far. I am sure this success will delight the Members opposite. The consequence of that is that PAYE receipts for the financial year 2014-15 have increased by some 14.5% since 2010-11. But, Mr Speaker, when one looks at the corporate tax over the same period receipts have increased by a staggering 325%. Good news for the sector, good news for the Government, and of course good news for the jurisdiction.

Mr Speaker, before turning away to gaming, I must pause and thank the team at Gibraltar Finance, so effectively and ably led by their Chief Executive Mr Jimmy Tipping, for their work this past year. They cover a huge spectrum of services from marketing to organising events, to exchange of information, to product development, to legislation, to Cat2 and HEPSS applications, and of course to the technical areas of the OECD, FATCA and our vitally important work in working with HMT and other countries on blacklists, all of which are equally important and critical.

I must also thank the Finance Centre Council and all the participating associations for their honest and genuine support in what we are seeking to do together, and of course Samantha Barrass and the entire team at the FSC, whom I look forward to continuing to work with closely.

Mr Speaker, in gaming, Gibraltar's undoubted success in the area of remote gambling is, we believe, something to be most proud of. We have been continuing to grow, and licensing at a rate of six applications or so a year since 2012. There are still some companies that we would love to welcome to Gibraltar and we are working hard to make this possible. All this against a background of serious challenges, including new licensing regimes across Europe and of course the UK point of consumption tax. We have done incredibly well, but need to continue to work closely with our operators to maintain ourselves at the cutting edge and forefront of this industry.

As at 31st March 2015 there were 33 licence holders, an increase of three on last year. However, since that date we have issued a further three remote operator licences and the *Sunborn* licence, so there are now 36 remote licence holders and two non-remote casino licences.

Members will be aware that during the course of this year the Government commissioned a review of the 2005 Gambling Act by four of our most experienced and prominent lawyers in this field along with our Gambling Commissioner. I am grateful to each of them – Sir Peter Caruana, Peter Montegriffo, Peter Isola and Peter Howitt – for sharing the benefit of their huge experience and expertise in this area with us to ensure that we end up with the best possible regime for our operators and jurisdiction alike. The work of the 'four Peters', as they are known, will lead to a series of proposals for significant changes in the way both remote and non-remote gambling facilities in Gibraltar are licensed and regulated in the future. Once these have been considered, extensive consultation with operators will ensue and their input will be invaluable to our evaluation. The review will capture and consider all aspects of gambling in Gibraltar and not be limited to remote operators or land-based casinos.

Mr Speaker, I must emphasise at this point that, although there are no significant deficiencies in the existing licensing and regulatory arrangements, we must ensure that our legislation offers to be at least as effective in the next 10 years as it has been in the last and that Gibraltar's reputation as a safe, responsible and transparent jurisdiction providing gambling services of the highest standards locally and internationally is maintained. Additionally we must ensure that gambling duties – remote, casino, machines, bingo, betting and pools – paid by all our operators remain fair and proportionate given the ever-changing and demanding tax and licensing environment that gambling operators are exposed to.

Mr Speaker, Members will also be aware that the GBGA's judicial review challenge of the UK's point of consumption tax has yet to be concluded. The ruling may come soon. Notwithstanding the decision of the trial judge, the Government is considering changes to the remote gambling duty as the model itself needs to better reflect the emergence of the B2B games industry developing in Gibraltar as well as the high costs of multiple and duplicative licensing, regulatory and duty models emerging across Europe and further afield for both B2B and the B2C industry.

During 2014-15 the gambling industry generally, and the remote industry in particular, continue to significantly increase its contributions to Gibraltar's economy. Remote gambling duties increased to £14 million from £11.6 million, largely due to an increase in the number of licences held by our licensees and an increase in turnover, as well as the previously mentioned increase in the number of licence holders. Corporate tax received from gambling operators for the same period, this last year, currently stands at £31.3 million, representing an increase of £3.3 million from the figure last year.

Mr Speaker, the impact of the challenges I referred to earlier has led to an increased cost base of the remote gaming industry in Gibraltar and internationally and the trend towards consolidation amongst operators has resulted in some modest reductions in the total number of staff employed in the gambling sector and corresponding PAYE contributions.

Mr Speaker, it remains the case that some of our operators continue to grow their base here while others are contracting; indeed, some are subject to merger and acquisition activity in part driven by the intention of reducing operating costs in Gibraltar and elsewhere. The Members will no doubt be aware, Mr Speaker, of the news this morning of Gala, Coral and Ladbrokes being in talks to potentially merge their businesses together. This is why we must ensure that the cost of doing business in Gibraltar remains as competitive as ever and we remain the first-choice jurisdiction and host to the remote gambling industry.

This Government remains committed to providing constructive support to the remote gaming industry and again this year I was pleased to be able to visit the globally recognised International Casino and Exhibition Conference in London and meet with a number of our licensees, as well as view the never-ending range of technical and operating developments in the remote and non-remote sectors.

We were also delighted for the first time ever to support the KPMG eGaming summit here in Gibraltar, which continues to grow from strength to strength. We are also excited by the prospect of the potential interaction between the industry here and the University of Gibraltar in a number of areas, including responsible gambling, all contributing to the centre of excellence we are working with the industry to promote in Gibraltar. **(Several Members: Hear, hear.) (Banging on desks)**

I must also thank the Chairman and members of the GBGA for their work and support this past year. Their constructive and professional interaction with Government is most welcome and beneficial to Government, the sector and our community.

As with financial services, it is useful to compare the performance of the gaming sector from 2011 to 2015 to see how we have fared in our management of this sector. The PAYE receipts have increased in that period by 37.9%, corporate tax receipts have increased by a staggering 318% over the similar period, and gaming duty has increased by 28% – all numbers which demonstrate the increasing strength and importance of this sector to our community.

I mentioned last year the excellent work undertaken by the staff in the Gambling Division, both in licensing and in regulation. It is my expectation that the revisions of the Gambling Act, gambling duties and the changing nature of the industry in Gibraltar and regulation elsewhere will lead to further responsibilities for the Gambling Division during the next year so that it too keeps pace with this increasingly complex and valuable industry.

I also announced recently my delight at the agreement reached with Mr Phill Brear, our regulator, to extend his time in Gibraltar and to assist us in ensuring that we have the time and resource to engage in our search for his successor in the years to come, to ensure we enjoy a seamless transition with his support throughout this process. We are grateful to him and his team for their superb work and commitment to the jurisdiction.

I must also thank Lorraine Britto and her team at the Gambling Division for their efficient and ever-reliable work during this year.

Mr Speaker, the Liaison Department was set up last year to facilitate interaction between the gaming and finance sectors and Government Departments. The concept has worked extremely well and been welcomed by both sectors. The ability to intervene and avoid issues has made the entire process efficient and helpful for the sectors, which was the intention behind setting it up. The work of the Department has extended from fast-tracking work permit and other applications to the Ministry of Employment to assisting employees facing redundancy from their employers in these sectors, to facilitate banking arrangements for the gaming community prior to the opening of Gibraltar International Bank. Support has been provided to companies across all Government Departments and filtering of employment opportunities has led to a close working relationship with the GBGA and the HR Forum to identify skills and services required by these

sectors. My thanks to Lizanne and Tania, who manage this small but effective unit in making the private sector interaction with Government smoother and more efficient across all areas.

Mr Speaker, I now turn to Maritime Services, an area that I assumed responsibility for following the reshuffle of portfolios last December. I would like to report on the Gibraltar Maritime Administration (GMA), which includes progress with respect to its commercial and regulatory sections. I must first express my gratitude and congratulate my colleague and friend, Minister Neil Costa, for his hard work and achievements in the maritime sector in the years that he was driving it. In respect of the GMA, in many ways he has laid the foundations for one of the most successful maritime registries in Europe, and I am grateful for his work. (**Several Members:** Hear, hear.) (*Banging on desks*)

Overall, the Gibraltar fleet, both yachts and ships, has increased by around 3% between 2013 and 2014. This is despite increased competition from other registries and a challenging economic climate. The reputation of the Gibraltar flag as a high-quality register continues with the accreditation on the US Coastguard QUALSHIP 21 programme in 2014, as well as an increase in rankings on the Paris MoU league table up to number 21 worldwide. Just by way of comparison, the USA is ranked 26, Panama 36 and Spain 41.

The GMA's Seafarers' Section reported another record year for crew certification, with nearly 5,000 provisional and full-term certificates issued in that year. The GMA is the central authority for maritime training in Gibraltar and has enhanced its programme with state authorities. In the last 12 months GMA surveyors have been training Royal Gibraltar Police officers, fire fighters and Gibraltar Port Authority staff in a variety of technical courses and scenarios. The Department also manages the maritime cadet programme, which is co-sponsored with local bunkering companies. Currently, four cadets are undertaking training to be qualified as British ship officers.

Last year the GMA participated in a number of important marketing events, most notably the Cannes Yacht show last September and the ministerial delegation to Hong Kong, led by my colleague, Mr Costa, in November 2014. Both events have led to significant enquiries on the yacht and ship products respectively, including new contacts with vessel owners and two new ships for the Gibraltar Ship Registry directly as a result of that visit.

In September this year the Gibraltar Ship Registry will be co-sponsoring a series of major events at the London International Shipping Week, along with the other British Red Ensign Registries. These events include the official opening ceremony, which will have a Gibraltar presence, and the Gala Dinner.

Mr Speaker, as a final note, I am delighted to inform this House that the GMA, for the first time ever, will be hosting and sponsoring Gibraltar Maritime Week here in Gibraltar on the *Sunborn* in July. This three-day event will cover the main maritime areas of shipping, super-yachts and seafarers, and a number of international experts have been invited to give presentations and engage in workshops on the most important contemporary issues that affect that sector.

May I thank Richard Montado and Diane Soussi for their tireless and professional work this year and for driving this important Authority forward in the manner in which they have.

Mr Speaker, I now turn to the commercial aspects of the Gibraltar Port Authority, a responsibility which I share in part with my colleague and friend, Mr Paul Balban. I am pleased to report that the initiatives introduced by the Gibraltar Port Authority to improve efficiency over the past 12 months, underpinned by the Government's targeted marketing strategy, appears to be having effect. It is essential that we get better at what we do and properly communicate with the market how we are progressing.

Levels of shipping activity for the Port across most sectors for the first four months of 2015 would indicate that the slowdown experienced in recent years might be coming to a rapid and sharp end. In our efforts to provide the full range of marine services, the GPA oversaw its first two successful LNG ship-to-ship transfers in our waters, (**Several Members:** Hear, hear.) (*Banging on desks and interjections*) highlighting the highest safety standards applied by our people and reinforcing their enviable reputation across the maritime community.

The marketing strategy put in place by the GPA last year is working extremely well, further enhancing the Port's profile. Of note, in what was a first for Gibraltar, the Port Authority, in collaboration with the International Bunker Industry Association, hosted a two-day international bunker conference. This proved to be a tremendous success and we are already facing demand to ensure that this is not a one-off event.

Of interest, Mr Speaker, in 2014 more than 300 super yachts called at Gibraltar, and we will work further to increase this number in the coming 12 months. The Government is currently considering a number of proposals to increase berthing capacity and services available to the discerning super yacht owner, with announced plans for a new super yacht marina on the Eastside, at Ocean Village and along the new wharf being created by the fantastic new small boat marina. (**Several Members:** Hear, hear.) (*Banging on desks*)

Finally, the GPA continues to actively engage with the local maritime community to consider ways of further improving our dynamic business, staying abreast of regional and global developments and solidifying our position as a leading port.

Mr Speaker, Gibraltar is fortunate to have a Captain of the Port with the commitment, knowledge and experience that our Captain has, and to boot he is a Gibraltarian. I am grateful to Commodore Sanguinetti and his team for their professional work this year as our Port department grows from strength to strength.

1010 Mr Speaker, I cannot close without thanking my team at the Ministry, led by Julian Baldachino, who ensure that the Ministry functions without fuss and with the efficiency I have come to expect. I must also thank my secretary, Lourdes Piri, for her effortless support and professional work throughout the year.

1015 Mr Speaker, I believe it is appropriate that I close by thanking the private sector for engaging with us, both directly and through their associations, in enabling us together to continue to develop each of these areas. In financial services, in gaming and in the Port, I enjoy a first-class working relationship with the professionals and their associations. We enjoy a real partnership and it is our view that the only manner in which we can further develop and succeed is by listening to each other and by working together for the benefit of Gibraltar PLC and all those businesses involved, and we are totally committed to continuing to work in this manner in the years ahead.

1020 Thank you, Mr Speaker. (A Member: Hear, hear.) (*Banging on desks*)

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I propose that the House now recess for five minutes before we continue with the next speech – or in fact this time maybe for 10 or 15 minutes, given it is tea time.

1025

**Mr Speaker:** The House will recess until six o'clock.

*The House recessed at 5.45 p.m. and resumed its sitting at 6.00 p.m.*

### Appropriation Bill 2015 – Second Reading – Debate continued

**Mr Speaker:** The Hon. Selwyn Figueras.

1030 **Hon. S M Figueras:** Mr Speaker, I have the honour and privilege to rise to address this House on the Appropriation Bill for the fourth and final time before the end of this Parliament and a General Election before the end of the year.

1035 It is the practice in this House for the Members to make their contributions in relation to the Bill and to the Budget Book, the outturns and estimates and to then make general statements of party political positions, setting out by way of consolidation the issues that have been the feature of the last 12 months in politics.

This debate is, Mr Speaker, the opportunity we get every year to sit down, collate, organise and present political arguments on our respective portfolios without fear of interruption, as a general rule at least, (*Interjection and laughter*) or without indeed hindrance by the rules of question-and-answer sessions.

1040

**A Member:** Point of order.

1045 **Hon. S M Figueras:** Given that we are in an election year and, more particularly, given that time is ticking down to the end of my time and that of all those present in this Parliament, I also propose to revisit, as has the Hon. the Chief Minister, a variety of themes that have coloured the debates across this floor since December 2011.

1050 In dealing with my areas of responsibility I will touch lightly upon the figures set out in the Budget Book which, as ever, makes fascinating reading. In relation to planning, justice, traffic and transport there really is not very much to write home about beyond a handful of specific points which I will make once more this year in relation to the Justice portfolio, which I turn to deal with now.

Mr Speaker, I am grateful to the Minister for his contribution to the debate. This is an area of Government business where largely there is agreement across the floor of the House.

1055 In the companies and insolvency context I can report that in my dealings with London professionals wearing my business development hat the concept of a new companies and insolvency regime has been welcome and, certainly from the professional point of view, a positive development in the message about Gibraltar plc's appeal as a centre for structured and asset finance transactions. The coming into force of the new body of legislation, a not insignificant series of changes, has represented a real shot in the arm for the purposes of selling the jurisdiction in the context I have just alluded to, being an insolvency regime which, although new to us, is certainly not new to UK practitioners, practitioners who can turn to a body of



jurisprudence established in England and Wales familiar to those who practise this area of law. Having lost some ground over the years to other centres, I am confident, and expect that others in this room and beyond are, that we might now be able to work to recover some of that lost ground.

In relation to his comments on the Prison, Mr Speaker, I am happy to hear that the atmosphere at the Prison remains relaxed. Indeed, I venture to suggest that it might be even more relaxed given that they now get their weekend premiums following the Hon. Chief Minister's address yesterday.

It is also welcome news to hear of all the EU initiatives that Gibraltar is signed up to in the context of co-operation, because anything that brings us closer to the European family of law enforcement is good news indeed.

Finally, Mr Speaker, on the address of the Hon. Minister, I look forward to debating the proceeds of crime legislation as published and as he indicated would be taken during July.

In the Justice portfolio one issue stands out above the rest as a source of dispute between us, and that is the Government's handling of legal aid and assistance. It is an issue which, frankly, was worthy of probably a much more mischievous use than that to which we have put it. I have raised it on a number of occasions when the opportunity has arisen, and yes, it is one of those stalwart issues that is covered here every year – and with good cause, Mr Speaker. The background to it goes thus, and I am quoting a short excerpt from my own speech last year, saying that:

‘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 ready, 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.”’

Despite the not insignificant amount of very good work that the Hon. Minister and his team have done in Justice, which I am very happy to point out to congratulate him once more, they have not delivered on the manifesto commitment on legal aid and assistance. Instead, Mr Speaker, what has happened is that in 2012, new rules on legal aid were published, effectively extending the gift of unlimited legal aid to four defendants in the Marrache case. The rules excluded defendants in any other complex cases other than fraud, a fact which the Minister himself conceded in accepting that there could indeed be complex cases not involving fraud. It is a matter of public interest and intrigue why this was done the way it was. Of course, in the most recent exchanges on this issue, in September last year, the Government sought to dismiss the suggestion that there was anything worthy of legitimate criticism in the change by alluding to legal advice that the Government had received from the chambers of my learned and hon. Friend, Mr Bossino, in the hope, one expects, that it might silence the opposition. What would certainly be quite improper would be for us to accept that statement and the Government's interpretation of the advice at face value when, as the Minister himself has conceded, there were other cases where the rules should, by implication, have been extended to apply. The lack of an indication as to what distinguished at the time one set of cases from another meant that no compelling enough reason for the differing approaches could be deduced from the Government's position.

The consequence of the change in the rules in 2012 was the meteoric rise in the legal aid and assistance charge on the consolidated fund. In the financial year 2010-11 the amount of charge on the Consolidated Fund was £623,202. In the next financial year, 2011-12, which straddled administrations, that sum went to £1,049,863, an increase – given that everybody has developed a penchant for speaking in percentage terms – of 168% year on year. In the next financial year, 2012-13, which was the responsibility exclusively of the new GSLP Liberal Government, that sum shot up to £2,210,557, an increase of 211%. The next year, 2013-14, the sum peaked at £2,653,000, an increase year on year of 120%, but that increase year on year is not actually the most spectacular one. If you compare the figure for the financial year 2010-11 to the peak in 2013-14 of £2,653,000, it is a frankly astonishing percentage increase of 426%, Mr Speaker. Then, in 2014-15 that sum went down to £1,850,000, and the estimate for next year is £1.2 million. I suspect that it is not a matter of coincidence, that it is because the case is at the stage that it is at and that there have been the changes that there have been, that the figure will continue to drop.

The position today, as brought about by the changes in the rules published in 2014 that the Minister himself talked about, is that if another Marrache case came along the kind of expense of in the region of £10 million to which this community was put would not happen again. What the new rules in 2014 did, as a transitional provision, was to ensure that cases covered by the old 2012 rules would, until the conclusion of said matters, continue to be covered by those rules. As you might have guessed, Mr Speaker, the Marrache case was the only case covered by this provision.

The defence by this Government on this issue has, unlike their defence in other areas of policy, been weak by comparison. On early challenge by my hon. and learned Friend, the Leader of the Opposition, and in answers to questions a couple of years ago, the Hon. Minister said that they were not going to reform legal aid in a piecemeal fashion – but, with respect to the Hon. Minister, that is exactly what they did.

1115 They have brought before this House a large catalogue of legislation, one that they can – sincerely – be proud of, including very substantial items such as the Companies and Insolvency Acts of last year, but they have not yet got round to making changes to the levels of qualification for legal aid and assistance, which they suggested in their manifesto was so badly needed:

‘The Hon. Minister inherited draft legislation that had been prepared in consultation with the industry, and could have made to that draft bill such changes as circumstances or policy dictate today. What he cannot do, with respect, Mr Speaker, is to take the better part of four years in Government reviewing and considering draft legislation, one which the Hon. Mr Licudi told us he had in February 2012.’

1120 As I said last year, Mr Speaker, the issue came to the fore not just because it was an important issue in its own right, not because they had set it out as such in their manifesto, but because of the piecemeal way in which, by defining a class of defendants into which at the time practically only the Marraches would fit, the Government effectively wrote a blank cheque to one group of defendants.

1125 As I said, Mr Speaker, we could have made much more of this issue by incessantly and repeatedly reminding the electorate of the staggering expense in this case. I chose not to, but that does not alter the fact that the Government footed a bill to the tune of 0.6% of GDP, and that is based on the latest figure of £1.64 billion.

1130 However significant the growth, whatever the economic health of this community is down to, we cannot allow ourselves to be blinded by the many numbers and the many zeros we have been looking at for the last few weeks. Ten million pounds is not a sum of money to turn one’s nose up at, and the fact that such an amount of money was spent on one case, regardless of the result, cannot simply be dismissed as an anomaly without explanation, or indeed accepted at face value just like that.

1135 The story is somewhat different with the outcome and expense of the Giraldi Inquiry, Mr Speaker. The Leader of the Opposition touched upon the issue in his own intervention and we will all recall, some more or less fondly than others, the lengthy debate on the motion filed by the Hon. the Leader of the Opposition which, by virtue of political devices available to 10-man governments standing opposite seven-man oppositions in 17-member parliaments like ours, became to my mind one of the most unpleasant and unsavoury days of my short career in this House.

1140 I was counselled earlier this week to speak about issues that matter to me during this, my final address in this Parliament, and I speak, as suggested, from the heart when I say that witnessing the Hon. the Father of the House delivering his piece on the motion, oozing as it was with barely contained fury and a generous helping of contempt for the chairman of the inquiry, I found it difficult viewing. Not difficult because of any notion that anything the Hon. the Father of the House was saying was either powerful or compelling enough, in my view, to diminish the importance of the conclusion of the inquiry. Not difficult either because the Hon. the Father of the House was in any way legitimately deconstructing the Chairman’s view  
1145 of the behaviour of and evidence given by members, current and past, of the GSD Government during the period of time in question. No, it was difficult viewing of a display which turned out to be an example of how the parliamentary privilege and, of course, parliamentary practice could be used by a Member of this here Parliament to play to a party-political audience and, without even the slightest hint of remorse for his targeting of the chairman and his work, to make a mockery of an inquiry that had cost the better part of  
1150 £4 million and which they themselves had commissioned. When the Chief Minister then rose to speak and described Mr Bossano’s intervention as a *tour de force*, I was even more surprised. **(Two Members: Shame!)**

1155 One develops a thick skin rather quickly (*Interjection*) at the sharp end of politics in Gibraltar, but I have to admit that I came away from that debate finding it impossible to fathom how smug – yes, smug – some of the Ministers looked at the end of that debate; a debate on an inquiry that they themselves had commissioned, as the collegiate Cabinet Government that they are, and then gone on to spend millions of taxpayers’ money on and which they had just witnessed the Hon. the Father of the House trying to rubbish, in addition to the reputation of the President of the Court of Appeal, and they seemed entirely comfortable with it – proud, even. **(A Member: Absolutely.)** Never mind, Mr Speaker, I suppose it is all part of the learning curve. **(A Member: Absolutely.)**  
1160

Moving on briefly to touch upon planning before finally moving on to talk about traffic and transport – (*Interjection*) I am sorry, is that a...? Mr Speaker, the Hon. the Chief Minister, from a sedentary position, informs me that he is not the President of the Court of Appeal, but he is in fact just a member, and I am grateful for the correction.

1165

**A Member:** He is the President of the...

**Hon. S M Figueras:** Mr Speaker, moving on to briefly touch on planning before finally moving on to talk about traffic and transport, I would like to start by congratulating the Hon. the Deputy Chief Minister

1170 for the progress that he and his Department have made in this area. The fact that the minutes of the meetings of the DPC are now, as well as the agendas, published online along with the applications and supporting information in respect of Government projects are clearly positive developments, as is the holding of meetings in public.

1175 I would like to congratulate them too, Mr Speaker, for being masterful at identifying areas of policy where the Hon. and Learned Sir Peter Caruana, conviction politician that he is, had not given ground on and in respect of which they saw the opportunity to put easy and clear blue water between themselves and the then Chief Minister.

1180 What the hon. Members did with the DPC, along with a number of other initiatives in the time since they were elected, was to take areas of policy in respect of which they could easily, starkly even, cast themselves as the diametric opposite of the Hon. and Learned Sir Peter Caruana's GSD in 2011. The holding of meetings in public of the DPC is one such example. You see, Mr Speaker, by adding more people to the Committee and holding meetings in public they at once became the perceived standard bearers for openness and transparency in that context, and the effect of it was to placate the relatively small group of people who took issue with not being allowed to participate in those meetings, whilst at the same time  
1185 effectively neutralising in large part any complaints and criticisms that typically flow when works start on any number of projects by saying it was all done in public. It is very true that you can please all of the people some of the time, or indeed some of the people all of the time; but alas, Mr Speaker, you cannot, however, please all the people all the time.

1190 The complaints about the process today centre – and we have issued statements to the effect – on the quality of the decision making when it comes to difficult questions of choosing one set of interests versus another. It is in the context of the decisions taken vis-à-vis the Risso bakery and the facade of the old Police Barracks, as two examples, that the quality of the decisions is called into question. (**A Member:** Exactly.) The decisions made by the DPC in these two scenarios, as well as say the decision to allow the building of rather a tall structure right smack in the centre of town in Town Range, have caused consternation and  
1195 anger in some quarters, because frankly the people cannot vote a DPC out and replace it with another.

Contrast those decisions with their decision some years ago not to allow the demolition of an entirely insignificant building with no heritage value whatsoever because of an in-principle objection to demolition. The make-up of the DPC today, with two Government Ministers sitting in the Committee and the Town Planner having the chair, means that there is no political accountability, certainly not a direct or technical  
1200 one, for the decisions of this public body.

The Government, by divesting itself of the power to direct or lead the DPC on applications by private individuals and entities, has effectively freed the Committee – and itself, arguably – of accountability at election time. Perhaps, Mr Speaker, those feeling sufficiently aggrieved about bad decisions could vote to punish the Government – out – for having brought about this state of affairs, but the Committee would  
1205 continue in situ, doing what they do, taking the decisions that they see fit to take in all the circumstances, taking into account political factors, whether those are front and centre in their deliberations or not, when there is no apparent or overt political leadership of it. This is why we maintain the position in respect of which office should chair the DPC. It should not, in our view, be the *office* of the Town Planner because... and I stress the point that it is the office of the Town Planner, because in the past some mischief has been  
1210 done and some misinterpretation and there has been misinterpretation of what I have said in the past, because it is not the person of the Town Planner, but the *office* of the Town Planner that I do not think should chair the DPC. It should be the office of the relevant Minister, whoever that may be from time to time.

I talked last year, Mr Speaker, about the difficulties of the Committee in controversial decisions by making reference to the application by the GFA to build the Europa Point Stadium. The fact that some say  
1215 that the possibility of hosting top-level UEFA football depends on having the stadium at Europa Point makes what are sometimes very emotive issues very difficult to ignore, and members of the Committee could be forgiven for letting such matters colour their judgment, which is not to say that they do, nor that they will. The point is that if, regardless of the prevailing sentiment at the time when the decisions are  
1220 made, they are subjectively bad decisions in the eyes of a large number of the electorate, there is precious little that can be done to change the course set by the DPC.

The Chief Minister might think it scandalous that I should be talking about 'power to the people' when his predecessor made no secret of being something of a control freak in many respects – that it is  
1225 scandalous that I should be talking about these things when, under the previous administration, meetings would be held behind closed doors and minutes would never get published – but to such charges there are simple answers. That was the policy of the GSD then and it remains the policy of the GSD now.

The situation we have today, which brings me to my final point in relation to planning, is that the Government appoints the Town Planner as the Chairman of the DPC, but its own projects are not subject to the DPC's approval; a GSD policy position which has survived the New Dawn and is doing really very

well. This despite the fact that we are close to the end of the life of this Parliament and the fact that they committed to making the Government's projects subject to the rules in the manner they promised.

I wonder, Mr Speaker, whether the Hon. the Chief Minister has made peace with the idea that he will not be ticking every box in the manifesto, like for example the parking under the Commonwealth Park, and that the luxury of not needing the approval of the DPC will prove too hard to give away. I see the Hon. Minister for Transport does not like it when I refer to the fact that that commitment is not delivered. It is just a little unticked box at the end of the day.

And talking about the park – I can never resist talking about the park, because it really is quite magnificent that there is no parking under it (*Interjection*); yes, I have looked, it's not there – it brings me to deal with my final area of responsibility on which I will be addressing you today. I open my address on traffic and transport matters by citing a quote which I think, Mr Speaker, you will find rather apropos. It goes thus:

'If I had more time, I would have written a shorter letter.'

This is a quote I had originally heard attributed to Abraham Lincoln but which, upon investigation, is said to have originated in 17th-century France by the hand of a mathematician and philosopher by the name of Blaise Pascal, a scientist attributed with the clarification of concepts such as pressure and vacuums. In fact, pressure-measuring devices have the 'Pa' of the Pascal on them in his memory. The quote, I think, captures very neatly the idea that the use of succinct and pointed language always trumps verbosity and unnecessary diversion from the crux of the issue.

In the last few months, Mr Speaker, since the publication of the STTMP – I think the acronym is correct – we have had many exchanges across the floor of this House – (**A Member:** PP.) PP, thank you. I suspected I might be missing a 'P', despite our break a moment ago! We have had many exchanges across this floor, Mr Speaker, about... I will just refer to it as 'the plan', (*Laughter*) in this House and publicly too, about our differing views of this initiative that the Government hails as something of a game changer.

The Hon. Minister, who often complains about my use of language as being complicated or hard to follow, in question-and-answer sessions at least, paradoxically enough touts the length of the draft summary of the plan as – or rather the draft plan, as we established earlier – the draft plan, as evidence of the initiative's brilliance in what has become, in essence, a 'mine is bigger than yours' argument. Well, Mr Speaker, I hate to burst the bubble, but that is not what this is about. They have had the better part of three and a half years to come up with the text of the plan, which by extension of the concept captured by Pascal, should have been plenty of time to make the letter shorter. The plan should have been able to fit on a rolodex card by now.

You see, Mr Speaker, it may be lost on the Minister that length does not on its own make an argument stronger in much the same way as shouting does not strengthen an argument or make truth of a lie. Noise is just that. It adds nothing. It is for this reason that every time the Minister seeks to defend the lack of action on the ground of any real progress on our roads to tackle the traffic problem in Gibraltar by flicking through the draft of the plan, which goes to 30 pages and has over 70 images and graphics for good measure, he does a disservice to himself and this community by effectively dismissing the genuine and important concerns many in this community harbour about the traffic situation. Why would he be so dismissive? Why would the Minister for Traffic be so happy to effectively flick away the traffic problems of this community with a flick of the draft of the plan? Simple, Mr Speaker: the Minister does not appear to perceive the problem and it simply does not mean anything to him – but I will come back to this point a little later.

The draft of the plan looks impressive, certainly; I have said so here, I have said so publicly. It is very colourful, it has lots of images and it really does help to capture the imagination when you have some images to guide your thought. I have already said openly and in this House that, if returned to Government, the GSD would not be so foolish as to take the investment so far of well over £½ million and consign it to the dustbin just because it was not our idea.

I take no issue with the plan per se, though it is costing us Mr Speaker. In the financial year 2012-13, the cost was £87,561, the year after that it was £337,700, and last year it was £170,000. The estimate for next year is £243,000. The total amount to the end of the financial year next year will be £838,358. I do not take issue with the plan per se; I take issue with the fact that, in the first place, the GSLP Liberals clearly did not have a clue between them on what to do about traffic. So, effective as they are – as I have highlighted earlier in the planning context – in finding the path of least resistance, they committed to paying external experts hundreds of thousands of pounds to tell us what any number of local experts and stakeholders could tell us about how to tackle the problem in Gibraltar already: tackling the culture of car use in Gibraltar by encouraging people to use alternative forms of transport by providing an integrated public transport system with an improved and appealing/safer environment for people to walk and cycle in.

It is clear from the plan, Mr Speaker, that car ownership, and importantly car use, is still front and centre in the thought process behind the plan. One of the initiatives supposedly designed to reduce congestion in

the plan is to make more short-term parking available in the Landport Ditch area, so that people who want to come to town to shop find it easier to park their cars. Mr Speaker, this is in a report that acknowledges the increasing congestion and lists reducing pollution and congestion as one of its main objectives. It is certainly repeated enough, Mr Speaker; hence the length of the document.

This, allied to their manifesto commitment, which remains unmet, to deliver twice the number of parking spaces beneath Commonwealth Park, proves that this Government is not serious about tackling the traffic issue. It lambasted the GSD when in opposition, despite the step change that that administration brought about in the traffic context, and yet they are now failing in the same way they described the GSD as failing; only for them it is worse because the backdrop of their failure is their supposed determination to undo the damage the GSD allegedly did. But we did not kill the Gibibikes, Mr Speaker: they did. We did not bring buses to Gibraltar that the elderly or disabled could not use: they did.

The starting point for them is clearly 'the car is sacred, don't touch people's cars'. If they were genuine about this process and did not care about the electoral impact of their decisions they would have set about introducing charging for parking in the town area – and not cheap parking either; parking fees at a rate that would make someone living in Montagu Gardens and working in John Mackintosh Square think a few times about whether it is actually worth taking the car out, *pa darse palo con la gente* to find a parking. (Interjection and laughter) They might have also reintroduced road tax and calculated it by reference to annual mileage. They might have also overhauled the import duty system and based it on emissions, so that more and more people would be persuaded to make better choices with their diesel/petrol cars; because, as we have seen, the uptake of electric and hybrid vehicles has been quite slow. They might even have contemplated measures such as banning vehicular traffic from the city centre beyond public service vehicles, or even introduced a congestion charge – a real hot potato in London. They might also have spent the half a million they have spent on Mott McDonald so far on renewing or replacing the Gibibikes, or on getting some cycle lanes painted, with some advanced stop lines thrown into the mix for good measure.

Maybe they could have even come up with a pedestrian crossing at Ragged Staff. Wow! That really is phenomenal! The Minister announced the completion of a pedestrian crossing at Ragged Staff in the same way the Hon. the Chief Minister announced the second-highest budget surplus in the history of this community, and in much the same way, or with much the same pizzazz, as the Hon. the Leader of the Opposition retorted, that actually we are up to our eyeballs in off-balance debt. He does not tell you that it took weeks to complete a pair of traffic lights and access ramps and that during that time it was a *salvese quien pueda* affair of people running the gauntlet on the traffic during the school run because they were not sure whether it is or it is not a pedestrian crossing. He likes his lines on the road... [laughter] He likes his lines on the – I wonder why we do not get more. He also talks about the crossing by King's Bastion. I must have been one of hundreds who wrote to him a long time ago, suggesting that it might not be a bad idea to do it before someone got killed.

I have welcomed the things that they have actually done. I was very quick to congratulate them on the installation of the intelligent traffic light system on Queensway, as well as the roundabout by the Marina Bay/Ocean Village area, colloquially known, I think many of you will remember, as *la curva del Med* area, and even the pilot scheme for drop-off and pick-up at St Joseph's school, which has not been without its controversy. Valuable and effective though those initiatives have been, none of them can be described as revolutionary. It is the mere execution, under the guidance of foreign experts, of an understanding and expertise which is home grown and was already here. There is nothing in that report that we did not already know.

The plan contains statements like:

'The border crossing causes congestion'. [laughter].

What a shocker, Mr Speaker! Another one: [laughter].

'In future, the problem will be bigger if left untackled.'

Amazing insight, Mr Speaker! [laughter].

The plan, with respect to Mott McDonald, who have only done what they were asked to do, teaches the local stakeholders to suck eggs. It gets it wrong in one respect, however, Mr Speaker. It says that car ownership is the problem. Well, car ownership is only part of the problem. It is the car *use* that is the issue, because the cars parked at home do not represent a problem.

The GSD set about building car parks for people to park their cars at home and at the same time was embarked upon delivering an integrated public transport system. All the Government has done is to rid the community of the Commonwealth Parade car park, given us the park and has then spent the rest of the time frantically trying to make up the numbers of parking. Why didn't they just say in their manifesto 'We're

1340 going to give you a really nice park – car parking be damned? It will not surprise anyone that the risk of electoral damage of eradicating 700 car parking spaces was probably too much for them to stomach.

1345 ‘In Town Without My Car’ had some great ideas at the last election too for using the city walls as a solution for walking and cycling, and it is good to see this incorporated in the draft plan yet to be finalised after the second or third, possibly fourth round of consultation. I have lost count, Mr Speaker. It is disappointing to be the lone voice criticising the Government’s lack of action on the ground, but I suppose they must be satisfied with just the fact of the plan and the adoption of an initiative rather than any substantive change on the ground. The plan Mr Speaker even makes reference to public transport issues that the Europa Point Stadium might throw up. Did anyone mention a *fait accompli*? Of the many initiatives listed in the plan, what is the Government waiting for to actually get cracking? The new bus routes? The introduction of bus lanes? Well, I mean Mr Speaker, I cannot wait to see that. They tell me there is no room for cycle lanes, yet they are going to make a bus lane along Waterport Road. There is already an effective solution in place for eastbound traffic, so I am really looking forward to seeing what it is they are actually planning to do there, Mr Speaker.

1355 Talking about Waterport and the Watergardens area, I mentioned earlier that the Minister has no sense for the traffic problem, in some ways similar to me: he walks and cycles as I walk and cycle, other than now in the summer when it is too hot and I am on my maxi-scooter, Mr Speaker but he also has access to the official cars and, frankly, parks wherever he wants. So he just does not get it, which is probably why he finds it so amusing that I keep applying a few Pascals of pressure on him to get the job done. I suspect, Mr Speaker, that, like sound travelling in a vacuum, my message is falling on deaf ears.

1360 The plan was always, I am certain, Mr Speaker, for the Government to let four years pass, fill them with consultation, planning and drafting, and then consulting, drafting and planning to take them to publication of the full plan on announcement of the election. I note that token provision for a new link road to the south and for the black cabs – two manifesto commitments that they will not deliver in this term of office – are now in the Budget Book.

1365 In the transport context, Mr Speaker, I have to alight upon the issue of the new buses, and separately the issue of the contract for advertising on the old buses and the bus stops. The red buses have caused much consternation. For all the talk of eco and user-friendliness, the buses have hardly lived up to the hype. That and the fact that the award of the contract went to Bassadone Motors and that the Government refused to disclose whether it was the lowest tender have caused what should have been a victory for the Government to leave a bad taste in the community’s mouth. The Government boast of their eco-friendliness, but they are just diesel buses. They are not electric, they are not hybrid, they are not powered by chip fat: they are diesel buses, Mr Speaker.

1375 The Big Publications issue is another example of where an allegedly impartial process resulted in the award of a contract ultimately to companies owned by stalwart supporters of the regime, much like the contracts for the solar panels, the lifts, the doors etc, but in this case it does not seem to have worked out. Since September last year when I raised the issue, I have been trying to obtain from the Government confirmation of how much revenue the Bus Company and therefore the Government indirectly is missing out on because Big Publications has not paid up. Even last week they still did not know. Had it not been for my enquiry last year, Mr Speaker, we would not be pursuing the contract debt as actively as we are, and I am hopeful that substantial moneys will be recovered and that a full account of the payments/commissions due to the Gibraltar Bus Company will be brought to this House.

1380 I also take the opportunity, before moving on to conclude, of reminding the Minister that the Bus Company’s website, in particular the mobile version – and it is something that I directed at the former Minister for Transport, the Hon. Neil Costa, last year, but busy as he has been it may have escaped his attention – that the website, in particular the mobile version, which appears to have been created using a free utility which places third-party ads on the website, looks absolutely atrocious, Mr Speaker. It does Gibraltar’s image and that of our Bus Company no favours whatsoever. I wonder if the Minister could let me know how much that cost and perhaps the Government’s brand consultants can cast their eye over it. *(Interjection)* More generally Mr Speaker... Ah, it didn’t. It didn’t. Ah great. I am told, Mr Speaker, that the website did not cost any money. It might be time to spend a little bit of money on that website. *(Interjections and laughter)* Mr Speaker, of all the Departments *(Interjections)* that have overspent, Technical Services and Traffic was not one of them, I seem to suspect. *(Laughter)* I think there was some kind of budget cuts imposed and nothing happened, so I am sure... And failing that, of course, there is Credit Finance, so... Mr Speaker, I am going to move on now to – *(Interjection)* Well, yes, and it is interesting that Pascal was also credited with developing some theory which is relevant in the actuarial practice and Credit Finance might also be interested in that.

1395 More generally, Mr Speaker, and to develop a little further something that I have only briefly touched upon, I want to return to the issue of emissions. I note that the Hon. the Chief Minister has reduced import duty on hybrid vehicles to 0% for importers and to 5% for private imports. I wish to take the opportunity to impress upon him the fact that many jurisdictions are turning, as he may be aware, to calculating

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registration taxes on vehicles on the basis of the rated emissions of the vehicles in question. Whilst our system has served us well for a long time, I wonder whether I might be able to pique the Hon. the Chief Minister's interest into looking at this. You see, Mr Speaker, as an example of the kind of anomaly that arises from our system, a Porsche Cayenne Hybrid, which has rated emissions of 193g/km of CO<sub>2</sub> pays, if  
1405 imported by a dealer, 0% and attracts a £1,000 bonus. However, a Ford Focus Ecoboost 1.0 litre has emissions, by comparison, of just 109g/km of CO<sub>2</sub> and yet that pays 12% and does not attract the bonus. The latter is the cleaner car and, from the local environmental point of view, the more desirable one. I understand that market forces may play a role here, but I am happy to discuss the issue with him should he consider it desirable to do so. (*Interjection*) Indeed, indeed.

1410 And that, Mr Speaker, brings to a close my contribution in this debate. I would just like to say a few more – it's just a couple of pages – brief words on the state of the nation address that the Hon. the Chief Minister gave yesterday on the economic performance of this place we call home. It is clear that much of the growth we have seen in the last few years is down in no small measure to the investment of the Government in major projects. There is nothing wrong with that, clearly, so long as there remains a sense of  
1415 control and an objective assessment of what this community is, devoid of what our aspirations may be. Put simply, so long as we spend within our means there should be nothing to worry about. We see that private enterprise is also taking the wheel in relation to a number of projects, all of which are in principle positive for this place, but questions still arise which I hear every day, and I will just take the opportunity of letting you have some of those questions.

1420 If we have one less bank and the new international bank does things as it is required to do by the terms of its licence, then how is everyone going to get a mortgage for all the property that is going to be available to buy?

How did we go from a £100 million hole to spending like there is no tomorrow?

How exactly did we go from broke to spoilt-rotten in a couple of years?

1425 Well, Mr Speaker, some answers are harder to come by than others, and try as we may we certainly cannot get answers in the context of the construct that is the financing arrangement through the Savings Bank, Credit Finance Company Limited and Gibraltar Investment Holdings Limited.

Should we consider contingent liability and actual liability? Who is right – us or the Government? Is there a right and a wrong? There are a lot of questions to which the answers are certainly not clear for the  
1430 average person on the street. Many of the issues are simply too complex or too alien to men and women staying busy paying mortgages, paying the bills, giving their children the best start possible – concepts which exist only in the abstract for them. We come to this House and debate these issues as the political leadership of this small nation and it is our responsibility to do the best we can for the betterment and the improvement of all the lives in this community. The Government owes a duty to the people not to put party-  
1435 political interests ahead of the greater good. It owes the people a duty, as the party elected to lead, to assimilate and to understand the challenges ahead, the party elected to develop a vision of where Gibraltar goes next and how we get there. It owes the people a duty not to get it wrong, like we owe the people a duty to keep the Government on its toes.

The economic output data that the Chief Minister yesterday set out was by any means good news for  
1440 this place: growth of 10.3%; economic output of £1.64 billion; full employment – over 24,000 in employment; record this, record that; massive percentage increase here, massive percentage increase there. I am sincere when I say that it all sounds like great news, and not just for me, Mr Speaker, but for my children too, because it means that the economy apparently continues to fire on all cylinders, that the financial services and gaming sectors that form a large part of the work I do as a professional and what  
1445 keeps my family in the blessed lifestyle to which I think a lot of us are accustomed, remain healthy.

The only dark cloud I see in the distance has the name 'Credit Finance Company Limited' on it, and were it not for the uncertainty of that view in the distance on an otherwise sunny day all the other issues we tackle here from time to time would seem that less critical, that little less important.

I hope, for the sake of this place and for the sake of the community at large, that things continue to go  
1450 well for Gibraltar and that we have many more years of plain sailing, on which it seems, Mr Speaker, the Government's economic and finance model is predicated. I hope too, Mr Speaker, that should we encounter stormy seas along the way, that this economy's engine room is up to the task.

Thank you, Mr Speaker. (*Banging on desks*)

1455 **Mr Speaker:** The Hon. Steven Linares.

**Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Mr Speaker, this is my 16th Budget speech to this House, (**Several Members:** Hear, hear.) (*Banging on desks and interjections*) my fourth as a Minister and my last before the next General Election.

1460 My responsibilities cover Sports, Culture, Heritage, Youth; Civil Rights, the Ombudsman and CAB; and Drug Rehabilitation.

The Ministry for Culture has been very active during the past four years since we have been in Government, and especially during the last financial year. Not only have we increased cultural grants and improved many of our facilities, we have supported and organised many events in conjunction with Gibraltar Cultural Services (GCS).

I will not repeat – as the Hon. Mr Netto did repeat things from the past – the mess we inherited from the previous GSD administration, where wage hikes were given weeks before the last General Election. Suffice to say that it has now been replaced by the Gibraltar Cultural Services on the cultural side, together with the Ministry for Culture.

GCS is a private company which is owned by former agency officers who now manage all the cultural facilities, organise or tender out traditional events such as the Drama Festival, which has seen a growing number of extra nights of plays with more of an international profile, the Spring Festival and all the art, story competitions and exhibitions. An event that was done this year and produced by GCS is that of the retrospective exhibition paying tribute to Mario Finlayson's artistic life. GCS also oversee Calentita – which was tendered out and has become bigger and better, as promised – Miss Gibraltar, New Year's Eve events and the reintroduction of the New Year Classical Concert, to name but a few. There are new events they now organise, such as the Festival of Lights, Gib Talks that started in January this year, and the workshops for schoolchildren in conjunction with the Young Shakespeare Company. All these events have proved to be a great success.

No-one can argue the great improvements that have been seen in the Mackintosh Hall that is managed by GCS. They have invested in new chairs, new tables, TV and audio equipment, projectors, internet services, blackout blinds, air-conditioning and many other things. The public toilets in the Hall are being refurbished to include tiles to floors and walls and new LED lighting. We have refurbished most of our meeting rooms, changing rooms, exhibition rooms and communal areas. New windows have been installed, as well as new flooring and painting and decorating the Hall in general.

The Library has gone through a total transformation. A large selection of military books, fiction, non-fiction and children's books was donated by the MOD library last year, as well as library furniture and library supplies. Some of this has been added to our current collection; the rest will be added once we extend the library further. There are two more computers for public use with free Wi-Fi and an extra one for the administration reception desk. The Mackintosh Trust kindly donated three more computers for the reference section and the subscription of free university journals for students' research.

One of our manifesto commitments was to have homework support groups, like my hon. Friend mentioned in his Budget speech in relation to education, and GCS together with the Department of Education are working closely to provide both homework and research assistance to students at the Mackintosh Hall Library. The pilot scheme, as my hon. Friend mentioned, was launched last year, which has proved to be a total success. Now GCSE and A-level students are taking advantage of this service that has qualified teachers from the college and schools at the Library to help students in their research.

Mr Speaker, a digital project is underway with the introduction of the Mandarin Online Public Access Catalogue. This will not only make the process of borrowing books more efficient, but library members will be able to look at books on offer and pre-book them via an online service.

The library facilities have also had new air-conditioning installed as well as LED lighting and new children's furniture.

Works to the courtyard to extend the cafeteria and install a new guttering system has been approved by the DPC, despite the fact that the hon. Members mentioned about the DPC. It has been approved. I hope he is happy that these are approved. These works will continue very soon.

A substantial amount of money will be spent to replace the roof of the theatre, which had not seen maintenance for years and with the high winds this winter parts of it flew away.

GCS also manages the Ince's Hall, and I can announce that whilst the conversion of the Gibraltar International Bank took place the theatre benefitted from having a new mezzanine floor with extra toilets and changing-room facilities, and a scissor lift has been installed to help with heavy props from the ground floor to backstage.

We have improved both the Mackintosh Hall and Ince's Hall theatre technical infrastructure. We have invested in new sound consoles, a talk-back communication system, microphones, projectors and other technical accessories. We will soon be investing, in both theatres, on a new PA system, new lighting system, translation equipment and other theatre enhancements.

The Gustavo Bacarissas Gallery now has a new CCTV and security alarm system installed, as well as new internet facilities. Made-to-measure glass cabinets are also available for displaying secure items.

I am happy to announce that GCS now has in-house technicians who will manage all technical infrastructures of all the facilities, which now also include the open-air theatre at the Alameda Botanical Gardens, which I am sure Mr Netto did not visit when he went.

The Central Hall, another of the facilities managed by GCS, has had a new commercial kitchen installed and new curtains have been bought, which has enhanced the place for users.



GCS has also been tasked to manage the Mario Finlayson National Art Gallery, which was inaugurated at the beginning of this month. Another manifesto commitment completed and one we should all be proud of. The City Hall is now under the auspices of the Ministry for Culture. The Mario Finlayson National Art Gallery is there and I will mention a little more about the City Hall later in relation to heritage.

Montagu Bastion is now the Gibraltar Exhibition of Modern Art Gallery (GEMA). This gallery has been housing the Little Constellation Network exhibition, which will end in August. This project is part and parcel of our policy of exporting our artwork and learning from other small countries about our culture and theirs.

Ramps and user-friendly installations are being installed in all cultural venues and a portable platform is now available for outdoor events.

A Performing Arts Academy will soon start in Flat Bastion Magazine. This will fulfil three of our manifesto commitments: learn an instrument; having an academy of performing arts; and establishing an orchestra. Works to the premises will commence within the next few weeks.

In October we will see the European Show Dance Championships hosted at the Tercentenary Hall. Many will travel to compete, which will fill our hotels and form part of our policy of events-led tourism.

A total of 22 clubs, associations, bands, NGOs and others have benefitted from having allocated premises, as promised in our manifesto, and we will continue to identify places which we can allocate. I am happy to state that all these have been allocated using the system that was used by LPS. Before we came into government this was ignored by the previous GSD administration, who allocated directly to whomever they wanted not having any regard to those who had been waiting for premises, some for up to 10 years. New premises have been given to the Taekwondo Association at the North Jumpers Bastion. This is part and parcel of converting this area into a hub of martial arts groups, that is the Martial Art Centre, to which we committed to in our manifesto.

We are currently working closely together with the Department of Education in order to provide and extend the community use of schools for cultural purposes. To date the Bayside School drama studio will be available for this purpose.

Since we came into government our goal of creating events which attract many to come and enjoy them with us has seen the creation of festivals such as the Jazz Festival, the Music Festival and the Literary Festival. The Jazz Festival and the Music Festival were two of our manifesto commitments. Both are being run under the auspices of the Ministry for Culture. The Ministry for Culture has also supported the Gibraltar World Music Festival, the Gibraltar International Song Festival, the Fringe Festival and the Wine Festival. The Calentita, as I mentioned before, is our gastronomical festival, which has become bigger and better every year since we came into Government... as we said we would in our manifesto.

All the events mentioned above are part and parcel of the Government's policy of events-led tourism. This includes the sporting events which I will mention later we support. Events-led tourism is attracting people to our shores and this brings money to our economy.

On the sporting front a great deal has happened since we came into Government and also since the GFA achieved its international recognition as the 54th member of UEFA. A new building is being constructed that will address certain UEFA concerns, but these will benefit all sports. The new building will accommodate facilities such as changing-room areas for officials, delegates and teams; doping control centres; two TV studios; one media centre; press conference rooms; two additional bars; additional public toilets; reception areas; increased storage; press boxes; VIP hospitality areas. All the above fully accessible to all. All this will enhance the use of the area for international events and provide much needed upgrades in general facilities and spectator stands.

Mr Speaker, it is with great pride and joy that within the overall sporting upgrade of facilities we have built a state-of-the-art Stay and Play building. The GSLA's Stay and Play programme for children with special needs was previously done in one of the Boathouse Vaults. Now this building has purpose-built toilet and changing areas; kitchenettes; cleaning areas for activities; perimeter padding; easy-access ramps; inclusive playground equipment and safe play surface. This summer's programme will use this facility, as it will be handed over to the GSLA shortly.

The installation of an extra floor in the empty space above the hockey stand changing rooms, complete with accessible external access walkways, will enhance the Bayside complex and will provide much needed office and storage space for sports associations.

Within the Tercentenary Hall, the old ground-floor lecture rooms have been reprovided on the first floor and will be kitted out to allow use by the general community. In addition, an extra small store and lecture room have been provided. The GSLA can now make use of a new boardroom to hold meetings and use for other things, and this was not previously available. In addition, the new reception area has improved the first impression that users to the facility get when walking into the facility and will enhance operations. Both the existing bar and cafeteria will be relocated and amalgamated as one, offering extra services to the general public and freeing up space for the GSLA to utilise and expand its services for other sporting projects.

Both GSLA five-a-side pitches were replaced as they had become unsafe. The tennis courts required replacing as the turf pile height was affecting the actual playing of the sport in this facility.

The hockey pitch has been limited in its use for years due to the fact that light was not provided and once it got dark in winter, approximately half six, no more training could be practised and this meant that the pitch was only used barely two hours daily. This was significantly hampering the development of the sport, whose league programme was limited to weekends. After long discussions with the MOD, NATs and other stakeholders, and to mitigate their concerns, collapsible pylons have been installed on the northern side of the field with shorter fixed pylons installed on the southern side of the facility. Extra floodlights under the canopy will supplement the extra lux levels needed. The GSLA has entered into an agreement with the MOD to facilitate the use of these floodlights. The works are now complete. Another manifesto commitment completed.

The management of the GSLA will continue to improve facilities that have been neglected for years. This is the case with the squash courts and the offices. Further changes and refurbishment will take place in order to maximise space: allocation of hockey nets to maximise use and provide more centralised points for our Special Olympians; more studio area will be available once the relocation of the bar takes place; bin stores will be constructed on Bayside Road, which is a legal requirement; an overhaul of the hockey pitch sprinkler system plus the refurbishment of the squash court will also be done soon. The GSLA will continue with improvements and maintenance to equipment as and when needed.

Mr Speaker, the GSLA took over the running of the GSLA 25-metre pool – not the municipal pool, like Mr Netto said; I wonder where he got the ‘municipal’ name – the swimming pool during our term in office and this has seen a great deal of improvements. Two months after we came into government the whole of the ducts of the air-treatment system collapsed. The air-treatment system had not been working for years and this meant that users were exposed to high levels of chemicals that are normally used to purify the pool water. Therefore further diesel-generated engines ran the filter and pump system. The cost of this was exorbitant. The installation of the photovoltaic system and dehumidifier replaced the previous not-fit-for-purpose system. The pump and filter system, together with the heating of the pool and the hot water in the changing rooms, now work with the solar panel system. In the last financial year a total of £85,000 in running costs has been saved from this system. All changing rooms, spectator and poolside facilities have also been refurbished. All this has been done on the 25-metre pool.

I am happy to announce that major refurbishment work has already commenced in the other pool, which will include the installation of a photovoltaic system and dehumidifier that will replace the previous system, which was getting close to a complete shutdown and was beyond economical repair. It had not received any sort of maintenance since the facilities opened. The new systems will improve air quality and water temperature maintenance that were bordering on inadequate; provide savings in terms of water, electricity and fuel; conform to HMGoG environmental policies regarding carbon footprint etc; and reduce overall maintenance costs. In addition, the interior of the facility will undergo a much needed refurbishment, which will include essential attention to poolside issues; refurbishing of the changing rooms; reconfiguration of the easy-access/family changing rooms; replacement of flooring; general facelift; and tackling the issues which have been historical with the plumbing problems. This project will mirror the one undertaken in the 25-metre pool and will mean that both pools will have received attention during the current administration’s term in office. Contractors have been given very strict timeframes so that the works do not impinge on the peak summer months. This facility is one of the GSLA’s busiest so there is no good time to shut it down, so a period when the least amount of users would be affected was identified. In addition, continued use could have possibly meant extensive equipment malfunction and an extended closure.

The state in which we inherited these pools goes to show the lack of commitment of the previous GSD administration to things that matter to our community.

The Gibraltar Bathing Pavilion’s phase 2 has been completed and the facility is now open to the general public. The issues regarding the main pools have been solved with the main contractors absorbing the costs and maintenance will now be easier. Improvements have now been made in terms of accessibility to the sea and pools and the general public will now be able to enjoy this fantastic facility.

The GSLA has and will continue with the highly successful and ever-popular Summer Sports and Stay and Play programmes. The new facilities mentioned before will enhance the Stay and Play programme this year. NatWest are once again sponsors and activities have been extended to include older age groups with the diversity of activities increasing year on year with the collaboration of other agencies and Departments such as the Royal Gibraltar Police, the Department of the Environment, the Department of Social Services and St John Ambulance to name a few, as well as a wide cross-section of the local voluntary sports associations.

The Sports Development Unit has continued to promote and offer coaching courses and opportunities for volunteers, delivering several workshops that include child protection.

I would like at this stage to thank all those volunteers for their hard work and dedication they put in. They give a lot of their time. Without them, all sports will just not be able to function.

The Sports Development Unit is also working closely with the GHA and the Physical Activities Association for Mature and Older Adults to increase and promote partnerships in terms of exercise prescription and cardiac rehab. These are at an early stage but are very much active.

Given the stumbling blocks consistently experienced with accreditation through UK entities, the GSLA has made initial contacts with the University of Gibraltar about investigating the possibility of getting these accredited locally. The GSLA will continue with its courses, but having them backed by the University would be a major step. Quality assurance etc needs to be considered. Discussions are at an embryonic stage but look positive.

A new GSAC committee was elected in September and HMGoG, through the GSLA, once again supported locally registered sports associations with participation at international events, improvements to facilities and sports development projects.

This past year GSAC has also been asked to advise Government on matters not related to funding. The wealth of knowledge and experience held by the members of the Council was, in the GSLA's opinion, not being maximised and several contentious issues have been solved amicably and satisfactorily after the advice of the Council was sought. Some issues are still pending. This advice has also included to oversee for the GSLA that sporting associations are run in a manner that is acceptable to the international body they belong to; and for those that do not yet, to make sure that they are equipped to be able to form part of their international bodies. GSAC is also the body that decides the level of funding that each association gets when they have applied for this. The Government has this year committed five hundred thousand for this purpose. Five hundred thousand pounds – just in case... I do not want people to think it is euros, (*Laughter*) which is much less.

In addition, financial support has also been given to both the Commonwealth Games Association, who participated in Glasgow 2014, and to the Island Games Association for Team Gibraltar's participation in Jersey, to be held next week. Our Government values our participation in international competition, since those who compete are ambassadors flying our flag and now even advertise the tourism brand of visitgibraltar.gi.

The GSLA has also hosted and assisted, and will continue to do so, in events such as the UEFA Futsal Friendlies; the FIBA C Division under-18 Men's and Women's Championships; Champions League; the Europa League qualifiers; the Gibraltar Darts Trophy; the Junior Chess Open; various international Gibraltar chess opens; international rugby friendlies; Squash International Open; Gibraltar Regatta; Rock Master Ten Pin Bowling this year will see a revamped competition.

The GSLA have and will also continue to support non-sporting events, such as the Song Festival; various music festivals, summer months; the Classic Car Rally; the Harley Davidson Rally; international dog shows; and IDO European Dance Championships.

As per every year, the GSLA facilities, including those offered through the Schools Community Use programme, have once again been oversubscribed and the GSLA facilities team are working hard, very closely with the Department of Education, in compiling a user audit analysing the use of facilities that has led to underused slots been reallocated to those on a waiting list.

Due to Gibraltar's limited land mass and the increased participation level of our people in sporting as well as cultural activities, coupled with the fact that we are organising more and more events, creates a problem, but we are constantly trying to identify areas where these can be done.

We have recently introduced a new pricing policy that, whilst offering the GSLA the opportunity to collect revenue from foreign groups and private entities wanting to use our facilities, it has also curtailed abuse by tour operators who were putting unacceptable pressure on local volunteer associations to fulfil their companies' commercial obligations, at times without prior notice. The HMGoG continues to welcome the visit of many groups that promote and develop the local sports and privately organised events above revenue collection, although this can go hand in hand; however, this abuse needed to be stopped.

The GSLA is undergoing a general management restructure, the first steps of which should be visible soon and will provide the Authority with the tools to modernise its practices and policies. The integration into the HMGoG IT system is well under way and an online booking system is being designed that will form part of the e-government portal and will provide online booking services to those with access to the portal. Counter and telephone services will still continue, but the system should increase the efficiency of the service and curtail abuse. This will allow the Department to develop and release staff to deal with items which at the moment are left pending.

The GSLA is also undergoing a rebranding exercise with the design of the new logo, designed by a member of staff, and the relevant paraphernalia that goes with it. In addition, the old website has been revamped and should be ready for launch soon, providing a one-stop shop for information and contacts on current events, news and relevant documents. Within the rebranding the GSLA will go live on social media, keeping the general public updated with news and events.

Mr Speaker, King's Bastion Leisure Centre was managed before by the GSLA before March this year. On carrying out a cost-effective exercise in the centre... which was costing the taxpayer £2.6 million per

annum, we have now moved to reducing this substantially without affecting in any way the service provided. I am sure the hon. Member, the Leader of the Opposition, who uses these facilities, since he mentioned it once in a Question Time, has realised the difference in using the machines now. They have been all upgraded; everything is working perfectly, as opposed to how it was before. We have now moved to making this place work in a commercial way without increasing the costs to users, ending the contracts that were entered into by the previous administration, which includes some of the money of the £100-million black hole, was the contracts which was entered into by the previous administration. Mr Speaker, it meant that operators would spend, say, £100,000 in cost and make an income of, say, £50,000; then King's Bastion Leisure Centre Ltd would pay them the shortfall of £50,000 plus 30% profit. The incentive therefore was to spend more and earn less. Now most operators have moved to pay rent and to make their businesses work as any other commercial entity, therefore making huge savings.

Further, we are looking at ways in which we can reduce the cost of electricity that the ice rink consumes by seeing if solar panels can be placed on the roof to produce electricity and at the same time have air conditioning for the whole of the centre, since the one that was originally placed there by the previous administration was not fit for purpose. In fact, I can give you the information that the system was one for offices and not for a leisure centre, and within a year it was broken – and it cost in the region of £750,000. This is what we inherited.

I would like to take this opportunity to thank the management staff of the centre who have taken the brave decision to run the whole of the centre themselves – they were ex-employees of the GSLA; further, to thank some of the users of the rooms at the centre, who have had to, at short notice, make alternative arrangements to give way to the IT department to use these rooms to introduce the new ID card system. Suffice to say that once this is completed they will be able to return to using these facilities.

Mr Speaker, in the past year the Gibraltar Youth Service has undergone a number of significant changes, most noticeably within its structure and staffing arrangements. This has led to an increase in face-to-face work as we are reaching out to more young people. The administration role of the Gibraltar Youth Service is now based at the main office of my Ministry for Sport, Culture, Heritage and Youth at the City Hall, where the staff continue to provide support for the Youth Service. The professional complement of the Youth Service has been restructured to consist of a principal youth officer, two senior youth workers and five senior and community youth workers. In September 2014 four new youth and community workers joined the youth work team. The youth work team is complemented by supply youth support workers who provide support to the full time youth and support team. The Youth Service has been working with Human Resources in regulating the employment status and proper contracts have been issued. This will correct a longstanding issue affecting this group of workers.

In addition, to support the work carried out by the youth clubs we have once again offered the locally recognised and assessed courses in Understanding Youth Work to volunteers and prospective youth support workers. This year, trainees are able to select the assessed or non-assessed route. The non-assessed routes offer the trainees a certificate of attendance along with the chance to volunteer their services to various youth work projects. The Youth Service is committed to personal professional development and it has set up a skills audit of all its employees.

The youth clubs have now undergone significant refurbishment, and now, in addition to their current facilities, they have all received new air-conditioning systems and multi-media stations with surround systems. The Youth Centre has been upgraded and it now enjoys new equipment for photography and media projects, DJ booths and modern lighting equipment.

The Youth Service team has been committed to continue operating the four youth clubs. In addition to normal club opening hours, the team has also worked very hard to reach out to more young people and offer more weekend work of high value and quality youth work projects. The Youth Centre began opening its doors during the weekends, as we promised in our manifesto, as from 18th January 2014, last year.

The Youth Work team has been able to offer young people the opportunity to take part in new community projects with outside organisations. They have participated in charity work by helping the Cheshire Home Group with their flag day and manning the stand on the Mental Health Week, to name but two; the Luce Foundation project leading to a residential week in Spain, PSHE and personal support with both Bayside and Westside Comprehensive Schools and the College of FE; Social Services training programme, safeguarding children; working closely with the Royal Gibraltar Police neighbourhood policing units in the areas of the four youth clubs; organising treasure hunts, Halloween events and Easter projects that provide food hampers to vulnerable adults in the Community; a group of young people also took part in a Heritage Trust project to plant trees in the Upper Rock; trips to the Isla Magica, La Finca, in Alcadesa, Aventura Amazonia and many others, which I will not go through, but all these and more are what develop personal skills. Young people from the Youth Centre hosted a group from Wales and returned with them, visiting Wales for two weeks. This trip saw them do many fundraising activities in which they participated to pay for their own trip. A group of young people from Sweden visited the Youth Centre and both groups cooked and did many activities together. Their leader had previously been involved in a youth

exchange with the Gibraltar Youth Service in the late 1990s. All in all, a great variety of events that empower the young to develop their personal skills and to become caring people in our society.

A Youth Forum has been formed to give young people the opportunity to share their views and opportunities on issues that affect them and our community. The members have had meetings with me, where they had the chance to put their views forward and make positive contributions to our community's development.

Young people have been involved in a project to create a short movie on what the youth clubs offer as a way of attracting more young people to participate in activities organised by the Youth Service. The movie, called 'My Opinion Matters', has come about as a consequence of the fact that they know that we listen to them and value their opinion, and to this end I intend to meet with them as regularly as *they* deem necessary. The Youth Advisory Council has been re-established and will also meet regularly.

As can be seen, the Youth Service is an extremely busy organisation and has been providing and successfully achieving these projects during the last few years. With the new youth and community workers in post, we hope to continue our successes and look forward to an even busier and promising year ahead.

This year has also been a busy year for heritage and the coming year promises to be equally exciting. As I stated above, we have now completely undone the mess created by the GSD administration in relation to the Culture and Heritage Agency by replacing the cultural side by GCS. The Heritage side is replaced by the Museum team under the tenure of Knightsfield Holdings Ltd, together with the Ministry of Heritage – that did not really exist.

Insofar as the Gibraltar Museum is concerned, it is now functioning under the terms of a management contract signed with Government, and I am pleased to report that the sense of having moved away from the agency system is palpable already. Among the improvements to the Museum this coming year, the 86th anniversary of its foundation, will be the complete reinstallation of its climate control system, important for the proper care of the collections and also for the comfort of visitors. The last financial year saw the repainting of the building that is looking like a property of significance which is deserving of a Museum. The entrance will be relocated to its original place. Now that the building has been refurbished it makes sense to have this entrance at the north-eastern corner of the building. As part of these changes, new displays will be opened as part of the Museum's ongoing programme of renewal. The recent open day was, yet again, an unqualified success.

In relation to the involvement of the Ministry, we now have governmental oversight of our tangible heritage and archaeology that has been augmented and retained in house by the appointment last October of our own archaeological officer. Here, as well as all the other changes... has seen our heritage looked after even better. Our heritage filter is now stronger than ever, with direct liaison between the Government, the Gibraltar Heritage Trust, the Museum team and the private developers to iron out as many heritage concerns as possible before DPC. Our new heritage filter also provides expert advice to DPC itself as well as to different Government Departments and important stakeholders such as the Gibraltar Heritage Trust. This will streamline any heritage concern that may arise. Already the system is being put into place where developer-funded archaeology will be the norm rather than the exception, making Gibraltar increasingly compliant with our international obligations and current archaeological best practice in the UK.

To this end, I am happy to report that the Gibraltar Heritage and Antiquities Bill is now at its final draft; A highly complex and encompassing legislation that will enshrine many of our heritage and archaeological concerns, providing a higher level of protection for buildings, sites and conservation areas than has existed to date. The bar will be set high, thereby providing the necessary baseline from which to seriously protect and preserve our unique heritage for future generations. The mantra throughout has been heritage protection that safeguards development, continued construction tempered by measured heritage mitigation. Needless to say, it has taken us four years to get right what it took the Opposition 16 years to fail on. This has been achieved with the participation of all stakeholders.

The Ministry for Culture has been instrumental in a large number of projects, big and small, across the whole of Gibraltar, including minor works on the dockyard clock, Trafalgar Cemetery, St Jago's Arch, Eastern Beach Bunker, Giralda Gardens and others; plus major works on Montagu Bastion and the Main Guard, the Heritage Trust office. And I am happy to say that by driving yesterday via where Water Gardens is, the Estate opposite, I see that the Old Mole Head will soon be completely demolished, the building at the top, and will be soon exhibiting what it was in its former years and glory years. While in many cases these projects commenced last year, we can now report the satisfactory completion or near completion of all of these.

In the case of Wellington Front, we are now well underway to opening the whole of the promenade linking Line Wall Road at the level with the John Mackintosh Hall to the King's Bastion Leisure Centre. This is a first phase that we hope to eventually link southwards to Rosia Road and north to the American War Memorial.

The Northern Defences, long abandoned and derelict, is now getting the attention that it deserves and the contractor on site will continue to work on this unique site with a view to open it up to the public and to allow private entities to consider expressions of interest on the whole or part of the site.

1830 The City Hall is now exclusively for the use of cultural, leisure and historical events, as we promised in our manifesto we would do. As mentioned above, the Mario Finlayson National Gallery is now opened to the public. The Mario Finlayson National Art Gallery took only five months after it was first announced by the Chief Minister to complete. Not only does this speak volumes about the professionalism, commitment and dedication to work of my staff and of the Gibraltar Cultural Services, but also this Government's profound respect, appreciation and ethos of preservation of our culture, architectural heritage and identity as  
1835 a people. This is only the first phase of bringing back this iconic building to its former glory. As most of you know, the Mayor's Parlour is situated on the first floor of the building and guests to receptions hosted by the Mayor were either not able to attend or had to be carried by people of goodwill up the stairs. Our Government's policy is to make places accessible to all. Therefore the second phase will be done in this financial year and will see a much-needed lift, which will go all the way up to the top floor. This will be  
1840 followed by the refurbishment of the exterior of the building in order to cure the historical problems of dampness. Thereafter the rest of the building will be refurbished.

As for the future, we can look forward to a number of exciting heritage restoration and refurbishment projects, including the façade facelift of the Ince's Hall to complement the excellent work done on the Gibraltar International Bank; repair and restore the Grand Battery to continue from the works on the  
1845 Northern Defences; and the active rediscovery and re-use of abandoned heritage assets such as military magazines, bunkers and buildings for use by clubs, associations, NGOs and others. The Performing Arts Academy mentioned above is yet another example of how places of heritage can be restored in a sensitive manner for our current needs.

This past year has seen intense activity with regard to the World Heritage bid for the site that has been named Gibraltar Neanderthal Caves and Environments. The Department for Culture, Media and Sport of HM Government of the United Kingdom is presenting this bid on behalf of HM Government of Gibraltar as their sole nomination for 2016. This speaks volumes for the quality and potential of the site and its outstanding universal values. The nomination dossier was completed and submitted on time and it is now in the process of evaluation by UNESCO. In addition to the preparation of the dossier, which has been carried  
1855 out by the Gibraltar Museum after wide consultation with stakeholders in a formal steering committee, works have been carried out to the site and some are in the process of completion. These works have included cliff stabilisation and protection of the cliff above Gorham's Cave, removal of old scaffolding and debris accumulated on the beach over the years, repair of the steps leading down to Gorham's Cave and erection of new access into the caves themselves. Other works have included the beautification of the  
1860 approaches to the site, particularly along Europa Advance Road.

The assistance of other Gibraltar Government Ministries and Departments and NGOs should also go on record, as all have pulled together in order to be able to deliver on what has been and continues to be a major project with international recognition. We are pleased with the outcome so far but are not resting here. A five-year management plan has been produced for the site and has the approval of stakeholders and the Government. In order to continue this process we will introduce interpretation of the site and we will promote the site as a new tourist product.  
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I hasten to add that the site's sensitivity means that access to the caves will be strictly controlled, but there will be viewing platforms at the Europa Advance Batteries from where the caves can be seen and understood. As part of this process I am pleased that we have been able to work together with the Gibraltar Clay Target Shooting Association in the beautification of the site that they currently occupy at the 3rd Europa Advance Battery. It is a good example of how the community can work together and rally round a cause, with everyone winning in the process.  
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In order to ensure a balance between excavation and protection of the site, a five-year research and conservation strategy has also been prepared and this will run in parallel with the management plan. Recognising the importance of this aspect, an international committee was appointed, headed by a former deputy director of the UNESCO World Heritage Centre, to oversee the strategy. The excavations have now resumed in these important sites during June and July. To this end, extra staff are being recruited, amongst them archaeologists, researchers and technical assistants, as well as other administration personnel.  
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Together with this bid, works have also been undertaken at the old Moorish Castle Prison site. A feasibility study is currently being carried out with a view to providing office accommodation, laboratory facilities and storage space for the UNESCO project. An added bonus is that the historic sections of the old castle walls and prison will also be opened to the public for guided tours, eventually linking to the Northern Defences area through Road to the Lines.  
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I am also pleased to report that this year's Calpe conference will focus on the Neanderthals, appropriate in the year of nomination, and that an impressive line-up of top world speakers has been prepared. The conference will take place in the brand new premises of the University of Gibraltar between 24th and 27th  
1885

September, a fitting tribute to the academic and learned nature of the conference. I am happy to have collaborated with my colleagues in the Education to make this possible. In fact, by working in the collegiate approach that our Government has instilled, it has meant that collaboration between Departments has worked in many areas linked to heritage. The opportunity to have refurbishments in the Museum building was taken up to install new entrances to the attic, including new swift and bat boxes in key locations and this was done in collaboration with the Ministry for the Environment. I am sure Mr Netto will be very pleased to know that we also have now have swifts coming more to Gibraltar. I am pleased to announce here that the swifts have taken immediately to these new nest sites and we are making a contribution here to the conservation of these birds. (A Member: Hear, hear.) (*Banging on desks*)

Finally, and continuing with this Government's commitment to research, I can announce two important pilot research projects. (*Interjection*) The first is in collaboration with the University of Cambridge in studying the human remains uncovered at the Old St Bernard's Hospital site, constituting a uniquely large and historically significant sample, the study of which provides an important historical snapshot into the development of health in Gibraltar during the 17th and 18th centuries.

A second research project is being organised with University College London. This project looks into recovering for posterity, through the use of texture mapping, the important 18th century graffiti from the Gibraltar under Siege buildings. Some of this graffiti includes text by Lieutenant Ince, of the Great Siege fame... and importance and very rare and provides yet another example of Gibraltar's unique place in history.

Since assuming responsibility for Bruce's Farm, this administration has worked tirelessly to ensure that those who suffer from the consequences of addiction are able to access this service and be dealt with in an expeditious manner. For the last three years we have seen year upon year increases in the occupancy at Bruce's Farm. In fact, the average occupancy during this year tells us that we may have our busiest year in Bruce's Farm since it opened in 1999.

Over the past year we have established a partnership with Broadway Lodge, one of the most respected and longest-established drug rehabilitation centres in the UK. Already we have a rolling programme with them to oversee the continued improvement in the services we provide. Some of our members of staff have been able to undertake training attachments with them, and one of our senior managers has spent three months with them to take part in a review we have provided. This has allowed us to benchmark our services and implement a series of improvements that are still ongoing.

As was announced in my predecessor's Budget speech last year, we have now employed an additional counsellor who now provides a further source of support for those who, for a variety of reasons, cannot commit to a residential programme. This has enabled many persons who in the past would have not received any help to undertake a programme that mirrors that which is undertaken at Bruce's Farm, but within the community. Additionally, we have extended this service to the prison. The link between drugs and crime is well documented. For the first time we are able to undertake real, tangible work with inmates and, if necessary, either refer them to Bruce's Farm upon completion of their sentence or continue to provide support upon release. The take-up of this service is encouraging and over the past six months we have increased this service from one to three days a week.

We also continue to work very closely with volunteer groups, such as Narcotics Anonymous and Alcoholics Anonymous. We have facilitated their increased input within the prison, where they perform some very effective work with inmates that complements that undertaken by our counsellors in this establishment.

An important development has been the establishment of a halfway house for those who complete treatment at Bruce's Farm. We were finding that one of the major issues faced by those finishing residential treatment was that they faced being homeless. This inevitably contributed towards their relapse. We now have a specifically designated flat that has been constantly in use for the past five months. This is going a long way towards ensuring that vulnerable people are afforded an opportunity to reintegrate themselves back into the community in a planned and supported way.

At a strategic level we have now re-established the Drugs Advisory Council, which had lost all focus and was allowed to lapse by the previous administration despite its statutory nature. We know that drug misuse is an issue of concern to many of us, as evidenced in the recent Police Authority survey. We risk not making a real impact unless all stakeholders from health, law enforcement, education and rehabilitation pool resources and ideas to formulate initiatives to address the threat that drugs pose to our community and individuals alike. This Council has now been relaunched and it has been tasked with formulating a revised drug strategy.

The fact that Rehabilitation Services now falls under the remit of my Ministry opens many exciting opportunities in terms of taking an anti-drugs message to the wider community. Already the drugs team is in discussion with the other constituent teams within my Ministry to explore how we can achieve this in such diverse areas as sports, culture, heritage and youth and other public events.

1950 Several meetings have been held in relation to my responsibility for civil rights, which include the Ombudsman and the Citizens Advise Bureau. As we all know, these entities run in an independent manner and our Government will not interfere in the way they run only to give financial support and general encouragement. The only change that I would like to announce at this stage is that the Ombudsman's office, as the Hon. the Minister for Health, Dr John Cortes mentioned in his Budget speech, is now charged with the complaints received by users of the GHA. Another manifesto commitment completed.

1955 In conclusion, Mr Speaker, in this last year we have seen the culmination of some of the works we started in 2011 and the continuation of others. All the Ministries that I have been responsible for and the ones that I have now have seen a vast improvement of service and a great deal of investment. We promised change, and change we have and will continue to deliver. Whether in sports, culture, heritage, youth or drug rehabilitation, the improvements are there to be seen. Investing in our people is what we, as a Government, have as our first priority.

1960 I would like to take this opportunity to thank all the members of staff under my responsibility who have worked hard to fulfil all the manifesto commitments that we had promised in the General Election of 2011.

Thank you, Mr Speaker. (*Banging on desks*)

1965 **Chief Minister (Hon. F R Picardo):** Mr Speaker, after that *tour de force* in respect of the portfolios that the hon. Gentleman is responsible for, I move that the House do now adjourn until 11 o'clock tomorrow morning.

**Mr Speaker:** The House will now adjourn to 11.00 tomorrow morning.

*The House adjourned at 7.54 p.m.*





# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 11.01 a.m. – 1.33 p.m.

Gibraltar, Wednesday, 24th June 2015

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# The Gibraltar Parliament

*The Parliament met at 11.01 a.m.*

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

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

## Order of the Day

### GOVERNMENT BILLS

#### **Appropriation Bill 2015 – For Second Reading – Debate continued**

**Mr Speaker:** The Hon. Sir Peter Caruana.

**Hon. Sir P R Caruana:** Thank you, Mr Speaker.

5 With Mr Speaker's indulgence, if my hopefully brief address sounds like a political swan song then that is because, of course, because it is.

I am delighted to see that the practice that I started, of announcing here how many Budget speeches I had done, appears to have caught on and it has been adopted more widely, which I think is good because it allows *Hansard* to record people's trajectory through this Parliament. This is my 25th and last Budget  
10 debate.

I recall, Mr Speaker, your predecessor immediately after the by-election in 1991, in which I was first elected, then Sir Robert Peliza had a bit of a dilemma because the result of the by-election was on the last night that he could give me the 30 days' required notice of the Budget Book before the scheduled Budget debate which was to be my first. And he chased me round John Mackintosh Hall with this Budget Book in  
15 hand to make sure that he delivered it to me before midnight and that I could not forget. Of course I would happily – then not as bold as I was to become – have waived any technical requirement in that regard. But the 1991 Budget immediately after the by-election was my first.

Mr Speaker, during these 25 years – most of them spent as Chief Minister, but eight or nine of them in the no less worthy role of Opposition Member of this great institution – I have of course seen much change  
20 and my principal political rival, except in the latter years, the current Chief Minister was of course Joe Bossano. Joe was, I have to say, a formidable political opponent. Formidable but always engaging and I am glad he is not in this House yet today to hear that, because I suspect he is not one taken for being eulogised and probably would enjoy them even less coming from me.

But nevertheless I think it is appropriate to mark at the end of my 25-year parliamentary career that for  
25 many of those years I have had opposite me not just a formidable partisan political rival, but also a rival who himself contributed much to the Gibraltar that we all enjoy today and whose own political career will, when it concludes, I think, stand amongst the great ones in Gibraltar's politics.

He and I of course, agreed on some things, we disagreed on many and I hope and suspect that we may have agreed on more than either of us are willing to publicly admit.

30 Of course the great ideological rivalry, apart from his supposed socialist agenda and my supposed – in our respective political jargonism – right wing political agenda... the great divide in domestic economic terms was Joe's, I suspect, still held 'rainy day fund' mentality when it comes to economic stewardship versus our approach at the time which was that Gibraltar needed to spend, to grow, to reposition, to create an environment, to create a climate, a fiscal as well as a reputational environment, in which further  
35 investment would become more attractive to foreign investors and that way start a snowball rolling which only Government funding at that time could really do in sufficient measure.

One thing that Joe Bossano once said whilst I was still an Opposition Member of this House before my tenure as Chief Minister began, has always stuck in my mind during all the years that I was Chief Minister and, indeed, I sought to adopt as a mantra and that is when he said that there is no political security without economic self-sufficiency. In other words, that this community, challenged and threatened as it is politically, could not without independent economic security safeguard its political security and as I say, I adopted this mantra because it struck me as absolutely right.

Whilst immodestly claiming a proportionate share of whatever credit might be due, together with all the other social and economic stakeholders and partners in this community, that must equally share how Gibraltar has succeeded as a community during the 25 years that I have been a first-hand witness of its progress through my 25 years in this House.

I do not wish to bore the House with economic statistics and I will try to mention none, but in those 25 years, the economy has grown from around a couple of a hundred million to the levels that the Hon. the Chief Minister announced earlier this week. That is a nearly six-fold increase in the size of our small economy. Employment has much, much more than doubled; there are many more than twice as many people in economic activity in this community than there were 25 years ago. There has been a huge increase therefore, not just in the number of jobs but in the quality of jobs, and the earnings and take-home pay of our citizens.

There has been a huge reduction in the tax burdens suffered by our citizens and there has been a massive real increase in Government revenue. All of that, in turn, has enabled equally massive forward strides in the services that this community enjoys. The services that people often do not include but should include, because they are the principle ingredients of the definition of standard of living and quality of life which is not just measured in the amount of money that you can dispose of as a family through your pay packet, but also the quality of the health service that you enjoy, the quality of the education that we enjoy as a community, the caring services and the other public services, all of which have seen leap and bound forward strides in the last 25 years.

Indeed, I suspect that many of the youngest members of our community simply have no knowledge or understanding of just where Gibraltar came from in respect of what we now take for granted in the general description of social wellbeing. There have been massive forward strides in housing availability, both public and private; in, as I say, disposable incomes; in the renewal we have been able to renew our major public amenities and institutions – our prison, our hospitals, our air terminal, our court houses, our sports and leisure facilities, public housing; we have been able to engage in transformational urban renewal and beautification.

So there is no doubt that in the last 25 years – and I would say a little bit more... I keep on saying 25 years because that is what my first-hand political witness is, but of course I do not wish to minimise and I will recognise in just a moment, the indispensable contribution made by those that came before us in achieving whatever it is that this community has been able to achieve subsequently.

So a huge improvement in the quality of life and in the standard of living of all Gibraltarians, but more importantly or perhaps most importantly beyond that, it has delivered economic security and, with it, the greater political security that was the other half of the mantra that I mentioned at the beginning of my address.

In short, this community has proved adept at caring for the infamous metaphoric political pear tree and we have known how to, not just to ensure that the pear does not fall, metaphorically, from the tree, but that the pear has grown and that we have been able to benefit from it. And that is a measure not just of the correctness of the mantra, but the skill and success with which successive generations of political leadership in Gibraltar has been able to put the mantra in effect, into effect.

So, gone are the days on the back of our economic security; gone are the days of our political forefathers having to go cup in hand with requests for development aid to the UK with political conditions attached. And not for the first time, I will recognise in this House just how much harder it was for – if I could just call it loosely – pre-1988 Governments in Gibraltar; short of money, as they always were, to govern Gibraltar and to advance the social and economic prospects of this community with a much smaller, much less prosperous economy and therefore much more constrained availability of funding for the Government.

Their job in keeping Gibraltar politically safe as well as economically prosperous was therefore all the more difficult and we owe a debt of gratitude to those who laid the ground that we were then able to cultivate and see grow the rich economic social and political harvest that we have since been able to harvest from the ground that they laid.

So, gone are the days when the MOD sat on our most valuable land resources. So too, gone are the days of bilateralism between the UK and Spain. Now we have, instead, the double lock, when the UK will not only not give away our sovereignty without our wishes – the famous preamble to the Constitution – but will not even negotiate or discuss our sovereignty without our freely expressed consent. And although I recognise that it was my predecessor in office, Joe Bossano who effectively broke, psychologically, the mould of – not subservient because I do not think any of his predecessors were subservient – but the

previous mould of political and governance relationship between Gibraltar and the UK, it was the new Constitution of 2006 that definitively reduced to print, the degree of self-Government and autonomy that this community had, in a sense, helped itself to, through bold political actions and courage before that date in making good the equally democratic and necessary mantra that Gibraltar is best governed by Gibraltarians for Gibraltarians.

And so the new Constitution, and so the double lock, and so the end to bilateralism, and so the fact that nobody nowadays seriously contemplates the realistic prospect that it is possible – not just undesirable, that it is not even possible – for the UK and Spain to contemplate hatching a deal affecting our future status and our future rights, behind the backs and over the heads of the people of Gibraltar. That degree of political security which has been won gradually over 25 and more years is itself the result of our growing economic independence and the economic security that comes with it.

Therefore I do not think that the correctness of the mantra, economic security is necessary – not just because it is desirable to give the people of Gibraltar a good standard of living, but also because it is the necessary ingredient for our political security... I do not think on the basis of the evidence of the last 25 and more years, I do not think that anybody can possibly doubt that that is the correct and successful mantra that should underpin the conduct of politics and governance in Gibraltar.

So if I could now stop looking backwards and turn my swan song-ish gaze forward a little. Given what I have just said about the correctness of the mantra, it is my view that this community cannot take for granted, we cannot assume, that economically good times will always be with us. We have had a very long and good run of good economic times and there is a danger that we all get – rather like a generation that has never seen a slump in property prices, you know we can all get – lulled into a sense of false security that economic hard times can never hit Gibraltar, that we have got the magic formula, that whatever happens anywhere else things will always be rosy in our gardens and nothing will ever appear on the horizon to challenge our standard of living and to challenge everything that we enjoy today.

Well, as many countries have discovered in the last five or six years, this is simply not true and it is simply not a safe assumption upon which to ensure that our future generations of Gibraltarians enjoy the good fortune that we, this generation of Gibraltarian, are undoubtedly enjoying.

I am not talking about mistakes that any Gibraltar Government might make – and of course all Gibraltar Governments will make mistakes. That is not what I am referring to; I am referring to local factors out of the Government's control, global and regional factors out of the Government's control and events out of the Government's control. Any of them could at any time deliver a change of prospect compared to the good one that we enjoy today.

Now that I hope that after 25 years of the modernisation, of the rebuilding, of the repositioning of Gibraltar; now that I hope that as a political class, we – or more likely you, because I will not be part of it for very much longer – can agree that perhaps that rebuilding and that renewal of Gibraltar is substantially complete. There are still things left to be done, but there is a limit even to the amount of housing, for example, which is historically our acute problem; there is even a limit to the amount of home-ownership housing that this community, given its limited size, can absorb. There are, I acknowledge, pending things left to do.

There is the urban waste water treatment plant, there is power generation and distribution, there is, I hope, the tunnel still to do and there are things to do of a major kind; and it will always be the wish of Gibraltar Governments to invest part of the fruit of our economic success in further improvement of the modernisation of Gibraltar and its amenities and the personal prospects for individual economies, of families within our society. But I think it must surely be true that we must now be much closer to the end of that journey than even to the middle of it, let alone to the beginning of it.

That said, we need to consider, we need to have a... I do not know how these things happen – with great difficulty in the pressure of modern politics, I suspect – but this community needs, for its own good, in my modest opinion, to find a way where it can, over a period of time, somehow rebase or recalibrate or refocus our approach to the business of Government, to the business of politics away from really what we have had for the last 20 or more years where you know we compete with each other to see who offers more, who offers better, to spend more, to cut taxes more, to do this more, to do that more, because this is the perfect ratchet, this will end in tears if it is not at some point, interrupted collectively.

Of course, I am not pointing the finger at this Government or at this Opposition, because we have all engaged in it, we have all indulged in it. I am not saying that this is a lesson for anybody in particular. I am speaking of what I would like to see if I look forward five, 10, years from now, what would have changed for the good of that economic security which we all agree is important for our political security, might have happened. And we need to find... and I do not under estimate for the reasons of a sigh, sedentary comments and consequent sniggers; precisely for those reasons, I do not under estimate the difficulty of finding it. But I think it will be a huge legacy that the new generation of political leadership in Gibraltar will leave. Perhaps more valuable and more lasting than anything tangible that they achieve, if they are able to work

together to deliver that change in the way in which we conduct politics, that recalibration and that re-basement.

160 So, going round full circle to the very beginning of my address and my reference to the great sort of culture, the great sort of clash of ideas – Joe Bossano’s rainy day fund versus Caruana’s spend and spend to grow approach – has the time now come, has the day now come, has the moment now come, to focus more on the rainy day fund attitude? My view, I am not saying this is something that has got to be done overnight. I mean I would be shocked and slightly disappointed if at the next General Election sort of both  
165 manifestos promised to do absolutely nothing that cost any money – unlikely and surprising! So this is a process that has got to take place and the process, if it is to have any meaningful chance of success, has to start with a conversation about how the process would be carried out and perhaps some external non-political but local intervention or assistance might assist.

170 So should we be putting money aside in a sort of sovereign wealth fund or reserve to cushion us from such bad times or less good times, as may become Gibraltar in the future, so that we can protect, guarantee our economic security and through it protect and guarantee our political security? I think the answer is yes and if I should ever succumb to the temptation of which there is presently no evidence whatsoever, of writing some sort of book and I ever answered the self-posed question of what sort of things do you regret not having done or not having done better during the 16 years, or 15 and a bit years, that I had the  
175 stewardship of this community, somewhere in that list there would be that I did not start creating a sovereign wealth fund sooner.

We did little bits of things. You know, the investment in Gib House was, I suppose, some sort but I am not talking along that scale, I am talking about putting to one side a significant proportion of our surpluses and our wealth and investing it in assets so that over a period of time we are not buffer-less should leaner  
180 fiscal times not afflict the Government, its revenues and the economy at large. So, as I say, this would almost certainly require this sort of change of chip and I would dearly like and hope to see it materialise at some point in my lifetime.

185 And if I could just move on in this sort of rather self-indulgent or indulgent review, what else would Gibraltar benefit from advancing in now that we have made the economic, the social and the political progress that, through the hard work of successive generations and successive political parties and successive Governments and successive economic stakeholders and social stakeholders... have already achieved.

We need, I think, to move on to the next agenda of change and modernisation. So when – I am not saying... it may not be now – but when we all agree that we have finished re-modernising, and rebuilding,  
190 refurbishing, and beautifying, and providing parks, and yacht marinas, and housing, and new court houses and new air terminals, when we have finished all that, what is the next level that will take Gibraltar that next qualitative step in our collective journey towards a prosperous modern European member of the family of nations that fall into that description?

195 There are one or two things that I am going to touch on. Well, you know it is not that long ago that this place was an Assembly and you know in the new Constitution we managed to get it recognised as a Parliament; and there is a difference between a Parliament and an Assembly. An Assembly simply, theoretically exists for the purposes of passing laws, whereas a Parliament has got a much wider role in the governance, the affairs of a country, beyond the simple role of passing laws.

200 Whilst recognising the improvements introduced by the hon. Members opposite to the way that this House works since they arrived in office, I do not think that that can be the end of that agenda in terms of the wider, deeper, new agenda of further modernisation, not just of the way that this Parliament works but of the quality of democracy in Gibraltar.

205 By which I mean, how do we make the way democracy works in Gibraltar more like the way democracy works in larger, more modern, developed European countries and less like what we have been all these years – an Assembly snatching for powers from the administering power, if I can call it that, fighting for self-Government powers and not focusing on the things that other countries have been focusing on because it was premature for us to do so because the focus was on just acquiring the right to govern ourselves without focusing on how we would govern ourselves when we got the powers to do it? That is what I think is, interestingly perhaps, the focus of the agenda for the future.

210 I think high on that list has to be a discussion, a consideration, by those who will do the brainstorming that is the next generation of political leaders in Gibraltar sitting on both sides of this House, but not including me, an independent transparency mechanism. And in talking about an independent transparency mechanism, I am not treading on the debate about whether, if things had been done through the company, had been done through the Government, public debt would then be too high or too low. I am not talking  
215 about quantum; I am talking about the machinery of transparency – whether you are in Government or whether he is in Government or whoever is in Government in 30 years’ time.

Because, you see, transparency cannot depend... We tend to debate transparency as it affects us across the floor of this House, but most European countries have moved on, as the hon. Members have in part

recognised, by freedom of information legislation. Transparency nowadays is not just between politicians; citizens are entitled to be the beneficiaries of transparency as well and they do not have the right to come into this House to ask astute or less astute or more astute or better informed or less well informed questions.

So transparency cannot depend on asking parliamentary questions or on deciphering or making deductions from the answers, or even understanding the answers. Transparency has got to be if we want to look like other countries, it has got to be systemic and it has got to be automatic and the information has just got to be there for those who understand it, to see it, for those who do not understand it perhaps to abuse it but at least there, visible without the need to scrimp and scrounge and ask, beg and debate and do all manner of things, in order to try to get to it.

And remember, Mr Speaker, that I am describing the position as I would like it to be in the future. We have governed under the system, such as it is, as well. Of course we have a different view – as the hon. Members know in the context of the current debate – we have a different view about the extent to which that system is being used now, compared to the sort of things that we did, but that is not the debate that I am addressing at this time.

So in a sense, Mr Speaker, every time the Hon. the Chief Minister accuses the Leader of the Opposition or whoever, of not understanding what he is being told, that the information is there, in a sense – I mean this may be an acid test of the correctness or not of what I am saying – in a sense, every time he gets the opportunity to say that to a political opponent, there is an element of recognition that the necessary degree of automatic availability of the information is absent.

Because in saying, ‘You have not asked the right question,’ there is an admission there that you had to ask a question, for example, that you had to deduce, that you had to make deductions, as opposed to fiscal matters. And by fiscal matters, I have to say, Mr Speaker that I understand... I do not claim any particular authority for this statement but in my personal opinion, transparency of public finances should and must include the handling by the Government of all monies that it handles, whether it be in Government-owned companies, as we used to do as well, or whether it be in the thing that we are technically debating at this time, which is the Consolidated Fund of the Improvement and Development Fund – in other words, any economic resource about which those that are elected into political office have dispositive powers over, should be the subject of whatever modern automatic transparency mechanism is in place and that is, I do not think, is the case today.

This gives me the opportunity which I do not wish to miss in this, my last address to this House, to applaud my friend, the Leader of the Opposition, Danny Feetham, for the brave, honest and persistent way in which he has done the Opposition’s difficult job of addressing these complex questions that do not always strike a chord with citizens as they go about their day to day work. But who in this House can honestly say that they would have been surprised if a Leader of the Opposition, doing his job, as we in a non-partisan sense would expect a Leader of the Opposition to do, if the Leader of the Opposition had *not* addressed this debate in the name of transparency?

And then people can have different views, people can agree or disagree. I think the House well knows the view that we take on this side of the House of that position. I think that Danny is a worthy, able and hard-working successor of mine in the leadership of the Party and I sincerely hope that all those people who are otherwise minded to vote for the GSD at the forthcoming General Election, will place their trust in him, because he deserves it.

So question also whether in this list of possible new architecture for the future, we might also have for example, an independent Budget responsibility mechanism, as they now have in the United Kingdom, whether perhaps... and this is something that I considered in my time and decided against, but it is something worth reconsidering from time to time – whether an international credit rating which necessarily imposes a degree of external oversight through a market assessment mechanism. It has its risks, but it has its democratic advantages too.

So, Mr Speaker, the next generation of leaders will have to debate these things and take Gibraltar forward in those and whatever other elements they think should be included in Gibraltar’s new agenda items for the future, as their predecessors have done in relation to the economic and political security of Gibraltar. My view is the goal should be what does this community need to do in terms of its system of governance to bring Gibraltar closer to the way other European democracies do democracy? And I do not mean that we vote for a Government and I do not mean all the improvements that they have introduced over the last four years, in the frequency of meetings, I do not underestimate or mischaracterise the value of those improvements and I recognise them as improvements but I think that the agenda has much further to go.

Mr Speaker, I cannot end without making a brief reference to external affairs. To reduce the propositions to the briefest and simplest, in my view and having sat in the chair there for 15 and a half years, and been pulled and pushed and considered this and rejected that and considered the other and put everything into the decision-making pot at different times, you know after a 15-and-a-half-year learning curve, effectively, I am firmly of the view that if there is to be any architecture – which I thoroughly

280 recommend that there should be – for ongoing dialogue between involving both Gibraltar and Spain, then the trilateral – or some version of it which respects the essential ingredients of the trilateral process – is the only way forward.

I do not say that the precise architecture of what we call the trilateral process is the only viable method, but any method that replaces it, if one is to replace it, has got to respect the essential ingredients of that omelette because that is where our political security lies. And of course – and this is I suppose a general reflection to another Joe Bossano mantra – there can and must never be a return to bilateralism in Gibraltar, because that necessarily amounts to a denial of our rights as a people and the moment that we sign up to a denial of our rights as a people, then as sure as night follows day, there will be a disrespecting of those rights by others.

290 And in respect of the Cordoba Agreements, which can be differentiated from the trilateral process – the Cordoba Agreement was simply the first supposed fruits of the trilateral process... Insofar as the Cordoba Agreements are concerned, we have, at not inconsiderable cost to us as a small community, honoured our side of the bargain and Spain must do the same. And the consequences of Spain not doing the same are not just that the fruits of the Cordoba Agreement are denied to the people on both sides such as the fruits were for one side or the other or for both, it is the fact – and this is, in a sense the most worrying aspect of it – that if Spain does not honour the Cordoba Agreement, then I do not see how any Gibraltar Government in the future can be asked, or expected to, or can safely itself decide to, trust agreements of a political kind with Spain in the future.

And the EU must itself take care that it does not aid and abet Spain's resilement from compliance with the Cordoba Agreement such that it, the EU, is not itself contributing to making the political relationship between the three parties in relation to Gibraltar more complex. I am, of course, referring to the Cordoba Airport Agreement which, by the way, was notified to the EU institutions, was notified to all the Member States and not only does Spain have a moral, political – if not a legal, because it was not a sort of Treaty obligation – to honour that, but the EU who accepted notification of the arrangements, and accepted changes of language in EU aviation measures in consequence of those changes notified by the UK and by Spain, cannot adopt a position of neutrality.

Neutrality means that you adopt a position that does not favour or oppose one side or another to a dispute. Neutrality neither requires nor justifies that you aid and abet somebody in resiling from an agreement which they have made which one of the sides has implemented and which has been notified to you. The word 'neutrality' in that respect is much abused in my view by European community spokesmen.

310 So I applaud the hon. Members opposite's insistence in holding the UK to those agreements and, frankly, it would be in my opinion a shocking betrayal by the United Kingdom of Gibraltar if they ever struck any form of compromise agreement in relation to the Airport non-implementation that had the effect of excluding, suspending or making in any other shape, manner or form, exceptional, Gibraltar's right to, in theory and in practice, immediately benefit from all EU aviation measures to which the Cordoba Agreement would entitle it to do so. And I am sure the hon. Members will have the support of this side of the House for the remainder of this Parliament, as I am sure whoever forms the next GSD Government will have it from them in the next Parliament.

Finally, Mr Speaker, I would like to thank hon. Members on both sides of the House for, over so many years, their friendship, their honesty and their respect, even as political adversaries. There have been many tough, bitter, aggressive and angry moments – of course, none of them contributed to by me! (*Laughter*) – but consistently with, I think, our Gibraltarian instincts, I believe we, none of us, ever forgot that it was only politics and that we never intended personal harm or hurt or offence to anybody, even though it would not surprise me if it had often been caused. I, for myself, can certainly say that insofar as concerns me, that statement is true.

I thank also my friends, the Leader of the Opposition, Danny Feetham and the Hon. Albert Isola, for their very kind, warm and generous words about me during their interventions yesterday.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, would the hon. Gentleman –?

**Hon. Sir P R Caruana:** Sorry? Yes, of course.

**Hon. Chief Minister:** Mr Speaker, that may be a convenient moment – because I understand he is not going to be here tomorrow when I reply – for me to say something which I intended to say in the course of my reply tomorrow, but I wish him to be in the House to hear.

Given that he said he was going to speak for 10 minutes and has gone on for 40, there will be much more that I need to reply to that he might not want to be around to hear, but if I could just pause our disagreements for a moment and reflect with him here in the House, on his 25 years of service to the community, which I think it is absolutely right to mark and I thank him for giving way to allow me to do that.

In fact, Mr Speaker, when we started at 11 o'clock I was quite worried. This was the Budget debate, Peter Caruana was on his feet, I had six and he had seven and it all started to feel quite like when I was first elected in 2003. I am very pleased that my lot have now turned up and if it comes to a vote of confidence, I stand a better chance of winning it than I did when I first saw him across the floor of the House, formidable as he then was, as Leader of this House in November 2003.

Mr Speaker, he became a Queen's Counsel in 1998, two years after becoming Chief Minister – an honour which it was right to bestow on him because of the work he had done before he became Chief Minister as a Barrister and in recognition of his skills as an advocate, which he then deployed for 16 years on behalf of one client in particular, Gibraltar Plc.

And we have had many disagreements at the time that he has been in politics, not just between him and me but of course between the Party that he represented and the Party I now represent, because it is in the nature of our adversarial system of politics that we highlight the things on which we disagree. And if, on every day we disagree about one thing and agree on 99 others, nobody looks at those 99 others; it is in the nature of our system that we apply the magnifying glass to that one area of disagreement. And of course there are many things on which we agree and we are only in this place usually concentrating on the things that we disagree.

Therefore, Mr Speaker, having become Chief Minister, when I was notified that he was going to be invested as KCMG I was very happy and proud for all of the people of Gibraltar that Her Majesty was going to recognise the service of a Gibraltarian to his community in that way, especially given the fact that 16 years in the job that he was doing, and I have done only for three, requires a level of dedication and commitment of time and of being able to withstand the pressures that others would put in our community principally expressed on the person sitting in the Chair I now sit, that that was in fact a very worthy recognition indeed of the work that he had done.

Mr Speaker, I always worry when Peter Caruana is on his feet in this place and I am nodding to what he is saying. And there were instances during the course of what he has said when I found myself nodding. Happily, I found myself shaking my head and whispering to the Deputy Chief Minister about the gall of the man to say some things, but I think he would be delighted to hear that; because I think, like Joe Bossano and like Margaret Thatcher, if you spend 20 years in front line politics and you do not divide opinion, you have not really achieved anything at all. I think Margaret Thatcher would have been delighted to see that there were strikes on the day of her funeral and that Peter would be delighted to hear that the Deputy Chief Minister and I thought that he just... we could not believe how he was thinking he was getting away with some of the things he was saying this morning.

I want to thank him, Mr Speaker, for recognising also the contribution of Joe Bossano in the way that he generously has today. The time will come when we have to pay tribute to Joe Bossano, but not today. But it is right that in his last intervention during the course of this Appropriation Debate, he has wanted to do so, and he has done so in generous terms and I am grateful for that on behalf of Members on this side of the House.

Mr Speaker, Peter Caruana is everything but an easy adversary. He is probably the toughest adversary I will ever face and therefore he was a good trainer for somebody who has got to go up against adversaries internationally, against Gibraltar. And defeating him on 9th December 2011 was, therefore, I put to him, a massive personal achievement for all of us on this side of the House, and I say that to laud him and to compliment him in saying it, because he was a giant as Chief Minister and difficult to see how we might debunk him.

Mr Speaker, in the 16 years that he has been here, I am not going to hide the fact that we had huge disagreements, certainly in the time I was here and the time that Joe Bossano was leading this Party before them. But, as I said on the morning of the election, in the 16 years that he was here he did not do everything wrong, he did much which was right and which we recognise, but of course our system, as I said, did not allow us to concentrate on those issues.

I do not think he is the greatest Gibraltarian of all time or the greatest Gibraltarian of our time and I do not think he thinks that either, Mr Speaker, and would be embarrassed in somebody pretending to claim that for him, but his remarkable election record, Mr Speaker demonstrates the regard in which this community held him for a very long time.

I must tell him I have absolutely no desire to emulate his record in that respect, but the respect of the people of Gibraltar in political terms, is expressed at election time with votes in numbers and who they put on this side of the House and they have demonstrated their regard for him in that way and as politicians, I know he and I understand as do all the rest of us sitting in this House, that that is the greatest compliment that a community could have paid him.

Mr Speaker, I want to pay tribute to others who are not in this House this morning and that is to his family because all of us in this House will know that those who have sat in the chair in which I now sit, in particular, the sacrifice, the time that one has to give up and that one's family has to give up, and the sacrifice and the intrusion that one's family has to put up with because one is in politics. They have had him



back now for some time and will have even more time from him now that he is not going to offer himself for re-election. His family has grown, he is now a grandfather and I am sure that those pursuits will be much more enjoyable even than putting a wretched young barrister against the ropes in this place, as he used to relish doing all those years ago.

These days, Mr Speaker, he is generous in his advice and generous with his time whenever a current Chief Minister has to request that a previous Chief Minister recall why certain things happened in a particular way or why certain letters were written in a particular way, and he is always available on the end of a phone when I need to speak to him and I am extremely grateful on behalf of the Government and on behalf of the whole of the community that he is available for that purpose.

All of us, Mr Speaker, in each of our ministerial posts build on the work of those who have come before and in the same way as the first hand over of power in 1972, from the AACR to the IWPB, and then again to the AACR and from then to the GSLP and then to the GSD and back, all of us are building on the work that each of us has done and I am building on 16 years of work done by him and I want to thank him on behalf of all the community for that.

He has been very clear previously, having relinquished the post of Leader of the Opposition that his interest, like the interest of most Gibraltarians, if not all Gibraltarians, is simply to see Gibraltar continue to succeed and that is exactly what we are embarked upon. He has expressed that in a way I think people see is genuine; he has avoided the cut and thrust of the partisan fray since he left the post and went to the backbenchers; he has introduced the concept of a backbencher – something that he used to be against when he was in Government but there he is on the back benches, speaking in a non-partisan way.

And I hope that he has had enough of the partisan fray, quite unlike others, Mr Speaker, I wish him all the best in any endeavour he may decide to pursue, even politics, as long as it is not on the other side of me. But I can think of few people who might better represent different international organisations than Sir Peter Caruana QC if some international organisation were to decide that they would benefit from his representation and he would of course enjoy the support of the Government in every respect in that way.

Mr Speaker, his political career is not over yet; this is only the Budget debate and there is still sometime to go before an election and I do not want to write him off, but given that he has written himself off, if I may just end by saying that, you know, giants are people who can crush you and people you might disagree with but they are still very big and he is a giant of Gibraltar politics! (*Banging on desks*)

**Hon. Sir P R Caruana:** Well, Mr Speaker, I think that is an extraordinarily generous set of remarks and I am extraordinarily grateful to the hon. Member for his generosity of spirit in objectively and fairly recognising what he may think I may have achieved and contributed in the past. I think it demonstrates that in-built somewhere into the DNA of our adversarial political system is the ability of people to differentiate between political hostility and personal hostility, and when push comes to shove I think as human beings we all know which of the two is more important.

I have to say, Mr Speaker, that when I relegated myself to the back bench I had not fully understood that I would be then thereafter liberally referred to as ‘the backbencher’ (*Laughter*) in official parliamentary debate but nevertheless...

Mr Speaker, in conclusion, I am not a person given to an excess of demonstration of emotions, but I have been hugely privileged and honoured by the people of Gibraltar and by my Party and by my parliamentary colleagues, to serve as their leader for many years, and I wish to thank them, my colleagues in the Party, my colleagues in Government and above all the people of Gibraltar that entrusted me with their most valuable thing – their future and the future of their children for so many years.

Of course, I have not succeeded in everything that I have tried and there are many things that I have done which no doubt I could have done better. I would be satisfied with the judgement that, on balance, I gave of my best and I left nothing in the inkwell, so to speak, of my own effort in trying, as best as I saw it, to advance the interests of this community.

I have to say I shall miss this place! Nor had I calculated that there was a huge amount of time left until the next General Election, so I will enjoy it whilst it lasts. Still, we must be down to months by now. And I suspect, my Lord, that I shall miss this place more than, judging by even the generous comments of my learned friend, some of the Members of it will miss me. But still, that is life.

I wish all future Governments of Gibraltar, whatever their political colour, Godspeed and every possible success in their continuing steering of this fantastic country, of this fantastic people, and fantastic and worthy people, through our collective journey; and, as we sometimes forget, against odds that are stacked up against us by much larger and much more powerful countries and organisations.

I will always be available to assist all Gibraltar Governments in any way that I can in pursuit of those interests of this great community that gives us all such a happy, high standard of living and quality of life to enjoy with our families.

Thank you all very much indeed. (*Banging on desks*)

**Mr Speaker:** With the leave of the House, when the Hon. Sir Peter Caruana first sat in the House, he was occupying the seat which the Hon. Edwin Reyes is now occupying and I was occupying the seat which the Hon. Danny Feetham occupies. We were sitting fairly close and we are still sitting fairly close, (Laughter) if in different capacities.

Is this the end of the road? Well, strange things happen in politics, in public life – only time will tell!

**A Member:** I should hope so.

**Hon. Sir P R Caruana:** My wife may be listening. [Laughter]. [Banging on Desks].

**Mr Speaker:** The Hon. Samantha Sacramento.

**Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):** Mr Speaker, it is quite amazing how time flies. This has been my first Parliament and this will be my last Budget address of this Parliament, making it important to pause for a moment and reflect on all that has been achieved for our community by this Government in our first term in office.

Of all the Departments that I am responsible for, nowhere is the change as apparent or as rewarding, in my view, as the tremendous progress that has been made in Social Services in such a short period of time.

We have gone, Mr Speaker, from a haphazard disjointed service, that by the very nature of its disorganisation failed to support and reach out to people as it should, to one that is now a far cry from that.

The priority has been to reorganise and restructure in a way that has best worked for the service and the service continues a process of self-assessment and review, as needs and priorities change.

To say that in the history of Social Services it is the first time ever that there is a full complement of staff is an achievement in itself, (A Member: Hear, hear.) but this Government has not stopped there and we have invested in increasing the number of social workers and support staff. Following restructures, investment in staff, resources and tools means that social workers are now able to discharge their professional duties and are no longer put in a position where they have to work with their hands tied behind their backs, and can now go further and have the capacity to develop strategic policies.

Historically, Mr Speaker, one of the problems was in the recruitment of social workers because traditionally this is not a profession that has been very popular locally. We have tackled this head on and in the short term we have teamed up with a specialised recruitment agency in the UK to ensure that the recruitment process is quick and effective, and we have a steady supply of social workers in the short term, and through working with the Department of Education we are engaging with the comprehensive schools and the College to raise awareness in training in this as a profession.

In order to properly support social work graduates, once they return, Mr Speaker, so that they are properly trained and with the right amount of support and experience, two years ago we introduced four additional posts for newly-qualified social workers where they undertake rotations throughout the service benefitting from the experience of their colleagues.

Since the reshuffle, Mr Speaker, the Care Agency exclusively deals with Social Services and no longer Elderly Residential Services. This was the final piece in the jigsaw, Mr Speaker, to enable the organisation to fully focus on social services for the community and work more cohesively at senior management level, and I will deal with the individual teams in turn. The exemplary team at Social Services provide a better service year on year now, Mr Speaker.

It is important to note at this stage, Mr Speaker, that during this term of office, we have increased the complement of social workers by four, introduced four new posts for newly-qualified social work graduates, two social worker assistants and more administrative support. With this investment we have been able to take Social Services to a whole new level.

The Children and Family Services, Mr Speaker, is made up of a number of different services providing for children and their families in need.

Early intervention is essential so as to ensure that children do not need placements outside their family homes and, Mr Speaker, we are now, I am delighted to report, at a stage where we can provide that.

Although safeguarding and child protection is what usually gets into the public arena, it is the work that is invested in the early stages that ensures that families move on from crises and resolve their difficulties. So investment into early intervention work, Mr Speaker, is the right thing to do and which is what we are now doing, because it helps avoid family breakdown, criminality, domestic abuse and substance misuse, among other issues.

As part of the restructure of Social Services, Mr Speaker, we have introduced a duty team to deal with the initial referrals of the service and they have now been able to develop databases in the last three years to gather information on the referrals that they receive. This will assist in highlighting trends in society and, as a consequence, identify where the needs lie.

In fact, Mr Speaker, as an anecdote, I have this morning received an e-mail from the head of the service informing me of a complimentary remark from another Government Department on how well the duty team is working and how they very actively and pro-actively follow up on referrals. It is another example of how and why the service works well, and we work at a multi-disciplinary and multi-agency level in a cohesive way, Mr Speaker – something that was never done before.

We are now at a stage where we have developed a database for domestic abuse. This service is to highlight families where it is a common occurrence and intervention is required. It also helps us identify families where the difficulty has begun to arise and support is offered so the couples can resolve their issues without this impacting on their children.

In fact, Mr Speaker, recently two social workers and the Agency's psychologist attended a training programme in the UK so as to deal with victims and perpetrators of domestic abuse. The work carried out under this programme is usually incorporated in a child protection plan because it is no longer good enough to safeguard and protect victims and their children.

We recognise that perpetrators continue to act out in a behaviour that they have learnt, and punishment itself is not the only solution. These perpetrators will continue to act out their behaviours and they continue to be parents, so they must be assisted in making the necessary changes and break the cycle.

Mr Speaker, the long-term team will deal with child protection, adoption and fostering, court welfare, children with disabilities and children in need. I am delighted to report that, thanks to the investment in increasing the number of staff, the social workers in the court welfare team no longer have a delay in preparing court reports – a problem that was endemic for many years before we took office.

We have introduced a respite service for children with disabilities and this fulfils one of our manifesto commitments.

The statutory Child Protection Committee continues to meet and it ensures that safeguarding training is offered to all those who work with children. The most significant development in child protection is the commissioning of a comprehensive child protection policy for Gibraltar, which will truly be a landmark document and policy. This has been a two-year project led by Social Services, but involves all Government Departments and key stakeholders and is now in the final stages.

The purpose of the Adult Services in Social Services is to assist vulnerable people aged 18 or over to live as independently as possible in the community. They have eight separate areas of responsibility, which include, in addition to the general social work: domiciliary care, safeguarding adults, day-care services for people over 60, out-of-hours emergency social work, overseas placements for adults with learning disabilities and the transition stage for looked after children who leave care, and they also sit on the multi-agency public protection and risk management of sex offenders.

We have had significant achievements this year. Our one point of contact referral system is now firmly in place and is being used by the different professionals wishing to ensure social work services for a range of potential users. There are clear pathways to the system in place to ensure fair and transparent access to the different services.

The Gibraltar Multi-agency Safeguarding Adults at Risk of Abuse procedures – and I am the Chairman of that Committee, Mr Speaker – has been very successful, with the number of referrals being received from other professionals continuing to increase over the past year. This is due to the increase in awareness around safeguarding, as a result of a rolling programme of multi-agency training in basic awareness; and 174 people have undertaken this training this year. The Housing Department is now also represented on that Committee, Mr Speaker.

A Gibraltar Public Protection Panel has been set down to ensure the effective communication and a joint approach to the monitoring of people who could pose a threat to the general public, Mr Speaker. The head of the service has been assigned the role of safeguarding officer and the senior social worker is the data controller for the Agency under those procedures.

The number of people coming under these procedures, Mr Speaker, has more than doubled in the past year. In addition, Mr Speaker, the team sits on the multi-agency Domestic Violence Working Group, which I established and is drafting procedures within their different professional areas so that they work effectively in partnership to reduce the risk of domestic violence and work with survivors and their families.

But of all the achievements, Mr Speaker, I think that there are three main achievements during this term that are so significant that, while they have not taken place during this financial year, I think they are important and I need to mention them.

First of all is the establishment of a brand new purpose-built day centre for the elderly at Waterport Terraces. This consolidates the service that used to be provided at different locations and this means that now not only can people meet in more pleasant and comfortable surroundings which are completely accessible, but by having large premises we can open up the service to more people.

Then, Mr Speaker, there has been the establishment of a focus on dementia and Social Services is a key player in that, alongside colleagues in the GHA. A multi-agency Dementia Working Party was convened by this Government, Mr Speaker, to draft a dementia strategy for Gibraltar and support dementia services.

Finally, Mr Speaker, and one of the things that I can be most proud of, is this Government's unprecedented investment in domiciliary care which has seen the biggest injection of recurrent expenditure in the Agency. The GSD's budget for this service when they were in office was £600,000. Ours has increased it to £2.5 million, so imagine how many more people have received home help, (*Banging on desks*) and this does not only help them, Mr Speaker, but their families also benefit from this service.

Mr Speaker, it is an important way of caring for our community and it helps more of our elderly citizens remain safely and independently at home. To make sure that this service runs effectively and efficiently, we are constantly reviewing the administration of it. We recently invested in a new database system to control the domiciliary care service better. A senior social worker is dedicated to overseeing the service and the team regularly attend ward and bed management meetings at hospital as well, when this is necessary.

Turning to Disability Services, Mr Speaker – and before I start, I wanted to say that the Dr Giraldi Inquiry was necessary; the Inquiry showed that there was abuse, but we need to move on from that, and we have.

Mr Speaker, the Service comprises of St Bernadette's day centre for adults with learning disabilities, Dr Giraldi Home and the service in the community.

The Service today, Mr Speaker, is nothing like the Service from a few years ago and it has come on in leaps and bounds. I make it a point to visit the services regularly and meet with the service users and their families, and I am incredibly proud of all that we have achieved. The unprecedented strategic approach in the recruitment of staff and the intense training, both internal and external, has clearly made all the difference.

The way that we work at the Services is different, Mr Speaker. There are now structured and meaningful activities. Many of these take place in the community. There are clear support plans for the individuals in order that we can maximise the benefit to service users. There are so many innovations that we have done in the Service that I would probably be here for about three hours just speaking on the differences that we have made there, Mr Speaker, but I will concentrate on the main points.

Importantly, we have extended the Service, Mr Speaker, particularly in relation to respite at Dr Giraldi to meet the growing needs in the community. There has been further refurbishment of the premises as well as investment in the equipment. We continue to work on raising awareness of people with learning disabilities all the time and our Service is about making people matter, and to give them an opportunity to showcase their abilities. The design of the Gibraltar Christmas stamp by service users at the St Bernadette's centre is a prime example of this.

Training throughout the Agency, Mr Speaker, has completely changed – and not as alluded to by Mr Netto yesterday, where he tried to convince people that we were using the same programme that they did when he was in office, Mr Speaker.

In answer to Parliament questions, I told him that I would not give him the programme because it was an internal Government document and that it was not appropriate for him to attempt to micromanage a service for which he is no longer the Minister. He had plenty of opportunity to do that when it was his responsibility. We do things our way and clearly the results show that it is a better way, Mr Speaker because the training we delivered is dedicated, it is needs-led and it is more focused than ever before; and, given that the Agency is now smaller, it is easier to deliver the focussed training.

But it must be recognised that the training team has provided intense training not only to numerous care workers and recruits in-house, but when we were responsible for Elderly Residential Services, to a lot of the people who are now based in Mount Alvernia and elsewhere. They have also teamed up with ETCL and have been running courses on elderly care for ETCL at Bleak House for almost two years – such is the interest of work by residents in this field, Mr Speaker.

The partnership with ETCL is a real success story and I am sure that the hon. Member who shadows responsibility for Employment will be happy to hear this. We have a very successful training programme for carers indeed and our endeavours have resulted in 69 of our current employees having commenced as ETCL trainees. Some of these are now in elderly residential services not necessarily within Social Services.

I just want to, as an anecdote, comment on an example because a couple of days ago with a member of staff who is one of the success stories of ETCL. She is a school leaver who was the first entrant into the Care Agency through the ETCL programme when we first started it in February 2012. She started with us training as ETCL. From that she progressed to a contract with the Care Agency and when I was chatting to her the other day she now tells me that she is going to embark on a course to qualify as a nurse.

So that shows, Mr Speaker, that our strategy is good, that our strategy works, that people are happy and people can now see career progression and aspire to that within the service. So that makes me very happy indeed, Mr Speaker.

It is quite significant, Mr Speaker, that yesterday, while Mr Netto spoke of everything under the sun for the past 20 years and he was extremely critical of equality issues, in particular disability policies, there was not a single mention or criticism of Social Services. This is very telling to me, because I see it as a rubber stamp by the Opposition on how well we have done. The legacy that the GSD left in Social Services was

645 shameful. Of all my portfolios, it is certainly the worst Department that I have come across, and when I say that, I refer that to the Government then... priorities and their lack of investment and support, and it is not a criticism in anyway of the professionals or individuals who work for the organisation.

I am glad that, with the hard work and sheer dedication of the teams who work with me, we have managed to turn the service around. The development in the service means that we have moved on from a  
650 reactive service to one that is able to strategically plan and also work in preventative measures.

Our unprecedented investment in Social Services, and particularly in training, is an investment in the future of the social work profession and, in turn, an investment in the betterment of our community.

Not enough recognition has been given to social work professionals in the past, Mr Speaker, but I can honestly say that the team of professionals who work at Social Services today, whether social workers, care  
655 workers, management or administrative support, make up an essential service in our society and should no longer continue to be unrecognised. They are a dedicated team of professionals who have my full support and I thank them and the management of the Care Agency for the difficult work that they do, and work that they do well.

Mr Speaker, I now turn to the Department of Equality. As I have said in previous Budget speeches, equality is at the heart of this Government and our commitment to equality shows a natural progression  
660 towards an inclusive society and it is a recognition of a modern Gibraltar. The Government has been progressing the equality agenda over this term, and it is an advancement of civic and human rights. It was indeed a proud moment for me to have been appointed as the first Minister for Equality.

I was immensely proud that the first Bill I moved in Parliament was the Civil Partnership Bill in 2014 – the fulfilment of a manifesto commitment. It is legislation that enabled the formal recognition of  
665 relationships between couples of the same sex – a momentous occasion in the history of our Parliament, Mr Speaker.

On 28th March this year, we celebrated the first anniversary of the commencement of that legislation. Introducing that legislation provides a further step on the road to a fair and inclusive society and the right to  
670 be treated equally in the eyes of the law. As we heard the Chief Minister inform us, Mr Speaker, there have already been 35 civil partnerships so far.

We are a Government that believes that the respect of a person's sexual orientation is a fundamental human right. Mr Speaker, this is a far cry from the denial of gay rights demonstrated by the GSD. While Mr Netto attempted to re-write history in his speech yesterday, the reality is that the GSD tried everything  
675 under the sun that they could to deny the advancement of gay rights.

Mr Speaker, they even went as far as resisting an application to a joint Government tenancy by a same sex couple in what, over the years, has been known as the 'gay housing case'. It was resisted all the way to the Privy Council, Gibraltar's highest Court of Appeal, at a cost to the taxpayer in excess of a quarter of a million pounds; insofar as the court proceedings for a constitutional declaration on the age of consent, and  
680 not a judicial review, as Mr Netto incorrectly referred to it yesterday. So concerned were the FCO on the issue that they even sent observers to participate in the case – quite embarrassing, I must say.

But then, Mr Speaker, by Mr Netto's own admission, the advances made by this Government on human rights are greater than those made by his Government, and while yesterday he tried his best to retract the statement that he made in the Newswatch interview on GBC on IDAHO day, at least he qualified and  
685 conceded yesterday that we had, insofar as gay rights.

Mr Speaker, a GSD administration would never have seen the rainbow flag fly above No.6 Convent Place. This Government has sent a clear message that gay people deserve recognition and respect, and provides a further step to a fair and inclusive society. I am proud to be part of this Government that was bold enough to send this unequivocal message and mark a milestone in the legislative process. (*Banging on desks*)  
690

Mr Speaker, the Department of Equality is able to co-ordinate and oversee matters relating to disability in all other Government Departments and is involved in all Government projects.

It is the policy of this Government to ensure that all new projects going forward are fully accessible and my Department offers advice and guidance on this. For example, we were heavily involved in advising and  
695 assisting the Gibraltar Tourist Board at the time when I was not Minister with responsibility for it, on accessibility to beaches and tourist sites.

We have seen our beaches transformed into accessible places with improved walkways in beaches all year round. We have seen the refurbishment of the Camp Bay Pool, which has an accessible ramp being built; has colour contrast in the steps to assist those with visual impairments. We have seen the dramatic  
700 change at Eastern Beach and Catalan Bay which are accessible, and we have the accessible units and mobility aids to assist people with disabilities integrate into our way of life in the summer.

We also have the new Montagu bathing pavilion which, as part of our policy on inclusion, is fully accessible of course and has hoists in the pools and easy access into the sea and also has fully accessible changing places, shower facilities and an inclusive children's play park. This is a facility that can be  
705 enjoyed by all of the community.

In fact, Mr Speaker, wearing my Minister for Tourism hat, as a result of these improvements, Enable Holidays, a tour operator specialising in holidays that meet the requirements of people with disabilities, as an accessible holiday destination, recognised us as such. This is an achievement indeed for our initiatives.

Mr Speaker, access for all has been at the forefront of all our new refurbishments and our buildings are completely accessible, and you can see that at No. 6 Convent Place, the newly-opened Gibraltar International Bank. We heard from the Minister for Health yesterday how changes are being made to St Bernard's Hospital to make that inclusive. The new university will be accessible, as will the new schools at the old St Bernard's Hospital.

The Inces Hall is being refurbished to make it accessible and, Mr Speaker, this Parliament will be accessible as well. In July, we will also see the first ever purpose built facility for the Stay and Play programme opening its doors, thanks to Minister Linares, whose responsibility it is for sports.

One of the most significant aspects of work that we have taken so far – significant and substantial, Mr Speaker, because it has been a huge piece of work – is to review the current legislation and provide laws modelled on the UN Convention on the Rights of the Disabled. The draft legislation is now ready and we are in the process of consulting all the relevant stakeholders. We will be in a position to publish this in the coming weeks.

The most fundamental change that the new legislation will bring is the statutory obligation to make premises accessible to people with disabilities. Consequently, the Department of Equality has been working very hard on a programme of auditing and advising Government Departments on the reforms. The changes will also include public areas and not just buildings.

The Government Technical Services Department, in consultation with the Ministry of Equality & the GHA Occupational Therapy Department have been very busy identifying and making improvements in our community. Also, Mr Speaker, they have all undergone training on accessibility audits which was recognised by our Department.

Mr Speaker, I accept that our manifesto stated that we would do this in our first year and, of course with hindsight this was a bit ambitious of us, but the principle continues to be just as important and it has taken us a bit longer than we expected, partly because we did not envisage to find the problems that we did and also because it has been quite a complicated exercise and it is more important that we get it right than rush it through.

Furthermore, the principle is not just about the legislation itself, it is also about awareness, which is something that we have made immense progress on, and that is pivotal in order for the legislation to be embraced by our community.

Anyway, Mr Speaker, because the legislation is not on our statutory books does not mean that work on it has not been done. We all know that Gibraltar's physical landscape has changed and is changing and we have embarked on transforming it into a place which is becoming accessible and we will continue with our schedule of works, Mr Speaker. And I am surprised that Mr Netto seems to not have seen all the things that we have done, Mr Speaker; perhaps he has not been in Gibraltar!

In line with that, Mr Speaker, is the disability action plan that we are formulating. Essentially, Mr Speaker, it is a strategic approach to disability issues which is what we now have through the Department of Equality. While the plan is not yet published, many strategies have been developed and introduced already. It is obvious to all that a lot has been implemented and it is a piece of work that is being thoroughly researched. We must not forget, Mr Speaker, our legacy, in that we are starting from scratch in these matters because the GSD never laid any foundation in this respect.

Mr Speaker, we have come a long way in dealing with issues related to disabilities, both in relation to learning disabilities and physical disabilities, in this term of Parliament. It is, in fact, unprecedented.

The hon. Member opposite, Mr Netto, in his vicious diatribe of insults yesterday demonstrated that he is either blinded by a jealous rage on what we have achieved, when he achieved so little, or simply does not see what we have done, which everybody can see – even Enable Holidays has seen it. Does he not look around to see everything that has been achieved, Mr Speaker, because everybody else can?

He made a song and dance of the disability action plan yesterday. He had the opportunity to do it in 16 years when he had the responsibility, but he failed to do so. He had since 2007 to implement the UN Convention, Mr Speaker, but did not do so either. In fact, he did nothing, Mr Speaker, so I just do not understand this attitude yesterday, but anyway, Mr Speaker, I will take no lessons from him in disability, in Social Services or in anything else, because I need to remind the hon. gentleman that this is not just about ticking boxes and what we are doing is setting a responsible roadmap for the next five to 10 years, Mr Speaker, because honestly, Mr Speaker, I fail to understand how Mr Netto has the audacity to pontificate, as he did yesterday, when all these things were his area of responsibility – particularly in the last four years when he was in Government. At least Mrs Ellul-Hammond, when she was my shadow prior to becoming a back bencher, could distance herself from the GSD failings, because she was not a Minister at the time, but Mr Netto was and it was his responsibility! So what is his excuse?

But anyway, Mr Speaker, I would rather concentrate on all the positive achievements that we have made in our term, because thankfully, Mr Speaker, it is our responsibility; we are in Government, they are not, so let's remind them that they are not and they might wish to have a bit of self-reflection and look at their own failings, Mr Speaker.

770 As my hon. friend, the Chief Minister, announced, support for our disabled has already been outstanding and we have yet another increase to disability benefits, increase to the blind person's allowance, 50% increase for rates for sponsored patients, significant increases to Income Tax allowances for our disabled, reductions in import duty on goods used by our disabled and elderly in our community.

775 Mr Speaker, I am not suggesting that everything that needs to be done has been done, but a lot has been done so far and this is clearly something that is a work in progress, and we are very proud of our achievements so far. We continue to work closely with related groups and societies, and that is one of the benefits of this Government's open door policy, Mr Speaker – that we invite, we consult and we listen.

780 Turning to gender equality, Mr Speaker, the Department also continues to develop policies and strategies in this regard. While we consider the new census to update the information that we have, when undertaking our analysis of gender issues in the workplace, so as to inform our work programmes and initiatives, to promote gender equality and address inequality where it exists.

We are particularly looking at educating and raising awareness with the youth, we are in discussions with the Department of Education to explore how to reach out to children of school age and we are also working with the senior section of the Girl Guides and we are working together on planning initiatives.

785 We are also working closely with the GFA on initiatives and organised courses on empowering women through sport. It was a pleasure to be invited to the girls' fun football development programme during one of its weekly sessions, which aims to encourage girls' participation in football from an early age with the message that football is just as much for girls as it is for boys.

790 Finally, on education and awareness, Mr Speaker, I am delighted to announce that I have been in discussions with the Vice Chancellor designate of the University of Gibraltar to explore collaboration with the Ministry for Equality, to progress the issue of gender equality awareness through the University.

795 While we raise awareness throughout the year, I make a public statement on gender equality on International Women's Day in March. My message is clear, Mr Speaker: that girls and women should be empowered to reach their full potential, but ultimately people should be appointed on merit and not on gender and not to fill any quota.

During my term, I have attended the United Nations Commission on the Status of Women at the UN Headquarters in New York twice. The Commission is instrumental in promoting gender equality and empowerment of women and the UN's focus is on priority areas that are fundamental to the equality of women and supports all aspects of the Commission's work.

800 I also form part of a steering committee of Commonwealth women parliamentarians. Through this forum, I hold regular meetings with like-minded colleagues and have been invited to speak at conferences of women parliamentarians that I have attended. This is an excellent forum to learn and share best practice.

805 In this capacity, Mr Speaker, in February I hosted the second British Islands and Mediterranean Region Commonwealth Women Parliamentarians Conference. The conference explored the role of parliamentarians in ending violence against women and girls. High level speakers, including the Attorney General of England and Wales, the Right Hon. Baroness Scotland, attended as speakers.

810 The conference – and I am sure that Mrs Ellul-Hammond, who was also invited, will agree – was a resounding success. Meeting fellow women parliamentarians was an invaluable opportunity to learn from best practice and take away some important insights on how we can most effectively work to eradicate violence against women and girls. Although strictly speaking a conference only for parliamentarians, local professionals were invited to the conference to speak, as well as to learn from shared experiences.

815 Significantly, for the first time in Gibraltar we have a strategic approach to domestic abuse. This has been a huge task. In order to first understand the extent and the impact of the problem of domestic abuse in Gibraltar, we have been undertaking research and gathering statistical data. This has not been easy and the exercise is not complete because, save for a few Departments, statistics on this subject have never been collated and we are now in the process of doing so. While we now have a better idea of the issue, it is not necessarily a completely accurate reflection and we therefore look at different ways of collecting this information in the future.

820 But for the first time, we have established a forum of all key Government Departments and agencies in relation to domestic abuse and we meet to discuss working practices in order to improve co-ordination between relevant Departments. The forum will meet at regular intervals and will also invite relevant stakeholders to work with them.

825 The Government recognises the exemplary work undertaken by the staff at Women In Need in helping victims of domestic abuse. In the past they had very little support other than the premises and an annual grant. We have invested a lot of time in working with them. They are actively supported by the Ministry for Equality who offer guidance in addition to practical support.

As well, Women In Need have developed a professional working relationship with Social Services. Consequently, there is now much better communication and co-operation between them, and Social Services, as a result, are able to deal with cases in an improved manner.

In November last year, together with the Director for Equality and the head of service from the Children and Families team at Social Services, we paid a familiarisation visit to the Welsh Assembly in Cardiff to see first-hand how the government in Wales was dealing with the issues of domestic abuse at a strategic level and, in particular, their policies and strategies in this area.

There is no place for domestic abuse in Gibraltar, Mr Speaker, and my Ministry, together with all the relevant Departments and agencies, is working to eliminate this in Gibraltar.

Mr Speaker, in respect of my housing portfolio, I would like to start by saying that in our first term in office we have constructed almost 1,000 affordable homes offered on a co-ownership basis, and just last week we have announced the construction of a further 1,700 homes. *(Banging on desks)*

More detail on this in a moment, Mr Speaker, but I just wanted to set the tone that this Government, under the helm of a GSLP/Liberal administration has done more for housing than the GSD ever did in 16 years. This, of course, is not the only thing that we have done to improve housing, but it is so fundamental that I needed to start on that note. The progress that we are making on housing is literally visible on all fronts, whether in the construction of new homes or the refurbishment of existing housing estates.

Low cost and affordable housing is one of our flagship manifesto commitments. The new estates at Mons Calpe Mews and Beach View Terraces will be ready very shortly, indeed, Mr Speaker, to the delight of many. This will provide 331 and 568 flats, respectively.

All the construction will, of course, have an effect on the housing waiting lists, but we are well aware of the demand for home ownership and we have not stopped at just the development of the three estates in our term in office, which is why we have continued to work on this front with the construction of a further 1,700 homes at Hassan Centenary Terraces and Bob Peliza Mews, so that we do not have a repetition of the housing crisis that was allowed to develop by the GSD who, by their own admission, did not make housing a priority.

In terms of co-ownership flats, Mr Speaker, the GSD only ever built 804 flats during their long tenure. We had Waterport Terraces, Cumberland, Bayview and Nelson's and we had a further 600 flats at Mid Harbours Estate. So, unfortunately, that has created the problems which we have inherited today; and going back to the construction of those flats by the GSD, those who live in Nelson's, Bayview and Cumberland unfortunately know all too well that they continue to suffer from the construction defects of those estates and those defects this Government has had to invest in rectifying.

It is also important to mention, Mr Speaker, that within the current construction projects, there is purposely-built accommodation for the elderly. In last year's Budget speech by my friend, the Minister for Housing at the time, Minister Balban, he announced the construction of Charles Bruzon House and Sea Master Lodge flats, and only a year later you can see how advanced the works are and they are expected to be completed by the summer of 2016.

That will give us a total of 141 new flats for the elderly and will also result in 141 flats being returned to Housing rental stock, having yet another effect on the housing waiting list. Much care has been taken not to repeat the mistakes made by the GSD and we have consulted relevant professionals in the design of the flats, making them user-friendly and accessible; and avoid the inherent costs of rectifying the design defects of Bishop Canilla and Albert Risso, and let's not even mention the fiasco of the elderly flats at the old St Bernard's Hospital which were so unfit for purpose, Mr Speaker, that they were rejected by everybody they were offered to.

Mr Speaker, when we took office there was a waiting list of 63 bath-to-shower conversions in Government rental stock. This means that there were 63 elderly or disabled people who were struggling at home and this, Mr Speaker, was in the days when hardly anybody received domiciliary care.

This is the importance that the GSD gave to the safety and wellbeing of the elderly and the disabled at home, because despite the waiting list and the earliest request for a conversion sought dating back to 2001, in 2011 they converted seven bathrooms and in 2010 – wait for it Mr Speaker – it was the grand total of four conversions! They fared better the year after, Mr Speaker, because they did five!

So whereas in three years the GSD undertook a total of 16 shower conversions, I am proud to say, Mr Speaker, that since we took office and made this a priority, we have in three years undertaken a total of 367 **(Several Members: Hear, hear.)** *(Banging on desks)* bath-to-shower conversions. *(Interjection)* Well, everything matters, Mr Speaker – whether it is a shower, whether it is domiciliary care, whether it is accessible places. Everything matters to the people who do not have it, Mr Speaker, and we are a Government who cares! We actually care about people, Mr Speaker.

Actually, after having to endure the swansong by Mr Netto yesterday, let's remind ourselves who was the Minister for Housing at the time.

**A Member:** He was the evil –



**Hon. Miss S J Sacramento:** He was one of them.

890 **A Member:** He was the evil twin –

**Hon. Miss S J Sacramento:** Yes, Mr Speaker, Mr Netto, who is the one who professes to be the saint or the saviour of the disabled – the person who was preaching from the pulpit yesterday, Mr Speaker, – oops, maybe he forgot that he did not help them either!

895 Another important commitment, Mr Speaker, is the refurbishment of the Government rental estates, and true to our word, in our first term in office the transformation of the largest housing estates is evident for all to see. We have tackled the forgotten estates, which were so neglected by the GSD in favour of luxury developments.

900 We now have made (*Interjection*) considerable... Well, Mr Speaker, certainly the people who live in the forgotten estates seem to think so, even though those from the GSD who remain present in the Chamber may not agree, which is why they are referred to as 'the forgotten estates', and some people forgot them and some people did not. We have now made considerable progress in the refurbishment projects of three major Government housing estates, namely Laguna, Glacis and Moorish Castle.

905 Once completed, these refurbished estates will most definitely impact positively on the overall aesthetic appearance of the entry into Gibraltar; a far cry from the slum-like appearance that they were left to deteriorate for 16 years, Mr Speaker.

910 From an ecological standpoint, careful consideration has been given to the use of energy-efficient designs and materials in a concerted effort to leave the lightest possible footprint on the environment. This has resulted in a marked improvement to the thermal and acoustic properties of the buildings. As such, a sustainable green design has been applied, both as a process and as a goal.

Mr Speaker, I will proceed to outline in detail all the works that are being undertaken and I will go to this length of detail because it is important to remind people where we are at and how much progress has been made.

915 In Laguna Estate we are well advanced in phases 1 and 2 of the project and have now commenced phase 3. The electrical substation and accompanying civil engineering works to provide the electricity supply to the lifts and telecommunications infrastructure to phase 1 and 2 have now been completed and the work has commenced in phase 3.

Under phase 1, Rodney House is practically complete and only requires the commissioning of the lifts and the paving of the new stores behind Rodney House.

920 The other work which forms part of phase 1 includes Smith Dorrien House, Mallard House, Forbes House, Landport House, Orillion House, Bayside House, Maidstone House, Blackwatch House, Causeway House and Nelson House; and I name them all individually, Mr Speaker, because we have not forgotten. Here most of the external works, including the mono-pitched roofs, are practically complete and works on the lift installations are at an advanced stage.

925 Works to Laguna House, Inundation House, Somerset Court, Liddell House, Kensington House, Jamaica House, Ballymena House, Madeira House and Boyd House, which are part 2 of the phase, have started and are progressing well.

930 We have commenced phase 3 at Resolution House, Forrester House, Somerville House, Devon House and Kings House. Works to the external façade have commenced at these, Mr Speaker. All the above phases are scheduled to be completed by next year.

935 Equally, progress at Glacis Estate is plainly evident. George Jeger House is complete and the installation of a new lift to its south elevation will be starting soon. The removal of the scaffolding to Referendum House is now complete. I can only think of one word to describe the look of the new tower blocks, Mr Speaker, and that is 'Wow!' (*Banging on desks*)(*Interjection*) I said a 'word' not an adjective! (*Laughter*)

Works to the internal façade have started on all blocks in the estate. (*Interjection*) I said a 'word' not an adjective! The mono-pitched roof at Constitution House is virtually complete and those to Brother O'Brien House, Portmore House, Gustavo Bacarisa House and Ironside House are well advanced. The refurbishment of this estate is scheduled for completion by December 2015.

940 The refurbishment and infrastructure works at Moorish Castle Estate are very advanced and consistent progress has been achieved in all blocks. Additionally, refurbishment works to Moorish Castle Married Quarters, which has historically suffered severe problems from water penetration – another forgotten one, Mr Speaker – are programmed to start this summer. The Moorish Castle Estate project is scheduled for completion by the end of this year as well.

945 In addition to the foregoing intensive refurbishment programmes, this Government is also committed to continue the refurbishment works to Alameda Estate. In fact, during this past year refurbishment works have been completed to Kingsway House and Red Sands House, and I can proudly announce that the

refurbishment of Picton House will be undertaken during this financial year and is scheduled to start this summer. Works to Victoria House and Alameda House will follow.

The general embellishment, road resurfacing and parking rationalisation works to Varyl Begg Estate, including the upgrade of the surface water drainage system and the replacing of existing access ramps with new disability ramps, Mr Speaker, has started and is progressing well. Phases 1 and 2 have been completed, works to phase 3 have already started and the remaining phases 4 and 5 will be completed by August.

As part of a continuous maintenance programme to Edinburgh Estate, consisting of minor external repairs, waterproofing and roof tile repointing, we have managed to complete Thomson House, Donald Delf House and Joseph Lagares House, and we are currently working on Alfred Duarte House, William Gomez House, Joseph Noguera House and Manolo Mascarenhas House; with Jacobo Azagury House programmed to start in August 2015.

Apart from the Government manifesto commitments, other extensive refurbishment programmes to Government housing stock have been undertaken, namely the external refurbishment of Sandpits House and Anderson House. These refurbishment works included the external insulation of the façade and waterproofing, the replacement of the existing windows and the construction of new mono-pitched roofs in order to eliminate the long-standing problem of water penetration. I am pleased to inform the Parliament that these works have now been completed.

Importantly, Mr Speaker, we are now moving on to other estates – or should I say other *forgotten* estates – and I am pleased to announce that the refurbishment of the new Police Barracks will commence very shortly indeed. The tender for this will be announced next week and the refurbishment will include external refurbishment, construction of a new mono-pitched roof and the installation of a lift.

Mr Speaker, there have been many changes at Housing generally, and not just with the change of a Minister a few months ago! At this juncture I would like to credit the work undertaken up until the Cabinet reshuffle by my colleague Minister Balban and the tremendous progress made under his leadership (*Banging on desks*) and of course, before him, our good friend Charles Bruzon whose tenure was sadly called short. (**Several Members:** Hear, hear.) (*Banging on desks*)

The Housing Department has seen major changes in the last year. The Technical and Design Division of the Housing Department was transferred to the Housing Works Agency with effect from April 2014, to consolidate the efficiency of how we maintain and repair our housing stock.

A collective grievance created and subsequently unresolved by the previous administration that created an unsustainable fissure in communications between the Agency and the critical Housing Department Technical and Design subsections, has finally been overcome with this amalgamation.

Brand new and modern office accommodation was designed and built by the Housing Works Agency to house the former Technical and Design Division, and everyone is now under one roof within the Housing Works Agency premises; and at last, Mr Speaker, the interlaced activities and procedures of two previously contending Government organisations have merged to provide excellent association, interaction and dependability.

The merger has enlarged and enhanced the scope of the Housing Works Agency's activities significantly and, whereas initially commissioned only to undertake internal flat repairs, since the recent transfer of the Housing Department Technical and Design Division to the Agency, it is responsible for all maintenance, upgrades and repairs – internal and external – to Government housing stock and also manage the major refurbishment of the housing estates.

To compensate for the unsustainable exodus of operatives retiring under the Early Exit Scheme negotiated by the previous administration, this Government has engaged the services of Gibraltar General Construction Company Ltd (GGCCL) who contract out repairs to approved, small construction companies.

The fusion of all Housing resources, Mr Speaker, has created the synergy to bridge historic operational rifts to enhance the quality of services extended to Government tenants and it has translated into faster repairs and therefore a quicker turnover of housing allocations.

This is evident if we consider the statistics, Mr Speaker. In 2012, just after we took office, and following our initiative to refurbish empty and abandoned flats, we refurbished 63 flats. The year before that the GSD had refurbished just over half that number – 38 – but in 2010, only 12; the year before that, 2009, 15, because the GSD would rather have flats lay empty and dilapidating than allocate them to families in need. Between 2012 and 2014 we have repaired a total of 135 empty flats. The GSD only repaired 65 in the equivalent period, from 2009 to 2011.

The current Self Repair Scheme represents a vast improvement over the scheme in operation under the previous administration which was unrestrained and prone to abuse. Tenants who are allocated a new flat can undertake their own refurbishments using materials provided and delivered on-site by the Housing Works Agency, and now strict accountability policies have been introduced. This has been instrumental in a marked reduction in waiting time for the delivery of flats to new tenants and has significant savings in labour costs for Government.

The new scheme was introduced in September 2012 and has since extended this service to nearly 400 tenants who frequently express their satisfaction with the level and quality of service afforded via this Government's endeavour.

We have noted an increase in applications for housing, Mr Speaker, since 9th December, but this is mainly due to those expressing an interest in purchasing low-cost co-ownership affordable flats.

The Housing Allocation Committee meets on a monthly basis in order to discuss applicants who may need to be housed before others due to medical or social issues. The Committee provides valued advice to the Housing Authority. However, it is not for the Housing Allocation Committee to allocate dwellings under the Housing Act which was passed by the GSD in 2007.

Much mischief has been caused by the Opposition in relation to an answer that I provided this Parliament last week in respect of housing allocations, where they have tried to twist what I thought was a very clear answer into something that was not; much political mischief and scaremongering, Mr Speaker, and very telling that the press release issued by the GSD was not by an elected Member. For this I actually credit my elected shadow because he, as any other Opposition Member who has been a Minister for Housing, will understand what I mean and therefore realises that this is a non-point.

In fact, Mr Speaker, the reality is that it was the GSD who made the changes to the way that allocations are made under the Housing Act. They introduced this change because houses used to be allocated by the Housing Allocation Committee and they no longer do so since 2011 when the law was changed by the GSD. Allocations must be made by the Authority and the statutory authority in the legislation is the Minister, so much ado about nothing! (**Two Members:** Hear, hear.) Yes, Mr Speaker, because if the GSD have forgotten I will remind themselves of something that the then Chief Minister, now backbencher, the Hon. Sir Peter Caruana, said in answer to a question by the late Charles Bruzon on allocations at the Mid Harbours Estate... The answer – and I will read from Hansard, Mr Speaker, is ‘the allocation was done by the Government, not the Housing Allocation Committee,’ albeit it was done by reference to the waiting lists, so –

**A Member:** How many?

**A Member:** Yes, there were lots –

**Hon. Miss S J Sacramento:** Well, it goes on to say that there were 490 letters issued. So, Mr Speaker, on one occasion – (*Interjection*) only one occasion in 2007, the GSD... the Minister – well, the Chief Minister at the time – said that 490 people had been offered accommodation directly by the Minister. Well, this was done in accordance with the Act that they changed! (*Interjection*) (*Banging on desks*) I would like to thank the hon. backbencher for assisting me in that regard! (*Interjections*) Yes, Mr Speaker, the hon. backbencher has reminded us that those almost 500 people were directly offered a house at Mid Harbours Estate by the Government, not the Housing Allocation Committee, just before the election.

**A Member:** It should have gone before.

**A Member:** No! (*Laughter and interjections*)

**A Member:** The truth will out! (*Interjection and laughter*)

**Hon. Miss S J Sacramento:** So I am very grateful for that intervention, Mr Speaker.

In keeping with our established policy of holding regular meetings with tenants' associations, senior officers of my Ministry and sometimes myself continue to liaise closely to identify areas of collective concern and agree restorative measures.

All key players – the Housing Ministry, the Housing Department, Housing Works Agency, GGCCL and the Royal Gibraltar Police – afford representation at empowered executive levels so that complex problems can be identified, discussed and tackled swiftly. The relationships now born from these regular engagements go a long way to reveal the communal issues that truly concern the tenants of each estate and foster a constructive spirit of partnership between Housing officials and tenants' representatives.

The Housing Department and Housing Works Agency staff continue to support the tenants' associations on a day-to-day basis. Regular meetings are also held with Action for Housing where individual and general issues of concern are discussed.

One final change at Housing, Mr Speaker, is that the Housing Department is now based at New Harbours in order to enable the Government to fulfil another manifesto commitment and put the City Hall to better use; and it is now a public art gallery. The offices have been purpose built and are now more accommodating to the public, are accessible to people with disabilities, Mr Netto, and have also provided a better working environment for the staff, as the offices are better suited for their needs. There is more

privacy for clients and it is a more secure location for staff. In the case of the rent collection, we have maintained a presence in the heart of town and we have a counter available at the Post Office.

As this Department also moves with the times and joins e-government, tenants are able to pay rent online. Efforts are made to encourage this method of payment and staff have engaged with the Citizens' Advice Bureau to promote this at their Senior Citizens' Computer Fun Day, which has proved popular.

Such is the improvement made in the Ministry for Housing, whether the Housing Department or the Housing Works Agency, that this has even been recognised by the Ombudsman who, in this year's annual report, has noted the marked reduction in housing complaints.

Finally, Mr Speaker, I turn to my tourism responsibilities. Over the past three years, and indeed since I took over the portfolio as Minister for Tourism in December 2014, this Government has demonstrated a firm commitment to tourism – an area of the economy we immediately recognised as crucial for our sustainable prosperity, development and economic growth, as an advanced and forward-looking community.

Since we were elected, the sense of dynamism and energy that we have managed to instil into every aspect of our involvement, whether in promoting the Gibraltar tourist product abroad, in our endeavours to open up new markets and fresh business opportunities in our dealings with stakeholders in the private sector who have formed a successful and solid partnership with us in our common aims, has been unprecedented.

At this juncture, Mr Speaker, I wish to credit the sterling work undertaken by my friend and colleague, Minister Costa, who held this portfolio until the reshuffle (**A Member:** Hear, hear.) (*Banging on desks*) and during his tenure, Minister Costa raised the standard of the organisation, making it focused and dynamic and laying the foundation for the excellent results that we are now yielding.

In the past 12 months we have continued to pursue our objectives with the same clear focus, sparing no effort and investing the necessary financial, material and human resources to upgrade our unique product; refurbishing some of the tourist sites and attractions in order to ensure that we do justice to our growing reputation as a leading travel destination in the Mediterranean, and one of the most exciting and interesting short break opportunities available on the holiday market.

Last year, Mr Speaker, my predecessor declared that, notwithstanding the spectacular progress achieved since December 2011 in this area, Her Majesty's Government of Gibraltar would strive to continue transforming the tremendous potential for growth in the local tourist industry, into concrete proposals for the benefit of our entire community. In the course of my Budget speech I will provide a detailed account of what we have achieved in the last 12 months.

Gibraltar is well connected by sea, land and air, with regular flights to the main cities in Britain and now Morocco. The steady growth of the Gibraltar International Airport is critical to the success of our tourism strategy. The Gibraltar Tourist Board, in partnership with Gibraltar International Airport and the Ministry for Tourism, have worked relentlessly in this sector. As part of the policy of expanding air connectivity to consolidate the Rock's position as a leading short break destination in the Mediterranean, the Ministry has secured two new air routes in 2015; this makes a total of three new routes introduced during our term in office. (**Two Members:** Hear, hear.) (*Banging on desks*)

Indeed, Mr Speaker, the expansion of the aviation services in Gibraltar has been noteworthy and this summer we have added Bristol, Tangier and Casablanca to our list of destinations, bringing the total to eight; London Gatwick, Heathrow, Luton, Manchester and Birmingham, being the others. The additional five-weekly flights will increase the number of weekly departures from Gibraltar International Airport to 37.

The new twice-weekly service to Tangier operated by Morocco's national airline, Royal Air Maroc, officially commenced on Sunday, 29th March. This flight is estimated the shortest intercontinental flight in the world, and will start and end in Casablanca – Morocco's main city and, importantly, economic hub, because from there, connections are available throughout Morocco and other destinations in Europe, the Middle East, Africa and North America. This initiative forms part of a wider approach by Government to promote Gibraltar as a tourism destination as well as offer opportunities in financial services and commerce to Morocco.

Gibraltar also welcomed a new UK destination on Sunday, 19th April, with easyJet offering a three-times-a-week service to Bristol and this has been heralded by easyJet as the most popular of its new routes. (**Two Members:** Hear, hear.)

We are greatly encouraged by the steady increase in air passenger departures in UK scheduled flights since 2011, when just over 193,500 were registered – a figure which has gone up to 209,100 in 2014, notwithstanding a slight dip in 2013.

In respect of air passenger arrivals on scheduled flights from the UK, Mr Speaker, these have risen from 189,500 in 2011, to 204,600 in 2014 – both figures represent an increase of almost 8% since we took office. (**A Member:** Hear, hear.) (*Banging on desks*)

Total passenger numbers at Gibraltar International Airport exceed 400,000 for the first time ever! We are confident that the new routes to Bristol and Tangier/Casablanca will have an impact on our air traffic and open up fresh opportunities for the tourist industry both in Morocco and the south west of the UK.

Another crucial aspect of our work in respect of the very tough and competitive aviation sector is the policy of continuing to engage with existing and new airlines in actively carrying out joint marketing campaigns to promote Gibraltar as a unique leisure and business destination, the latest being with easyJet in the Bristol region and with Royal Air Maroc. These are often silent, understated tasks, steadily conducted behind the scenes which later produce the positive results that we all aim for.

But we are not a complacent administration, Mr Speaker, or one to rest on our laurels – or as Mr Netto reminded us yesterday, ‘to take the foot off the pedal’ – and the public can rest assured that we will leave no stone unturned in our efforts to achieve even greater results, in our relentless efforts to attract more and more visitors to our shores, to ensure sustained growth on all fronts. Her Majesty’s Government of Gibraltar is always mindful of seeking increases in air passenger capacity on existing services, in addition to exploring the possibilities of opening up new links to regional destinations in the UK, as well as other destinations in Europe. *(Interjection)* Not necessarily, Mr Speaker. *(Interjections)* To respond to that snide, *(Laughter)* I do not agree that this – *(Interjection)* Well, Mr Speaker, in response to that remark that this is only as a result of having a new Airport terminal, I do not agree. It is as a result of the hard work **(Several Members: Hear, hear.)** *(Banging on desks)* of the people involved in securing the routes, Mr Speaker! *(Interjection)*

Mr Speaker, perhaps I could continue with my speech! *(Laughter)*

**A Member:** I apologise to the hon... *[Inaudible]*

**Hon. Miss S J Sacramento:** We are working on route development out of Gibraltar International Airport with parties outside Gibraltar who have shown an interest in partnering with us in the expansion of operations. This could have the consequent effect of boosting passenger numbers even further through the terminal in the long term.

We want to continue building on our success of the past three years, to put Gibraltar on the map as a major international destination for leisure and cultural tourism, to significantly increase overnight visitors in our hotels, promoting our air services, cruise industry, shopping experience and our port as a cluster for professional shipping and maritime activity. This, Mr Speaker, is an iron cast commitment.

Gibraltar’s hotel sector is going through exciting times; times of change – we like that, Mr Speaker – and new opportunities. Total arrivals at hotels are up by 8.5%, at 58,744 – the highest figure since 2008. Other arrivals grew most as a reflection of continuing growth in the business sector arrivals and it is encouraging to see arrivals climb for sporting and cultural visits.

Tourist arrivals in 2014 were affected by the closure of the Queen’s Hotel and the refurbishment of the Rock Hotel. It is encouraging to see that room nights offered are up, again to the highest point since 2008. Room nights sold grew to an all-time high.

The average length of stay for tourist arrivals has increased from 3.46 in 2013 to 3.94 in 2014 – the highest since 1994, Mr Speaker. This is encouraging as it reflects our efforts to increase overnight tourism. **(Several Members: Hear, hear.)** *(Banging on desks)*

Room occupancy and sleeper occupancy have fallen marginally but this is linked to growth and it is a fair point that supply has grown faster than the demand, but we are confident that this will catch up.

Mr Speaker, again, guest nights offered are the highest since 1992. Guest nights sold are the highest since 2008, again with tourist arrivals growing faster than any other arrivals, linked once again to the increase in the average length of stay. The average length of stay has remained consistent but it is wonderful to note once again that in the case of tourist arrivals it has increased.

The impact of the Sunborn Hotel – the first locally established luxury floating five-star hotel – plus the much-welcomed major refurbishment projects across some hotels, such as the Rock Hotel and the Caleta Palace Hotel, have given new impetus to the trade, and we have seen these results translate into the statistics that I have just reviewed.

Gibraltar now boasts a much-admired five-star hotel, the Sunborn, which has become an integral part of the Rock’s social and leisure scene. The quality and sophistication on offer across a broad range of services is unprecedented for Gibraltar and its presence in one of Gibraltar’s primary nightlife locations, Ocean Village, has given renewed vibrancy to the area. Importantly, we have now developed an interesting and much-needed variety in our local hotel bed stock, to satisfy customers, whether they are seeking budget holiday-type accommodation, to the intermediate and the luxury styled product.

There are also proposals in the pipeline for new hotels like the Marriott Holiday Inn Express, a major extension of the Caleta Hotel, as well as a new boutique hotel in the Upper Town which will increase the availability of quality hotel accommodation on the Rock.

Mr Speaker, our pro-active marketing strategy over the past year has been successful in selling the Rock as the ideal short-term holiday destination on a global scale, and the improved tourist product has also had an effect on the growing number of cruise ship visitors to the Rock.

Whereas in 2013, the total number reached 284,870, the figure for 2014 has risen to 298,512 and it is expected to exceed the 300,000 mark in 2015 with a total of 212 ships scheduled to call at Gibraltar, this being up by 32 calls over 2014.

This is an area where, it has to be said, the Gibraltar Tourist Board's partnership with the private sector, with the dedicated local agents – whether it be shipping or shore excursions, which form such a vital part of the industry – has produced the desired results.

We have spared no effort to consistently promote Gibraltar as a leading cruise destination during our participation at the main international cruise industry gatherings and through our membership of the very pro-active and influential MedCruise Association. I am very pleased to confirm that Gibraltar will be hosting the MedCruise General Assembly in the spring of 2017, and this will be the second time that this important event is held on the Rock. (*Banging on desks*)

This year we have continued the successful policy introduced by my predecessor, of securing one-to-one meetings with senior cruise industry executives in UK, Miami and at the meetings of MedCruise, and building up strong personal relationships with the top decision-makers.

Among the highlights on this front, has been the agreement with Royal Caribbean International, for the visit to the Gibraltar Port of its newest megaship, Anthem of the Seas – the largest cruise ship ever to call upon us – no less than seven times in 2015, bringing an excess of 30,000 passengers to the Rock and representing a significant boost to our tourism sector.

This demonstrates the confidence by the industry in our role as a leading cruise port in the Mediterranean and sends a strong signal that Gibraltar is a serious and committed player in the industry, able to efficiently handle some of the largest vessels in the world. Furthermore, Government is actively considering a number of options to increase the berthing capabilities of the port to handle more large ships simultaneously.

Our energetic policy to support the cruise industry and give the port a further competitive edge has further been enhanced by the introduction of amendments to the Port Rules for a series of general discounts, Mr Speaker. This initiative will incentivise Royal Caribbean vessels from continuing to call beyond 2015 and seek to attract more calls by other cruise companies.

It is also worth noting how Carnival UK, a part of P&O Cruises and Cunard, has declared that Gibraltar is the third most visited port for them to call in 2015, after its home base of Southampton and Lisbon – such is the success of our strategy.

One of the aims that we have continued to pursue is the issue of cruise turnarounds which would make a huge boost to our tourist trade in every sense. We are working hard for this to materialise and we continue to encourage several cruise companies to consider this activity, as this would provide incredible economic opportunity for Gibraltar.

In the past three years, Mr Speaker, the Gibraltar Tourist Board has made a capital investment of £3 million in the Rock's major tourist attractions. At St Michael's Cave, the jewel in the crown of the local product, it has been extensively refurbished and modernised, creating a more contemporary look inside. Significantly, the entrance was completely redesigned and has the installation of a wheelchair lift to improve access – I am sure Mr Netto will be happy to hear that – and the stairs have been fitted with lights and a new spectacular 30-minute *son et lumiere* show that runs all day and enhances the dramatic geological features and striking views in the caverns of the interior.

The 100 Ton Gun site has also been refurbished and there has been beautification of the external area and it now also has an accessibility ramp which extends the view of the gun to people with disabilities – I am sure Mr Netto is making note of this as well! In the past they only had access to the exhibition.

New mannequins in historical costume have been located at all the gun embrasures at The Great Siege Tunnels, known as 'the Galleries', adding a realistic feel to the site. The figures complement the information panels and props that were also put in place.

The World War Two tunnels have also benefitted from the refurbishment programme and the construction of new accessible toilets for persons with disabilities. Improved facilities for staff have also been provided. The viewing platform at Jew's Gate has also been resurfaced.

In addition, there are also significant improvements to the nature reserve which are being spearheaded by my colleague, the Minister for the Environment, and will greatly enhance the Upper Rock as a tourist product, not least with a spectacular suspension bridge at the newly refurbished Royal Anglian Way.

I have detailed these improvements, Mr Speaker, as an investment in our tourist product because I am delighted to report that they have had a noticeable, positive impact in the number of tourists visiting the Upper Rock. Whereas in 2013 just over 732,000 were recorded, in 2014 the number of visitors rose to just over 791,000; 2015 has seen a consistent increase in the number of visitors to the Upper Rock and at the end of April this year visitor numbers were up by 9.2% over last year.

Our unprecedented investment in the tourist product will ensure that we continue to have first class tourist attractions that people can enjoy whether residents or visitors, or indeed people with disabilities. We want tourists to receive a good impression of what we have to offer and enjoy our product to the full. This Government has shown its full commitment to tourism like never before.

As with all improvements and refurbishments that we have carried out at the beaches and tourist attractions, Mr Speaker, foremost in our mind has been the need to ensure the accessibility features and that these are included at design stage. This has been a trademark of my ministerial responsibility. Of course, this unprecedented investment has been a resounding success with our beaches and all the improvements that we have made.

Moving on, Mr Speaker, the Rock has been an ideal location for weddings... and as part of our new marketing strategy to include the weddings market in Gibraltar, and this has been reinvigorated. Two legislative initiatives last year – the amendment to the Marriage Act, which now allows marriage ceremonies to be conducted aboard locally-registered passenger ships under special licence, and the introduction of the Civil Partnership Act, which permits same sex civil partnerships, has seen more couples coming to Gibraltar to tie the knot. The changes create new business opportunities, closely linked to Gibraltar's tourist, hospitality industry and shipping registration.

Since the introduction of the civil partnership legislation it is now possible to develop new ideas and products aimed specifically at the LGBT market and we have noted that a number of tourists have already taken up this opportunity in the last year.

The initiative has opened up new business opportunities with what is widely considered a very profitable segment of the tourist market. We are keen to broaden our horizons in this respect, by participating in new business opportunities, and this year the Gibraltar Tourist Board has attended two well-known international events and trade fairs aimed at the LGBT market.

The GTB has also carried out a promotion campaign with a leading LGBT publication, advertising the fact that same sex couples can come to Gibraltar to enter a civil partnership as part of a tailor-made tourist package.

Events-led tourism has been an innovative concept expanded by Government to repackage everything that Gibraltar has to offer in new and novel ways that are proving both extremely popular with the public, whether resident or visitors, and at the same time, affording the tourist industry a magnificent business platform to showcase the many attractions, leisure products and facilities of our unique destination.

The dual rationale, Mr Speaker, is simple: organise a first-class cultural event with an international dimension that will appeal to the general public across the board and, by doing so, be assured that you will be attracting visitors to Gibraltar as well, on the strength of those events. We have found that many visitors will find the experience engaging enough to want to start booking a return to the Rock as soon as they arrive home.

We have worked closely with the Ministry for Culture on joint initiatives to encourage event-led tourism to Gibraltar and the idea has worked exceedingly well. Gibraltar has seen a glittering constellation of recording artists and chart-topping performers descend on our community, to the appreciation of sell-out jubilant crowds at the Gibraltar Music Festival, celebrations of local cuisine at Calentita, an international chess festival – the Tradewise Open Chess festival, the international Jazz Festival and of course the Gibunco Gibraltar International Literary Festival, whose third edition we are already organising for November 2015 and which I am pleased to say is going from strength to strength.

All these tremendously successful events, Mr Speaker, have served to promote Gibraltar as an attractive tourist destination. I have no doubt that the literary festival will continue to develop on its success for many years to come.

Mr Speaker, the United Kingdom Gibraltar Tourism Association (UKGTA) and Gibraltar House in London continue to perform sterling work to co-ordinate all our tourism partners and stakeholders in the primary task of selling and promoting Gibraltar as a tourist destination.

I am delighted to report that Scottish tour operator Osprey Holidays has this year become the newest addition to the expanding pool of UK tour operators to feature Gibraltar. The company specialise in quality tailor-made short breaks to over 50 exciting locations around Europe.

We are excited that Osprey Holidays have decided to team up with the Gibraltar Tourist Board and work together to promote the Rock as a tourist destination. The Tourist Board actively encourages the expansion of the overnight leisure market from our core markets in the UK and it is particularly encouraging to see the expansion in the Scottish market.

Once again, this Government has shown its drive and dedication to delivering more visitors to the Rock. The tourist industry is a key part of our economy and we keep working hard to expand our product in the new markets.

Our concerted approach to joint marketing campaigns and the GTB's direct marketing activities in the UK and in other markets, has been yielding results in our overnight tourism sector, as has been shown by the statistics, Mr Speaker, because we have seen that this approach has already yield its results, and it is

1310 precisely this sector where more growth is encouraged, as overnight visitors contribute greatly to the economy and deliver and always welcome revenue scheme to those industries.

Mr Speaker, my main priority as Minister for Tourism will be to ensure that Gibraltar continues to build on its deserved reputation as a unique tourist destination which offers first class services, value for money and a whole series of exciting tourist attractions and beautiful sites. It is also important that we keep on  
1315 working to ensure growth in our cruise industry, in expanding air connectivity still further to other European destinations, in strengthening links with local tourist industry stakeholders and partners, both in Gibraltar and in the UK, for the benefit of all.

Our economic structures reflect the proven resilience acquired over many years and countless challenges, and tourism is a vital component of the economy in our long-term, sustainable prosperity. (A  
1320 **Member:** Hear, hear.) (*Banging on desks*)

My aim, Mr Speaker, is to increase the number of tourists who decide to spend their time with us, whether from UK or other European destinations or Morocco, that we continue to invest wisely, as we have done in the past three years, to improve and repackage our tourist product in a manner that allows Gibraltar to remain ahead of the curve and to economically benefit from all our tourist assets.

We will strengthen our efforts through strategic planning and marketing to achieve effective return on investments. The brilliant figures show the strength of the tourism industry right now, Mr Speaker, the great news is that the year ahead is expected to be even better, with growth continuing. Our new tourism strategy is working and it has brought a record number of visitors to our Rock.

In conclusion, Mr Speaker, while we continue to attract investment and develop tourism as an essential  
1330 driver of our economy, our duty is to spend the revenue that we generate responsibly and prioritise in delivering to those who need it the most, whether it is through Housing, Social Services or any Department that helps the public. The Chief Minister's address on Monday is evidence of exactly this.

We I have spent three and a half years working as a team of Ministers who are great friends, hard-working, dynamic and, moreover, all of us work first and foremost with Gibraltar and its people at the heart  
1335 of everything that we do, Mr Speaker, in a way that Gibraltar stopped experiencing in the years prior to the change. (*Interjection*)

We are a strong, prosperous nation, Mr Speaker. Our spending priorities are focused on those who need it and, true to our socialist values, we have delivered for our people.

In conclusion, a year of great success and a term which has achieved important developments for a fair  
1340 and just society. As this first Parliament will draw to a close at the end of the year, I am very satisfied and immensely proud of all that has been achieved, and I would like to credit and thank all of those who have worked with me during this term.

**Several Members:** Hear, hear. (*Banging on desks*)

1345 **Chief Minister (Hon. F R Picardo):** Mr Speaker, in the effusion of that reward for a brilliant Budget speech, in respect of a brilliant Budget, I move that the House do now adjourn until three o'clock this afternoon.

1350 **Mr Speaker:** The House will recess until 3.00 this afternoon.

*The House recessed at 1.33 p.m. and resumed its sitting at 3.04 p.m.*





# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.04 p.m. – 8.35 p.m.

Gibraltar, Wednesday, 24th June 2015

## Business transacted

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# The Gibraltar Parliament

*The Parliament met at 3.04 p.m.*

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

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

## Order of the Day

### **Suspension of Standing Orders 7(1) and 7(3) to permit Government Statement to be made**

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to move, under Standing Order 7(3), to suspend Standing Order 7(1) in order to proceed with a Government Statement.

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**Mr Speaker:** I will now put the question that Standing Order 7(3) be suspended...that, under Standing Order 7(3), Standing Order 7(1) be suspended in order that the Chief Minister may make a Government Statement.

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

### **Government Statement – Statement by Lloyd's Register**

10 **Mr Speaker:** The Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, it is important that the House and the nation as a whole should immediately be made aware that this afternoon Lloyd's Register, one of the most reputable organisations in assessing industrial risk in shipping, and in particular the use of liquefied natural gas in marine installations, is causing to be published a statement in relation to the report that was published by the Gibraltar Social Democrats in the last weeks by their Chairman and their Leader, the latter being also the Leader of the Opposition in this House.

15

Mr Speaker, it is also important that the House is aware that the statement in question has been drafted exclusively by Lloyd's Register and in particular by the professionals who drafted the report which has been published in Gibraltar by the Gibraltar Social Democrats.

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It is important that I emphasise that this is a statement from Lloyd's Register which it alone has drafted in response to the publication of their report in Gibraltar and subsequent events and comments both in Gibraltar and in the international press.

Mr Speaker, the statement from Lloyd's Register speaks for itself. I have a copy of that statement – which addresses the distortions of Lloyd's Register's recently cited report and its scope – to place on the record of the *Hansard* of this House, which reads as follows: The title is:

25

'Gibraltar: Evaluating the risks and benefits of gas power, the associated infrastructure and bunkering Operations. A report recently released by Lloyd's Register relating to LNG infrastructure in Gibraltar has been cited in the media and in political debate in Gibraltar.

The report cited is an evaluation study covering proposals to site LNG offloading and storage, with specific technical specifications for their design, in Gibraltar. The study examined the risks involved with proposals for two potential locations of LNG offloading and storage tanks: the North Mole Western Arm adjacent to the cruise terminal and the Detached Mole, to the South of the North Mole. It did not address LNG bunkering.

Lloyd's Register's report, since being handed to the commissioning client, has appeared in the public domain and been cited in political exchanges in Gibraltar.

Lloyd's Register's conclusions were that both proposals, as defined, presented relatively high risks. With modifications to technical specifications it is likely that such risks could be reduced considerably; whilst there are obvious concerns related to siting gas storage tanks near to cruise ship berths, modifications to the technical requirements and repositioning of the tanks could see major risks entirely reduced. And opportunities exist to assess other options or locations.

Lloyd's Register's findings into a very specific tank siting proposal should in no way be seen as prejudicial to the broader opportunities to reduce harmful air emissions, support LNG commercial activities or LNG bunkering in Gibraltar. Our findings relate to the risks associated with specific and defined siting proposals.

The overall health benefits of reductions in local air emissions that are hazardous to health are important ambitions. This wider issue of reducing the risks and managing safety of LNG infrastructure in Gibraltar and the benefits of improved air quality was not considered and was not within the narrow scope of the evaluation of two specific tank sites.

It is also noted that reports of this type, issued at a preliminary stage, will be conservative as detailed design parameters and intended operational parameters have yet to be defined.'

30 Mr Speaker, this statement by Lloyd's Register now establishes that they were commissioned not by the Gibraltar Social Democrats, but by a commercial entity, and Lloyd's Register is disassociating themselves from the use to which their report has been put. Indeed it would, moreover, also appear that the published report has been considerably redacted.

35 The House and the nation must further be informed that HM Government of Gibraltar has now been able to establish that it was in fact a failed bidder for the new power station that is the commercial entity behind the commissioning of the report which the GSD published in the last weeks.

Mr Speaker, I am now able to disclose that the commercial entity in question is the Spark Group of Companies in Gibraltar. That is the commercial entity that provides the power-generating facility at the North and South Moles, the failures of which have recently also caused a number of unexpected power cuts.

40 Mr Speaker, for this Government, as for every government of all and any political complexion, the safety and security of the people of Gibraltar are paramount. Their safety is something which we would never put at risk. The manipulation of public concerns about safety is equally concerning. The Government is considering and taking advice on what next steps are appropriate in light of the clear and responsible statement now published by Lloyd's Register.

45 I shall, of course, during the course of this session have more to say about this matter. I am now not making any comment on this subject and am limiting myself to stating facts.

I give notice, Mr Speaker, that I shall not be withdrawing the motion standing in my name in respect of the funding of the Lloyd's Register report, which is already on the Order Paper and which will be debated later in this session, but I will be giving notice of amendments to it.

50 Mr Speaker, a copy of the statement by Lloyd's Register is being circulated to all hon. Members now with my Statement. It will also be posted on the Government website in a few moments with the written copy of this Statement.

In keeping with the established practice, I am of course prepared to clarify such part of this Statement as hon. Members may wish to ask me about.

55 **Mr Speaker:** As is common practice in the House, whenever the Government makes a Statement the Opposition may ask questions clarifying that Statement. The Statement cannot be debated now, but in any case there is a motion later on the Order Paper which will give an opportunity, because the matters are relevant, for the whole thing to be debated in due course. But at this stage we must limit ourselves to any questions which are seeking clarification about any matters contained in the Statement.

60 **Hon. D A Feetham:** Mr Speaker, I have no statement to make. I have nothing to say in the form of questions. I would have said something in response to the Statement, but of course, as Mr Speaker has rightly pointed out, I have got an opportunity on the motion and I will take my opportunity in the motion.

65 With your indulgence I would just make this point: there is absolutely nothing at all in the statement that Lloyd's have issued that is incompatible with anything that either we have said about the report or that has been made public about the report, because I myself made it absolutely clear that Lloyd's clearly cannot possibly be against the use of LNG when they have certified the use of LNG in other areas. But these two locations remain –

70 **Hon. Chief Minister:** What is the question?

**Hon. D A Feetham:** – bad locations, Mr Speaker. But that is the only thing that I can say within the Rules of the House.

**Hon. Chief Minister:** Mr Speaker, that was clearly not a question, and the incompatibility between the things that the hon. Gentleman has said about the Lloyd's report and what Lloyd's have now said will be the subject of further debate when I will have the opportunity of highlighting exactly what those differences are.

I am making no further comment at this stage because this is just a Government Statement and I am just putting facts into the public domain. Tomorrow I will have an opportunity of commenting on this and all other matters that relate to trust.

**Mr Speaker:** I now call upon the Hon. Edwin Reyes.

**Hon. Chief Minister:** No, Mr Speaker. I now move that the House do adjourn until 4.15 p.m. The effect of this Statement is that I now have urgent Government business to attend to and I have to be present when Mr Reyes speaks, so I now move that the House recess until 4.15 p.m.

**Mr Speaker:** The House will now recess until 4.15 p.m.

*The House recessed at 3.10 p.m. and resumed its sitting at 4.15 p.m.*

## GOVERNMENT BILLS

### Appropriation Bill 2015 – For Second Reading – Debate continued

**Mr Speaker:** The Hon. Edwin Reyes.

**Hon. E J Reyes:** Mr Speaker, what an exciting day Saturday 13th June turned out to be. Yes, little Gibraltar's Football Team proudly walked onto the pitch to battle it out against the current World Champions – Germany – as part of their Euro qualifiers matches.

The sense of pride and excitement felt by over 5,000 Gibraltar supporters who had endured the long journey to Faro was certainly clearly felt by all in the stadium. To have been personally present at the stadium when the National Anthems were played was enough to make the long journey to Portugal worthwhile. But what about the feelings of all those supporters who could not attend this historical match due to the huge distance and time factor involved in getting to the venue in what was after all an official home match for Gibraltar? Therefore, the question remains: why cannot our National Football Team play its home games in Gibraltar itself?

Gibraltar needs to have at least a Category 3 UEFA-approved stadium in order to host its official games in respect of the Euro Qualifiers. It has only been a short time since the Gibraltar Football Association were accepted as Members of UEFA and therefore as an interim measure, and until we eventually have a suitable and approved football facility of our own, Gibraltar's home matches are being played at the *Estadio do Algarve* in Faro, Portugal. However, we must look towards the future and do everything possible to play our home games within Gibraltar itself.

The Gibraltar Football Association is exploring the possibility of building its own stadium at Europa Point, but the choice of this site is proving rather controversial and the process, we are told, is still under consideration by the Development and Planning Commission. However, the GSD has carried out its own studies to look into the possibility of upgrading the present Victoria Stadium football facilities in order to meet UEFA Category 3 standards at least and we are pleased to say that it is possible to achieve this. Indeed, at the Parliamentary sitting of Thursday 16th October 2014 we offered to show the Minister for Sports how it could be possible to play our games in a category 3 stadium in Gibraltar but, unfortunately, and much too many sports and football lovers' disbelief, the Minister answered he would not consider our proposals.

The GSD has no objections to the Gibraltar Football Association building its own stadium, but would rather at an alternative site to Europa Point. However, irrespective of what the GFA does or does not build, preferably at a site which is not Europa Point we insist, the GSD believes there is a need for more and better football playing facilities to be provided for the benefit of our community at large. Very shortly, indeed as early as next week, the GSD will be making public its vision for an enhanced Victoria Stadium. The immediate effects of this could be for all of Gibraltar's home games to be played within our homeland itself, and all this in a UEFA-approved Category 3 stadium.

125 The Forecast Outturn for 2014-15 shows that £1,300,000 has already been spent on 'Upgrade to  
Football Ground to UEFA Standards' and now a further additional £2,200,000 is being catered for under  
this same head of expenditure for the financial year 2015-16. These figures show that over the last two  
years a total of £3,500,000 has been spent under the sub-head of 'Upgrade to Football Ground to UEFA  
Standards' – but, despite all this expenditure, this will still not result in Gibraltar being able to play its Euro  
130 Qualifiers within its home territory. Gibraltar deserves to have at least a UEFA Category 3 Stadium and  
also additional football playing and training facilities. The GSD knows how to make this a reality, with the  
minimum of disruption to other sports in the process, and we will soon be announcing these to the public.

On a more positive note I am glad to note, yet again, that Government continues with the already  
existing policy to assist all local sporting bodies to overcome any foreign government's politically-inspired  
135 attempts to block our membership of international sporting bodies. This policy will most certainly continue  
to receive the Opposition's support and I take this opportunity to sincerely wish other sporting associations,  
such as rugby in the current bid, and even tennis where Amanda Carreras has been given a wildcard for  
Wimbledon and the now tiring but yet never-ending continuous IOC application. We wish them all the very  
best in their continuing battles to obtain their respective international memberships which both sides of this  
140 House agree are rightfully and legally theirs.

The summer season is already upon us but as yet the Gibraltar Cricket Association has been unable to  
commence any of its competitions due to the current unfit-for-purpose facilities at Europa Point. Through  
questions asked during this year, the Minister for Sports said that Europa Point would, at least for the time  
being, continue to be made available for the playing of cricket until other alternative facility or facilities  
145 were secured. Therefore, the cricket fraternity continuously asks why is Europa Point still not ready for use  
and commencement of cricket leagues for this season.

I urge Government to be ever mindful that a level playing field must be provided for all sporting  
associations, more so as it is a manifesto commitment of theirs, 'To monitor the demand for additional  
facilities for all sports to ensure that existing facilities are further developed in line with our community  
150 demands... The Government is committed through its election promises to provide renewed facilities for  
the playing, teaching and development of both cricket and rugby' – but unfortunately these have still not  
materialised.

I would also like to remind the Minister for Sports of Government's commitment to provide separate  
premises for martial arts clubs and associations in what they claimed would be one large martial arts centre.  
155 Although we have heard during this Budget session that a further Martial Arts Association has been  
allocated premises at Jumper's Bastion, it unfortunately seems that these pledges as stated for *all* martial  
arts have still not become a reality.

The Minister for Sports has highlighted how the Summer Sports and Stay & Play programmes will  
continue again this year. These programmes, I am proud to say, were first introduced by the GSD and as  
such Government can rest assured they will continue to receive our full support.  
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Likewise, I am really pleased to hear that an acceptable solution has now been found so as to provide  
floodlighting for the Hockey Pitch within Bayside Sports Centre. I know how much work has gone into  
this, because during my tenure as Minister for Sports we were in deep discussions with the Ministry of  
Defence and I personally thank the Minister for Sports for completing this process. *((Banging on desks))*

165 Mr Speaker, through the collective celebration of social events, participating Gibraltarians continue  
reinforcing our identity, culture and history as a people and as a community. Both the performing and fine  
arts fraternities always prove themselves to be very proactive within their own specialised areas, and I take  
this opportunity to congratulate all the groups and individuals who have done Gibraltar extremely proud  
through their international participations and, I am pleased to say, in numerous cases even obtaining top  
170 grades in any competitions in which they have participated.

However, I cannot let the opportunity go without reminding Government that it committed itself to  
provide: facilities for teaching of music and instruments to young people; the establishment and funding for  
a Gibraltar Philharmonic Orchestra; run a 'learn an instrument' campaign amongst young people; the  
establishment of an academy of the performing arts, administered by an Arts Council – although I think I  
175 can safely deduce that provisions have been made in this year's estimates under the heading of 'Academy',  
so the Minister seems to be heading there and I wait to hear further news on how this would be achieved;  
and also they promised to seek to establish Gibraltar as part of the touring circuit for UK and Spanish  
theatre productions – and given the success of our local drama productions, this if it does materialise, will  
only but help enrich our drama culture.

180 I therefore look forward to hearing at some stage from Government, when will all these projects become  
a reality?

What we do know is that Government has purchased both the Queen's Cinema and the Queen's Hotel  
sites for the development of a theatre and related activities. However, there are still mixed feelings among  
the community as to how these sites will be developed and especially at what cost. Given that the decision

has already been taken, I sincerely hope that the development of these sites will be real value for money and that our local culture, in the widest sense of the word, is deeply enhanced.

Mr Speaker, we continue to recommend the Government Archives be transferred into a possible refurbished ex-Chronicle Printing Works building next to the Gibraltar Garrison Library. In this way, together they could operate as a modern, well-resourced Gibraltar Archives and Reference Research facility including – what we would all like to see – full digitalized searchable data.

Updated legislation for the management and preservation of our heritage and the listing and preservation of buildings still needs to be completed. In this respect work had already commenced during the GSD's time in office, and we are told that drafting in close consultation with relevant experts and the Heritage Trust is well advanced. It is now up to the present Government to complete this process as soon as possible, because the community hopes it will be completed at some stage and perhaps dates can be announced during this budget debate.

The Government continues to act responsibly in its pursuance of UNESCO World Heritage status for Gorham's Cave and adjacent sites. Indeed, some work in this respect had commenced via the Museum Team during my personal tenure as Minister for Heritage and, therefore, I continue to wish the Museum Team all the very best for the future in their ongoing excavations which I know mainly take place at Gorham's and Vanguard's Caves during the summer months.

Mr Speaker, there is widespread consensus amongst society and political parties in Gibraltar that our own education system is both our most important investment as a community and also a justifiable source of pride for a community of our size. Given this, the GSD believes that any possible significant changes to our education system and to our schools should only be made after a wide process of consultation between Government, teachers and parents.

The Opposition welcomes Government's plans to transfer both St Bernard's First and Sacred Heart Middle Schools into newly purposely refurbished buildings which were once part of the Old St Bernard's Hospital. This project is extremely similar to that which the GSD had developed to an advanced planning stage and which would have seen the light of day had we been returned into office. There had already been a high level of consultation with the Gibraltar Teachers' Association in respect of this project and the only major deviation to what will finally see the light of day seems to be that, whilst we would have also transferred St Bernard's Nursery onto the new site, Government confirms that the nursery will remain in its present location, albeit continuing to fall under the direction of St Bernard's First School Head Teacher. Projects which help to enhance educational services will always be supported in principle by the GSD Opposition and therefore I take this opportunity to wish teachers and pupils alike all the very best for the future in their new schools.

I respectfully suggest that a review of the geographical distribution of our first and middle schools, to better suit our changed and future changes to catchment areas, is carried out in the very very near future. It is important that we plan ahead whilst still in the design and construction phases of new housing estates. The review should include updated assessments of the optimum locations and/or relocations of schools, inclusive of provision for present day demands in respect of a modern secondary education. The GSD has already made public its desire to move all secondary education into modern and purpose-built premises – of course, with full consultation with the Teaching Profession, pupils and parents as to whether they recommend it would be best to move into a co-educational set-up or seek other alternatives. It is now almost 45 years since we changed our secondary education system from selective schools into a comprehensive system and although this has, generally speaking, worked well we need to ask and investigate if we are still offering the best alternatives possible.

Likewise, a detailed review and programme should be embarked upon to ensure that our less academic children, who may not necessarily follow a full range of GCSE examinations, obtain as good as possible, a relevant education programme to prepare them for future adult working life. Indeed, there are now many bodies within the United Kingdom who we follow as an educational model, who are already stating that the GCSE system as we have known over these last 25 years or so does not really cater for present industry's demands. I recommend that we keep a close and active interest in respect of educational developments, not only in the United Kingdom, but other possible locations, because at the end of the day it will benefit our children and our future local workforce.

Many parents and educators are continuously asking: how best can we equalise subject choices at secondary level so that both males and females have real equal opportunities? Therefore, in turn, I ask the Minister for Education what is his policy in this respect? The Minister for Education is requested to also bear in mind the following question: do we need to broaden the educational and vocational range of choices on offer to our students with the potential to mix both, especially at post-GCSE educational stage?

Towards the end of August our local students will receive news in respect of what grades they have attained at this summer's public examinations. In anticipation of these examination results the Opposition wishes to take this opportunity to thank all members of the teaching profession, both past and present, who have contributed over many years in a highly professional manner towards our students' successes.

Likewise, Mr Speaker, coming from the teaching grades myself, I know it has taken some 20 years of debate to finally arrive at what seems to be a consensus across the floor of this House, that Spanish will now be taught starting at first school levels – and this will only result in a better and proper bi-lingual community in our own homeland.

250 Mr Speaker, I note that Government continues to reduce the workforce employed within the Housing Works Agency as the number of industrial staff has been further cut from 91 to 70 for this year. In effect what has happened over the last three years is that an ever-increasing number of home refurbishments are contracted out to private companies without going through any type of transparent and accountable tender process. If the number of industrial staff members employed at the Housing Works Agency continues to be  
255 reduced, does this mean that what the future holds is that all refurbishment works will simply be allocated to private contractors and without being subject to an adequate and transparent competitive tender process? Unfortunately feedback from tenants who have had remedial works carried out over the last few years in their homes indicate that, at times, the quality of the finished product leaves somewhat to be desired. I therefore ask, what assurances can the Minister for Housing offer to existing tenants who are worried that  
260 repair standards seem to be dropping?

The visible presence of scaffolding in housing estates for such a long time now leads us to conclude that the refurbishments must be near completion. However, many residents in these estates are concerned at the length of time works are being taken to be fully completed. In some cases concerns are made worse because the quality of workmanship for what has already been completed seems to leave somewhat to be desired. I  
265 therefore urge the Minister for Housing to ensure that quality monitoring is strictly adhered. Residents in estates where refurbishments are taking place would even welcome the publication of target dates for different phases to be completed, and I ask on their behalf when will this be made public?

Government pledged that everyone on the housing waiting list and on the pre-list as on 9th September 2011 would be rehoused before the next general election. In order to meet their target Government pledged  
270 through their manifesto that they would build high quality homes both for rental and for sale. Despite being in their fourth year into their term in office there has still been no announcement of new homes to be built for rental, which has resulted in great disappointment for those who are unable to afford purchasing their own homes. It is highly disappointing to see that the only new rental homes to be built will be exclusively for senior citizens, at what will be known at Charles Bruzon House. The question of where and when the  
275 new rental homes are going to be built still remains unanswered.

In respect of the projects for home co-ownership there is great discontent amongst many applicants on the priority system used to offer these homes for purchase; whereas in respect of rental homes applicants are offered these in precedence order corresponding to the rooms composition for which their application is being considered, this was not the case when it came to home ownership purchases. What in effect  
280 happened was that applicants who would only qualify for a one or two bedroom home under rental allocations were allowed to purchase even up to three and four bedroom homes despite this being well above their housing application entitlements. For applicants to be able to purchase on a co-ownership basis homes which are above their entitlement, is not perceived as being fair by many taxpayers, and above all by those applicants with larger families who have been waiting patiently and need larger three or four bedroom  
285 homes.

Why are there different rules in respect of the size of homes offered for rental when compared with co-ownership? Will this method of offering homes for purchase under the next phase of co-ownership be repeated yet again? The GSLP Liberal Manifesto commits them to eliminate the housing pre-waiting list but this has not yet happened. Housing applicants would like to hear when this will take effect, more so as it  
290 could make a difference as to whether they will be entitled to purchase in the newly-announced co-ownership homes now being built.

Another manifesto pledge was to provide a separate additional housing list for applicants who are living in Spain and wish to return home. In many cases, Mr Speaker, these families moved into Spain due to their original home they purchased becoming now too small for their family needs and the absence of an  
295 affordable larger home in Gibraltar led them to seek a property beyond our shores. However, because they have already been home owners in the past, these families cannot file an application for either rental or co-ownership homes. Surely we could find a way whereby we can assist these families to return back to Gibraltar? As the separate housing list for this type of applicants never materialised, can you blame those families who feel rather let down by what seemed to be a concrete promise by Government?

300 Mr Speaker, there is now grave concern among purchasers of the co-ownership homes which should be ready within the next few months. Their concerns are in respect of how purchasers will obtain the necessary mortgage in order to complete the purchasing process of their new homes; unfortunately there are now less lending institutions servicing the needs of our local community in respect of mortgages. I sincerely hope that Government is able to offer some explanations of what its intentions and plans are in order to ensure  
305 that mortgages will be available to all purchasers of the present and future co-ownership schemes.

Under their section dedicated to Youth, the GSLP Liberal Manifesto states that young people who are entitled to housing will not wait more than three years for a home. There are still a large number of young people registered as housing applicants seeking their own homes, so I must ask on their behalf why has this promise still not been kept? There is not an in principle objection to the building of co-ownership homes in order to meet the needs of our community, but young people who do not have the financial means are surely entitled to know why the promised new rental homes have yet not seen the light of day. I look forward to hearing from Government what explanations they have to offer these members of our community.

Mr Speaker, it is now customary for contributors to this very debate to offer sincere words of thanks and gratitude before they sit down and finalise their speech. I would like to take this opportunity to echo a bit the words of Sir Peter Caruana this morning whereby we assure everyone that, despite democratic process and debate being offered across the floor of this House, there is real love for Gibraltar when we come together to serve our homeland, and I therefore thank my parliamentary colleagues, both in Government and in Opposition, whom I have had the pleasure to accompany with at Commonwealth Parliamentary Association meetings. It has been a real pleasure to work with them, especially the last two regional and plenary conferences that I attended with the Hon. Samantha Sacramento who does make Gibraltar proud and I look forward perhaps we might even – *(Banging on desks and interjections)* I will say, I look forward because we have been through some hard adventures whilst out in the streets in some countries... *(Laughter)* the next destination could be rather challenging but I know I will feel a lot safer with the hon. Lady as head of our delegation. *(Banging on desks and interjections)*

Mr Speaker, not having a ministry I do not have any direct staff to thank, but certainly I cannot sit down without first of all thanking you, sir, for the way you carry out your office and your staff.

At a personal level, Mr Speaker, you have always made yourself available to me in both an official and unofficial capacity to offer words of advice, to give me your own benefit of the experience of the many years you have sat in this House; in both sides you have held very distinguished offices such as Leader of the Opposition and Chief Minister, and I hope that for many years to come we can continue to share those words of friendship because, unseen by the camera, a lot of work does happen behind the Speaker's Chair.

Likewise, Mr Speaker, the Clerk and his staff always put up with my phone calls when I seek certain information, and so on – and not only do they provide it, but they provide it with a smile; and Mr Speaker, I hope that continues to be the case for many years to come.

Thank you. *(Banging on desks)*

**Mr Speaker:** The Hon. Joe Bossano.

**Several Members:** Hear, hear! *(Banging on desks, interjections and laughter)*

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, can I just make a point about the concerns of the hon. Member in respect of the housing repairs?

I can tell him that the use of the contractors is based – I think I had explained it before – on the estimates of the work being produced by the Housing Works Agency, on three quotes being asked, on the work being certified as correct and of the standard required before anybody gets paid. So if he has any information, that does not mean there are not occasional complaints, but I can tell him that there is a very long list of satisfied clients at the same time. So there may be some people complaining, but we have also had very good reports from the contractors. Certainly when there are complaints, the contractor that is complained about is put on notice that unless they improve their performance they are unlikely to get work in the future, and so we have got a monitoring system that is working. But if he hears of concerns and he wants me to look into it, I will certainly be happy to do so.

**Hon. E J Reyes:** Thank you. I am extremely grateful, Mr Speaker, to the Father of House for having addressed that concern immediately and I will take him up if the need arises. Thank you.

**Hon. J J Bossano:** Mr Speaker, in considering the Budget this year, I think it is adequate to take an opportunity to look at how we performed since the last election, because of course there will be an election before the next Budget, and we shall have to see whether we are still here at the time of that election or the other side is. Clearly the election is going to be on the basis that either side can win in respect of what the polls may say.

I believe that the record that we have got is one that speaks for itself and in looking at the different areas, clearly the work that we have done in training, employment and economic growth is one that I feel is a key element in the results that we have produced.



Mr Speaker, in the size of the workforce, one of the areas that we have attached great importance to has been concentrating on full-time employment, as opposed to the all jobs figure that includes part-time employment, and that has been a difference between us when they were in Government and we were in Opposition and it is a view that we continue to have in Government as we had in Opposition and we still argue that it is a better indicator for a variety of reasons, including the fact that the numbers in part-time employment do not necessarily mean that they are different people from the ones in full-time; it is the number of jobs and not the number of people that the figure indicates.

One of the elements we need to analyse in the growth of the labour market is the area of employment and the nature of the jobs. We have always taken, as I have said, the view that full-time employment was an important and more effective indicator.

In addition we have looked previously at the job creation outside the construction industry for the simple reason that the jobs created by new construction are cyclically driven by Government-funded fixed capital formation and occasionally by some large private sector property investments. These investment projects can only be carried out by an increase in the size of the construction sector which then shrinks again when the projects are completed and it was this which drove the economic growth and increased employment prior to the 2011 General Election. This has not been the case since.

As I pointed out last year, we were anticipating then growth in the size of the construction sector in 2014. This has happened and is reflected in the October 2014 survey results; however, this has not to date been as much as the number of construction jobs that had been reached in October 2011. That created a distorted view of how much the employment market was expanding, clearly shown once it was reversed in 2012 when large projects were completed. For this reason, I would draw the attention of Members to what is happening in the labour market *excluding* construction, as I did last year, and as a better indicator of the job creation effect of our economic growth.

Last year I informed Parliament that the growth in non-construction jobs was from 18,813 in 2011 to 19,511 in 2012; to 20,774 in 2013; and now in 2014, 21,405. These figures are on the all jobs calculations, including part-time employment from the relevant tables. If we look at the comparable full-time employment, the expansion of non-construction employment since 2011 has been from 15,714 to 18,180 in 2014, an increase of 2,466 full-time jobs outside construction – 15.6% increase in three years. This level of full-time jobs created outside the construction sector compares to the performance of the GSD in the three years before the General Election – that is from 2008 to 2011 – when the number of non-construction full-time jobs grew from 14,580 to 15,714, an increase of 1,134, less than half the results of the last three years amounting to only 7.7%.

That is the numbers in employment outside construction in the last six years show that since the General Election the job creation in the rest of the economy has been over twice the size of what it was in the preceding three years. I indicated this last year, but did not have up-to-date figures to quote when the member opposite suggested that the growth in employment was still being driven by the construction sector, as it had been for three out of the four years of the previous administration. The importance of separating these figures is that we know that the present size of the construction sector is likely to shrink again in 2016, as it did in 2012, and will probably expand later whilst new projects are initiated.

I was able to demonstrate last year, Mr Speaker, how the figures for the increase in Gibraltarian employment presented in the 2011 Budget, prior to the General Election, were incorrect and misleading, based on the results of the 2010 Employment Survey.

If we look at Gibraltarians in full-time employment in 1996, 2011 and 2014, we can judge how our record over three years compares with 15 years of GSD Government.

In 1996 there were 8,207 Gibraltarians in full-time employment out of a total full-time jobs of 11,467. In the 15 years of GSD Government when they boasted of how successful they were in running the economy and creating employment, the record of which they were so proud and which the new Leader of the Party, who regrettably is not here to listen to me, like I was not here to listen to him (*Laughter*) takes credit for – although he was not there then – does not look so good when we compare it with the past three years, and absolutely lousy if we look at the increase in Gibraltarian employment. Here their best year out of 15 was in fact 2011-12, the election year.

In 15 years, the full-time jobs went up from 11,467 to 19,071, an increase of 7,604 – 7,604 more jobs in 15 years; however, in that same period the number of Gibraltarians in full-time employment went up from 8,207 to 8,544 – a miserly 334 increase in Gibraltarians employed in 15 years. Out of 7,600 new jobs, 334 went to Gibraltarians – that is their record.

Up to 2010, when challenged on this abysmal performance, the argument was that we had run out of employable Gibraltarians, we had full employment, that we had exhausted the economically active population and could only have economic growth by importing labour. Not true, Mr Speaker.

Up to October 2010, the increase was 260 in 14 years – an average of 18 to 19 extra Gibraltarians a year. Suddenly in the last year the argument changed: the construction contract policy comes in; priority in cleaning contracts comes in. What had previously been jingoistic nationalism now became respectable,

priority in jobs for our people – the year of the election. In one year, October 2011, we saw an increase of 77 Gibraltarians in full-time employment – in one year. Much better and even better if it had been done earlier.

So how have we performed since 2011 with a clear manifesto commitment of priority in employment for locals? From 2011 to 2014, the Survey Report tabled by my colleague the Minister for Employment shows what this record is. From 19,071 in 2011, the number of full-time jobs in our economy grew to 21,064, an increase of 2,013. However, the contrast with the previous 15 years could not be greater when we see how many of these extra jobs have been taken up by Gibraltarians – the bee in my bonnet that the hon. Member was complaining about last year. These Gibraltarians, who we were being told did not exist or were not out of work, or if they existed it was because they were not employable. These very Gibraltarians went up from 8,544 in October 2011 to 9,293 in October 2014: 749 more Gibraltarian jobs in three years – **(Several Members: Hear, hear.) (Banging on desks)** An average, Mr Speaker, of 20 extra Gibraltarians in full-time employment every single month of those three years. More Gibraltarians employed in each month from October 2011 to October 2014 than they managed to employ in each year of the 14 years they were in Government **(Banging on desks)** from October 1996 to October 2010 when the average was 18 to 19. **(A Member: Hear, hear.)** A record figure which I am confident will continue to grow this year and in the future if we are back, although future numbers will be less dramatic because we have now considerably reduced the unemployment that was hidden but grew between 1996 and 2011... or where else do the hon. Members opposite think the extra 749 Gibraltarians have come from. If the economically active population had been exhausted before 2010 as they claim, how was full-time Gibraltarian employment growing by 749?

In the context of the numbers that I am highlighting to illustrate the point, I am reminded of previous debates on the subject. I note from a recent statement that the GSD gets upset about the way I deal with the kind of rubbish we hear from its present Leader **(Laughter)** and thinks that this has no place in politics. Clearly the GSD has already forgotten how the former dear Leader used to deal with anyone who disagreed with him. When the current dear Leader became the next in line of succession and joined this House, he may remember how his mentor reacted to my arguments regarding the failure to achieve an increase in male Gibraltarians in employment after 10 years of GSD Government. The GSD view then, to which he was a party, was that the male Gibraltarian population was static and never went up. It was not a failure to provide jobs that was a problem; it was a failure to produce Gibraltarian males. Births did not exceed deaths.

The Gibraltarian population resident in Gibraltar was 19,825 in 1981 and 20,022 in 1991 – a very small increase of 197 in 10 years. This was not evidence of an ageing population and low birth-rate – the implication of the GSD Government from 1996 to 2010 – to explain away falling levels of Gibraltarians in employment. The failure of the population to grow between 1981 and 1991 was almost certainly due to net migration, but this changed later and less Gibraltarians left and more came back. In the decade from 2001, it grew by 2,860 and the census tabled last week shows a further increase to 25,444 by 2012 to 2,562 more Gibraltarians in a period of 11 years.

So from 1991 to 2012 the Gibraltarian population went up by 5,422 in 21 years – 15 of those 21 years under the GSD government who defended themselves in the House by saying that the population was static and that we had exhausted the local labour supply. Well, if it had been true, then the number of Gibraltarians would only have grown before the GSD – that is in 1991 to 1996 – and after the GSD since we came in in 2011 and up to November 2012 in 11 months. If this had happened, this would not constitute a normal demographic pattern, as the Chief Minister argued.

What this would show, if it had happened, would have been that something very wrong was taking place under the GSD administration. It would have implied, Mr Speaker, that we had an outflow of refugees escaping from the regime, as is happening in other parts of the world.

**Chief Minister (Hon. F R Picardo):** The love index was down!

**Hon. J J Bossano:** However we are not suggesting that this was so; the simple explanation is that what they were accusing me of doing, which was manipulating the statistics and lying, was in fact what they were doing. They were twisting the facts to suit their political objectives and defend themselves against their failures.

They did it in Opposition before 1996. They did it in Government between 1996 and 2011, and they have carried on doing it since in Opposition, to this day. **(A Member: Disgraceful.)**

My argument, the House was told, was a complete distortion of the statistics, which I was putting to an obscene political purpose! *Obscene*, Mr Speaker! Never mind the Soviet Union, Mr Speaker. If we had been in North Korea, for the offence of disagreeing with the Great Leader's interpretation, I know what my fate would have been! Even though the Great Leader was quoting figures which actually went against the argument he was using of zero male population growth. Male Gibraltarians in employment had in fact fallen below the 5,618 figure of 1996 every year to 2005, and then shot up to 5,718 the year he put his

arguments, having been previously as low as 5,168 in 1999. This loss of 10% of Gibraltarian males was said to be a demographic change, not a change in employment levels, as if the 10% of our male Gibraltarians had been eliminated Korean style.

In spite of this comparison with the style of the past, given the Hon Member's sensitivity, I will try in the future to be even more gentle with him than I have been in the past.

Mr Speaker, I have said at the start of my contribution that the relationship between employment and economic growth is two way. Setting targets for economic growth as the foundation for a four-year economic plan has been an integral part of the GSLP approach for securing our country's future from the start of the life of the party in 1976.

When we took office in 1988 the national income was £152 million. This figure which formed the base line, from which we measured our progress, had been validated by a study using input/output methodology which confirmed the estimate of the previous government.

Between 1987-88 and 1996-97 the size of our economy grew by 132%, which represented an increase in output and a higher level of national income of the order of £200 million to reach £352 million.

In 1996-97 the calculation by the GSD administration was also confirmed by an input/output study.

In those eight years, the critics of the GSLP used to question how it could be possible to achieve this level of growth and accused us of having a secret economic plan which we would not reveal.

Well, Mr Speaker, I find this extraordinary and something which you would find nowhere else in the world in terms of the positions adopted by political alternatives. This is that the party that puts before the people a set of specific policies which are quantifiable does not have an alternate option from another party, putting different targets. What we find is that the alternative party campaigns on the basis that it has to have an explanation given to it as to how our targets are going to be achieved. That is the experience we have had in fighting elections – unique in Gibraltar.

An example to illustrate the point, Mr Speaker, is that if you look over the years, others have promised to build more houses but never delivered. We have always said how many houses we intend to build, giving the number. The debate then becomes centred on our manifesto and whether it is affordable, how are we going to be able to deliver it, and where is the money going to come from.

This is what happened in 2011 and what has been happening until recently – until yesterday – when the Leader of the Opposition for the first time set out his ideas on the Public Debt on television, which appears to be what he will be committing his party to when the election takes place between now and the next Budget. He actually put some proposals.

I believe this is how it should be. If the Members in Opposition believe that they have alternatives which are better than our policies, they should spell them out, so that our people can exercise their choice between policies.

Between 1996 and 2011, our targets for economic growth were always ridiculed by the GSD. Even when the targets we were setting were actually being achieved under them. An indication of just how economically illiterate they were, considering they did not even realise that the growth figures being quoted by me, and rejected by them as 'pie in the sky', were the growth rate that was actually happening under their very noses!

Mr Speaker, the revised calculations for GDP published this week are the result of information obtained from the 2012 census being taken by the statistics office to recalculate National Income Estimates. I take this opportunity therefore to point out that in 2007 on the eve of the elections, in the final debate, the Leader of the GSD said that had he realised that my projection, for economic growth was written into the manifesto, specifying the amount, he would have rubbished it even earlier. My supposedly outlandish projection was £800 million in 2007-08 rising to £1.2 billion in 2011-12. A back-of-the-envelope calculation, I believe was how it was described.

So now we have in 2015 the final updated figure, taking the most recent information from the census, which is much more accurate than the one historically produced before, and now one can see how far out I was.

Instead of £800 million, it was £806 million in 2007-08; and the growth, instead of £1.2 billion reached £1.201 billion, in 2011-12. Clearly I will have to do better than this, Mr Speaker. *(Laughter and banging on desks)*

In the 2011 General Election, we relied on revised figures and produced estimates for the current four-year cycle based on the information that was available. Assuming the level of the GDP for 2011-12 to be of the order of £1.1 billion we projected its growth by 50% to reach £1.65 billion in 2015-16, the current financial year. Given that we now know that the figure was £1.2 billion in 2011-12 we would expect 2015-16 to reach £1.8 billion. Indeed the figures that have been published this week suggest that the original estimate of £1.65 billion could well be the final outcome for 2014-15, in which case it is not unreasonable to expect that the current year would produce a result of £1.8 billion.

For the future to manage the same rate of growth would require that our GDP should then go from £1.8 billion in 2015-16 to £2.7 billion in 2019-20.

This might be a demanding target to aim for and we shall have to consider what the target should be as we get closer to the date of the elections. But Members can be certain that we shall be setting out a specific target on economic growth as we have done in the past. (*Banging on desks*)

Although the GSD position in November 2011 was to declare it impossible to achieve, I was glad that the hon. Member Opposite – he is not opposite, but metaphorically! (*Laughter*) – in the first debate that took place on Workers Day 2012, accepted that it could happen and indeed went so far as to say:

‘the GSLP in their manifesto committed themselves and promised that the economy was going to grow by 50% over the next four years. Now if they deliver on that particular promise’

– which we have –

‘they are going to be creating hundreds of jobs.’

– which we have –

‘Look, I’m not here to wish the GSLP not to succeed with that enterprise because at the end of the day I’m a Gibraltarian and for the sake of myself, my children and the rest of Gibraltar we want them to succeed.’

So I am glad that the Leader of the Opposition has the satisfaction to see that we have done what he wanted to see happen. We have succeeded.

After which he went on to say we have to analyse the reasons why people are unemployed and for example, the position of those on Social Security. Well, what he was saying is exactly what we have done. We have reduced the numbers of persons on social assistance from 533 in December 2011 to 422 in June 2015, a reduction of 121 in the number of persons relying on social assistance as their only source of income, which represents a 22% decline in three years.

This has been done by providing opportunities in the training for employment programme and the result is that this reduction is reflected in the increases in the number of Gibraltarians in employment which also includes others who whilst not on social assistance were not previously registered as seeking employment and were deemed not to exist.

The hon. Member said this is what they were planning to do if they won the 2011 election. Now I accept that he was not there in any previous election before 2007. But saying that the GSD was going to start doing things after 2011 which they had not committed themselves to in their 2011 manifesto and which they had failed to do in the previous 15 years, when he was not there, is hard to swallow. Especially indeed when they argued that either it was not possible or else it was not needed.

The growth in the economy does not necessarily require an equivalent increase in the number of jobs, as he implied. The growth in the GDP from 2007 to 2011 of 50% was not accompanied by an increase of 50% in the workforce.

To do the correct analysis of what is happening with the numbers in employment in the context of economic growth, we needed to remove a big chunk of the part-time employees shown at the time as community officers, no longer reflected in the statistics. I have explained before why this was an artificial figure, distorting the picture that had been used by the previous Government as evidence of the effect in employment levels in terms of the number of Gibraltarians.

Indeed, in the same debate in May 2012, the Member Opposite claimed that they had in a 15-year period increased the national income by 300% and the jobs by 8,000. Something of course which he had nothing to do with and in any event the figures were incorrect.

For the record and so that it is understood, let me explain why community officers with a monthly allowance from community care were not part of the workforce, apart from the fact that the charity argued this at an Industrial Tribunal.

In economic terms, the 650 to 700 Gibraltarians are in the main persons with full-time jobs already included once in the statistics. This happened from the time the GSD asked the charity to expand the scheme and make it available to all 60-year-old males and not just to unemployed persons aged 60 years plus, who were having difficulty in finding employment, namely the previous category. The effect of the change was a huge increase in the number of community officers. This was not accompanied by any increase in the available work which did not expand to meet the availability of the extra community officers.

So it is *not* the case that the contribution to output increased, when the numbers went up from 45 to 700, and therefore the output of our economy was not affected. So although there are some 760 part-time community officers currently doing a few hours a week for community care, they do not appear in the employment survey reports that have been tabled as part-time workers, for the reasons that I have explained, but many of them do appear once as full-time workers anyway.

The economic growth has given rise to job creation, but to avoid what was happening before 2010, we have implemented as intended the GSD initiative announced that year requiring priority for local labour on Government contracts and we have overcome the excuse of contractors regarding trainees not being suitable or experienced by providing a link to the training programmes that applicants were required.

The one important factor that has contributed most to the increase in sourcing local labour to fill the increase in jobs available, has been therefore the introduction of the new training programmes which replaced the vocational training scheme (VTS) operated under the GSD.

Our manifesto commitment was that this initiative would be introduced by no later than February 2012. Demanding as the target was, it was met and those previously on the VTS were offered training employment contracts on the national minimum wage. All those on the waiting list and those already in the discontinued scheme were taken on during February.

There were two elements in the strategy. The first was that trainees were placed in the private sector with employers who entered into a business partnership agreement with the training company. This required the placement provider to commit to employment at the end of the training period. The training contract and their placements have been subject to a one-month probationary period, followed by a number of months of training, dependent on the nature of the work and its complexity, and the level of experience held previously by some of the trainees.

The second element in the new approach has been that the nature of the training is demand led. Indeed without this factor it is difficult to see how employers could be required to commit to employment on completion of training.

These two aspects were to secure the success of the training in achieving employment.

On the supply side, the payment of the national minimum wage has meant that it was much more attractive than its predecessor, and could be offered to unemployed persons across the spectrum, given that the national minimum wage is in fact the private sector rate of pay for most semi-skilled jobs on offer through the Employment Service.

Initially the Member Opposite found fault when the programme was barely one month in operation in March 2012. Only 5 employers had committed to employ their trainees and I was invited by the Leader of the Opposition, then Employment Spokesman to acknowledge that the scheme was a failure, so anxious was he to see it fail.

The first year was not withstanding what I have said, a difficult one. We had trainees to whom we had a commitment, but who had not been pre-selected to train them for a particular set of skills, as the old VTS was not demand-led.

This created the problem of having to recycle the trainees through different jobs until suitable positions could be found. Many of them had been placed in the private sector and employers told us that they were not able to offer employment because in the majority of cases they claimed that they were taking trainees for non-existent jobs, as a sort of public service and because they came free.

The approach seemed to be that it was better to have people in so-called training in non-jobs, than registered seeking employment. Indeed, those on the waiting list for the quota of available funding at Bleak House were not at the same time permitted to register with the ETB as seeking employment. They formed part of the 'non-unemployed' jobless element, which allegedly did not exist.

To address this problem a number of those placed in the private sector were moved to the public sector on the clear understanding that they would not be given preferential access to public sector vacancies, as I have made clear in answer to questions on a number of occasions. This is despite the fact that there were cases of persons who had been on the VTS allowance for many years, though it was supposed to operate on a six-month cycle.

By 13th January, however, the position had begun to stabilise with declining numbers in the public sector and increasing take-up from private sector employment.

At the time the Leader of the Opposition, as Employment Spokesman, claimed that the results of the first year in terms of obtaining employment at 28% was no better than what had been achieved by the GSD VTS programme, which he claimed was of this order. Again clear evidence of his attempts at belittling what was being achieved.

In fact in 2008, the then Minister for Labour – whose name I will not mention because if I do the Members Opposite will say I have a vendetta against him – went further. He said in his Budget speech that more than 30% of the VTS trainees placed in the private sector found full-time employment in the first year. A figure for which I have found no evidence in the employment records of former VTS trainees in that year. Though of course, the year of the over 40% was not identified in his contribution.

By contrast I am happy to report to the House that the success rate of the training for employment programme is now 69%. That is, of the 1,722 who had completed their training by April this year, or left for other reasons, 1,181 were in employment after leaving the training programme on completion. (*Banging on desks*)

Mr Speaker, he, the then Minister, told Parliament at the same time and in obvious contrast to the success rate he had just claimed, that our young people only aspired to higher education and at university level.

**A Member:** Doesn't want to hear it!

**Hon. J J Bossano:** That few, he said were interested in vocational training. Few, he added, even with low academic ability, wanted jobs in catering, hotels, shops, bars and restaurants, or even apprenticeship schemes, contrary to what we in the Opposition believed and what they seem to believe now, now that they are in Opposition.

He asserted:

'the Gibraltarian unskilled workforce cannot, nor does it have a desire to compete in the sectors of employment with workers from the new EU states and the developing world'.

An analysis totally reversed two years later and just before the election when he introduced sanctions in public contracts requiring employers to engage unemployed Gibraltarians, which he had claimed were not interested in the jobs.

Perhaps Mr Bossano should educate himself by reading what was said in the GSD years when he says there were agreements in place between major private-sector employers and the Employment Service to provide apprenticeships, which he claimed had been terminated by me in December 2011. This of course is a complete falsehood and I challenged the Member to publish the names of these alleged private-sector employers' agreements, which he has been unable to do because of course they do not exist.

The only entity he could quote was Gibtelecom, which is public sector in pay and conditions and was 50% publicly owned and even they did not guarantee employment after training under the GSD. The one he did not mention was Cammel Laird in respect of the Dockyard Training Centre, and the arrangements there continue to this day with Gibdock.

In 2008 the GSD Minister also admitted that there had been a shortage of craft and technical skills, which had resulted in most of the jobs in these areas being taken by workers from abroad – what I have been saying for years.

To address this, after 12 years in Government, the GSD decided to bring together the Construction Training Centre with Cammel Laird and Our Lady of Europa Training Centre, to deliver what was described as a more ambitious training programme in a more cohesive manner. A key element in this project was the co-operation of employers for job training placements and future job opportunities.

However, other than the announcements there is no evidence that then or in the years that followed that anything new materialised either in training or in the private-sector-based apprenticeships.

The increase in jobs created by the growth in GDP between 2011 and 2014 meant not just organic growth from existing employers whose business expanded, but also a net increase in the number of employers, adjusting for those whose business activities ceased in the intervening period. This is reflected in the number of returns of the employment survey questionnaires, which was 1,770 in 2014, compared to 1,445 in 2011. Of the 325 increase in returns, 41 were in the Construction sector, almost all being small start-ups with under five employees.

As you would expect, Mr Speaker, the fact that we have been training more people and that they have obtained employment has been reflected in the number of jobs which is up and the number of unemployed which is down.

Although again this was considered impossible to achieve, by the end of 2014 the quarterly average was 268 unemployed. The December figure at 228 was at the time the lowest ever – lower now. The number of unemployed Gibraltarians registered with the Employment Service continues to be below the 300 figure, which is what the GSD government considered to be the lowest level reasonably attainable.

In increasing Gibraltarian training opportunities and employment levels, we have ensured that more of our citizens receive some of the benefit of a growing economy. As well as creating more jobs, we have increased the national minimum wage every year even faster than the commitment in our manifesto. The minimum wage was £5.40 an hour when we were elected into office in 2011. It increased to £5.70 in 2012, £6.00 in 2013 and £6.15 in 2014, and is due for an increase this year again.

Our approach to training, in addition to demand-led employer base, has been from the start led by a scientific analysis of the skills market.

There was a commitment to carry out a skills audit of the labour market in the first quarter of 2012 to produce the action plan from April 2012. This was carried out within the timescale, using the only source of information that was then available which was the employment records held by the Employment Service which provided a breakdown by trade and industry of the skills base.

715 Having identified the areas dominated by imported labour from the reports of the previous Employment Service and indeed from the analysis explained in 2008 in the House by the previous Minister, the work was started in the construction sector and I have already in answer to questions in the past given examples of this.

I have also said that the new census questionnaire would contain detailed questions on the skills set of the resident population, which would be used to contrast with the data from the employment records.

720 The census, as Members will know, was due to have taken place in 2011 but was delayed, and we proceeded with it in 2012.

725 The more extensive questionnaire made the work of analysis and tabulation with much more information more time-consuming, and I am grateful to the dedicated team at the Statistics Department for having done an excellent job of providing us with the most detailed analysis of the skills distribution in the economy that we have ever had, (*Banging on desks*) which will be very useful for planning the future training for Gibraltar by identifying the areas with the greater skill shortages in terms of local labour. These tables provide classifications with nationalities and age breakdowns. So we also know the age profile by trade.

730 The initial work done by the research section in my Department in compiling tables based on employment records, which gave clear indications of the areas in which we should provide training. In the construction sector this information is classified by employer, by nationality and by age.

In terms of nationality, what we found in 2012 was that Gibraltarians constituted 26% of the scaffolders; 13% of the steel erectors; 58% of sheet metal workers; 29% of the welders; 48% of plumbers; 22% of pipe fitters; 6% of plasterers – which is why we started in that area; 26% of painters & decorators; 38% of woodworking trades' labourers; 42% of labourers in other trades not classified; 9% of brick layers; 23% of carpenters; and 26% in other construction trades.

We took this into account as well as the vacancies registered by the private-sector employers for which it was difficult to provide local candidates, in the training offered.

740 We also introduced training programmes and the numbers of participants in other areas have been: in hairdressing, 5 participants; the Care Training Programme, 228; in bookkeeping, 34; Police Cadets, 11; engineering trades, 45 – which includes motor mechanics; construction trades, 143, bus driving licences, 17; ASDAN, 16 trainees, and customer care training, 55.

745 I can of course understand the difficulties Members have in accepting that we have achieved more in three years in the areas of growth, training and employment than was achieved in the previous 15 years under the GSD. Mr Bossino in last year's Budget and on some other occasions has asserted that people are now in dead-end jobs, following training, because of course he is forced to admit that they are now working, so he needs to switch his criticisms. Before it was that they were without jobs.

750 They were all given glorious careers in the 15 years of the GSD, we are expected to believe, even though he seems to know very little about what went on in those 15 years. The Construction Training Centre which was initiated by the GSLP produced the greatest number of trainees in 1996 when it was opened and progressively less every year since, until after 2011.

Of the 493 trainees who joined up during the 15 years of the GSD, 369 left without any qualifications – 369! Eleven with a level I; 90 with level II; and 23 with level III. Twenty three in fifteen years!

755 Since 2011 the details already given in answers to questions, show how many more have been successful compared to what was being done before.

In these as in other areas, it will make absolutely no difference to the criticism by the Member Opposite, that we have provide have logical explanations or that we will give him the figures. He clearly feels that he has to earn his salary by arguing that things are not happening in the field of training or elsewhere, even when the information provided shows the opposite.

760 The hon. Member last year also criticised how we were going about doing the Skills Audit. Well look, let me remind him what the GSD view in government was, as regards what the Opposition was entitled to question. They used to say, 'If I have something in my manifesto which you didn't have in yours, then you have no right to criticise how well or not I am doing it, because if you had been elected you would not have done it at all.' Very logical.

765 So the answer is that if the Skills Audit, which they did not do in 15 years and has been done in the last three, and is not to the satisfaction of the Member Opposite, he has got no right to judge how well it is done, because if he had been elected, he would not have done it at all.

770 What is clear is that the Hon. Mr Bossino thinks that the information he seeks is only for the purpose of him going through it to see if he can find an excuse to criticise. The biggest blunder he made in this respect has been to criticise me last year for reducing the number of civil servants in the Employment Service from 38 to 14.

775 Well, Mr Speaker, this from a person in an Opposition which was criticising us because they were saying the Civil Service in 2012 had been increased so much that it was bloated, as it was put to me at the time on GBC! Now they are saying as a party that the public sector is the only area where the number of

jobs is going up because the private sector is down, which of course is not true. None of it is true – but that is not relevant in the statements of the Members Opposite.

However if they were so concerned that the Civil Service numbers are going up at a rate of knots that we cannot afford, then why does he criticise me when he thinks I have done the opposite and brought them down?

In fact the example that he quotes displays a level of ignorance, for which it is difficult to find a comparable example in anything any Member of this House has said in any of the 43 Budgets in which I have participated.

I explained to the House that there were 22 to 24 newly recruited AAs who had been parked at the ETB at the beginning of the financial year, pending their allocation to other Departments, before the numbers went up. I then confirmed a year later that I had now lost all of them, bar one who was still in the Department and that is what the figures reflected.

Is the Member apparently not aware after three years here, that the civil servants are deployed wherever they are needed in the different Departments and that the requirements of the Departments change, that this produces some Departments gaining staff and others losing them from one year to the next?

If he has not even learned that little in three years, then he has got a long learning curve ahead of him before he starts making a worthwhile contribution to the debate in future Budgets.

Of course, he can always emulate his colleague Mr Netto for his next Budget speech, who I understand provided a great deal of his analysis of the estimates of expenditure by explaining the relationship between the money we are voting for spending in 2015-16 with what he has done with his life in the last 30 years. *(Laughter)* And especially all the things that he found wrong with me and the GSLP government before 1996.

Mr Speaker, given that the Hon. Mr Netto has decided to bid the House farewell, by showing what a harsh critic of mine he is, I feel I owe him the courtesy of reminding the House of some of his more idiotic interventions of the past. *(Laughter and banging on desks)*

In 1998 he tabled a censure motion against the Opposition and in trying to justify his argument, he brought to the Parliament a civil servant loaded with printouts of all the computer records of the GSLP administration from the Employment Service. He was trying to prove that the published unemployment figures did not tally with the records. That is until I intervened to point out to him that in fact what he was accusing us of was over-recording the level of unemployment. He was in fact accusing us of publishing higher numbers of unemployed than was really the case.

At which point the penny dropped, and the Chief Minister wisely turned round to him and told him to shut up and sit down. *(Laughter)* A vivid picture I have in my memory.

In his brief role as Employment Minister, he was also notorious for doing what he tried to accuse Pepe Baldachino of having done: that is he changed the rules at one stage so that ladies seeking part-time employment should not be allowed to register and count as part of the unemployment levels.

He argued that these ladies only wanted to work part-time and could not really be treated as genuine jobseekers, and that there were some who only went to register for example if they heard that there was a job in Safeway or elsewhere in which they were interested. This unique interpretation of the criteria for unemployment was short lived.

But perhaps his greatest contribution to economic theory and employment practice came when he started issuing press releases showing the numbers of people that had been employed in a particular period, at the end of each month, or each quarter, and then in the same press releases he went on to argue that these numbers finding jobs was evidence of the growth in the employment market that was expanding and without doubt, by implication, the rate at which the economy was growing – however having admitted from the equation those who were terminating their employment and leaving the jobs market. Of course, had this interpretation continued unchecked, we would have in the fullness of time finished with the whole of Europe as our workforce.

Of course, that was before he became a philosopher, which I thought might improve the quality of his interventions in the House, but it has only done so in relation to him quoting political philosophers. Last year, it happened to be a Machiavelli and he got it completely wrong in the explanation that he gave. So I am sorry to say that even the philosophy degree has not done him any good.

I was otherwise engaged, Mr Speaker, and was not able to enjoy his presentation, but one thing that apparently was missing from his account was that he came to see me as Chief Minister when he visited Gibraltar at the time he was living in Wales. He did not come to my office at No. 6 to pay a courtesy call, still less to tell me all the things I was doing wrong. No, Mr Speaker, he came to tell me that he was interested in applying for the job of branch officer in the TGWU, but would not do so unless he could count on my support, which I gladly gave. *(Interjections)*

**Hon. J J Netto:** Mr Speaker, he is imputing allegations of me which are completely untrue! I did not ever say to him that I was coming to Gibraltar because I needed his support for the vacant post of branch



officer of the then TGWU. I did not need his support – at all! I came to Gibraltar, I campaigned for the job without his support at all, and I was glad to get the vast majority of the members of the TGWU who voted for me and that is how I got the job.

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**Hon. J J Bossano:** Well, I do not know whether his memory is as good as mine, but I have got a very clear recollection. I did not tape him when he came to my office at No. 6. I am telling the House that that is what happened and that is where he came in. And I am telling the House this because I feel, Mr Speaker, I feel I have to say, given that but for that exchange, according to what he told me, he might have stayed in Wales, and I feel I have to own up and take the blame for this, and say to all those people who have in the last 30 years had to put up with him, ‘*Mea culpa*’, Mr Speaker. What else can I say? Another minus on my CV for having been responsible for attracting him back to Gibraltar.

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Mr Speaker, the level of economic activity, (*Interjection by Hon. Chief Minister*) our growth is assisted, or not, by what the Government itself does with its revenue streams, including the proceeds of debt.

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I have often argued from the Opposition that independent of the level of debt that is placed as maximum by reference to either revenue or national income, a more relevant consideration is the use to which the money is put, as I explained in the 2010 debate when the threshold was raised by the Government and we supported it from the Opposition.

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If money that is borrowed is deployed in the local economy and it stimulates economic growth and yields benefits that cover the servicing costs, then it is worth doing irrespective of other considerations. It is clear that the debt level is an issue about which there are serious differences between us and the Members Opposite. So what is the Public Debt today and what is the policy of the Leader of the Opposition on Public Debt?

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When he talks about debt is he talking of aggregate debt or net debt, which is the discussion that dominated the 2011 elections and became the mantra of the GSD in 2010?

The Public Debt of Gibraltar was first limited at a finite figure of £100 million, and this was changed by a formula which happened to be what the Foreign Office requires the other colonies to adhere to and we have chosen to apply voluntarily.

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The criteria of 40% GDP or 80% revenue, whichever produces the lower threshold, was applied to the aggregate debt initially, and then when the increase in GSD debt hit the ceiling, the ceiling was raised by changing it to apply to net debt. There is no longer a legal limit to aggregate debt. So when the Leader of the Opposition says that they will adhere to the legal borrowing limit, he can only be talking of net debt.

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Well, Mr Speaker, the net debt as defined by the GSD law, which the former Chief Minister pointed out in 2010 I had sensibly supported, when he brought the matter to Parliament, and as applied by the GSD from that date, currently produces a figure of around £400 million. So if the net debt is £400 million, it takes some kind of miracle to reduce it to £450 million.

The figure based on the position in January when the Treasury prepared the estimates, projected the net debt at £375 million, which is the figure shown in the Estimates Book.

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Incidentally, Mr Speaker, the Backbencher was incorrect when he said last year to the Chief Minister, ‘of course, having driven me from office on the basis for all intents and purposes of having promised that he would not increase net public debt and that he would fund his programme by some other means, which we said was impossible and remains impossible, it transpires what they have done isn’t because what we had said was impossible that they have made possible. It was because they have done what they said in the election campaign they would not do – which is to increase net public debt.’

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Well, there was no commitment on public net debt in the manifesto or in the election – we never mentioned net debt – which was left by the previous Government with a £20 million margin before it hit the legal limit, which became £2 million as a result of pre-programmed spending reducing the cash reserves. So even if we wanted to have a higher figure, we could not have it.

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The Backbencher knows this and admitted it at the official opening when he offered his support to lift the ceiling of the net debt prepared for him before the general election.

So the only target that there can be on net debt is that it should be below the legal limit, because it is not a matter of choice. It has to be under, unless this House approves a breach of the stipulated maximum by motion.

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The debate in the election was that we would reduce the aggregate debt from the figure we inherited which was £520 million, and this we have done so far. What the debt happens to be with the formula providing the legal limit changes on a daily basis, as receipts and payments are logged by the Treasury, under the system known as TAS. The same system has been in place for as long as I can remember, to arrive at cash reserves.

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The Member Opposite insists, for his own partisan political purposes, on redefining the composition of the Public Debt by reference to the short-term cash movements which as I clearly demonstrated to him at Question Time shows the ebb and flow of cash in and out of the Treasury.

Thus, in 2012-13 cash deposits advanced to the Gibraltar Investment Holdings by the GSB Special Fund, for example in April were £37.6 million and in the same month £12.5 million was repaid. In May £6.7 million was advanced and in June the advance was £6.8 million and the repayment £40.7 million.

The Member Opposite wants to know how it was repaid. Well, Mr Speaker, if he did not understand how the system worked when he was in Government, he can hardly expect me to explain it to him so he can understand it in Opposition. But presumably he must know what the position was at the close of that financial year, in terms of liquid reserves for 2012-13, because these accounts are published and in his possession.

In case he does not remember, or he has not noticed, or has not been advised by his coterie of experts, or what someone less generous than me might describe as a cabal of GSD activists, which he claims he has gathered around him, let me remind him what the figures are: liquid reserves – 1st April 2013-14: £256,440,348.02.

In other words, Mr Speaker according to the most recently published audited accounts of the Government, we were not ‘skint’ – or at least not quite skint; in fact, some £256 million away from being skint. Ergo, to use GSD newspeak, ergo, far from being skint, we were a long way from being in that position.

Well how close were they to being ‘skint’ by comparison? The same audited accounts for 2007-08, the start of their last term in office, liquid reserves on 1st April 2008 were £72,862,167.38 million, almost £200 million closer to being skint than us.

The next year 2008-09, they became apparently less close to being skint. The liquid reserves in the audited accounts gave us £142,105,153 million, on 1st April 2009. However, during the course of that financial year they borrowed £98.7 million and therefore their liquid reserves would have been £44,445,154 million without the borrowing.

The year that followed, 2009-10, the liquid reserves are shown as £252,366,162 million, as 1st April 2010 – getting closer to our level. However this was the result of borrowing during that year of no less than £197.2 million. But for this, the liquid reserves would have been a low £55,166,162 million.

In the run-up to the election, in 2010-11 the liquid reserves are shown as having grown to £279,963,143 million by April 2011. However, again, new borrowing in that year came to £91.5 million – in effect without which the figure would have been £188,463,143 million.

Double ergo, Mr Speaker, they were closer to being skint on more occasions in their last term of office, than us.

Not only has the Leader of the Opposition announced that if he were in Government he would bring down the debt to the maximum legal limit at £450 million, but he has said he would do this by cutting overspending to the tune of £50 million every year from Government Departments. Well, clearly, this refers to the recurrent budget of Government Departments on which he will be voting this week.

The fiscal policy of the GSD is now based on two false premises: (1) there is net debt of £800 million, which is £350 million above the maximum legal limit; and (2) there is an annual recurrent overspend in Government Departments of £50 million which can be cut.

I have already informed the hon. Member that the estimated net debt is around £400 million, so in fact he can increase it by £50 million to reach the legal maximum. Secondly, the £800 million is presumably arrived at by adding the cash deposits from credit finance which are being reduced on a month-to-month basis and will continue to be reduced without any departmental cuts in expenditure. (A Member: Hear, hear.)

If targeting the debt level in cash instead of as a percentage of GDP is the present policy of the Members Opposite, then I have to assume that the present Leader of the GSD does not subscribe to the often repeated view of by the former Leader of the GSD who always argued debt targets in cash as opposed to by reference to the size of GDP is evidence of economic illiteracy. Let me remind the hon. Member of the policy to which he was a party as publicly stated in 2010: ‘The size of the debt is not by whether it is £1, or £50, or £5,000, but by how rich you are. It is completely economically illiterate to say that the Government owes £100 million.’ So, either he is now completely illiterate, or his predecessor was talking nonsense.

Something else that was said in 2010, which definitely was total nonsense was, and I quote:

‘The public debt in Gibraltar now, with all the Government borrowing, with all the Government projects, that it is doing, is smaller as a percentage of the size of the economy of Gibraltar than in 1996 when we first came into office.’

Well, Mr Speaker, in 1996 the *aggregate* debt, aggregate, was £65.68 million. The concept of net debt did not exist and was invented in 2010 because the aggregate debt had already reached the legal limit. However, if the cash in all the piggy banks that the then Chief Minister emptied after 1996 had been offset against the £65.68 million, as was the practice from 2010 onwards, for the purpose of calculating the net debt, the resulting net debt in 1996 would have been zero. So how could the then Chief Minister argue in

2010 that the net debt was lower than in 1996? An impossible concept of negative debt, whether expressed as a percentage of GDP or otherwise.

955 Be that as it may, the £50 million of overspending that the hon. Member claims he will cut does not exist. If departmental overspending is – as it has always been understood – the amount by which the outturn exceeds the approved expenditure, then in 2014-15, in the Book before the House, the so-called overspend is £6.723 million or 1.57% of the Budget approved a year ago, which totalled £427.11 million.

960 £5.142 million of the £6.723 million was the increase in the budget of Head 2, which works out at 33%, not 43% over budget for No. 6 Convent Place. But it is totally meaningless, other than as a propaganda tool, since there is no reason why spending in one head should not be above budget if the other heads come in under budget, as can be seen. The bottom line is that there is no £50 million total departmental overspending for the GSD to cut.

965 Maybe the hon. Member would like to take the opportunity to start the process this year by telling us at the committee stage as we go through the heads, which are the ones he is going to start cutting to get the £50 million. Or maybe he can explain why he did not do it before 2011.

The departmental overspending in 2013-14 was £12 million, from £392.7 million to £404.7 million – all of which was accounted for by the Utilities Head, which includes fuel costs, which went up from £48.7 million to £64 million, an increase of £15.3 million offset by savings in other heads of £3.3 million.

970 In 2012-13, the approved budget was £371.2 million and the final expenditure was £371.7 million; £0.5 million over budget. That is £500,000 – £½ million, not £50 million over budget.

The worst year was 2011-12, when the approved budget was £316 million, and the result was £332 million – an overspend of £16.2 million, which they had been running for nine months of that financial year.

975 Their last full financial year, 2010-11, is difficult to decipher, Mr Speaker, because it started off with an approved budget of £181.3 million and finished up with £297.5 million. The overspend of £116.2 million, happily, gives a misleading picture, because that was the year that they started integrating the agencies, authorities, etc. which were shown separately at the beginning of the year and were subsequently integrated retrospectively.

980 This was ostensibly to provide more transparency and accountability, although it did no such thing because no additional information was provided. However, what it did achieve was an inflation of the revenue figures for the purpose of calculating the legal maximum debt, which was already hitting a ceiling and stopping the GSD from borrowing even more money. Even if allowance is made for this, the overspending was still greater in the last full year of the GSD control of public finances than in any period since 9th December 2011.

985 Of course, there may be a simpler explanation as to why the Leader of the Opposition thinks he can cut £50 million every year from the departmental recurrent expenditure budgets – which is that instead of looking at the figures in the Estimates Book, he is looking at the graph which I am told has been placed by his supporters on Facebook. Mr Speaker, I have, to assist Members, brought a copy of the graph – I only need to send three over there, because there are only three of them left now; and they are available for Members on this side! – which compares the graph with the official figures.

990 The charts on the Departmental Recurrent Expenditure, which is the version attributed to the GSD, show that there is a level of expenditure in 2014-15, and an estimate for 2015-16 which produces increases which are totally at odds with the figures that we are voting in this House. I do not know whether the hon. 995 Members, when they come to vote the Appropriation Bill, believe that they are voting for what the Bill actually says, which is for departmental expenditure this year of 453 million – which is what they are being asked to approve – or what the GSD claim they are to be voting for, which is £560 million.

1000 The charts when compared with the actual figures produced by the Treasury, in terms of the forecast out-turn, and in terms of the estimates for last year and this year and the preceding years, which are audited accounts, show that in their calculations the audited accounts for 2010-11 shown in blue in the chart is the same in their calculation and in the book, which is when they were there. The same happens in 2012, but it starts changing after 2012-13.

1005 Well, if the hon. Member thinks that what he is really voting for is those figures, then in fact he does not have to limit himself to £50 million, because the discrepancy between their calculations and what we have got in the book is £140 million. So instead of saying he is going to pay back £50 million, he can pay back £100 million, and have £40 million to spare for something else!

1010 I assume that the hon. Member is familiar with what his party and its activists that he loves so much are up to. I do not know if the fact that the chart purports to show levels of departmental expenditure is an indication that his recently recruited experts are the authors. If this is indeed the case, then in this area they are no experts at all; or they know that the information is false, but they do not care – so they have expertise, but they have no integrity.

For ease of reference, having distributed the pages that compare the two, I will now put on the record the information.

Departmental expenditure for 2010-11: £297.5 million; and the GSD chart shows the same amount.  
 1015 Departmental expenditure for 2011-12: £332 million; and the GSD chart shows the same amount.  
 Departmental expenditure, actual 2012-13: £374.7 million; and the GSD shows the same amount.  
 Departmental expenditure for 2013-14: the estimate is £404 million; and the GSD version is £540 million.

1020 Departmental expenditure forecast for the financial year just ended is £433million; and the GSD claims it is £560 million.

Departmental expenditure being voted this week: we are only asking for £453 million; and the GSD claim that they are going to give us £580 million, Mr Speaker.

1025 Given that the GSD believes and tells people that the departmental recurrent expenditure is £140 million more than the approved estimate, if the Leader of the Party believes that that is the case, then as I have said, he has got much more than £50 million to dish out in order to reduce the debt.

There is in the hon. Member's mind an inescapable link between the Gibraltar Savings Bank and the debt. The Gibraltar Savings Bank is an instrument to promote economic growth, as well as an institution to provide a home for savings with competitive interest rates and greater security than the commercial alternatives. This has always been a key item in the GSLP's agenda.

1030 In 1988 to 1996, the policy was introduced by removing obstacles to growth in the legislation and promoting the growth in the Savings Bank, which became an important part of our programme. In December 1988, we started its development and the issue of debentures and investment accounts and new savings products. There was spectacular growth in both deposits and profits, and the policy was to leave the accumulated profits in the bank and increase its reserves.

1035 It was only after 1996 that steps were taken to reduce the requirements to keep reserves at a certain level. In spite of this, the GSD announced their plans for an expansion of the role as their policy in the 2003 budget. I will remind Members Opposite of this policy:

1040 Shortly after the 2003 Budget, the Government set up a working group under the Accountant General and comprising retired bank managers from Hambros, Barclays and NatWest. Following meetings in September/October 2003, a report was prepared for possible implementation in 2004.

1045 At the time the savings vehicles consisted of monthly debentures, which paid half a percent below for non-pensioner holders and half a percent above base for pensioners holders. Ordinary accounts at 1% below base rate and investment accounts which operated as current accounts and paid 2% below base rate. This was of course at a time that base rates were very much higher, something that ceased to be tenable with the level of base rates prevailing in recent years which have been very low.

The effect of the drop in these base rates meant that the interest rate later offered by the Savings Bank had to go up *before* 2011 and were already much higher than the offer from commercial banks. The GSD saw nothing wrong with offering this alternative.

1050 When the decision was taken to replace the Savings Bank debentures by Government debenture issues, the Government position was that offering rates of up to 5% was a matter of social policy to help local savers which the Government told Parliament carried a cost of the order of £9 million a year.

As well as the possible introduction of electronic systems of payment from suppliers and the receipt of payment from the Government which had been listed in the 2003 Budget speech, the report considered that the issue of annuities could also be undertaken by the Savings Bank.

1055 This was announced in Parliament as an intended initiative but later dropped because the Government considered it was likely to become a multi-million pound business and was not tenable if an additional 10% of the value of annuities had to be tied up as reserves.

1060 I remind Members Opposite of the history to demonstrate that although the GSD did not proceed with implementation of any of these initiatives, at no time did they indicate that it was dropped because it was not acceptable on political grounds to them.

1065 These facts do not prevent now the GSD Opposition complaining in the first year of the present expansion, even though all that had happened in 2012 was identical to what had been on offer in 2011 in investment products, except that it was on a bigger scale. They objected to the fact that the GSB no longer had a legal obligation to have reserves of 10%, which was considered now by the GSD Opposition a clear advantage creating unfair competition with respect to other banks.

1070 Well, look, it was the removal by them in Government of the 10% requirement that created this so-called unfair competition. But the political hypocrisy of this criticism is even more glaring when the policy they adopted was not just removing the 10% reserves but in addition issuing Government debentures at a rate of interest well above the market, in competition with commercial banks, by providing a £9 million subsidy, which clearly no bank could possibly compete with.

The criticism of the failure to keep reserves has continued since, in spite of the fact that the arrival of profits are being retained by the Savings Bank, and not paid over to the Government to be reflected as part of the recurrent revenue.

The policy will continue to be to retain profits and keep increasing the reserves even if it reaches a level higher than 10% and in any event, no dividend will be paid to the Government unless and until the 10% level is reached. In other words, the 10% will become the minimum level of reserves. How long it will take before this position is reached will not be easy to estimate, given the very high rate of increases in deposits that the Savings Bank continues to experience.

We have taken the view that it is best to await the development of the Gibraltar International Bank before considering any other activities, to ensure that the two organisations complement each other rather than compete with each other.

The Savings Bank is of course *not* a credit institution and therefore does not and will not be providing the range of banking facilities which the GIB will have available as a licensed credit institution. Having originally objected to the expansion of the Savings Bank on the spurious grounds of unfair competition, because of lack of reserves which has been addressed and already answered, the opposition to the Savings Bank has continued unabated. Although much of the campaign seems to be designed to undermine confidence in the Savings Bank as a safe haven, providing a sound return, the vast majority of our citizens continue to place their savings in it.

What is clear is that the policy of the GSD is and will be *not* to continue to promote the growth of the Savings Bank if they ever get back into Government – just as they stopped supporting its expansion after 1996.

As well as continuing the social policy initiated by the GSD in respect of higher rates of return for pensioners, the Savings Bank is now paying a lower but still attractive rate, and very competitive, on the new five-year debentures and other deposits. I am therefore confident that the deposit base of the Savings Bank will grow in cash terms as it has been growing to date.

The Members Opposite and their so-called experts will no doubt continue their efforts to undermine the institution. I suggest to all those who share the concerns of the Opposition, that they should follow the example of the Leader of the Opposition, and not make any use of the investment opportunities that the bank offers. Those of us who defend it will continue to use it and recommend it to others. I can assure the House that that will be more than sufficient to ensure it will continue to prosper, grow and make profits whilst remaining as a safeguard its reserves, for future generations.

Mr Speaker, I have tried to demonstrate to Members Opposite, and particularly to the Leader of the Opposition, how misguided their criticisms of the Savings Bank are and how in conflict with the developments planned and proposed by the GSD Government, which I supported as Leader of the Opposition because they made sense and would have been good for Gibraltar.

So perhaps there is one more argument that I can put to show the Leader of the Opposition how misguided he is – and I will put it no higher than that.

We have been there before: the old GSLP of the 1980s which he argues is different from the current GSLP – well, look, on the Savings Bank he could not be more wrong. In 1988, I set out to expand the role of the Savings Bank. It was not an easy task in those days, because the Secretary of State had the last word and the Foreign Office had to consult with the Bank of England. The reply from the Bank of England was that the Savings Bank was supposed to be a small colonial bank, as if we were still in 1832, and we should not be allowed to get bigger.

Well, as the Leader of the Opposition will know, the GSLP Government of the 1980s was not the sort of Government that took no for an answer. So I used my well-known powers of gentle persuasion and they finally agreed to let me get on with the job of making it a profitable, growing institution.

We inherited in March 1988 a Savings Bank with £2.6 million in deposits – £2,672,384.89 to be exact. The profits for the year 1987-88 were £60,187.96. The profits for the year were retained by us and added to the reserves, increasing them to a level of £398,227.

In our eight years, we increased deposits, profits and reserves. In other words, we did then what we are doing now.

By March 1996, deposits had increased from £2.672 million to £179.433 million, (*Banging on desks*) an increase of 6715%! (**A Member:** Hear, hear.) On this level of deposits, we made a profit of £4,705,698 million in one year, compared to the £60,000 of one year in 1987-88. We added the profits to the reserves and we left them there for the GSD to spend when they came in the following May.

The reserves we inherited in 1988 were £398,227. The reserves the GSD inherited from us in April 1996 were £30,549,249 million. The reserves we inherited from the GSD in December 2011 was £1,444. So perhaps the Members Opposite may forgive me if I feel that I do not have to accept any lecturing from them on prudential management or looking after our people's money! (*Banging on desks*)

**Hon. Chief Minister:** They don't even want to hear it!

**Hon. J J Bossano:** We had the same moaning from the Opposition between 1988 and 1996 as we get from the Opposition now, Mr Speaker. The same idiotic arguments about risk and exposure – but taking it

1135 to new heights, if the GSB lends to the Government and the Government fails to repay, the liability falls to the Government as a guarantor, how much more circular can an argument get!

In case Members Opposite think that the GSB lending to the Government is new, it was already happening before 1988, but on a small scale as the whole of the assets was only a couple of million pounds.

However by 1996, the GSB was investing in Government debentures to the tune of £59.334 million.

1140 This time round, however, the critics do not even try to have an element of truth in what they say! So for example, the former Tax Collector, gamekeeper turned poacher, Mr Chris White had the audacity to claim that we had UK ex-pats, like him I suppose, who he says are the depositors of the £1 billion, whom I am providing with risk-free investments at the expense of exposing Gibraltarian taxpayers.

1145 This even though I have told the GSD Opposition in Parliament on more than one occasion that 99% of the deposits are from local sources, and not expatriate money – not that I see anything wrong with accepting expatriate money, which would be very welcome.

Mr Speaker, as a political gimmick this takes the cake. Mr White should stick to advising his clients how to reduce their tax liabilities.

1150 The Savings Bank between 1988 and 1996 was an important part of our economic plan for growth and prosperity; and it has been so again since 2011 and will continue to be so in the future.

The GSB we inherited in December 2011 had £273 million of deposits and £1,444 of reserves. The results for 2014, audited and published last August, showed deposits at £856.3 million, profits for the year of £8.91 million and reserves of £11 million. For the year ending 2015 we expect, subject to audit, around £1 billion in deposits, around £9 million in profits and around £20 million in reserves. (*Banging on desks*)  
1155 (**Several Members:** Hear hear!)

Mr Speaker, we shall defend our stewardship of the Savings Bank when the election takes place and will continue to grow its deposits, profits and reserves when we are returned to Government.

1160 Mr Speaker, the House will be aware of the opportunity that the Calpe House charity has had to obtain new property in London, which will be refurbished and adapted to provide accommodation for a greater number of sponsored patients who need treatment in London. It is a matter of personal satisfaction for me to be in a position that the Government can demonstrate its commitment to provide assistance to the charity to enable this to come about. The charity came into existence when I led the Government of Gibraltar 27 years ago and one of the prime movers in getting the initial concept of a home in London was Peter Caetano. He was the election agent for the GSLP and played a key role in our election victory campaign in 1988.  
1165 (*Banging on desks*) (**A Member:** Hear hear.)

The initial funding has been provided by a facility from Credit Finance on commercial terms and this is now being refinanced by a loan provider who is a London-based institution. Provision for financial help in the arrangements that the charity has entered into in the acquisition of the property and the cost, upgrading and refinancing is being made in this year's budget in the Improvement and Development Fund expenditure, where there is an item for soft loans.  
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I am sure the whole of the Parliament will be happy to support this item of expenditure, which is very small in the context of the overall level of expenditure, but one which will mean a great deal to those of our people who are in London for treatment and prefer to be in the environment of Calpe House and feel as if they are less distant from their homeland. (*Banging on desks*) (**A Member:** Hear hear.)

1175 The Leader of the Opposition is concerned about the public finances, and he told us recently that he is not the only one. He thinks I am also concerned. Well, I am as concerned in Government as I was in Opposition, and as I have been since 1972, having monitored and spoken on Gibraltar's public finances every single year since. Not that the party that he loves so much that he wants to remain as its Leader, come what may, ever gave me any credit for it – although I acknowledge that he has done so, at least recently,  
1180 though I have a sneaking suspicion that his motives may not be entirely pure. I have a feeling that maybe he thinks he can gain some political traction by praising me and criticising the Chief Minister. I can assure him that he is barking up the wrong tree. He should know me well enough by now to realise that neither praise nor criticism is going to have any effect on me.

1185 Mr Speaker, the Leader of the Opposition referred to me a number of times in his address, which I listened to, even though I was in my office working, rather in the Chamber. I have acknowledged that previously, and even more on this occasion, his comments have been anything but hostile. Without wanting to sound hostile in reply, I need to point out nevertheless some of the contradictions in his analysis, which shows he has got the wrong end of the stick.

1190 He has correctly quoted my views on the logic of borrowing money to make money. I have been saying that about the use of borrowing since I arrived here in 1972. It is not a secret formula; it is what every successful business does, and I see no reason why socialists should not run publicly owned enterprises successfully and profitably for the benefit of the shareholders, who are the citizens as taxpayers and as receivers of public services not paid for at the point of consumption.

1195 This continues to be the basic approach of the GSLP to the management of the public finances, not because I have said so but because it is common sense – it works.

I believe some of the points he has made have already been answered by what I had prepared for my contribution before I heard what he had to say, so I will only deal with the points he made which have not been covered already.

1200 I do not think I could be more at home in the GSD than I am in the GSLP, though sometimes I get the impression he is trying to change the GSD to make it more like the GSLP, (*Laughter*) which seems odd as there are those around him who think that the GSD way of doing things was a winning formula and the GSLP a losing one.

1205 The hon. Member pays tribute to the former Leader of the GSD and thanks him for giving him a home 12 years ago. Well actually, 12 years ago he was accusing the 'greatest ever Gibraltarian' of all the things that he is now accusing the present Chief Minister: lack of transparency, not telling people in elections what he was going to do if elected and so forth. If one reads his press statements, in the short interregnum between his departure from the GSLP and his acceptance into the GSD, that was the line that he took.

1210 This acceptance by the GSD sounds almost as if he was a political refugee in the way he describes it now, though at the time it was described as a merger of like-minded parties. Well, he was not orphaned before he joined the GSD. He left the GSLP voluntarily because he wanted to save it from extinction – the fate that awaited it, if I did not call it a day in 2003. At least that is what he told the electorate at the time. Indeed it was the basis on which he fought the 2003 election. Members will remember that he accused me of being content to remain in Opposition and limit myself to having the handbrake and stopping a deal with Spain.

1215 It is certainly true that I told him before he left that if I had to choose between having to behave like the GSD leader and do the things he did, in order to be in Government, I would rather stay in Opposition and remain true to my principles and beliefs. I *still* hold that view. It is this business of not changing spots Mr Speaker, which they consider a vice and I a virtue. (*Banging on desks*)

1220 I can of course appreciate that he should wish his patron every success in legal practice or whatever else he decides to do – anything that is away from politics, Mr Speaker, he says. Yes indeed, away from politics – the further away the better, because if the former leader comes back, I would not put any bets on how long he would continue as leader of the GSD, however much he loves it. (*Laughter and banging on desks*)

1225 I believe that many decisions taken by the GSD in Government carry long-term costs that will be a burden for the public finances for years to come, even if the then Chief Minister did not realise it at the time. Or maybe he was simply doing things for the short-term benefit and did not care whether there was a long-term cost, and since most of them happened when the Member Opposite was in Government in the last term of office, he obviously shares some of that responsibility.

1230 It seems to me, he has only come to the conclusion that the former Chief Minister was the greatest Gibraltarian of all time *after* 2003, because until then his view was that we had to remove him from power and that I should step down because I was not sufficiently tough in Opposition to turn people against the greatest living Gibraltarian and get him chucked out of office. The transition in perception only came about after he was given political asylum in the GSD, as if he had been a refugee. I think there is a name for when this kind of change takes place, I believe it is called the Stockholm syndrome.

1235 The Leader of the Opposition makes the case that there has been an increase in import duty from a particular commodity which in the past it was thought wiser not to identify in public, and says this explains the growth of the economy or the growth in Government revenue. Well, is it that he doesn't know what was the growth from this source of revenue under the GSD? Does he not know that the yield of one year under the GSLP in 1996 became the yield of each *month* under the GSD? (*Banging on desk*)

1240 So if that is the explanation that he attributes to the soundness of public finances, he has just wiped out 15 years of Budget speeches by the greatest Gibraltarian ever, who every year boasted of how well he was managing our finances.

1245 On another point in respect of the finances, as it relates to expenditure, I certainly agree with him that it is a disgrace that taxpayers should have to pay £10 million in legal aid in one case. This has nothing to do with the merits of the case or the identity of the individual, but is a result of the outrageously high fees charged by the legal profession. (*Laughter*) So if the Leader of the Opposition has any ideas how we can get lawyers to earn less, I am certainly very interested in hearing them, although I do not think that there will be equally enthusiastic support from all the other Members, on either side of the House.

1250 **Several Members:** That's right! (*Laughter*)

**Hon. J J Bossano:** Whilst on the question of expenditure and the degree to which the Parliament is involved in approving capital projects, and giving expenses, and explaining where every penny is coming from, I imagine that when the Leader of the Opposition was party to the Pardo deal and agreed with the GSD policy to enter into these arrangements, he knew that this was being done without bothering with Parliament or the Opposition or providing any knowledge. So for the record, let's just note what was agreed in 2008 by Gibraltar Investment Holdings – the same much-maligned Investment Holdings of now:

This same GIH, as the Leader of the Opposition and the GSD is getting so worked up about – agreed to pay 1% of the value of the following projects to Land Projects Consultants Ltd in respect of the following, without explaining many millions were invested, or how many millions that 1% plus all the other fees would be and where the money was coming from:

Project 1 – the New Airport and Frontier Access Road; Project 2 – Gibraltar Airport Tunnel; Project 3 – Ministry of Defence British Lines Relocations; Project 4 – Mid Harbour Phase 1 and Phase 2 Reclamation and Temporary Rowing Club and Permanent Dock; Project 5 – Mid Harbour Relocations; Project 6 – Infrastructure Review and Sewage Upgrade; Project 7 – Government Rental Housing Scheme, New Link and Associated Infrastructure Works ;Project 8 – New Power Station and Network. I am not sure if they go back to the Lathbury Barracks, they will also go back to giving the commissions, but...! (*Laughter*)

Projects 9 and 10 – New Waste Water Treatment Plant and Energy from Waste Facility – no indication where all these millions were going to come from. There had to be millions, because there was a guy waiting for his percentage, so that was a difficult one to square.

Project 11 – Simple Approach Lighting System (SALS) for the Runway; Project 12 – Multi-Storey Car Park, including a park-and-ride facility for 1,000 vehicles at Devil's Tower Road, and a short-stay two or three storey car park/transport to be located adjacent to the forecourt of the new airport terminal – which has not happened.

As to his comment on what constitutes a champagne socialist, he was certainly right in thinking that this is not my favourite tippie. I think the stuff is lousy, but if what he is telling me is that in the GSD, they drink malt whiskey, then that certainly is the only thing that the party might have as an attractive feature. Though I am not really in need of joining them, since I actually get a steady supply of good malts from my many well-wishers. (*Laughter*)

I certainly do not think that it is accurate for him to suggest that I am in the twilight of my role in Parliament, just because I am planning to stay only for another 14 years. (*Banging on desks*) As I told him, which information at the time drove him into exile and to seek political asylum in the right wing of the political spectrum. I remember when I told him this in 2001 that he said he found it depressing because if I stayed on we would never get rid of the former Chief Minister. So now that we have, with his help, I suppose it is no longer so depressing a thought anyway, and he is happy that I intend to stay.

Since January, having reduced unemployment to a manageable level, below which my colleague is keeping it, my present role as Minister for Economic Development is to ensure that our nation is embarked on the road to long-term sustainable economic growth, has sound public finances and a safety net to protect future generations of Gibraltarians – the 'Rainy Day Fund'.

Living within our means is a necessary condition to achieve this. Indeed, it is a lesson that has to be learnt by many other countries whose economies are in crisis precisely because they have forgotten this golden rule.

Mr Speaker, I can well understand the discomfort that Members Opposite must feel when faced with facts and figures which they can check for themselves, that shows that we have attained the demanding targets we set ourselves in economic growth, in training, employment and many other areas which have or will be completed, meeting most or nearly all of our manifesto commitments, especially when in 2011 their position was not that what we were committing ourselves to do was impossible to achieve – and not that they were against it. Even in the debates in 2012, the GSD Members participating with me took a position on our targets for economic growth and employment based on incredulity rather than hostility. I realise that by reminding them of this, I am adding to their discomfort and rubbing salt into their wounds, which I regret.

Well, Mr Speaker, it is not true really: I do not regret it. I am actually enjoying it, and therefore happy to support the Bill before the House and commend it to the Members Opposite. (*Banging on desks*)

**Hon. Chief Minister:** Mr Speaker, he leaves you speechless at the best of times – the Leader of the Opposition did not even want to hear it.

I propose that, before we carry on, we take a short comfort break – an extended comfort break, maybe until ten to seven.

**Mr Speaker:** We will recess until quarter to seven, when the Hon. Mr Neil Costa will have the floor.

*The House recessed at 4.15 p.m. and resumed its sitting at 6.45 p.m.*



**Appropriation Bill 2015 –  
For Second Reading –  
Debate continued**

**Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, as always, it is an absolute pleasure and a privilege to deliver my Budget Address in this House – although of course, it is always a tough act to follow the Hon. Minister Bossano in doing so.

This speech marks my eighth Budget contribution as a Member of Parliament and my fourth as a Government Minister. It is however, my first Budget address as Minister with responsibilities for Business, Employment, Skills, Postal Services and the Department of Social Security. During the course of my contribution, I will seek to report on the projects undertaken over the past six months and to set out my Ministry's objectives for this financial year.

With your indulgence Mr Speaker, I will start with my Social Security responsibilities.

As this House will recall, the House recently voted unanimously in favour of the Social Security (Insurance) Act of this year. This amended Social Security legislation now allows for a maternity grant to be claimed on the basis of the social insurance record of a child's biological father. The previous position was that the mother of the child could only claim from her own, her husband's or her civil partner's contributions to the detriment of unmarried couples where the mother has insufficient insurance contributions. Applications would be accepted retrospectively, as the legislative amendments are deemed to have taken effect as from 30th June 2014.

Death grants will now also be payable in respect of 'illegitimate children' and this phrase, and all of its outmoded connotations, have been removed. This amendment was necessary in the context of other key provisions being introduced, as I shall now explain.

Further, the benefit given to a man's wife, civil partner, widow or surviving civil partner under section 27(2) of the Social Security Act to recover a maternity grant lost as a result of the man's employer neglecting or failing to pay contributions, which the employer is obliged by law to pay on his behalf, has been extended to include 'the child's mother' as an eligible person who can also recover against the man's employer. When the employed person is a man, the child's mother in addition to the man's wife, civil partner, widow or surviving civil partner, will have the same right to recover in respect of a maternity grant lost, as a result of failure or neglect by the employer.

The identity of a child's biological father may now be ascertained or proved on presenting a requisition in writing to the custodian of the register relating to the registration of births, marriages, civil partnerships and death.

Under regulation EC/883 of 2004, foreigners working in a member state are entitled to receive benefits on behalf of the family members abroad, so long as they meet the contributions requirement for that benefit. An agreement with Morocco is also in place which establishes the same practice with that country.

Mr Speaker, although the time for claiming a maternity grant is six months if, between 30th June of last year and the date of publication of the Amendment Act, a woman received a reduced grant due to not satisfying the relevant contribution conditions and she wishes to claim the additional benefit, or a woman was confined and wishes to claim a maternity grant on the basis of the contributions of the child's biological father, the prescribed time for claiming will be the period of 12 months beginning with the date of confinement. Mr Speaker, this is to give women enough time to claim the benefits as the six-month prescribed period for claiming may have already elapsed in some cases by the time the Act came into force.

Mr Speaker, of course it gives me great pleasure to remind this House that the Hon. the Chief Minister raised the maternity grant from £600 to £700 during the course of his Budget Speech. Further still, self-employed women now also have the option of paying an additional voluntary contribution for the purpose of claiming maternity allowance. Prior to this amendment self-employed women were not eligible to maternity allowance. This amendment to the legislation transposes, in part, Article 8 of Directive 2010/41/EU on the application of equal treatment between men and women engaged in an activity in a self-employed capacity.

Mr Speaker – and taking on the comments made yesterday by the Hon. Mr Netto when he said that the GSLP Liberals had not done much in terms of dismantling the inequality that exists within Government structures – it is important to know that this directive was a 2010 directive, and in that time in office they did not address this clearly unequal treatment of women, and we have done so. **(A Member: Hear, hear.)** *(Banging on desks)* More of that later, Mr Speaker.

Mr Speaker on other Social Security related matters, Her Majesty's Government of Gibraltar is in the process of reviewing the arrangements applicable for the award of the Disability Allowance. In this respect a Multi-Disciplinary Assessment Panel has now been established. The panel will be made up of different health professionals, depending on their speciality and availability. For example, the panel ascertaining children's applications will be comprised of professionals specialised in paediatrics. As a result, these

professionals are better suited to understand the impact of an applicant's disability or health condition on their daily activities and mobility.

The panel will periodically assess applications and subsequently provide the Director of Social Security with a collective recommendation on the merits of each application. I expect these recommendations to be provided in a just, equitable and consistent manner that will be fair to all applicants. In the light of the sensitive and urgent nature of these applications, I am pleased to report to this House that the Director for Social Security has processed a total of 13 historic applications that were pending. A total of over 30 more applications remain pending which will be re-assessed under the new arrangements.

The Disability Allowance benefit was introduced many years ago on an *ad hoc* basis to cater for a small group of disabled persons. The situation today, however, is that the Department of Social Security which administers the allowance, is finding it increasingly difficult to consider the upsurge of applications in a just and equitable fashion, based on the very brief and general guidelines that have been available until now. The increase in the number of applications, which now extend to a very wide spectrum of medical conditions, require more clearly defined parameters and very specific advice from doctors and health professionals.

It is with this in mind, and the importance that Her Majesty's Government of Gibraltar places on supporting persons with disabilities within the community, that it is reforming the whole process of awarding the Disability Allowance. Her Majesty's Government of Gibraltar is hopeful that these reforms will play a significant role in achieving the Government's objectives.

Upon the development of this new system of assessing entitlement, there will be a more focused method of considering needs arising from all impairment types equally, and on an individual basis, rather than labelling people by their condition. Disability Allowance will no longer be awarded on the basis of having a particular health condition or impairment but rightly, Mr Speaker, on the *impact* of the health condition or impairment that this has on the disabled person or their carer's everyday life. In this way we will work towards a system that will assess individual needs, ensure consistency of decision-making and make the whole process fair and objective when assisting individuals.

Mr Speaker, at an operational level I am pleased to report that the Department of Social Security Application System will benefit from a complete overhaul. The software development of the DSS Application System will assist the Department in delivering a more efficient and effective service to the public in order to meet the ever-growing demands of their customers. The software will eliminate the duplication of data, which is currently occurring within the Department whilst processing different benefits. For example, a birth certificate submitted when claiming a particular benefit would be stored in the database and can be used for other future claims. It will also streamline the information currently held in manual records therefore highlighting and eventually reducing inconsistencies in the system. This will also serve as a sophisticated analytical tool that will be instrumental in producing statistical data, expediting our estimates and analysis of future expenditure in relation to any given benefit. The application system will be operational before the end of the year.

I very much look forward to continue my work with the DSS as we seek to tackle historic problems and introduce new streamline procedures and reforms for our community's benefit.

Mr Speaker, I now turn to my responsibilities for the Royal Gibraltar Post Office.

On 13th May, the Royal Gibraltar Post Office (or RGPO for short) launched its first 'Post & Go' kiosk machines in partnership with Royal Mail. The launch was held at Europhilex in London, the biggest philatelic event in Europe. This exhibition machine was a success taking £7,000 in its first week. The kiosk is available all year round at Gibraltar House in the Strand, selling UK and Gibraltar stamps. More kiosks are planned to be based locally in the future; the first two will be introduced in the Main Street Post Office and the Parcel Office by the end of July of this year. Each kiosk will have a digital screen, barcode scanner and chip & pin with Wavepay facilities. These are still a number of ongoing trials that will demonstrate the full range of services that these kiosks will provide in the future.

Mr Speaker, given the increasingly sensitive aviation safety and security issues facing the global postal network, the Government organised a dangerous goods training programme delivered by a dangerous goods expert from the UK, not only for the postal staff but also for its contract customers and the screening staff at the Airport. Consequently, the RGPO will become the 21st country in the world to have legal approval to accept lithium batteries contained within equipment. Like all other batteries, lithium does have environmental impacts associated with it over its lifecycle. Nevertheless, these have been scientifically assessed to be notably less significant than other branches of batteries making lithium the best available option of its kind on the market today. This is yet another example of how the RGPO are moving into an established circle where regulations are in force, guidance is available and the consideration of environmental impact has been thoroughly assessed and included therein.

Mr Speaker, as we all know one of the most important ways of improving health and safety is through staff training. All RGPO managers and acting managers have completed their Level 2 award in Health & Safety in the Workplace and two other managers went on to complete their Level 3 award in Risk

1430 Assessment Principles and Practice. Further, the clerical staff have completed the first stage of Customer Service training to help improve quality standards in their area.

Two new independent quality performance indicators were introduced. In January the RGPO became one of the first to introduce the new International end-to-end measure, which is controlled by the United Nations Universal Postal Union. This global monitoring system works by independent external panellists  
1435 sending test letters containing a radio frequency identification transponder, which are read by the RFID antennae installed at the sorting office. Mr Speaker, now that I read this out loud it sounds like an episode out of Star Trek.

The second measure was introduced in April, which controls the local end-to-end quality and is carried out by the Ombudsman. To improve answering times within the Customer Service team, a switchboard  
1440 phone system has recently been installed that will help record complaints accurately.

I am also pleased to inform the House that Mr David Ledger and I visited UK in April of this year in order to secure additional cargo space on Monarch Airlines. The meeting proved to be very positive with effective and advantageous negotiations taking place as a means of securing extra space out of Gibraltar. This extra space is very much needed with the growth of outbound mail and cargo traffic. Negotiations are  
1445 now being finalised and the service will be fully operational by next month.

Mr Speaker, I turn now to my Commercial Affairs responsibilities and I start with the Department of Consumer Affairs.

Consumer Affairs continues to focus its efforts on raising public awareness on consumer rights. It is also beginning to focus on the business community to provide guidance on their client's consumer rights and how they can seek compliance with these rights. To this end, in July the Department will deliver a seminar geared towards the trading community and arranged by my Ministry's Business Support Unit, which will focus on their client's consumer rights. The Department also participated in a workshop organised by the GFSB, which helped to raise awareness of the new Office of Fair Trading legislation, how it will change the services delivered by the Department and how businesses can expect to be affected by it.  
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During the Department's annual awareness campaign held in December, a new booklet of information was introduced that allows both consumers and traders to learn of their rights and obligations under the Consumer Rights on Contracts Regulations of 2013. This awareness day also informed the public on other areas of consumer protection, especially during the festive season, where consumer spending is at its peak and again served to promote the services of the Department.  
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During 2014 the Department participated in other awareness initiatives in collaboration with the Citizen's Advice Bureau, namely an online safety awareness day where a booklet of information to this effect was introduced by the Department in relation to shopping safely online and participation in the Careers Fair.  
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The Department of Consumer Affairs continues to explore new ways in which to fulfil its objectives of empowering consumers and traders via education and awareness, and hopes to develop a series of sector-specific awareness bulletins as part of their strategy to achieve this.  
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Further, the Department has undergone training with the Royal Gibraltar Police in order to ensure best practice methods and procedures when using enforcement under current and future legislation. The training, amongst other areas, focused on statement writing and handling evidence that will be of great benefit when  
1470 the Department's staff begin their enforcement functions within the Office of Fair Trading.

Three staff members undertook Interpersonal Mediation Training and are now accredited mediators in this field. This training will ensure that when handling disputes between consumers and businesses, both parties can be confident that their situation is being dealt with effectively and in keeping with best practice methods. The Department is hopeful that they will be able to continue their professional development in this area and are looking into further accreditation in commercial mediation.  
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Mr Speaker, Consumer Affairs are committed to continue delivering a high level of service under their new areas of responsibility within the OFT. To this end, staff have engaged with the Chartered Trading Standards Institute in UK to identify a bespoke training package for its staff encompassing Product Safety, Weights and Measures, Consumer Rights and Redress and Investigation Skills, which they will be undertaking within this financial year. Also, at the end of this year two staff members will attend a best practice and work experience visit to the Trading Standards Office in the UK to allow for more familiarisation with their processes for comparison and evaluation against our own methods, for the continuation of development and improvement of these. Moreover, it will allow these team members to have a practical insight into new areas of work that will be undertaken under the OFT structure.  
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Mr Speaker, dealing specifically with small businesses and, as I do not tire of saying, small businesses are the lifeblood of our economy and the Government has to enable the right conditions for all businesses to flourish. For us this has never been about paying lip service and the proof has been, and is, in the extremely wide range of budgetary measures over the past three years, such as: the reduction of import duty to stimulate the retail sector on many items including LED lights, LED torches, writing implements, pleasure craft, yachts, other seagoing vessels under 18 metres in length including jet-skis and kayaks, fertilisers for  
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all flowers, gardens and other greenery, umbrellas, musical instruments, natural and cultured pearls, artworks including paintings, pastels, sculptures, textiles, items of furniture and furnishing, domestic appliances, as well as many other goods.

Importantly, Mr Speaker there has been no increase on the import duty on fuels.

1495 Importantly, Mr Speaker, there has been no increase in social insurance contributions for both employers and employees. There has been no increase in electricity and water charges.

A discount for early repayment of rates of 65% for businesses in the first year of trading for new set-up companies; those new companies that had already received a 50% general rates discount in their first year of trading since the scheme was introduced, were also given a 25% discount in the second year of trading.

1500 Discount for early payment of rates increased from 10% to 15% for offices, workshops, construction and manufacturing industries, transport and distribution industries.

Assistance in the introduction of the smoking ban extended to September of this year for bars and restaurants the discount for the early payment of rates to increase to 30% between 1st October last year and 30th September of this year.

1505 Ships anchoring in the Western Anchorage whose main purpose is bunkering, now receive a 75% discount on tonnage dues; any vessel calling at the Eastern Anchorage in order to take on provisions, spares, stores, or to carry out crew changes have also been receiving 75% discount on tonnage dues.

In connection with the measures announced by the Hon. the Chief Minister in this year's Budget, I am pleased to highlight and reiterate the following: (a) employer's contributions in respect of an employee's secondary employment are abolished, subject to the full contribution having been paid whilst in Gibraltar; (b) in order to further incentivise new businesses to set up in what is undoubtedly, Mr Speaker, our thriving economy and generate economic activity companies, partnerships and self-employed individuals will be able to claim 100% of its eligible Capital Allowance in the first year of trade; (c) following proposals from ATCOM, in order to incentivise training in the workplace, training costs will be allowed as an expense against profits of a business or company at the rate of 150% – in other words, a company that invests £1,000 in training its employees with a view to them obtaining a qualifying qualification, will now be able to claim £1,500 as a deduction against its profit for the accounting period in its tax computation; (d) the audit threshold, that is to say the level of turnover beyond which audited accounts are required, is raised from £1,000,000 to £1,250,000; (e) in order to further assist small scale start-ups, a capped 200% credit is introduced in respect of the cost of any architect's fees incurred in respect of successful planning applications under the Town Planning Act, and any fees charged by Government in respect of any such planning application made by such a company in respect of its own property in the first 24 months of operation of any new company. The credit will be available to be deducted from tax liabilities in the first three years of operation of any such company. The Cap will be a total of £5,000 as this measure is not designed to help large scale developers of land, but rather specifically, to target small scale businesses who may incur planning fees in remodelling business premises; (f) and, even to further encourage and assist small businesses and start-up companies, a Social Insurance Credit is introduced of £100 per employee in respect of employers' contributions for companies who have 10 or less employees. The credit will be made against the final payment of the year and companies will only be eligible if the required payments have been made on time throughout the year. For a new company, the credit will apply to companies with up to 20 employees in the first year of operation.

1530 Mr Speaker, I am sure that I need not explain to this House the extremely beneficial importance of these measures to further incentivise new businesses and creating enterprises to flourish in what is, by any measure, our tiger-like economy. And it is not I who describes Gibraltar's economy as 'tiger-like', although of course I would entirely agree with that statement, but the appropriate adjective is from no other publication than the internationally recognised and esteemed *The Economist*. (*Banging on desks*) I knew that at some point reading *The Economist* once a week would stand me in good stead. (*Interjection*)

1535 Mr Speaker, access to finance, however, can still be a real barrier to small businesses. It may be difficult for individuals setting up to obtain funding, unless they turn to savings or private investors. This dents our entrepreneurial drive and we have moved to restore confidence and breathe new life into small business start-ups by the launch of a £250,000 fund. The fund will give a much-needed advantage to potential entrepreneurs and to those established businesses that wish to expand.

1545 Small businesses, as we all know, collectively are Gibraltar's biggest employer. Therefore, the availability of loans is not just vital to grow our economy, but is equally important in creating employment opportunities, fostering technological innovation and expanding the range of goods and services enjoyed by consumers.

1550 To date, we have received 16 applications with many more expected to be received over the next few months. The application scheme for these loans sees applicants complete a simple form. These applications are then scored by a committee comprised of a Chamber representative, a GFSB representative and a Government official. The scores take into consideration the purpose of the loan and scores them against a criteria ranging from evidence of demand, innovation, sustainability and risk, value for money, the

safeguarding and creation of any jobs, environmental and health impact, e-commerce, urban renewal and touristic or reputational value. Applications are filtered and given a preliminary score. Applicants who obtain a satisfactory score meet with the committee. The meeting allows the applicant to meet with individuals operating in the business field and avail themselves of a steer prior to launching or expanding their business. After the meetings, the scores are finalised and a majority recommendation is made for my final approval.

We hope that the success of this fund will ensure that it is extended into the next financial year to assist an even greater number of start-up businesses. And of course, Mr Speaker, all hon. Members will welcome that the Gibraltar International Bank has opened its doors and is ready to offer loans to small businesses.

In addition to these economic incentives, and as part of the Government's drive to encourage and support new and existing businesses, the Business Support Unit is making a valuable contribution in launching a programme of free business seminars. These technical discussions are aimed at providing local businesses with guidance and support on a range of business-related topics, from accounting to recruitment.

Mr Speaker, I now turn to the Office of Fair Trading, which will cater to the needs of our business community and also our consumers. Our society is one that undoubtedly punches well above its weight in terms of business, but we must not rest on our laurels. We must keep evolving and accommodating existing businesses whilst at the same time encouraging new businesses, itself a delicate but essential balancing act. This is by no means an easy feat but I believe we have taken one long and important stride towards maintaining our competitive edge through the establishment of the Office of Fair Trading.

You see, Mr Speaker, today's day and age calls for wide-reaching methods of doing business, one where time is even more valued, where businesses and consumers are increasingly keen to operate remotely. It is an environment that calls for a greater focus on protecting consumers whilst simultaneously meeting the consumer's ever-expanding needs. To achieve these goals and to fully nurture this environment to its true potential, it is essential that we cut down on red tape. Unsurprisingly, we are not alone in seeking to minimise red tape. Frans Timmermans, the First Vice President for Better Regulation, Inter-Institutional Relations, the Rule of Law and the Charter of Fundamental Rights, echoes our ethos having undertaken a review of existing EU law with a view to cutting formalities affecting businesses.

This is one of the principal reasons why the Office of Fair Trading will be launched: to assist, facilitate and focus new business applications to the right Government Departments speedily and from only one single venue – the Single Point of Contact. (A Member: Hear, hear.) We are confident, Mr Speaker, that this facility, empowered on a statutory footing, will reap rewards for our economy.

The Office of Fair Trading will be operated from adequate office premises, centrally located and accessible to both businesses and consumers alike. The staffing complement will be bolstered with a number of new additions, not least the appointment of a legally-qualified Chief Executive Officer to oversee the operation and management of the office. The Consumer Affairs and Licensing Departments will be staffed by seasoned public servants who are experienced in their respective fields of expertise. These individuals and their supporting staff members coupled with the Business Support Unit have all undertaken substantive practical training with other Government Departments, building an internal network that will prove invaluable to the one-stop-shop service that the office will offer to new businesses. The knowledge they have gained will be valuable to businesses seeking the services of the office. Their network of contacts will serve them in good stead should they require additional information or to set up meetings between start-up businesses and other Government Departments.

In line with the EU Services Directive, there will be a single point of contact that aims to ease an applicant's administrative burden and be a first port of call for new businesses in Gibraltar who need to set up and file forms with the various relevant Departments in order to start their business locally. Start-up businesses will be able to complete and submit the forms required by the Government's Departments and agencies online via the Single Point of Contact's web portal.

Alternatively, applicants may visit the Office of Fair Trading in person, where staff have been trained to be able to advise and assist clients in completing their registration and licensing processes and arrange any necessary meetings with the different departments and agencies involved. Mr Speaker, I cannot stress enough that this facility will be a superb offering for businesses and a landmark and unprecedented step towards a single counter service.

The Fair Trading Bill has been continuously reviewed in order to create this level playing field among businesses for the benefit of consumers and businesses alike. We have received an overwhelming positive response on the Fair Trading Bill; in fact at times I did fear that this would become a never-ending consultation with no end in sight. But my teams and I persevered and spearheaded this Bill towards becoming a seminal piece of business and consumer-related legislation of which I am extremely proud to bring to this House. (*Banging on desks*) I am, therefore, genuinely excited and proud of this project's imminent launch.

I turn, Mr Speaker, to Licensing. The 'trade licence' as we now know it, will be phased out to extinction like the paleontological relics before it. It will be replaced by a 'business licensing' regime and more aptly

named 'business licences'. The categories of service that will require a business licence have been expanded, now comprising all service related businesses that are not covered by other enactments. Again, this allows the level playing field amongst a significant number of businesses, as it should be. There is no logical rationale for only a group of business categories to be licensed as was the case under the previous trade licensing regime; all businesses should be licensed on an equal footing.

Going back to the roots of the Trade Licensing Act, I have no doubt that it may have been adequate when introduced over 40 years ago. However, since its enactment it has lacked the enforcement powers it craved. As a direct consequence, the licensing authority was restricted – with some bite, but a lot more bark. The new business licensing authority will be able to step up its game and return a substantive benefit to businesses and consumers by deploying its Consumer Protection Officers and having the Commission of the Office of Fair Trading deal with complaints.

The new licensing regime under the Fair Trading Bill will see the introduction of an objection fee for objectors to a licensing application. Following our consultation with individual businesses, we were not pleased to learn that objections were presented as a matter of routine, with the primary and sole intention of imposing an unnecessary delay on applicants. The introduction of these objection fees will, I hope, serve as a deterrent to vexatious objectors. The ground-breaking amendment included in the Bill however, is the removal of one particular ground of objection that hindered competition. This ground allowed an objector to rely on the argument that the needs of the community, either generally in Gibraltar or in the area thereof where the trade or business is to be carried on, were adequately provided for. Given that the vast majority of objections to trade licence applications relied on this ground of objection, I sincerely hope that the new business licensing authority will see a vastly reduced number of objections on the remaining grounds.

There are a number of other significant changes that will improve and speed up the business licensing process: the business licensing authority will, at a minimum, now meet fortnightly, rather than monthly; the Act contains a statutory presumption in favour of carrying on businesses in Gibraltar, subject of course to obtaining the relevant licence; certain applications will also need to demonstrate suitable training or qualifications to the licensing authority, primarily for their own safety.

The new legislation also highlights that the Minister may issue guidance to certain business categories and indeed, we have already prepared three separate codes of conduct for tourism service providers, real estate service providers and for businesses holding monies in a client account. These codes of conduct are primarily concerned with the protection of deposit monies that are paid over by consumers, a type of consumer that was identified as requiring a more robust statutory protection. These businesses that handle client monies or hold financial deposits will also be required to provide evidence of a separate client account to the licensing authority within three months of the issue of the business licence.

The fines for false entry on an application or objection have also been increased to up to £1,000 and the fine for non-display of a trade licence has been set at £200. The time for processing applications is now reduced to three days, provided that all correct documentation is submitted. The time periods for publication and objections have also been reduced from 14 to seven days. The notice periods from the Business Licensing Authority to applicants and objectors has also been reduced to five days. All of these reductions should serve to speed up the licence application and granting process to the benefit of the applicant.

Mr Speaker, the Bill also introduces a number of exemptions for start-up businesses that are constructing or altering their premises and for licence holders that co-exist on the same premises in a compatible manner. The forms have also been completely redrafted to facilitate the provision of information by applicants, objectors and transferors and the processing of this information by the Licensing Authority staff.

As from November of last year, the Trade Licensing Authority has offered trade licence holders the facility to renew their licences online via the e-Government. website. This accomplished manifesto commitment will be further enhanced with other online services to be introduced, particularly as a result of the Fair Trading Bill.

Overall, we will see a streamlined, simplified business licensing procedure which will speed up Gibraltar's business licensing system, most importantly reducing the time a person has to wait before they are licensed to start a business.

I now turn to my responsibilities for Employment.

Over the past six months the Department of Employment has been involved in the process of improving the quality of the services that it offers to its customers, by conducting a wholesale review of the Department.

As this House will recall I recently announced the digitisation of forms that supports our objective to ease the administrative burden on businesses. The online functionality will offer round-the-clock virtual access to the Department of Employment and the Income Tax registration facilities. This project's advantages will be there for all to see once the new Electronic Identity Cards are rolled out at the end of the month.

The digitisation of forms supports the objectives of Her Majesty's Government of Gibraltar to ease the administrative burden on businesses, improve the interaction between the public and private sectors and strengthen the service provided to the public by electronic means. The portal will, in effect, create a one-stop-shop where the public will be able to complete and submit all necessary application forms online. It will now be possible to attend to employee and business registration online at one's leisure and as a result entrepreneurs will be able to concentrate on what really matters to them during office hours which is, of course, one's business.

The continuing work to digitise all Government forms will mark a quantum leap in our relations with the public and will qualitatively ease a businesses' administrative burden of complying with the statutory obligations.

Mr Speaker, this month I also announced the launch of 'ERASMUS 15', a purpose-built software designed to cater for the needs of the Department. This first class software will carry out tasks far and beyond those provided by the former program used by the Department, which was purchased from a UK-based company well over a decade ago and has therefore, naturally run its course. The program called ERASMUS 15 – 'Employment Reporting and Software Management Utility System' – will be able to perform the tasks that were currently being executed by the previous software, such as the registration of those in employment, the enlisting of the unemployed and other basic administrative tasks.

ERASMUS 15 will, however, also be able to undertake far more sophisticated procedures, such as matching unemployed individuals to specific vacancies according to the criteria set out by the employer. The new software will accomplish this by cross-referencing and analysing key information such as qualifications, experience, skills and other requirements. This new software together with the recently launched Departmental website and the ability to complete and submit forms online will mark a significant technological leap in the Department's history.

Mr Speaker, of course we are entirely committed to increasing employment opportunities. I have no doubt that the introduction of ERASMUS 15 will result in significant improvement within the Department. It will deliver to the Department's staff a modern internal software that will provide an effective and professional service to both the general public and the business community. The new software is yet another phase within my Ministry's objectives to streamline procedures within the Department of Employment and modernise administrative systems, thereby improving time management, productivity and the overall quality of services provided. Furthermore, this will empower officials in their efforts to serve the public, especially in helping the unemployed seek employment opportunities.

In this respect, the Human Resources forum that was successfully established by my predecessor in 2013, the Hon. Mr Bossano, in conjunction with the Ministry of Financial Services and Gaming. Following from these forum meetings we have been able to identify various skills gaps in industries from mechanical engineering in the automotive industry, to accounting and software programming in the Financial Services and Gaming industries. Working in tandem with the Director of Education, we are looking at means to incentivise students towards careers that are in demand in Gibraltar and thereby increasing their chances of gainful employment upon graduation. This Human Resources forum has also proved to be a useful window into the topics of concern for local Human Resources Departments.

Another positive outcome of the wholesale review being carried out is the speedy turnaround of Work Permits. Once the new e-ID cards are rolled out and persons complete the online registration, we will be able to complete and deliver all work permits within 48 hours of receipt of the request.

Mr Speaker, further still we have completed the re-organisation of the Labour Inspectorate section. The revamped inspectorate is comprised now of two teams tasked with the full-time enforcement of our laws under a new programme of inspections. To this end, additional labour inspectors have been appointed. It is high time, as consistently advocated by businesses themselves, that the playing field is levelled, by ensuring that every business plays by the same rules. The Government will not countenance illegal labour and the re-organisation and the full resourcing of the Labour Inspectorate reflects our commitment.

I am also delighted to say that we have started the task to restructure the Health & Safety Inspectorate in order to reclaim the Health & Safety agenda. As part of the reform, the vacancy for Principal Health & Safety Inspector at the Department has already been advertised. This post, which has been vacant since August 2006, will increase the complement of the inspectorate to five operational posts and one administrative post. The new Principal Health & Safety Inspector will be responsible for the strategic implementation of the Committee's recommendations. To this end, a Health and Safety Committee has been constituted comprising of representatives from the public sector to discuss the details of a comprehensive Health & Safety policy and Codes of Practice designed specifically for Gibraltar.

Her Majesty's Government of Gibraltar takes a very serious view on health and safety at work and considers that it should be of the highest standard. In this regard, business organisations and the general public are reminded that the Health & Safety Inspectorate is available for guidance and advice in respect of best practice on health and safety issues.

Mr Speaker, naturally I thank the Hon. Mr Netto for considering that I am ‘energetic’ and ‘intelligent’, even if he only uncharitably employs such honorifics to me as a means to criticise my six months as Minister for Health & Safety. I suppose that one must be grateful for life’s small mercies when one must, with good grace, endure a long-winded speech on a sweltering June afternoon and, therefore very much welcome the opportunity when hon. Members opposite open themselves wide open to their very own criticism. Amongst other things, the hon. Gentleman said that members of this side of the House have lacked vision and a coherent strategy in the field of health and safety and said so, without blushes, even though Gibraltar suffered the biggest industrial scale accident in recent history with the explosion of the Nature Tanks at the North Mole, partly due to the very thing that the hon. Gentleman has accused us of, namely the absence of a comprehensive programme of inspections across all industries. (*Banging on desks*)

(**A Member:** Shame!)

Mr Speaker, you simply could not make these things up. As no other than Albert Einstein said ‘only two things are infinite, the universe and human foolishness; and I am not sure about the former’.

Also just to remind him, that the Health & Safety Inspectorate in their time in office was so under-resourced, so under-resourced, that there were *no* health and safety inspections at all in the very tanks that blew up. Where, pray, Mr Speaker, was their vision for health and safety? Where, pray, Mr Speaker, was their cohesive plan? Where, pray, Mr Speaker, were their resources for health and safety? (*Banging on desks*)

Mr Speaker, the hon. Gentleman’s statements are even more asinine and incredible when I have already recently told him in this House that the Health & Safety Inspectorate is finally advertising the post for Principal Health & Safety Inspector which has been vacant since August 2006 – a lot of time under *their* time in office.

I have also told him, in this House, not just a few months ago, that the complement of the inspectorate has been increased to five operational posts and one administrative post. And, Mr Speaker, the reason why people at home would have heard the guffaws of the Members on this side of the House was because the hon. Gentleman in furtherance of his kamikaze breach of the Law of Holes, which dictates that one must stop digging, then continued his entirely unjustified assault on the Government’s Health & Safety strategy by lamenting in loud and weeping tones, the absence of Gibraltar-specific codes of practice. At the risk of causing yet another tumult I am sure it will not surprise anyone to learn, whether inside of this House or outside, whether Barbary Partridge or *homo sapien*, to learn that in their sixteen years of office they did not issue a single, not a single, code of practice specifically designed for Gibraltar. (*Banging on desks and interjections.* **A Member:** Shame) Not one, Mr Speaker. And I have also told the hon. Gentleman, not just a few months ago, that we are in fact working and writing codes of practice specifically for Gibraltar – he has to give me a little more than six months to do the job.

But the hon. Gentleman by this time, having decided that he could dig no further, having reached the earth’s crust, took the view that it was best that he poured dirt on himself and highlighted their supposed efficiency at Health & Safety by noting that in their sixteen years of office they established *one* Health & Safety committee at the GHA.

Mr Speaker, although it is not easy to know where to start on this statement, let me do so by telling him the obvious, that the last time I checked the public sector was much deeper and much wider than just the GHA – as excellent as that institute has become under the unrivalled leadership of my Honourable Colleague, Dr John Cortes. (*Banging on desks*) Indeed, Mr Speaker, ‘everyone is entitled to be disingenuous, but some abuse the privilege’. (*Laughter*)

I have also told the hon. Gentleman in this House that the Government has constituted a Health & Safety Committee with members that cover the entire breadth of Government Officers – and not just of one authority. This Health & Safety policy, although not compulsory by virtue of our domestic legislation, is a move towards best practice and one which will give uniformity to health and safety within the Government departments by way of structure of committees in plural, representatives in plural, councils in plural, and co-ordinators in plural. And this, Mr Speaker, will in due course extend to authorities, agencies and Government-owned companies. So within my humble six months, I have already done a lot more with much more to follow, than the GSD did in their entire 16 years in Government! (*Banging on desks.* **A Member:** Hear, hear)

But, Mr Speaker, because the House knows that I am grateful for all of the lessons in life, I do thank the hon. Gentleman for allowing me the opportunity to be political, at least once, during the course of the Budget speech. I also would like to take the opportunity, given that he has informed the House that he will take a step back from frontline politics to of course wish him well in any of his future endeavours. (*Banging on desks*)

Mr Speaker it would be remiss of me not to also take the opportunity to wish Mrs Ellul Hammond all the very best in her new career at the GHA. The hon. Lady and I go back a long way to my days as a student in Bayside, and although her first budget contribution remains seared in my mind as one of the most grossly unfair I have ever heard in relation to our criticism as an opposition on health matters and – as she



1795 knows this to be the case as I have told her before – the hon. Lady knows full well that I have always held her in high regard.

It will not come as a shock to the Hon. Sir Peter Caruana QC to hear that I have *never* voted for him. Indeed, Mr Speaker, it will not surprise him either to learn that my most ardent held desire in fighting the 2007 and the 2011 Election was to oust him from office and usher in a far more transparent and much less acrimonious style of politics. *(Interjection)*

1800 This preface is necessary, not just to say that this Government has qualitatively improved the workings of this House, agreeing with him that more is to be done and will be done by the Government, but because I want to make clear that the comments that I am about to make about the Hon. Sir Peter are self-evidently neither partisan nor biased. And, Mr Speaker, my fulsome praise of the Hon. Minister Bossano and my differences with Sir Peter's Government being recorded for posterity in Hansard, it may perplex those listening and no doubt I will get letters written in fury, when I describe the Hon. Sir Peter as a class act.

1805 The Hon. Mr Figueras and I have on many occasions discussed Sir Peter's staggering capacity for work, intellectual ability and energy. No-one, Mr Speaker, no-one inside or outside of this House can seriously doubt or sincerely say hand on heart that the Hon. Sir Peter has done anything other than dedicate himself entirely and virtually exclusively to discharging his constitutional responsibilities as Chief Minister of Gibraltar. He gave a 27 year old barrister and inexperienced Member of Parliament, as was his wont to remind me at every possible opportunity, quite the education on political life and I did learn tremendously by being at the sharpest end of his wit and political put-downs. But I agree with him when he said that somewhere in our DNA we can distinguish between things that are said for partisan reasons and for political effect, unfair as the comments may have been, and those things said meanly just for personal humiliation. For what it may be worth to him, I can assure him across the floor of the House that what I take from his criticism of me politically are lessons in life for which I will actually never begrudge him and which I sincerely value, as they stand me today in good stead.

1810 Mr Speaker, Gibraltar can feel extremely proud and happy that, like Minister Bossano before Sir Peter and now with our current Chief Minister, the Hon. and my close personal friend Fabian Picardo QC, we have people of talent, skill and determination in steering true the affairs of our cherished community. *(Banging on desks)*

1825 I now turn to Industrial Tribunal reform. The purpose of the Industrial Tribunal reform is simple: to make the Tribunal accessible to persons without substantial funds, whether they be employers or employees. One other major development will be to speed up the tribunal process from start to end. The reduction in the overall turnaround time for tribunal cases will be warmly welcomed by claimants, respondents and their legal representatives. Anyone going through an employment dispute will want it settled swiftly and without any unnecessary delays. This is a reasonable expectation and one that I expect will follow through as a direct consequence of the measures that I will touch on.

1830 Another key objective of our reforms is to introduce substantive legislative procedures and operational processes that will ensure and secure consistency in the decisions of the tribunals, to the peace of mind of both employers and employees. All too often parties in dispute see the decks stacked against them. Whether it be the employers or employees, who deem the system not fit for purpose as their respective underlying interests are often left out of the equation.

1835 For decades, the informality of the Industrial Tribunal served individuals to bring their own cases has been eroded. Our reform therefore introduces compulsory and fully subsidised mediation prior to a case being heard. I am confident that this measure will produce results for employers and employees alike. The ground-breaking feature will offer a new avenue of redress for the parties in dispute, one that encourages reinstatement or even a simple apology, preserving the employment relationship over a monetary settlement. As a subsidised measure, it is one that will make mediation accessible and less costly for those involved before the dispute is escalated to the Tribunal. I trust that it will translate to a positive experience for both employer and employee and one that will allow employers to take on more staff and further continue our economic growth.

1845 It is important to note that this early discussion of issues by both parties at mediation does not later prejudice their case should the mediation discussions break down and proceed to a tribunal. It is imperative, therefore, that the parties understand that the mediation process will be 'without prejudice' to their rights and remedies and that they will not be able to attend the mediation process with legal representation. The method should promote open and informal discussion without fear that their admissions or compromises will be used against them later at trial.

1850 Whilst this part of the reform intends to assist parties in avoiding the tribunal cases, I am of course cognisant that judicial determination may be necessary in some cases. For these cases, it is vital that we have a process that deals with cases justly and resourcefully. The existing Industrial Tribunal rules are out-dated and do not square up to modern employment practices. When faced with two options, to continue to update the rules by piecemeal amendments or to provide a root and branch review, we have opted for the latter. This substantive redraft of the Tribunal rules is poised to modernise the rules and re-instil public

confidence in the Tribunal. The new rules should also provide chairpersons with robust and efficient case management powers.

Her Majesty's Government of Gibraltar also intends to invest in training and maintaining the professional development of the Tribunal judiciary. Employment practitioners will also be able to avail themselves of employment law practitioner textbooks at the Tribunal offices, together with copies of Gibraltar Industrial Tribunal cases, thereby minimising the number of documents that would have to be printed in anticipation of a tribunal hearing. I am also working to bring these cases online.

Taken together, these measures will also allow us to deliver a flexible, effective and modern tribunal system that meets the reputation and aspirations of our economy.

Mr Speaker, I turn now to the number of Gibraltarians in employment and other employment matters.

The ever energetic and unstoppable Father of the House has already provided the House with a masterful exposition of the facts and figures and so I will simply highlight the main areas.

Firstly, and following on from last year, not only has the number of Gibraltarians in full-time employment once again risen to a new record high of 9,293, the total number of Gibraltarians in employment has reached an all-time high of 10,991 Gibraltarians. (*Banging on desks*) (A Member: Hear, hear.) This is clearly a principal objective of the Government that has been met with outstanding success.

Additionally, and to be clear, the private sector has experienced a record number of employee jobs again with an all-time high of 18,441. The growth compared to October 2013, comprises of a staggering rise of 1,500 employee jobs in one year, with Gibraltarians representing 11% of this increase. In fact, the total increase in Gibraltarian employee jobs was registered in the private sector.

Furthermore, in October of last year, the number of employee jobs increased to a staggering record high of 24,422, up by 1,515, with Gibraltarians representing 45% of this total, which is nearly half of all employee jobs. During the last four years, on the other hand, of the previous administration, Gibraltarians employed in the public sector actually decreased by 356 Gibraltarians. During this period the number of Gibraltarians in the public sector increased by 42.

Mr Speaker, by whatever measure, the statistics that the Hon. the Chief Minister, and the Hon. the Father of the House, and that now I have repeated, truly puts to eternal shame the abysmal record of the members opposite who, in 16 years of Government saw the employment of fewer full-time Gibraltarians than we were able to achieve in just one year in office. The GSLP Liberals in just two years since coming into office, have succeeded in ensuring 681 full-time jobs for Gibraltarians, while the GSD in a period of almost 16 years had ensured employment for just 337. Under the GSD, therefore, there was an average of – and this is a staggering statistic – there was an average of 21 Gibraltarians per year in employment; whereas our record is an average of 250 Gibraltarian jobs every year of our first three years of office. (A Member: Hear, hear.) (*Banging on desks*)

And of course all of these record highs in employment give me the confidence to say that further increases in Gibraltarian jobs are to be expected in this current financial year.

I am also very proud to announce to this House that the number of unemployed persons in Gibraltar stood at a record-busting low of 190 as at the end of May of this year. (A Member: Hear, hear.) (*Banging on desks*) This excellent achievement speaks volumes for our local booming economy, the career prospects of school leavers and returning graduates and our firm and genuine commitment to achieving record levels of unemployment.

Mr Speaker, I am now told that 190 must surely rank as full employment, but whereas I cannot in any measure claim to have Mr Bossano's command of mathematics, it seems to me that we still have quite some way to go until we hit rock bottom.

Before I conclude, I must thank all of my staff at my Ministry: the Department of Consumer Affairs, the Trade Licencing Authority, the Business Support Unit, the Department of Employment, the Department of Social Security and the Royal Gibraltar Post Office for the, at most times, unforgiving pace they have come to expect from me in just six months, but for their unstinting support in delivering this Government's exciting programme – it has meant a lot of work.

It is true to say, Mr Speaker, that it would simply just not be possible to have to stand in this House to make as many announcements or to report on the completion of as many projects without them. I owe all of them a very big thank you. And, of course, I take the opportunity to thank you, Mr Speaker, and the kind, patient and excellent assistance of your staff Paul, Frances, Kevin and Dani. (*Banging on desks*)

Mr. Speaker, it is considered a truism that we campaign in verse but govern in prose, but it is my sincerely-held belief that the philosophies on which we asked our community to entrust us were not abandoned in the bottom drawer under lock and key the moment we walked into our Ministerial offices.

We promised accessibility to Government Ministers: we have fulfilled that promise and we continue to do so.

We promised genuine consultation of all relevant stakeholders in our areas of responsibilities: we have fulfilled that promise and we continue to do so.

We promised a Government that would bring a private sector approach to the business of Government in terms of the quality of the service provided and the time in which we do so. We have fulfilled that promise and we continue to do so.

1920 We promised a Manifesto that represents a contract between us and our community and not, as had been previously suggested, a mere wish list. We have fulfilled this promise and we continue to do so.

We promised to place all information online, hold a minimum of ten sessions of Parliament for Questions and Answers; we have live video stream in this Chamber and Hansard is uploaded within 24 hours. We will release Government Papers under a 20-year rule and we will shortly introduce a Freedom of Information Act. We have fulfilled these promises and we continue to do so.

1925 We promised a complete divorce from one man rule and to introduce instead a collective system of Cabinet Government. We have fulfilled this promise and we continue to do so.

1930 We promised a progressive Government that will start the really important work of removing the systematic apparatus of discrimination wherever it was found. And as much as the Hon. Mr Netto wants to airbrush out of existence the very real words he uttered when he said that we have achieved more for equality than they ever achieved in 16 years, (*Banging on desks*) we have introduced the Civil Partnerships Act that provides same sex couples with the same rights and benefits of different sex married couples, thereby making it clear that it is not the business of the Government to determine who someone loves. This Act and other measures show that we have fulfilled these promises and that we continue to do so.

1935 We have ensured the highest number of Gibraltarians in employment and as a corollary the lowest ever number of Gibraltarians registered as unemployed. We have fulfilled this promise and we continue to do so.

1940 We promised to employ a surgical scalpel to qualitatively ease a business's administrative burden and introduce economic incentives that would create the right conditions for businesses to prosper. Aside from the numerous pro-business budgetary measures I mentioned in the course of my address, it cannot be left unsaid that the last financial year yielded GDP growth of 12.7% in money terms, with GDP forecast to grow by 10.3% in money terms this financial year.

Mr Speaker, double digit growth in a global financial climate since 2008 is nothing short of staggering and a testament of Her Majesty's Government of Gibraltar's prudent macro-economic management in establishing just the right legal, regulatory and economic conditions. We have fulfilled these promises and we continue to do so.

1945 We promised to drastically reduce the waiting time for operations and to abolish the unforgivable excuse and scourge of the cancellation of operations due to bed shortages, not to mention the establishment of many other health services and improvements. We have fulfilled these promises and continue to do so.

1950 Mr Speaker, to provide a fair and accurate characterisation on the high poetic verse with which we have undertaken the labour of Government, I would have to read every single manifesto commitment that has been achieved since 9th December 2011. (*Banging on desks*) We promised that we would discharge our obligations under this contract and it is the very first time – notwithstanding what Members opposite may say – that any Government has so self-evidently delivered on its terms of its deals with our community.

1955 Mr Speaker, if we have been able to achieve so very much in just four years, it can only be because we have woken up every day thinking about what is good for our community, and that we have gone to bed, likewise, thinking of how we can continue to be of service when we wake up the next morning. It is because we all have skin in this game that the Government has truly made these four years – and I sincerely say this – a veritable labour of love. Love for the wellbeing and happiness of our community and love for this tiny corner of the world which we call our home.

1960 Mr Speaker, I feel incredibly fortunate to have been given the privileged opportunity to serve Gibraltar and to try every day to fulfil the aspiration that I have held from a very young age, to try to improve my country. I am proud to have served with a team of such dedicated and talented colleagues and for the part, albeit small, that I may have played. The community can expect that the people on this side of the House will continue to work hard every day without reprieve, as we near the General Election.

1965 Thank you, sir. (*Banging on desks*)(*A Member. Hear, hear.*)

**Mr Speaker:** The Hon. Damon Bossino. (*Interjection*)

**Hon. D J Bossino:** Mr Speaker, talk about drawing the short straw! (*Laughter*)

1970 **A Member:** With a short speech?

**Hon. D J Bossino:** With a short speech, absolutely!

The faces of hon. Members – including the Speaker, with all due respect – just tell a wonderful story of complete and utter boredom.

1975 But look, it is now eight o'clock. I will give hon. Members an indication of how long my speech is intended to take and I can say that it is about, just under 40 minutes. Let's see. Let's see.

**Mr Speaker:** And you're off the air.

**Hon. D J Bossino:** And I'm off the air, so I might as well just sit down, Mr Speaker! (*Laughter*) What's the point?

**A Member:** I planned it!

**Hon. D J Bossino:** You planned it absolutely perfectly! (*Laughter*)

But of course I am not paranoid, I am not paranoid, and there is a perfectly reasonable and legitimate explanation as to why I have been last on every single occasion during the lifetime of this Parliament – and that is because I shadow quite a few Ministers. In fact, on this occasion, as after the December reshuffle, I am now shadowing a total of five Ministers, 50% of the Government. One of those Ministers we have heard today I have known from a very, very young age – the Hon. Mr Bossano (*Interjection*) – and others have indeed become good friends over the last four years. This is not to say, Mr Speaker – I am now reading from the speech – that I have and will not discharge my responsibilities as a member of the Opposition diligently and point out the things that I think are not going well, but equally congratulate the Government when they have done things right.

On tourism, Members opposite will know and hopefully appreciate that I have always tried my best to steer clear of partisan politics in relation to this issue. When I was not a Member of this House I never really understood why the then Opposition – and I think the Hon. the Deputy Chief Minister used to lead on this issue – treated this area of economic activity in this way. Indeed, their style in Opposition was to be aggressively against almost anything that the Government did, however well it did it. Quite bizarrely, and certainly in the earlier part of their time in government, they have been doing it, but this time not from the Opposition benches. My belief has always been that tourism is one of those areas which should be left 'off the hook', so to speak, from the political rough and tumble, even if one has to express strong views forcefully if they differ from the Government's, and it is with this spirit that I will deliver my speech in relation to this matter.

On cruise liner figures, the hon. Lady's predecessor and the Hon. Mr Costa will know that I have given him a very hard time in the past and criticised how his much-vaunted one-to-one marketing strategy was not really working, and I have pointed out when he has failed to meet the very successful and buoyant figures of the previous GSD administration. Without making any admission as to the success of that particular policy, I must admit on this occasion that the figures to date are looking much better (**Several Members:** Hear, hear.) and I congratulate him for that. (*Banging on desks*) There is certainly more *ambiente* on that side than on this side at the moment, (*Laughter and interjection*) even in circumstances where he has failed to reach the glorious figures of the GSD administration.

In terms of the number of cruise liner arrivals it is correct that the Government has beaten its own record since it assumed office at 63 calls up to May this year. In the previous years we have 61, 50 and 53 for the years 2012, 2013 and 2014, and 59 during our last year in office. The figures do not, however, beat those of the GSD, which, when looking at the numbers from 2000, show that our peak, as at the May point that I have just described, was 70 in 2008. The total figures for cruise liner arrivals for 2014 stood at 181, an improvement on the position in the previous year, which stood at 170, and a considerable improvement from the position in 2012, where the number stood at 173. However, in terms of a comparison to our last year in office, they are not quite there yet, given that in 2011 our call number stood at 187. Current numbers certainly remain a far cry from our top figure in 2009 of 238. (*Banging on desk*)

In terms of cruise passenger arrivals, we see once again how – thank you for that (*Interjection and laughter*) – doing a comparison up to the main points from 2000, the Government has improved the position over the years 2013 and 2014, but still, I must point out, a good distance from the position in 2011 and 2012. These last years still maintain the record years up to the May point in terms of passenger arrivals. As for the overall annual figures for which we have complete figures in 2014, we see a healthy figure of almost 300,000, which is an improvement from the position in 2012 and 2013 but still, but still I must admit, underperforming in comparison to our final year in office where the figure stood at 325,000, and again that buoyant record year of 2009 where the figure stood at almost 350,000 passengers.

Mr Speaker, given the volatility at the Frontier, we must continue as far as reasonably possible and make every possible effort to ensure that passengers continue to come and that one day perhaps, one day perhaps, we can reach and even surpass the GSD record of 2009. In this context we can never lose sight of the stiff competition that comes our way from very nearby ports in Spain such as Cadiz and Malaga.

On air arrivals here we are seeing what I would term again as healthy figures when one looks at the visitor arrivals by air. The jump is reflected in a 6.2% increase from 2013 to 2014, which was alluded to by the current Minister for Tourism – a relief, no doubt, given that the figures for 2013 showed a slight drop of 1.1%; 6.2%, however, remains a far cry from our buoyant figure of 25.4% increase experienced between 2010 and 2011, (*Banging on desk*) but we hope from the Opposition benches that the positive trend will

continue and we encourage the Government to continue to make every possible effort to make the fullest use of that great GSD legacy that is the Gibraltar International Airport. (*Interjections and banging on desks*)  
 2040 Certainly if we win the next General Election (*Laughter*) –

**A Member:** The most challenging bit of that sentence is ‘we’! (*Laughter*)

**Hon. D J Bossino:** – *we*, Mr Speaker, we, will continue with a policy of securing more flight  
 2045 connections and greater connectivity so that the numbers keep on coming, thereby strengthening what is a very important sector of our economy. (**A Member:** Hear, hear.)

I will dwell on one particular segment of the previous air traffic surveys. Here we see, in table 6.01 that the total number of flights has failed to reach the peak that we saw in 2007 and 2009, where the figure stood at around the 2,100 mark. Although there has been a gradual increase since this Government’s time in  
 2050 office from 2011, it has once again failed to reach the healthy GSD figures which we had in this particular area.

I wish to place on record my unreserved welcome of the new connections which have been secured to the UK, as again the Minister for Tourism alluded to in her debate. I think the Minister referred to three in particular. No doubt the dream of both sides of this House will be to see the opening of Gibraltar to the  
 2055 world outside of the UK and certainly other areas of the EU, as it is Gibraltar’s right to enjoy without hindrance and without restriction. (**Two Members:** Hear, hear.) (*Banging on desks*) Whilst on this subject, Mr Speaker, this is a point which was actually agreed, black upon white, signed, sealed and delivered and promised by the Kingdom of Spain under the Cordoba Agreement. The right of Gibraltar Airport to enjoy the fruits of EU legislation in the area of aviation is ours by right, but on this occasion it was actually  
 2060 supported by the Kingdom of Spain contractually in the Cordoba Agreement, which it then chose to unilaterally and unhelpfully withdraw from. This is condemned in the strongest possible way by the Opposition and we lend our support to this Government (**A Member:** Hear, hear.) in all its efforts to ensure that our rights in this regard are not trampled upon. (**Two Members:** Hear, hear.) (*Banging on desks*)

No doubt aviation and other issues will be addressed by the team at the Gibraltar EU Office. We have  
 2065 welcomed the opening of the bricks-and-mortar presence in the EU and particularly the appointment of Sir Graham Watson to the team. He will, we are sure, bring very welcome advice and knowledge to Gibraltar’s general benefit or, as the Deputy Chief Minister said during the course of his intervention, his network of connections. Whilst welcoming this initiative we have already flagged the issue of costs. We see, in this regard, that the estimated cost of retaining the office goes up by £115,000. No doubt we will  
 2070 have an opportunity at the committee stage of asking for details of the increase.

Moving on to the land frontier visitor arrivals, we have seen a further dip, interestingly, than in 2013 and 2014. I say that because I would have expected the figures to have dropped significantly in 2014 following the troubles with Spain the previous year where that country targeted in a very direct and unfair  
 2075 manner our land frontier. This is a pity, because the figure stood at around the 11 million mark in the few years before we left office in 2010 and in 2011, and in fact that same figure maintained itself during the course of 2012 when the hon. Gentlemen were already in office. The figure has now, unfortunately, dropped to 9.7 million.

On tourist expenditure the figures set out in the Tourist Survey Report for 2014 show a significant drop. Although significant, Mr Speaker, it is positive, on closer analysis, to see how expenditure in the visitor  
 2080 arrivals at hotels section has in fact increased from last year. The Chief Minister made a reference to the 3.1% increase in the number of marriages since 2011. He said – in jest, I hope – that even the love is up, but the fact that married couples from outside of these shores now have to stay a night here, as the Minister said, resulted in an increase in expenditure in this particular category. It is also interesting to note that the forecast outturn in both company and income tax is expected to go up for 2014-15 so that at least insofar as  
 2085 the Government’s tax revenue is concerned there has been no impact in this drop in figures in relation to tourist expenditure. It is also noteworthy that the forecast outturn figure for 2014-15 in respect of tourist site receipts is about £200,000 higher than the actual received figure for 2013-14.

Moving on to the hotel occupancy survey, here we see a steady figure of around 60%, which is stubbornly refusing to shift in an upwards direction. I am sure we would all want that figure to rise much  
 2090 higher than what it currently is. By way of anecdote I can tell hon. Members that my brother, who has been in the industry now for many, many years in the Far East, in Hong Kong and now in Singapore, would shed a tear if he saw figures as low as that, given that he is normally used to dealing with 90%-plus occupancy figures. But the positive comment to make, however, is that they are at least steady and are not dropping in any significant way, but much more must be done to bring visitors here, whether for leisure or business  
 2095 purposes, and see those figures go up.

In this connection I wish to pause here for a moment and record the Opposition’s utter delight at seeing the refurbishment of the Rock Hotel. This is something which some hon. Members may know is very close to my heart, given that my father, James Bossino, dedicated more than 40 years of his professional life to

the hotel, 24 of which were as its general manager. (**A Member:** Hear, hear.) (*Banging on desks*) I think indeed that my father was probably the first Gibraltarian manager of the hotel and certainly – probably – its youngest, at the age of 33. I am also pleased to see that the Caleta Hotel's ambition to refurbish and extend its offering. I have had the opportunity of meeting its general manager at the hotel's wonderful restaurant and he gave me a first-hand account and insight of the ambitious plans the owners have for the expansion of the hotel's facilities. This is something that we really take for granted, but really the iconic views and positioning of those two particular hotels are second to none.

The Chief Minister, in a recent article in the *Gibraltar Chronicle*, talked about private enterprise driving economic growth and taking its place to Government. Our tourist product must surely be one of those engines for growth, and in this regard I think that whoever wins the next election should be challenged to make sure that our hotel occupancy figures rise as much as possible.

Finally, but in relation to this particular area, I want to make reference to the superb Literary Festival, which has now seen its second successful year and going on to a third. (**Two Members:** Hear, hear.) (*Banging on desks*) Mr Speaker, what a fantastic and delectable literary feast! (*Laughter*) I can say this from first-hand experience. This is something which no doubt my party in Government will seek to continue to foster as it not only brings new blood and new visitors to Gibraltar, and with them hopefully greater expenditure, but perhaps more importantly greater cultural awareness. It opens Gibraltar up to the world in a completely different way. It is an initiative which makes all Gibraltarians feel very proud indeed. The further point I would mention, going back to statistics – and perhaps the Chief Minister in his reply can address this point – is that revenues received for 2013 and 2014 came in at a modest figure of about £300,000 whilst the forecast outturn for this same year comes in at an even more modest figure of £60,000, and I would look forward to the... £60,000 from £300,000... Sorry? (*Interjection*) In relation to Gibraltar Literary Festival. I think it is a specific item, yes.

Moving on swiftly to commercial and consumer affairs, I wish to highlight, I think, two particular points. The first one is the I think very positive indeed legislative initiative taken in relation to the Fair Trading Bill, which is due to be debated, I think, shortly in this House, possibly tomorrow or indeed Friday. The Government has known for a very long time that the Opposition has been disposed to working closely with the Government in relation to this particular initiative. The aim of having a single point of contact for all businesses to sort out all their licensing and other regulatory needs, as far as possible, is something which we support and welcome. Other features, such as the amendment of the law relating to the protection of consumers' interests, are also something to be welcomed. I have spent, personally, many hours reviewing the Bill – certainly the first incarnation of the Bill – and then with the Minister and both his Civil Service and his external counsel team, and I think we have managed, going clause by clause of the first incarnation of the Bill, to iron out some of the difficulties that we encountered and which hopefully will have produced a better law. We shall see in practice how this Bill plays out, and I see that there is already provision made in the Budget Book for the funding of the Office of Fair Trading at head 26(8), coming in at £120,000.

The second point I was going to mention under this head is the Business Nurturing Scheme. The Minister very helpfully provided me with a full information sheet setting out the terms of the scheme, black upon white, as to how it is going to work – a far cry, I must say, from the supposed start-up policy which we discovered and which featured No.6 and Town Range as registered offices. Very few people believed, or indeed believe now, that they were in fact start-ups. The point I have made in relation to the Scheme is that a lot of care must be taken to avoid the pitfalls which I have referred to when we have debated the points in previous sessions in the House and which have been encountered in the UK in relation to defaults. It is important that Government money which has been loaned in this way is returned and paid back to the taxpayer. This, after all, is Gibraltar's money. It is, dwelling on the positive aspects of this initiative, nevertheless a good development and one which will hopefully see the starting up of new businesses in Gibraltar, because everything possible must be done to foster and encourage the entrepreneurial mindset of our people.

Moving on to the Port, we see a continued growth in the number of vessels registered at least up until the 2013 point, which are the latest figures I have. The same can be said of the number of active registered vessels registered under the Gibraltar registry. Clearly, very strong and secure foundations were laid by us and we have seen continued growth in this sphere.

Pausing there once again for a moment, Mr Speaker, I assume that the Chief Minister, whom I consider to be an intelligent man, does not really believe that he has presided over – he is taking notes, no doubt for the reply tomorrow – an Alice in Wonderland economic miracle. I appreciate that this has been a theme of our time in Opposition from the time of the first Budget debate in this Parliament. This is significant, because the reason for this is that they have been boasting about their supposed economic miracle from barely six months after they were elected. The Government does not seriously expect the electorate to believe that Gibraltar was facing economic collapse under Sir Peter but that it is now somehow rolling in it. Surely he should be mature enough to acknowledge that any economic prosperity, or that some of the economic prosperity that he is now boasting about is due at least in some measure to the economic

2160 foundation stones which were laid by the former GSD Government. That, I would humbly recommend to him, would be a much more reasonable position to adopt.

As far as the Gibraltar Port Authority is concerned it is worrying that this year, unlike last year, we are seeing how the forecast outturn figures for 2014-15 show expenditure outstripping income by £645,000. One of the culprits appears to be, from a read of the Budget Book, advertising, marketing and travel, which 2165 came in at £295,000 when the estimated figure for the same year, 2014-15, was £80,000, and whilst marketing is very important... Apparently, the figures are wrong, but the Chief Minister will no doubt correct me. Whilst marketing is very important, a very close eye must be kept on making sure that the marketing is effective and leads to tangible results. If the Government can assure us that this further expenditure will result in say more ships being registered in Gibraltar and therefore greater income and 2170 economic activity, then that is something which this Opposition will not be critical of – but results there must be; if not, an alternative strategy must be found and must be found soon.

I raise the matter of the further increase in the Port Authority budget in the context of a drop in tonnage dues and berthing charges. These figures are reflected at page 8 of the Budget Book, where it was estimated that tonnage dues and berthing charges would bring £4 million and £1.2 million respectively, making a total 2175 of £5.2 million. The drop is about £1.65 million, so that all told we are expected to receive £3.55 million. We are clearly not in the happy situation which we have been in previous years, and certainly last year, which is that, in effect, the Department was paying for itself. The Hon. Minister Balban's predecessor, Minister Costa, put a lot of emphasis on and extolled the virtues of running the Department in this way. An explanation will have to be given as to why it has not happened this year and what the intention is for next 2180 year.

I do welcome, however, that the bunkering charges revenue is expected to come in at £60,000 higher than what was the original forecast for this year, although about £45,000 less than the actual receipts for this particular activity for the 2013-14 financial year.

Moving on to my other area of responsibility, employment, this is an area where clearly, Mr Speaker, 2185 despite the Hon. Chief Minister's best efforts, I continue to shadow Mr Bossano in training. Despite his valiant attempt – this is the Chief Minister's valiant attempt – at making a distinction between skills on the one hand, for which the Hon. Minister Costa has taken responsibility, and training, I must say that I have never come across such a distinction in my life, despite having read on the subject quite extensively. UK and other international reports fail to make the distinction which the Hon. Chief Minister made, but the 2190 reality is not only that Minister Costa was actually given responsibility for both skills and training, as gazetted following the reshuffle. So the only possible interpretation that I can give is that Mr Bossano would have none of it and he has firmly retained responsibility for training. And that is fine – (*Interjection*) Mr Speaker, that is fine, because I have no intention, despite Mr Bossano's aggressiveness towards me in his intervention, (**Several Members:** Oh!) of being high-handed or nasty (*Interjection*) – exactly – in my 2195 comments towards him. We have said all that there is to say to each other in the relatively short time that I have been shadowing him. I have described him as a leopard which does not change its spots, and –

**A Member:** It's a compliment.

2200 **Hon. D J Bossino:** Well, he took it as a compliment, but I didn't mean it that way, and he has accused me of lying on three separate occasions in one GBC interview. I know he does not believe me, and I appreciate this may not be the most popular thing to say from the Opposition benches, or certainly from the party that I am a member of, but I still do enjoy listening to him, even if I disagree entirely with many of his ideas and policies, and I think the performance we have had this afternoon – a man of his age spending 2205 two hours on his feet giving that speech with so much energy... I was speaking to him privately in the antechamber and he told me that he got up this morning at 3.00 a.m. to prepare the speech, so it really is... There is more than one difference between him and me, and it is not just the letter in our names! (*Laughter*) He certainly has much more stamina than I could ever have. But I want to say for the record that therefore it has been an honour, a privilege and an experience to have shadowed him, the Father of the House, over the 2210 last two and a bit years in the lifetime of this Parliament.

In relation to the Future Job Strategy, what can I say? He has heard me set out our objections to this policy on previous Budget occasions and in press releases, and what there clearly is is clear blue water between the Members opposite and ourselves in relation to this particular policy initiative of theirs. He believes that it is the best thing since sliced bread, and we say that it fails to do what it says on the tin. It 2215 fails generally to provide proper training and real training leading to real jobs for our young and unemployed. (**A Member:** Yes.) (**A Member:** Hear, hear.)

There is, however, a unity of approach on both sides of the House insofar as the aim which all three parties represented here share, and that is that we want, as far as possible, priority to be given to 2220 Gibraltarians in the area of employment. But what the GSD says is that these jobs should go to the Gibraltarians because they are the best equipped and qualified to do them. A future GSD government... and

in honour of Minister Isola, who says that my learned and hon. Friend, the Leader of the Opposition was unable to come up with any positive policies, I am going to try and do so in relation to this area.

**Minister for Financial Services and Gaming (Hon. A J Isola):** Good for you!

**Hon. D J Bossino:** Thank you! (*Laughter*)

A future GSD government would want to see a fundamental shift in the attitude we have towards vocational training. We should give much, much greater focus and assistance to those who do not wish to follow the academic route necessarily and want to further their education pursuing a vocational one. We want to devise a policy which will provide the gold standard which employers and businesses want. We want to ensure that businesses are fully engaged in the process of devising the apprenticeships and perhaps even traineeships which lead to internationally recognised qualifications which employers in Gibraltar want. We want employers, through business participation from the beginning of the process, to offer jobs to trainees and not because they are contractually bound to do so. Doing it the GSLP way is a contrived way of securing employment, which is probably and in many cases only being obtained because the relevant company is in return obtaining a lucrative Government contract.

This brings me to one particular discrete area of concern and it relates to the significant increase that there has been in the number of companies in the approved list of Government contractors. The figures set out in the auditor's report for 2012-13 show that the number has increased from 53 in June 2012 to 185 in March 2014. We have also seen how, just in 12 very short months since the Government took office, the number of registered employers in this industry grew from 519 to 593, almost a hundred more. One very obvious concern is whether this growth will be sustainable if construction activity drops. How will this continue to be sustainable into the future?

The Hon. Minister Bossano has made certain points which I want to consider a bit more carefully, where he says that actually the growth in employment is outside the construction areas, but from a very basic glance at the survey report we see that, certainly in percentage terms, by far the biggest increase in employment is in construction at 41.4% – almost, interestingly, the same figure by which it dropped in 2012.

Moving on to financial services, I wish to focus on the considerable upheaval in the banking industry with the loss of the Norwich & Peterborough Building Society and the withdrawal of Barclays Bank from its retail operations. The impact on the community is multiple through the loss of mortgages, savings, investment products and payment services. We welcome that the existing market participants have, where possible, sought to meet the challenge to serve the community, and in turn we welcome the creation of the Gibraltar International Bank by the Government, which really has taken place in record time and they have to be congratulated for that. (*Banging on desk*) But the bank, Mr Speaker, needs to urgently fill the gap left by Barclays, and we trust that its team of tried and tested professionals will meet that challenge quickly as well. We again emphasise that the GIB needs to be managed independent of Government's wider political ambitions and look to the Board of Directors to ensure its prudential management in the interests of the community and taxpayer as ultimate shareholder.

We also have to keep a close eye on whether indeed new businesses are coming to Gibraltar, despite the Hon. Minister's valiant efforts in relation to his marketing strategy. The number of licensees overall does not paint a pretty picture. This is not fiction; it is fact – we have debated this point across the floor of this House already. We cannot necessarily say that it is due to any changed conditions in Gibraltar, but it is a reflection of where we are as an industry, and especially in insurance, if I could highlight that, with the impact of Solvency 2, which means significantly higher local capital requirements for many local companies and few entrants would no doubt have a very serious impact on the industry.

But what we can say is that we need to buckle the global trend to remain competitive. This means we need to manage increased regulation and increased cost of regulation with an approachable and flexible local regulator, with speed to market being paramount. It is all about our regulatory offering compared to other jurisdictions. That is where we retain an advantage because of our size. It is our unique selling proposition, so to speak.

In the field of regulation we continue to see a plethora of EU directives and regulations. I think some of them will also feature in Bills we will be debating shortly in this House and they are a challenge, as we all know – previous Governments have known this – to implement, given Gibraltar's very small size. But we need to be competitive and look to the Financial Services Commission to exercise budgetary discipline, as its fees seem to be in an inexorable upwards spiral. I would, in this connection, highlight the significant amount which has been budgeted for in respect of the subvention to the FSC, which was I think at £1.078 million in the forecast outturn figure for 2014-15, with an estimated further figure for this coming financial year of £560,000.

In conclusion – that is 30 minutes – in conclusion, none of us should assume that we will be Members of this House at the next Parliament. Quite apart from party selection procedures there is also the small



matter of a General Election and all of us here will have to make personal decisions as to whether we seek re-election. This job is not easy – I think I speak on behalf of all of us – and, in many respects, such are the demands of politicians that it is very difficult to discharge your duties as an MP and, certainly in my case, do your job as a partner in a law firm. Doing, in effect two jobs instead of one, which is not the case for Members opposite, but it is for those on this side of the House who hold alternative employment, adds a considerable strain not only on your professional life but on your personal life too.

Whatever happens, Mr Speaker, in my case, I wish to place on record that for me it has been a pleasure to have served in this House as an MP. For those of us who have been political nerds from our teens –

**A Member:** Hear, hear.

**A Member:** Some of us are nerds now!

**Hon. D J Bossino:** But not in our teens, unfortunately! Participating in frontline politics in this way has been, from a very selfish perspective, very gratifying indeed. Membership of this House has also given me the opportunity to meet many people of this community and beyond, which I for one have found very enriching.

I do want to place on record also what an honour it has been for me to have stood as part of a team with the outgoing backbencher, Sir Peter Caruana, in 2011. I deeply and genuinely felt at the time that Gibraltar needed four more years of GSD government under his leadership. I had no particular intention of standing in 2011, principally, Mr Speaker, because my family was then still very young, and indeed still is, but I answered the call and stood. Alas, after a nail-biting election night, as the Hon. Minister Costa will recall, it was not to be and the GSD lost to my former political allies and those of my generation in the alliance.

I was in active politics when Sir Peter first became leader of the GSD and a lone Member of the House. I and my party at the time, the Gibraltar National Party, opposed his views principally on the grounds of his support of the Brussels process, which I was always against, persuaded by the Hon. Mr Bossano's arguments. Never in my wildest dreams and he is not here to hear this, but never in my wildest dreams – and I told him to his face – did I think that Sir Peter would ever be Chief Minister of Gibraltar or indeed serve as its Chief Minister for almost 16 years, and less so that I would have stood with him as part of his team 20 years after he first entered the political arena.

He knows full well that I am far from a *pelota* – and the English translation I think would probably breach the rules of this House! I have never flattered him for the sake of it; quite the contrary – I normally like to belittle his achievements, even if only in jest, because that is his style too. But all in all I think we will all agree that if we had to choose one particular political achievement, and in my view there were many – ‘He did much which was right’; I think I am quoting the Hon. Chief Minister earlier today – his finest first hour must be his ability through pure intellect, stamina and will to fend off that ill-conceived attempt at subjecting Gibraltar to joint sovereignty rule with Spain. (*Banging on desks*) For that alone Gibraltar should be eternally grateful to him. We must all therefore, on both sides of this House, do everything in our power to leave absolutely no stone unturned to make sure that no Foreign Office mandarin or Spanish diplomat or politician gets the idea that that particular spectre can ever raise its ugly head again. (**Two Members:** Hear, hear. (*Banging on desks*))

Mr Speaker, finally on Sir Peter I think it is fair to say that he will be missed, at least by some of us, in the next Parliament and I certainly look forward to reading his book.

As for the future, the next Parliament will have its many challenges. Whether it be the British Referendum on the EU, our public finances, dare I say the LNG power station, (*Interjection*) the Victoria International Football Stadium or a tumultuous Spain, all of these things will impact on Gibraltar in generations to come.

My sincere hope is therefore that the political leadership of our nation should centre and focus on debating these many real issues in a mature way. Name-calling and personal attacks should be assigned to the rubbish bin. Debating the issues and finding common ground on these important and existential matters – and Sir Peter made reference to some of them this morning – which impact on our nation is what must take centre stage.

Finally, to quote the following from Minister Isola in his last year's Budget speech, where he said:

‘I have always held the view that to be involved in politics there are two fundamental criteria that you are required to have, the first of which is a good sense of humour and the second to do the right thing for the right reasons.’

– I could not agree with him more.

**A Member:** Hear, hear. (*Banging on desks*)

**Mr Speaker:** Being the political animal that I am, (*Laughter*) and since I think we are off the air and therefore it is less likely that there will be –

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**A Member:** The radio, Mr Speaker. We are on the radio.

**Mr Speaker:** I was just going to say, being a political animal...

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**A Member:** No, say it, sir!

**Mr Speaker:** If next month was not July, I would have thought that there was going to be a General Election. (*Laughter*)

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**Chief Minister (Hon. F R Picardo):** Well, you never know, Mr Speaker! (*Laughter*)

Mr Speaker, after that very elegant and erudite contribution, which was obviously the lead contribution for the Opposition, (**A Member:** Hear, hear.) I move that the House do now adjourn until tomorrow morning at 11.30, when I shall reply to the contributions we have heard from all hon. Members, in particular, from one nerd to another, to the hon. Member opposite.

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**Mr Speaker:** The House will adjourn to 11.30 tomorrow morning, when the Chief Minister will be exercising his right to reply to the debate.

*The House adjourned at 8.35 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 11.52 a.m. – 3.02 p.m.

Gibraltar, Thursday, 25th June 2015

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# The Gibraltar Parliament

*The Parliament met at 11.52 a.m.*

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

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

## Order of the Day

### GOVERNMENT BILLS

**Appropriation Bill 2015 –  
Debate concluded –  
Second Reading approved**

**Mr Speaker:** The Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, good morning to all and apologies for arriving a few moments late to this Chamber. Technology does not always co-operate with those who rely on it!

Mr Speaker, this has been a historic debate on the Appropriation Bill in many ways. The numbers reflect historic achievement for our community. They demonstrate an economic performance which is the envy of any other European nation; indeed, if we are not to compare ourselves with larger economies, which would not be fair, even of emerging nations and smaller economies. And, as I have said from the beginning, that is not because this Chief Minister is able to produce an estimate of £1.8 billion of GDP or because this ministerial team is able to do it; this is the fruit of the work of everyone in our economy and we do not claim credit for it.

I have the honour and distinction of being allowed to get up in this place and announce those results to the nation and to the world. But this is not my work. I am not going to do what others have done before me – not Mr Bossano – which is to come here and pretend that they – one individual! – are responsible for holding the reigns in such a manner that they are the ones who must forever be thanked for that growth! That is not true and it would be a pretence to do that. I stand here as the lightning rod, Mr Speaker, of the work of every economic actor in our community, announcing what they have achieved, not claiming the credit for having done the hours of hard work that are reflected in the numbers that we are announcing during the course of this debate.

Mr Speaker, one of the things that I want to do this year in the course of my reply, is that I will not only be responding to the speeches of hon. Members opposite, I want to also reflect to the community some of the things that Members on this side of the House have done and the work that they have been embarked on for the past three and a half years.

My first point of substance, Mr Speaker, must of course be perhaps a little bit out of the tradition in this reply: instead of seeking to denigrate, I want to start by congratulating the Leader of the Opposition for his contribution this year.

I think, certainly from the point of view of those of us on this side, from the point of view of those of us who are going to take him on in the General Election, I want to congratulate him for having pitched it absolutely perfectly, from the point of view of those of us on this side. He was shrill, he was hyperbolic, he was everything except the statesman that Mr Bossino was yesterday evening – but he would not know about that because he was not here to hear him.

And he was absolutely right, Mr Speaker. Let me be clear in my position, the Leader of the Opposition was absolutely right when he said that politics is about trust. Absolutely right! And the next election will be about trust and about not big, Mr Speaker, huge lies – *huge* lies! – told to the people of Gibraltar.

So, Mr Speaker, this debate also has been turned into a debate about trust and that is where I want to go first. Because even in the course of his reply, he was dealing with the issue of liquefied natural gas and the safety of LNG as a fuel for bunkering and for power generation and the storage of that fuel. So trust is particularly apposite a quality to be talking about.

40 Mr Speaker, in particular, after another historic element of this debate this year, which is the Government's need to suspend Standing Orders halfway through the debate to make a Government Statement, to make an announcement about Lloyd's Register making an announcement themselves, which, as I will show in a few moments, demonstrated that everything we had heard pedalled for the past two weeks about the Lloyd's Register Report was actually the furthest possible from the truth that one could  
45 imagine.

But in that respect, Mr Speaker, in respect of this debate about trust and LNG, one of the things I want to start with is to reflect on how we respond to each other on the substance of issues in this debate and in every debate, and parliamentary etiquette and the way that the traditions of this Parliament are honoured or dishonoured by specific Members.

50 And, Mr Speaker, the Leader of the Opposition breached parliamentary etiquette in the most incredible way in the past 24 hours. He spent most of this debate out of this Chamber! Now, Mr Speaker, it is normal for Members who are dealing with work to be in and out of this Chamber, but in the history of Budget debates in this House, as a mark of respect for the debate and for each other, the Leader of the Opposition and the Chief Minister, the Leader of the House, have sat through and heard every single contribution ever  
55 made during the course of this debate, because we are the ones leading the respective teams that will have to answer and have an overview over all of the issues in politics.

Yesterday I had to adjourn, Mr Speaker, because I had urgent business after making the Statement in the House, which I will come to a little bit later, in order not to do Mr Reyes the disrespect of him making his speech, which I am going to reply to, and not being here to hear it. I could simply, Mr Speaker, have said, 'I have urgent Government business and Mr Reyes will provide me with a note of his speech or one of my  
60 colleagues who is being shadowed by Mr Reyes will give me the feedback of the things I have to reply to.'

As it turns out there is very little to reply to but, Mr Speaker, I adjourned the House in order to be here, to do Mr Reyes the respect of listening to him, even if he had got up to call me every name under the sun, it is my obligation to be here to hear it, to be able to reply.

65 And it has been the tradition of this House, Mr Speaker, for generations of democratic debates about the spending that this community will do, that the Leader of the Opposition and the Leader of the House are both here to hear the full debate.

Mr Speaker, you would have thought that, given that the Leader of the Opposition has said repeatedly that the most important issue facing our community is the public finances – that is when he is not saying  
70 that the most important issue facing our community is the LNG facility, but when he has the finance bug – he says it is the public finances that matter the most, that he would have sat through the debate on the public finances.

In particular, Mr Speaker, you would have thought that he would have wanted to be here to hear the speech of the person that he is likely to be describing in the coming minutes, hours, weeks or months, as the  
75 other greatest Gibraltarian of all time, namely Joe Bossano. Because short of sending him a Valentine card, I do not know how else he can pretend to endear himself to him, to pretend that they share a political philosophy. Nothing could be further from the truth because Joe Bossano, as we will hear, is a man proud of not changing his spots and the other gentleman picks up spots as he walks along the streets! (*Laughter*)

80 But he did not even honour the evacuation generation by being here to hear the one of that generation who was going to deliver a speech. Mr Speaker, you are not supposed to deliver speeches, although you sometimes give us the benefit of your wisdom, but this Member of the evacuation generation was giving a speech on the public finances, on the Gibraltar Savings Bank on the other book.

85 The hon. Gentleman says we operate two books. I will come to that in a minute. But on the other book – the one he says we do not debate – there was a keynote speech yesterday, Mr Speaker, and he was not here. Not just in breach of etiquette, in breach of his own measure of what he says is the most important issue facing our community.

I suppose, Mr Speaker, he did not want to hear the things that Joe Bossano had to say. It was in fact a master class on how to run a savings bank – and I will come to it in a few moments – but the absence of the Leader of the Opposition from this House was probably the rudest parliamentary failure in the time  
90 certainly that I have been a Member of this House. And how one behaves in Parliament, Mr Speaker, reflects on one's respect for democracy. If you make, repeatedly, points which you say are important, but you are not willing to hear the response, however much you may disagree with it, however much you may not like to hear it, it shows your quality as a democrat.

95 I have sat through what I might variously describe as the most vicious attacks on my colleagues and myself, or the most comedic parliamentary behaviour, depending on what mood one might be in, in the time that I have been a Member of this House, having to put up with listening to erudite but venomous

contributions or the most boring contributions one might imagine, Mr Speaker. But one is here because 'Parliament' – '*parler*' – means talking and it is not one-sided talking, it is not just hearing your own voice, it is not just putting *your* argument.

Democracy is about the respect one gives to the other side as well and how one takes it on board, Mr Speaker, and develops one's thinking and puts it to people. And that is what was so rudely absent from the Leader of the Opposition's behaviour yesterday. Mr Speaker, that was really the least parliamentary behaviour I have seen in the time I have been in this House.

And he was wrong to leave also for another reason, because if there is one thing that the brilliant Joe Bossano does well, it is to speak in this House and, as I told him when he spoke in the debate on the Dr Giraldi home, I thought he deserved not one award of silk for his advocacy but two. I mean I think he should honestly be known as the Hon. Joe Bossano QC QC MP! (*Laughter*) Indeed, Mr Speaker, it is a very good case for him to be called *Sir* Joe Bossano but that is for another time; probably one of the longest serving parliamentarians in the history of the Commonwealth, but the other side do like to do him down.

And Joe Bossano, QC QC MP, (*Laughter*) Mr Speaker – he loves being equated to lawyers, I know! – (*Laughter*) yesterday explained, chapter and verse, pounds, shillings – in honour of the evacuation generation – and pennies, what we are doing for Savings Bank depositors, how badly they did it in the time that they were in Government and the woeful state of the Savings Bank when we were elected in December 2011.

But, having said all of that, Mr Speaker, the Leader of the Opposition need not fear, because I am going to take him through exactly the same figures this morning anyway, because I know that they make him squirm, Mr Speaker, and seeing him squirm is one thing that certain Members on that side of the House, I think, love more than even Members on this side of the House.

And he was not here to hear Neil Costa. Well, Mr Speaker, I do not think Neil Costa could be described as a Hollywood B actor even by his greatest detractors, but after his performance last night nobody will ever be able to describe him as anything other than an absolute A-lister! (*Banging on desks*)

Mr Costa was absolutely on fire, Mr – I have got to be careful talking about fire; somebody might think there is a fireball of LNG near Mr Costa, but he was absolutely on fire yesterday, Mr Speaker, as people say these days! Absolutely in top form, and he was able to deliver an excellent rendition of the four years of hard work and effort that he has put in alongside this dedicated and committed team of Ministers. It is a real pity that the Leader of the Opposition rudely decided to leave the House and miss such a brilliant performance, if I may say so, Mr Speaker.

In fact, in particular, given how much the Leader of the Opposition needs to learn how to deliver a speech, because he could have learned a thing or two from watching Mr Costa's brilliant delivery yesterday, given his flat and indescribably monotonous performance the day before. But the most incredible disrespect, Mr Speaker, by not being here, was actually not reserved for Joe Bossano QC QC MP or for Neil Costa; the greatest mark of disrespect in the Leader of the Opposition's absence from the House yesterday, was reserved for his own Deputy.

For his greatest enemy, I think, as he perceives him to be. Not for any of us on this side of the House, Mr Speaker, because the greatest slap in the face, the harshest signal of derision and disrespect he reserved for Mr Bossino. What a way for a team leader to behave – not to be here to listen to the speech of his own number two. These are speeches, Mr Speaker, which require a lot of effort, from all Members of this House – even the Leader of the Opposition whose delivery was so uninspiring; we all put in a lot of work to these speeches. I mean I suppose he probably did not put in as much because all he did was read us his press releases of the past six months – all over again!

But hon. Members put in a lot of work. I do not think the community realises the pressure that all Members are under to deliver a good speech, to summarise in an hour or two or perhaps even less, the work that they have been doing and how important it is and how it reflects on the spending of this community. And his own Deputy, Mr Speaker, got up to deliver his speech in the absence of his own Leader. What a way for the Leader of the Opposition... Indeed, Mr Speaker, what a way for any leader of any team, for any leader of men and women, to behave to a key member of his team.

And what he missed, Mr Speaker, was – as I will demonstrate in a few minutes – an excellent intervention on which I congratulate Mr Bossino. He was actually widely congratulated last night by Members on both sides of the House, for what was a measured and erudite intervention which made all the points he needed to make, without setting out to cause offence and without failing, nonetheless, in his duty to bring us to account in one or two areas of real dispute between us, which I will deal with later in my intervention, but without having to call anyone anything. Indeed, Mr Speaker, the only name that he used, the only insult that slipped off his lips, the only off-colour reference was to have called one Member of this House 'a nerd'!

Mr Speaker, he was actually applying that term to himself when he described himself as 'a political nerd' and I said that I shared that description of self with him and we have shared that description with each other for many years since our very happy teens at Bayside.

In fact, Mr Speaker, in parliamentary terms what we had yesterday from Mr Bossino was a breath of fresh air. Indeed, it was parliamentary oxygen when compared to the self-indulgent name-calling that the hon. Leader of the Opposition succumbed to in his reply over lunch on Monday. When Mr Bossino spoke, we were treated to loyal opposition at its best. It was probing, it was questioning but never gratuitously insulting and again I congratulate him on behalf of the Government for that.

But the current leader of this Opposition, Mr Speaker – and I say current not because I want him to go; I sincerely hope that he remains the Leader of the Opposition for many years – was happily not here to take any lessons from his Deputy and therefore will not be able to ape him – I do not know whether Mr Cortes and Mr Netto will allow me the use of the term ‘ape’ – or learn from him and his excellent performance yesterday.

Indeed, Mr Speaker, there is one thing that I was happy about yesterday in historic terms, thinking back for a year or two. It was actually that the Leader of the Opposition managed to force, through the executive of the GSD, that they should vote in their leadership election through the intimidatory device of a show of hands rather than a much more democratic system of a secret ballot.

I was delighted, in historic terms, thinking back, that Mr Feetham had managed that and that therefore that intimidatory way of ensuring that all those who have pledged allegiance and the one whose allegiance may have been bought in one way or another, had to put up or shut up on that issue and were not able to express their view secretly and more democratically, Mr Speaker.

And please may that be the case for many years to come – for *many* years to come – because, as the hon. Gentleman has said, Mr Speaker, he intends to stay as Leader of the GSD whatever happens at the next election, and I sincerely hope that is the case. I sincerely hope that whatever happens at the next election – although I think we all harbour a view and a prediction that is probably common to all of us in their heart of hearts as to what will happen in the next election – whatever that may be, I do hope he remains as Leader of the Opposition, Mr Speaker.

And I have no doubt actually – I have *no doubt* actually – that he will, because, whatever the result of the next General Election, Mr Speaker, even if the polls are wrong – and I do not mean Polish people; the hon. Member says we must not believe the polls; I do not know which particular poll he does not like or want people to believe but I will not succumb to rumour as to polls or anything like that – even if the polls are wrong, and we win by 85% and they only get 15% or we win by 95% and they only get 5% – the sort of thing that might happen if people lose trust in a leader and see that they have been hoodwinked with the reports of danger which are not actually genuine; that sort of thing, Mr Speaker – even if he only gets 5% of the vote, he is right, he will remain as Leader, because he has shaped the executive of his political party in such a way that it is a reflection of himself and his family. He has got his brother on his executive, he has got his closest friends on his executive. You know, I think even if Sir Peter Caruana were to come back now and he had lost the election by 95%, the executive would still put Danny back at the top of the Party, Mr Speaker.

Well, look, Mr Speaker, in political terms, chapeau. That level of insulation and protection against the democratic result is, I suppose, to be honoured, but at least there is not a snowball’s chance in hell that the GSD is going to change its leader for a winner any time soon.

And there are people, Mr Speaker, on our side of the political divide who are so incensed by some of the things that the hon. the Leader of the Opposition does and the danger that he represents, not to us politically but to Gibraltar and to the wellbeing of our community – as I shall demonstrate in a few moments – that they say we must get rid of this guy, as people, I want to say, in politics. And, Mr Speaker, as I say to them, they must not succumb to that temptation. They need to realise that the hon. Member, the hon. the Leader of the Opposition, is the most important Member of *our* team going into the next election.

And when we were here, Mr Speaker, debating the finances of our nation – the thing that he has repeatedly been saying until two weeks ago was the most important issue facing; the central issue facing us in the next election – he was absent. And he was absent, Mr Speaker, trying to deal with the after effects of having been rumbled on the conflict of interest behind his Lloyds Report. Well, I say *‘his* Lloyds Report’, Mr Speaker, not really *his* Lloyds Report at all. He has been rumbled in having been taking cash for questioning the safety of LNG as a fuel for Gibraltar! £100,000, Mr Speaker! Rumbled, Mr Speaker! But I think, even now, too foolish to realise the extent of the rumbling.

So what did he do, Mr Speaker? He made clear to anybody who was following this debate that his interest was actually outside the House; that all he is interested in doing now, having obviously lost the debate on the public finances, is to rouse a mob in any way he can to try and make his way to No. 6 Convent Place.

Well, Mr Speaker, given how he has behaved in the past 48 hours, people may start realising that he is not such a bright spark! (*Laughter*) Yesterday he left this place to go and continue to peddle that report – his sour grapes tenderers’ report, the sour grapes failures’ report – which had been paid for, for him so that he could question the safety of LNG. Cash for questioning, Mr Speaker!

He went down to Waterport Terraces, instead of being here at the time when he needed to be here. Members of this House, Mr Speaker, traditionally always do not plan things for this week – (*Phone ringing*) Urgent instructions for Joe Bossano QC QC (*Laughter*) coming in and disturbing the peace, Mr Speaker! (*Laughter*)

Members of this House, Mr Speaker, do not plan things for Budget week because it is the key political week of the year. This week and National Week are the two key political weeks of the year. We do not plan things in the evenings because we do not know how late we will sit. It is normal; it interferes with professional life, Mr Speaker.

When I was sitting on that side, a hard professional week might just happen to be combined with a hard political week if it was Budget week, Mr Speaker, and I did not have the benefit that they have, that I tell them when the Budget week is going to be. Sir Peter used to spring it on us. He might say on a Thursday, ‘And on Monday we are coming back and that will be when we take the Budget debate’. But you know things have changed. Nobody plans for this week.

So, Mr Speaker, to have seen that the hon. Gentleman *planned* and distributed the leaflet in their mendacious style to try and scare people: ‘Meeting. Be scared half to death! 6.00 p.m. at the podium of Waterport Terraces!’ Mr Speaker, it felt like an advert for a new movie. ‘Poltergeists will be visiting you between 6.00 p.m. and 8.00 p.m. next Wednesday!’ (*Laughter*) Just when you thought it was safe to go back into the atmosphere – gas! (*Laughter*)

He planned not to be here, Mr Speaker. He planned not to be here. He went down to Waterport Terraces, of course, to meet the hordes of people who were going to be there to hear his message of doom and so he thought, ‘Well, now, do I leave the 15 or 16 bods in the House and go and meet the thousands at Waterport Terraces, or do I do honour to my duty as the Leader of the Opposition and stay with the 15 or 16 at the Parliament and leave the thousands waiting for me – for the gas messiah to arrive; the man who will liberate them from the fireball, to arrive?’

And he obviously, Mr Speaker, as a politician, did the political calculation and he said, ‘Out of the 17 there 10 are never going to vote for me’ – well, actually he might be wrong about that; it might be closer to 16 – are never going to vote for me – ‘so I will go down and meet the hordes awaiting me for their liberation from the danger of the fireball!’

I guess, Mr Speaker, he might have been a bit late, because when he left here, before going there he had to go and put on the sandwich board – the sandwich board he walks around with which on one side says, ‘We are bankrupt, the debt is illegal’ and on the other side it says, ‘The end of the world is nigh by fireball,’ (*Laughter*) which is the inspiring message that the Opposition is selling our people about our future.

Well, having put on the disguise, Mr Speaker, and having made his way down to Waterport Terraces, it turned out there were more people in this House than in the podium of Waterport Terraces (*Laughter*) and, in fact, even when you do the numbers, most of those who were there turned up with him! (*Laughter*)

You could not make it up, Mr Speaker! In fact, there were more people in this House listening to Joe Bossano and his Deputy than there were in the podium of Waterport Terraces listening to him peddle the dirty business of one of the failed bidders of the power station contract.

Mr Speaker, when it comes to accepting cash to question Governments, Members of Parliament in the United Kingdom have resigned for less than what the hon. Gentleman has been found doing and if I thought it was in my partisan interest that he should go, I would be calling for his resignation immediately! But I have made that mistake once before, Mr Speaker, and I have had to apologise to him for having called for his resignation before, because much more Machiavellian operators than me have reminded me that the last thing that I want is for him to go – so no call for a resignation today.

In fact, Mr Speaker, what I want to do is to encourage him to continue with more of the same asinine performance that he has been doing until now in the post of Leader of the Opposition. As, in fact, Mr Speaker, he was doing the next time I saw him after he left the Chamber yesterday, mobile phone superglued to ear, and he was then next to be seen entertaining Gibraltarian families on ‘*Carry On Newswatch*’ or perhaps *Not the Nine O’clock News*, given that *Newswatch* is on at 8.30 p.m. That was the next time he made an appearance.

And let me deal, Mr Speaker, with the spectacle that we were treated to yesterday evening. Last night on *Newswatch* Hon. Members will have seen a report of the events of yesterday in this House – a serious issue about the partisan abuse of the Lloyds-registered technical report. That was the lead item, Mr Speaker. And of course it is a matter of substance that I will be dealing with in greater detail in the course of this reply.

But before I get to the substance of it, Mr Speaker, what I will say in response to what I saw yesterday on television about the response of the Leader of the Opposition to what happened in this House – the serious statement from the Government, the seismic effect of it – is that it was really quite remarkable. Did he address the issue of the funding of the report by a competitor in a tender process – a failed competitor tender process? Did he address that in any serious way? Did he apologise to the public in any measure, or indeed, Mr Speaker, to his own party? Did he engage in the debate of what exactly the report was about and



why he had cynically exploited its conclusions so transparently? Did he do any of that, Mr Speaker? No, he did not do any of that. He did not do *any* of that!

And if I may say so, Mr Speaker, his performance said *so much* about him, because the response from the Leader of the Opposition to having been rumbled on the abuse of the Lloyd's Register Report – on his reliance on the sour grapes of a failed tenderer, on him having taken this notional £100,000 report, Mr Speaker – his response was to say that, 'The Chief Minister is a Hollywood B actor'. That is what he said. I am not even as good as Mr Costa, who I think is a Hollywood A Minister! (*Laughter*) I am a 'Hollywood B actor'.

Mr Speaker, let me tell him I sincerely welcomed that. I sincerely welcomed that, I really did, because it said so much about him. It said so much about his style of politics and, in fact, Mr Speaker, the way that, on television last night, the venom dripped from the Leader of the Opposition's lips and tongue, it was clear to me, and I think to everyone in this community, that there was more of a risk to his life from his swallowing his own poison, than there ever will be from a fireball of LNG. That is what he demonstrated last night.

Indeed, Mr Speaker, it is clear that there is a new vein of support for the GSD. He is not doing that badly; there is a new vein of support for hon. Members opposite, which is patently from the most venomous and poisonous elements in our society. One just has to see that venom drip on social media. I guess that is the new GSD, Mr Speaker – the GSD in which exciting things are happening. Really exciting things, I suppose, Mr Speaker, like the Leader turning up and saying, 'Guess what, boys and girls, I have someone who is going to pay us a £100,000-report to rubbish the Government's LNG proposal and we are going to win the election by sweeping up all the votes at Waterport Terraces!' Something exciting is happening in the GSD.

In fact, Mr Speaker, so exciting that I understand that the Leader of the Opposition told one particular member of the public who was keen to share the conversation with me, that despite the Party's low ratings in the polls, they would win the election. They would win the election. 'The GSD will win the election,' he told this member of the public. And he said, 'for a simple reason,' – for a simple reason, he said – 'Hombre' – which discloses the gender of the person (*Laughter*) – and this is what he said – 'they either vote for Piccy – is that me? I guess it is – 'when I am telling them that he is going to put a bomb outside their front door or they vote for me when I tell them I am not – *y ya veremos*.'

Mr Speaker, we are all lawyers here – even now I suppose Joe Bossano QC QC, by acclamation – (*Laughter*) and we all understand the rules on hearsay, so I put very little stock by that and there may be Chinese whispers in it; there might have been some reference to *la perra* as well, which I have heard him make – the money, Mr Speaker – but it is so him, isn't it, Mr Speaker? It is so him and it is so clear now what he is prepared to do to claw his way into Convent Place.

All he needs to do now, in his view, is to somehow tarnish our plans for the power station and the LNG storage and regasification facility, Mr Speaker, and that is why we have seen the events of the past two months develop as we have in respect of the debate on LNG. In fact, Mr Speaker, there is a saying in Spanish to describe that sort of close collaboration which, given the announcement by the Hon. Mr Licudi about the teaching of Spanish in our schools, even our most infant children will soon be able to understand, and it involves *el hambre*, or the hunger, meeting *las ganas de comer*, the desire to feast or eat.

Well, Mr Speaker, it is very clear to us now that that is exactly the sort of relationship that has developed between the hon. Member and the Spark Group of Companies.

I am going to deal with this issue now, Mr Speaker and the substance of the report and the politics of it. Whilst yesterday I only made a factual statement, I have to now join up the dots for our community, in political terms. And in doing so, I want to emphasise one thing and everything else I am going to say after this must please be read with this caveat in mind.

I am *not*, in what I am going to say, imputing knowledge, or seeking to tarnish anyone else on the Opposition benches. I am not imputing to them any knowledge whatsoever of the things that I revealed yesterday and the things I am going to reveal now. I believe the only person on the Opposition benches who knew the facts I disclosed yesterday and who knows the facts I will disclose now, was the Leader of the Opposition himself. And if, in shorthand, I talk about the Opposition, I do not mean to impute knowledge or motive to any other Member of the Opposition.

Because, Mr Speaker, it is only *his* insatiable hunger to become Chief Minister that I believe has been behind what we have seen; his insatiable hunger to become Chief Minister whatever the consequences; that vaulting ambition of Macbeth, which I have referred to in a previous year which blinds him completely. It is the chip inside him, to talk in modern computer terms, which is programmed for him to become Chief Minister by any means necessary. And that is so dangerous, Mr Speaker, in anything in life. When somebody is prepared to reach an objective by any means necessary, morality goes out of the window; common decency goes out of the window, let alone –

**Mr Speaker:** May I draw the attention of the Chief Minister, just so that he keeps it in mind, that there is a Rule of Parliament, 45(6), 'No Member shall impute improper motives to any other Member.' So I would ask him, in respect of what he is about to say, to keep that very much in mind.

**Hon. Chief Minister:** Indeed, Mr Speaker, I have kept it in mind in preparing these remarks because there is no improper motive in wanting to become Chief Minister. You have achieved it yourself. The motive is to become Chief Minister, and there is nothing improper about that. It is about how one gets there, Mr Speaker.

And when one does things by any means necessary, whatever the motive – whether to become Chief Minister or otherwise, even morality and the family values of this community, the core of the Rock of Gibraltar, what makes us strong and steadfast, what has delivered our achievement, our values as a community – those strong family values... that goes out of the window when you achieve things by any means necessary; and that is what his desire to become Chief Minister, by any means necessary, is leading him to.

You see, Mr Speaker, what has become transparent to our community today is that he has done a pact with a commercial entity that lost out in a fair process of choosing a new power station and a new LNG bunkering facility; a pact worth £100,000! He has conspired, Mr Speaker, against the interests of Gibraltar and its people in exchange for £100,000 paid in kind by a group of Russian and Gibraltarian businessmen who have shown an unscrupulous desire to make profit in however ruthless a manner as may be necessary.

That is the reality of what we have seen unfolding before us in the past 24 hours. Of course the Hon. the Leader of the Opposition does not present it quite like that. He, as ever, pretends the opposite. He pretends he has a genuine concern; he pretends that this advice is not one motivated by commercial concerns and that it can, therefore, be taken at face value.

Indeed, Mr Speaker, although he is not here in this House but he is politically very active, the Chairman of the GSD, who appears to have come under some sort of spell by his dear leader, introduced the Lloyd's Register Report to a press conference at the Elliott Hotel two weeks ago in a manner that we can now see was entirely deceptive – *entirely deceptive*!

Now, either the Leader of the Opposition hangs him out to dry or accepts that he shared in that deception. We can now demonstrate to the community that what Mr Trevor Hammond said was actually entirely untrue. It was actually the *opposite* of the truth. When presenting the report, Mr Speaker – and you can see this on a YouTube video, unless they have hastily taken it down, but if they have, we downloaded it – Mr Hammond says this:

'As Danny...'

– short term for the Leader of the Opposition –

'... has said, the report is by Lloyd's Register, undoubtedly Europe's most expert organisation at providing these reports, if not the world's most expert organisation, and it needs to be made clear Lloyds would not risk their reputation over something as relatively small to them as LNG bunkering in Gibraltar...'

– and, indeed, they demonstrated that yesterday.

'This report is straight down the line because Lloyds have absolutely no reason for doing otherwise...'

And then he said this:

'and, as Danny has said...'

– and therefore he cannot really cut him loose because he was repeating what Danny said, although Danny is not in the video, surprise, surprise –

'and, as Danny has said...'

'... contrast that with the reports that will be produced by Government which will effectively be produced by commercial interests who have a vested interest in ensuring this project goes ahead, because they will get an awful lot of money.'

That is what the Chairman of the GSD said. The Hon. the Leader of the Opposition is laughing; maybe it is one of those laughs like the one that he was feeling when I finished my speech and he had to respond, of the sort that start in the bowel rather than in the brain. He is laughing, Mr Speaker, because he has been so caught out and his Chairman has been so caught out, because actually it is *their* report that is

the one prepared by a commercial interest with a vested interest – the opposite of what they pretended their report to be.

385 Their report is one of people who will get an awful lot of money if we are not able to do the right thing for our community; they get elected, they cancel the plans and then they give these people either another opportunity to bid or have already done a deal that they are going to give them the power station, or the facility.

390 **A Member:** Hear, hear.

**Hon. D A Feetham:** Mr Speaker, a Point of Order.

Now, I have been very patient in listening to what he has to say. He has over-stepped the mark by a country mile but I have allowed it. But, Mr Speaker, what he has now said is absolutely, categorically false!  
395 It is imputing to me a motive. What he is saying is that effectively I have agreed to publish this report, or that this report has been commissioned because of some favour that I have promised to somebody and that is absolutely wrong and it is a lie, Mr Speaker, and it is in breach of the Rules of this House!

**Hon. Chief Minister:** Mr Speaker, the Point of Order contains a Point of Order which is that I have said something which is a lie. The hon. Member needs to withdraw that. Before I deal with the Point of Order, the hon. Member needs to withdraw the use of that unparliamentary language.

**Mr Speaker:** Last February, I recall that the Chief Minister actually called the Leader of the Opposition a liar and it escaped me and every other Member in the House, I think – I do not know whether it was shock, even Sir Peter Caruana was here and no-one raised the issue that the Chief Minister had called the Leader of the Opposition a liar so I did not make a ruling at the time. But I have kept it in mind, as hon. Members can see, so that on the next occasion when it happens...

The reason why Members should not call each other liars, should not say that they are lying, is that it is an accusation, if you like, an attack on the whole dignity of Parliament, in that all Members here are regarded as being honourable persons. That is why you do not call a Member a liar. Therefore, the use of that word is unparliamentary and has to be withdrawn. You cannot call a Member a liar; you cannot say that he is lying.

As I say, it lodged in my mind. I made a very careful note of the date that it happened and I said the next time I am not going to let it by. So it is a word that I ask, whatever Member uses that word, has to be withdrawn.

415 Then we can also deal with the question whether there has been any improper motive on the part of the Chief Minister... which the Leader of the Opposition is entitled to defend himself of course.

**Hon. D A Feetham:** If Mr Speaker wants me to formally withdraw the word 'lie', of course I will happily do so. But, Mr Speaker, the factual statement is this: he has said that, effectively, we have commissioned a report in exchange for favours. That is what he has said. It is an improper motive and it is in breach of the Rules and I am saying categorically to him, here in his face, that it is not true. I am entitled to say that is not true.

**Mr Speaker:** The hon. Member is entitled to say, 'That is not correct. That is not true.' You are not using the word 'liar' that is misleading. Those are the words that are normally used in Parliament but not 'lie'.

I think in my view what the Leader of the Opposition has said amounts to a withdrawal.

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

Now dealing with the issue of the improper motive, Mr Speaker, I have no problem in this debate accepting that I am not imputing improper motive to the hon. Member but I will be bringing a motion, a substantive motion, that deals exactly with this point and then we can deal with it.

Mr Speaker, the vested interests are clearly on the side of the GSD, or rather again – I am careful to say – the Leader of the Opposition and Spark, together, conniving against the best interests of this community because of their commercial interest and his political interest.

Mr Speaker, when I said that I was not imputing knowledge to Members on the other side, just to him, I was very clear in saying that, because actually this debate is about trust and transparency; and, as people will see as I get on with my reply, it is about dealing with the pretence of a lack of trust in Government, the pretence of the lack of transparency by Government, that I will be addressing.

440 But in accepting, Mr Speaker, as I have when I have set out, that it is only him on the Opposition benches that I tarnish with knowledge of the way this report was obtained, I am also demonstrating that he lacks transparency with the rest, even, of his team; that he does not trust, even, the rest of his team; that he

is again a GSD leader behaving as a one-man band. And doing a deal, Mr Speaker, with a defeated commercial operator, for whatever motive – we will be able to look at that in more detail in the future – but a vested interest, dripping in sour grapes, funding their report and demonstrably the ones who have failed in their bids under this Government.

And what happened, Mr Speaker, is that these vested commercial interests to which he has allied himself, to which he has married his political fortunes, put before Lloyd's Register a proposal so amateurish and so devoid of technical understanding, that of course Lloyd's Register have said that it would be very dangerous and it should not be proceeded with without amendment.

It is literally, Mr Speaker, the equivalent of saying, 'Dear Lloyd's Register, may I ask you whether I can trust my three-year-old son with a Bunsen burner and a lighter on the carpet of the living room?' And Lloyd's Register will say, 'No, of course you cannot. You should not trust him with a Bunsen burner until he is 15, you should make sure he does not use it on the carpet, you should do it in a laboratory style environment and then he would probably be alright, but make sure he wears goggles so that he does not hurt his eyes and gloves so he does not hurt his hands!'

But if somebody were to put as amateurish a suggestion as, 'Can you tell me and advise me on whether I should trust my three-year-old with a Bunsen burner, some gas and a match?' the answer would be like the one that Lloyds has given the clowns that have put the proposal to them! And anybody would have therefore rejected the suggestion.

And you see, Mr Speaker, the thing that makes this debate even more pertinent is that what Lloyd's Register have said no to is not our plan for a power station or our plan for gas storage; it is a fool's plan, it is a nonsensical plan which no reasonably qualified person would ever have put to anyone, less still to a reputable organisation such as Lloyds, whose reputation actually survives intact, the Leader of the Opposition's attempts to mire them in this debate without their knowledge.

The plan put to Lloyds by the bright sparks at Spark, Mr Speaker, was to have a single skin gas storage tank, parallel to the cruise liner terminal – a single skin gas storage tank parallel to the cruise liner terminal! That is the height of nonsense! Who would propose that? Of course you get the result that Lloyds have given you and which the hon. Gentleman has quickly pedalled down to Waterport Terraces to sell. It could never be otherwise.

And that demonstrates, Mr Speaker, that the whole purpose of the report was not to get a genuine opinion on whether gas and LNG storage etc there could work and whether it was the right thing for our community; the whole purpose of seeking that report, the allied purpose of the sour grapes commercial interest of Spark and the vaulting ambition of the Leader of the Opposition – the whole joint enterprise – was to get a result that would discredit proper plans which are carefully thought out and to prejudice everyone against LNG. But this community, Mr Speaker, is made up of right-thinking people who see through political devices like that.

And there is a lot more to go, by the way, and the hon. Gentleman can get up and say that he has been patient and allowed me to do it, but actually it has got nothing to do with that. He has got to sit and take it because I am the Leader of this House responding on a Bill and I have the right to speak within the terms of parliamentary language in response to the speeches we have heard so far. So he is not allowing me to do anything, Mr Speaker, when he is sitting here listening to this – listening to how much we have been able to rumble his dastardly plans.

Mr Speaker, why do I say that the plan has been thought out – the proposal put to Lloyds has been thought out – to engineer a rejection, to engineer a statement that it is not safe? How can I justify that? Well, because it is now absolutely clear to us, beyond peradventure, that by the time that Spark go to Lloyds, their plans have been rejected by the Government. So they are not going to Lloyds with live plans to get Lloyds to say they work so that they can come to the Government with a report that says, 'This works'; they are not seeking validation of their plans. By the time they go to Lloyds, they have allied themselves to the Hon. the Leader of the Opposition's cause which has, for two months previously, already been to say that LNG should not be done there or in any other place in Gibraltar.

They have allied themselves to the rejectionist attitude. What they said two months before could be done, or three months before or six months before or any time before could be done and they would do for good money, suddenly they want to see rejected. And they do that by the time we have not proceeded with them and they have allied themselves to him. So by the time they are submitting their proposal to Lloyds, they are already seeking to ensure that the Lloyds Report is going to say the things that the Leader of the Opposition wants it to say.

Mr Speaker, I can reveal today in Parliament, that Spark made proposals to the Government outside of the tender process. They made proposals that were not compliant with our requirements and were technically flawed. They made proposals directly to Ministers and, for those reasons, those proposals got nowhere. That was last year and early this year, Mr Speaker, so that by the time that Spark goes to Lloyds, they know that we have awarded a contract for a power station and not to them, and they know that we are

talking to parties under the PIN notice about gas supply which will not include them and *then* they go to Lloyds.

And that is when they put to Lloyds something as nonsensical as whether you should allow a two-year-old to swim without water wings, something as nonsensical as whether you would trust a three-year-old with matches, something as nonsensical as whether you would trust Daniel Feetham to run your country!

Of course the answer from anyone with any expertise is going to be no, as it will be from the electorate to the last question I pose, Mr Speaker. But as Lloyds are a responsible, reputable people, and according to Trevor they are being paid £100,000 – or at least so he says – they then set out to put in writing what needs to be done to mitigate the risk of the nonsensical proposal that has been put to them.

And one of the things they talk about is location and another thing they talk about is method. And yesterday when, in their frustration at the way in which their report was being distorted and used for political ends – let me be clear, Mr Speaker – something Lloyds were not aware of, I can also disclose today that Lloyds were not aware that their report was going to be used for political purposes, that it was going to be handed to a political party – although the Members opposite have pretended it was prepared for their purposes.

Lloyds finally exploded – to use the terminology the Opposition like to apply to LNG – with a statement that started to clarify matters. And that statement, Mr Speaker – reproduced today in all of our national newspapers, so that everybody can read it for themselves and can understand for themselves what it said – that statement first sets out that they were not asked to consider LNG bunkering, although it is one of the things Mr Feetham says he rules out as a result of the report. In fact I think he has ruled it out before, even without a report.

And second, Mr Speaker, they say that with obvious modifications – which are clearly necessary to the moronic proposal that was put to them – the risks... those risks which the report on the moronic proposal discloses and which Trevor and the Leader of the Opposition have been so keen to exploit, can be *entirely reduced*. Not my words, Mr Speaker, they are in the advertisement that everybody can see in today's newspapers because the Government has wanted everybody to be able to read the letter for themselves; and not even a journalist's view of the letter, the statement from Lloyd's Register themselves.

Not my words, the statement says: 'the risk can be entirely reduced'. Not 'a little bit reduced and we can live with the risk', not 'greatly reduced and we can live with the risk'; *entirely* reduced. Completely. If you use the word 'completely', Mr Speaker, and you want to emphasise it more, you look in the thesaurus and it says 'entirely'. So this is completely reduced '*dale la redundancia*'. More than just completely: *entirely* reduced. (*Banging on desks*) Entirely reduced means eliminated, Mr Speaker. Eliminated.

What Lloyd's are saying in its press statement therefore, is that there are ways of making this facility, if properly planned and applying the Health & Safety Executives standard to it, entirely safe. And the Leader of the Opposition yesterday on television said, 'The statement from Lloyds changes nothing.'

Changes nothing, Mr Speaker? Trevor and him have been peddling that this is impossible to do, that it is too risky.

Mr Speaker, to say that this statement changes nothing in the debate, suggests that it has not been read. That somebody has gone on television to defend their position on the report without reading the statement. It is absolutely incredible that the Hon. the Leader of the Opposition could think of nothing better to do last night than to call me a 'B-rate actor' and not deal with the fact that just this preliminary statement from Lloyd's, talks about risk being *entirely* reduced. I wonder, Mr Speaker, whether the Leader of the Opposition explained it that way to the hordes at Waterport Terraces. I think the hordes had read it for themselves and that is why they were indoors watching Mr Bossino, Mr Bossano and Mr Costa on Parliament.gi.

But what a disgraceful way to do politics, Mr Speaker, scaring savers on the Monday and scaring residents of an estate on the Tuesday. And then Lloyd's, Mr Speaker, further down their statement, go on to talk about the health benefits of LNG because it can mean less airborne pollution from the burning of diesel – that which the hon. Gentleman is so wedded to – and how commercial and bunkering activities can be promoted. None of that was ever said in the hyperbole of the presentation of the report by the Hon. the Leader of the Opposition two weeks ago. I do not think any of that was said in Waterport Terraces yesterday, Mr Speaker, none of that.

All they are doing is peddling the fear of risk and danger. Fear and risk of danger which the people who they rely on says can be entirely reduced, ergo eliminated – GSD word ergo, eliminated. (*Interjection*) I am hoping, Mr Speaker, that in translation they might understand what we mean. (*Laughter and interjection*). They are peddling that fear of risk and danger, fear of accidents based... Yesterday evening at Waterport Terraces on a report that has been discredited, not because of the expertise of the people who prepared it, whose reputation stands intact, but because of the submission of a nonsensical plan by a vested commercial interest.

Let me share something with Members of this House and those of the community who might be watching, Mr Speaker. Two weeks ago, the Sunday after the Germany game, when – actually, I think just a

few days after or before the report was made public by Members opposite – I had a meeting with a director of Spark, on a Sunday in my office, on the issue of the power cuts that we had suffered during the Germany game. I think it is entirely appropriate that the Chief Minister should consider power such an important issue – power generation, Mr Speaker, not political power – that if there is a massive failure from a contractor that supplies to the Government, the Chief Minister should be on top of those things and dealing with them.

I do not mind telling the public, Mr Speaker, that on the night of the Germany game, whilst the Germany game was still on, because of the power cut I was, with Manolo Alecio and the Minister responsible, actually down at the Spark Plant and down at Gibelec to try and understand what was going wrong. Of course I did not know *really* what was happening at the time, as we now know – the light of the new dawn has now shone even on what has been happening and going on between the Leader of the Opposition and Spark.

But that Sunday, Mr Speaker, I required a meeting with one of the directors of Spark to seek explanations. Damian Carreras, the Director of Spark who came to see me, volunteered – because I did not ask him this question, Mr Speaker, this was after the report had come out, he volunteered, because it was not something I would put to him, in my office, in the office of the Chief Minister of Gibraltar, unprompted – he said that they, Spark had nothing to do with the preparation of the Lloyd's Report which had been provided to the Opposition. Nothing to do with it.

I did not ask him a question, I was not cross-examining him – but Members have heard right. This person came into the office of the Chief Minister of Gibraltar and volunteered this now patently false information. It is now confirmed that they were actually the ones preparing the report with the Leader of the Opposition.

Mr Speaker, people who lie to the face of the Chief Minister disrespect that office – and not Fabian Picardo with it – they disrespect every single one of the people of Gibraltar: every single one of the people of Gibraltar. And that therefore was a falsehood, an untruth, and a lie told to all the people of Gibraltar through my office. A deception in which the Leader of the Opposition is not a bit player, Mr Speaker. Quite unlike me, you see, he is no 'B Actor'.

He is an A-lister of deception, he is the star of this Hollywood movie. He is at the very top of a conspiracy that had no regard for the interests of our nation and every regard for his own personal interest. You see, Mr Speaker, what we have here in an election year – because this is clearly an election year, the rules and the law provides for it – is a disgruntled company conspiring with the Leader of the Opposition to turn an election. There is, Mr Speaker, I can tell the nation today, potential interference with critical national infrastructure. We are investigating whether the power cuts we have experienced have been brought about in order to destabilise the Government at a time when the Opposition wanted to have the debate about power generation and its future.

I am not a conspiracy theorist, Mr Speaker, I believe that Elvis is dead and that Jack Kennedy was killed by Lee Harvey Oswald and that there was not a second gunman on the grassy knoll. But the coincidences that we have experienced with the failure of the Spark Plant and the timing of it, as well as the timing of the collusion between the Leader of the Opposition and Spark, leads us to have to investigate these things. Let us be clear, Mr Speaker, our gaming companies, our lawyers, our accountants, our insurance companies, our finance centre, all our business leaders, the elderly, the infirm, those with babies and young children, not least our football fans will never forgive the Hon. the Leader of the Opposition if we have suffered power cuts for him to push the issue of power generation further up the political agenda.

It is one thing, Mr Speaker, to take industrial action, give notice of when you are going to do it and be covered by the Trade Union and Disputes Act in the 1970s and 1980s to fight for parity and pay rises; but it is quite different, Mr Speaker, to bring about power cuts in the country with the largest gaming industry on earth, during a Euro qualifying game.

**Hon. D A Feetham:** Point of Order, Mr Speaker.

He is now completely going beyond what is reasonable, what is parliamentary. What he is really saying – and which is completely and utterly untrue, it is false, it is untrue – he is saying that I have been at the centre of a conspiracy so that there are power cuts. That is absolutely untrue, Mr Speaker, and that kind of accusation has never been made in this House and he is breaching Parliamentary Rules and he is exceeding what is proper by a country mile. And I note – because it has been brought to my attention – that indeed Spark's have today come out with a statement actually disputing any question of them being responsible for power cuts. *(Laughter)* But, Mr Speaker, what he is saying about me is absolutely false, it is not true; and quite frankly he should be brought to order because this is unparliamentary and beyond the Rules of this House.

**Hon. Chief Minister:** Mr Speaker, I am prepared to accept the position that the hon. Gentleman puts. He says he has nothing to do with it and I sincerely hope for the sake of our democracy that he does not;

and if he says he does not, I have no evidence to suggest the contrary and I accept his word. He has told the people of Gibraltar today in the Parliament that he has nothing to do with it. I have been talking only about if.

630 So, Mr Speaker, he says he has nothing to do with it and as a democrat and as a Member of this Parliament, I sincerely hope that turns out to be true. We will see. We will let the investigations take their course, Mr Speaker; but he will accept of course that if it turns out that he is found to have been involved, then his denial today will be even more of an indictment of his involvement and will mean that he is finished, not just as Leader of the Opposition, but politically for ever. But look, I accept his position, I accept his position.

635 Anyway, Mr Speaker, let us quickly look now at what it is – oh and by the way, dealing with the Spark's statement which I have not seen: surprise, surprise that Spark have said that they have nothing to do with it. Well, Mr Speaker... and he immediately knows about it, well never mind. (*Interjections*)

640 **Hon. D A Feetham:** It was on social media.

**Hon. Chief Minister:** Oh, it was on social media! Oh, Mr Speaker, well, then the Leader of the Opposition *would* know about it if it is on social media, Mr Speaker.

645 Let us quickly look at what the collaboration which has been established between the Leader of the Opposition and Spark has done for Gibraltar so far. The hon. Member may be familiar with a publication called *Bunker World*. Indeed, I think it is a publication we have sometimes debated in this House when reports have appeared in *Bunker World*. People who do bunkers, some of our best clients, Mr Speaker, rely on what is said in *Bunker World*.

*Bunker World* on 11th June: 'Gibraltar sets aside bunkering report'. *Bunker World*, on 15th June:

'LNG bunkering report at centre of political row in Gibraltar'.

650 But, Mr Speaker, on 23rd June in *Bunker World* – with LNG being the hot topic in the bunkering industry, with Algeciras fighting to be the Western Mediterranean's top bunkering port for LNG in the future, with this being the subject debated in all the bunkering conferences in the world, with Gibraltar under this Government trying to see whether we can continue to be the leaders in this field, but with him already having said that he rules out LNG bunkering – on 23rd June, thanks to Daniel Feetham's collaboration with Spark, in *Bunker World* read by all our clients and the ones we want to be our clients:

'Gibraltar LNG bunkering plans in disarray'.

655 Thank you, Spark. Thank you, Daniel Feetham. That is what the world is reading about Gibraltar as a result of the donation in kind of £100,000, allegedly, to the GSD by the provision of this report, by somebody who has been a member for 12 years and is a supporter that wants to help the GSD – according to the way it was put, I think, on one occasion by Members opposite. Bad, bad, publicity for Gibraltar, Mr Speaker.

660 And then, what do we find that the industry talks about in the same week that the 'Gibraltar bunkering in disarray' headline hits the international press in *Bunker World*, what is the other headline on LNG?

'Carnival Corporation to purchase the four biggest cruise ships in the history of cruising, to carry 6,000 passengers and propelled by LNG, gas storage and regasification on board.'

Well, if the head of Carnival is reading whether to bring his cruise ship passengers on the Western Mediterranean ports to Algeciras or Gibraltar and he reads this in the same publication that he is reading his press release on, we do not seem to be advancing our common cause as a people.

665 Carnival obviously now thinks that carrying passengers in LNG-fuelled ships with gas storage and regasification on board is safe. Cruise ships will therefore likely be made in this way in the future. Carnival is one of the leaders in the industry. It is likely that other companies will pursue what Carnival is pursuing. Carnival is using that as a selling point for people who want to lower their carbon footprint as a moral issue when they cruise. And the hon. Gentleman, apart from the bad press he is giving us, has already said publicly there will be no LNG bunkering in Gibraltar if he becomes Chief Minister.

670 Well, Mr Speaker, I can tell him he is not popular in the port. Having written off LNG bunkering, as he has, he has written off the medium and long term future of our port and the jobs that go with it and the revenue that goes with it. Is he not concerned about revenue, Mr Speaker? This is not about putting commercial concerns before safety. Is he not concerned about revenue? If things can be done safely, shouldn't we be doing them, and shouldn't we be in that market?

675 If you have concerns about safety, you do not fly. You certainly do not fly into Gibraltar Airport if you want a zero risk mentality – especially if you think the Air Traffic Controller might be too busy reading a

report. And of course, Mr Speaker, one of the things he is also writing off is our future as a cruise port. Imagine what this would do to our passenger numbers, let alone our bunkering revenue.

Mr Bossino, yesterday, in a much more visionary view of where Gibraltar should be going, said that one of his dreams shared by all of us on this side of the House, is making tourism a more important and reliable part of our economy going forward. I cannot say pillar, Mr Speaker, because Leading Counsel, Leading Counsel – twice – sitting next to me, would make me sit down because of course he does not believe that there are any pillars other than our people, our land and the best use for them, but an important part of our economy going forward.

But, if we say that we cannot have LNG facilities and storage, and it is so dangerous and we will not even allow an STS out in the centre of the bay, surely if we are going to be consistent – not the forte of the Leader of the Opposition by any measure – we would also be saying that the cruise ships cannot dock at Gibraltar, because they are within 400 metres of Waterport Terraces, where there are easily maybe 900 to 1,000 people living. Never mind there are going to be 6,000 sleeping on top of the tank.

So, Mr Speaker, what would this nonsense commitment do, that he has given, not to do LNG bunkering. He would not be able to sell LNG bunkers to the cruise ships that are going to have this storage facility, and they would not be able to come in, and we would not have the huge increase in passenger numbers which would enable me to reply to Mr Bossino in a future Budget debate even more forcefully about how well we are doing in passenger numbers – although calls might be lower, because he has in one shot, assassinated or blown up two industries, bunkering and cruise liner tourists.

Well, Mr Speaker, I am just passed by the technologically savvy Albert Isola, an article appearing a moment ago, and which I also have to refer to this House and to the community, appearing in the publication that is known for its devotion and love to the Rock and the people of Gibraltar, called *El Confidencial Digital* in Spanish – [elconfidencialdigital.com](http://elconfidencialdigital.com) – the hon. Gentleman, when I read this to him, he will want to put it on social media, so it is [elconfidencialdigital.com](http://elconfidencialdigital.com) and if he presses the button on his i-Phone he can then put it on Twitter or Facebook.

Mr Speaker, it talks about, it has a big heading ‘Security’ it says in Spanish, ‘Risk of catastrophe in Spain because of the new gas facility in Gibraltar’. Subheading ‘A report from Lloyd’s assures that an incident at the plant would affect thousands of people.’ Incredible, Mr Speaker, incredible. I thought this was going the only thing I was going to be able to point to the damage that they were doing, that *he* is doing, Gibraltar in his marriage with Spark. And yet look at that, our best friends are aligning themselves with him.

That could not have come at a better moment... Mr Isola is very prescient because I was about to move on, in relation to the power station generally and not just the LNG aspect, that the Hon. the Leader of the Opposition has the ignominy of being quoted with approval by the Partido Popular leadership in Brussels, not just *El Confidencial Digital* but by the Partido Popular leadership in Brussels, Mr Speaker. So, not content with rubbishing Gibraltar’s reputation in the bunkering world – I am not going to suggest he is rubbishing our reputation with *El Confidencial Digital* readers, they hardly have a high regard for us I am sure – he has now become the poster boy of the Partido Popular leadership in Brussels.

This is what *Señor de Grande*, the Leader of the Partido Popular in the European Parliament had to say to the Commission in a question a couple of weeks ago. Question to the Commission:

‘According to local press reports in Gibraltar,’

– congratulations to our media who are obviously read far and wide –

‘the leader of the main Opposition party in the colony’

– even they understand that there might be another one soon, given the job he is doing –

‘(the Gibraltar Social Democrats), Mr Daniel Feetham,’

– there you are quoted by name by *Señor de Grande* –

‘has announced that, after months of study,’

– it turns out it was actually just June that they were studying –

‘in which he consulted experts in power generation and the environment, he is opposed to the construction of a new electric power station on the north mole of the harbour. (Filling works are in progress on the mole for the purpose.) The reason is that he believes the plant would endanger public safety.’

‘The leader of the Gibraltarian Opposition recently drew attention to the risk of explosions on the new thermo-electric power plant which the local authorities of Gibraltar are building.’



Before the Lloyds Report, Mr Speaker.

- ‘1. Has the Commission received detailed information about this project?
2. Has the Commission assessed the risks to the safety of residents near the project for a new electric power station on land to be reclaimed from the sea on the north mole of Gibraltar harbour?’

725 Thank goodness, Mr Speaker, that this community can rely on this Government. Indeed Mr Speaker, not even on this Government, not even on this administration, on the professional work that the civil and public servants of Gibraltar do in everything they turn their attention to. Not the politicians; the guys on the ground – the Hector Montados, the Manolo Alecios, the Liesl Torreses of this world. True professionals in what they do whether they do it for us or they do it for them when they are in Government, Mr Speaker. The  
730 people who make Gibraltar tick. Thank goodness that they do things so well, so conscientiously, that they care so much about their community – so much more than those who recklessly throw away these remarks that are then picked up by the Partido Popular. That even our old antagonist, that other Partido Popular favourite, Mr Arias Cañete had to read out this answer which must have stuck in his throat a little bit, this is the answer given by Señor Arias Cañete in the Commission.

735 In answer to Question 1:

‘1. The Commission has received no information about a project for a power station in Gibraltar. There is no EU legislation requesting a Member State to inform the Commission on its detailed energy projects (except for nuclear infrastructure)

2. The safety assessment of a project is under the sole responsibility of the Member State, without any assessment from the Commission.’

That must have stuck in Cañete’s throat. If we had done anything wrong, Mr Speaker, on the reclamation, if we had failed in some way, then they would have had a field day with us. So my thanks, on behalf of the people of Gibraltar, to the professionals who are dealing with the new power station project and the LNG facility and who are under so much pressure as a result of the unconscionable behaviour of the  
740 Leader of the Opposition. (*Banging on desks*)

Let me carry on, Mr Speaker, dealing with how the hon. Gentleman manages to assist, to help those and to work with those almost – metaphorically although not in the same room and probably not even talking to each other – but all of those who want to rubbish Gibraltar internationally. And in doing so, I want to analyse what he said in this House on Monday, and what he said about what he said in this House on  
745 Monday on television.

Mr Speaker, he said that I was leading a Government that does not deserve the trust of the people because it is the most opaque Government in Gibraltar’s history. And yet, forget the numbers of meetings – there are more meetings than ever, they ask more questions than ever, we give them more information than ever – but already absent at the meetings, there is more information in the public domain than ever. It is not  
750 just more meetings, all the information that we used to ask for – which they sometimes did not give and the information they did give is now provided monthly on the website – and the only issue that they take is that sometimes because of the pressure that the people in our statistics office are under, and the magnificent job that they do and they produced a brilliant census whilst doing it, they are sometimes a couple of days late and they may not be able to ask a question based on the latest available statistics.

755 Mr Speaker, there are reams of information put out. The information that we had to pull like teeth and sometimes did not succeed in obtaining is now available online. What don’t we give them? We do not give them the names of the borrowers of Credit Finance Company Limited; and we do not share their view about the way that Government companies are incurring expenditure and how they use the money in the pool of companies. That is not *not* to give them information, that is not to share their view, Mr Speaker. They have  
760 more information about the Savings Bank than they ever had, they have it every month when they used to have it before at a different time. It is really quite incredible, Mr Speaker. Do they think that people believe this?

Then he went on to condemn our spending priorities, and on the new power station. He was still saying on Monday, Mr Speaker, he was going to cancel our contract and he was going to go back to theirs. So  
765 went from the Mole, or the Upper Rock; does he put this on the corridor of the Barbary Partridge up at Lathbury or does he put it on the new land at North Mole? They were going to put a power station in Lathbury Barracks.

I used to accuse the hon. Gentleman of doing a left, right, left, right and he pre-empted that this year. He said, ‘I am pre-empting you saying left, right, left, right you say it every year.’ Not any more, Mr Speaker,  
770 he is very clearly right. He has adopted the methods of the right wing, he has adopted the policies of the right wing, but he is condemning Gibraltar to a debate on Rock/Mole, Rock/Mole, Rock/Mole. Does he realise what he is doing? He is saying we should go back to the old plan if he is elected. As if he could, Mr

Speaker. It would require another couple of years of getting the tendering back, getting the environmental assessments back – incredible. (*Interjection*) Unless, as Mr Isola says, he gives it straight away to Spark. It would take *years* to be able to get the power station project going again up at Lathbury.

And then he said this, Mr Speaker: ‘What we have witnessed over the last four years, is the systematic destruction of parliamentary governance in Gibraltar; the use of the Gibraltar Savings Bank to fund Government expenditure and projects with Credit Finance Company Limited and Gibraltar Investment (Holdings) Company Limited’. And he said this made a complete nonsense of the budget, because rather than being open and transparent as he pledged, I had done everything I could to keep from taxpayers what I am spending their money on, and I had not played it straight with taxpayers, he said. Well, Mr Speaker, what does he think I am spending on?

Even assuming that he was right in everything else that he says which I will demolish in a moment, how does he think that I am spending this money in a way that taxpayers are not aware of it? Can’t he see the cranes? Doesn’t he see what we are building? Does he think we are spending money... well, I suppose on what? On feathering our own nest, our No. 6, The Palace? Well, look, you can see it, you might not agree with it, it is in the book; you might not agree with it, but it is there. So the idea that we are hiding the spending... the problem is that he identifies all the spending and says he would not do it. But then he does not say which project he would not do, because he does not want to annoy the people who want a berth at the Marina, he does not want to annoy the people who are going to have their children in the new school – he does not want to annoy *anyone*. Well, talk about wanting to be all things to all men and being seen through by everyone, Mr Speaker. The hon. Gentleman has guaranteed that everyone sees through him, even the people sitting around him.

The fact that we are spending via companies, Mr Speaker, if that is the most heinous offence we have ever committed... what about them and their spending through companies? Where does that leave the greatest Gibraltarian of our times as he describes the hon. the backbencher? If I am the worst Chief Minister ever for that reason, how can he be the greatest Gibraltarian of our time? It is just incredible. At least I am not going to lend £20 million to developers to develop something in the middle of the town and become an equity partner of them. Something, by the way, we found out only because I asked a question in this House, apparently the most heinous way of finding anything out. And then he said he did not know how the eye-watering debt of £847 million, which is wrong but it is his calculation... how was that made up? I will come in a moment to a part of my address where I am going to adopt all of his theories and show him the effect of them on the GDP ratios.

He said, Mr Speaker, that the architect of the rainy day fund, the disciple of budgetary discipline and of not living beyond one’s means. Mr Bossano the hon. QC QC, has left a man in charge of his party that has absolutely no conviction for the core values of those founding fathers of the GSLP as far as these issues are concerned. I thought we could not talk about fathers and GSLP, Mr Speaker, I thought that elicited an immediate crackerjack from the hon. Gentleman.

Well, Mr Speaker, look at the rainy day funds, look at them. Is it that this horrible Chief Minister has undone the rainy day funds? No, the rainy day funds were undone, as the hon. the backbencher said yesterday, by him. Because the big philosophical divide of the 1990s and the ‘noughties’ as he described it, was the divide between Joe Bossano’s rainy day fund theory and his spend for growth theory. That is what the hon. the backbencher, who the hon. Gentleman describes as the greatest Gibraltarian of all time – or *our* time, because he does not want to annoy the daughter of the other great Gibraltarian – that is what he said, Mr Speaker.

And what has happened in that respect? Now, is there an element of consistency here, are the rainy day funds at zero? Am I really that awful a Chief Minister, that I have spent all this money and undone the rainy day funds? Have I stopped the father of the GSLP from accumulating his rainy day funds? And by the way, this idea that anybody is left in charge of the GSLP is really a GSD way of thinking, Mr Speaker. The GSLP belongs to all its Members. It is not run by one man, it was not run by one man when the hon. Gentleman was the Leader or while I am the Leader, we really are a democratic party of all our Members. Clearly, and in particular given what we have discovered about the way the Lloyd’s report was handled, that is not the case on the other side.

So what has happened to the rainy day funds? Rainy day fund inherited from Opposition *re* Community Care. In other words, assuming that by giving money to Community Care, that independent trust, what we are doing – and this is an issue that has appeared in social media recently – is not requiring the consolidated fund to give them money to pay pensions because they have their own fund, they do it independently and therefore we do not have to go the GSD method of giving them the cash each year so they can spend it.

How much was in that on 9th December 2011? Hang on, we left it at £65 million in 1996 and let me think, at rates of about – it must have grown by 35% inflation – it would have been in the region of, oh it must have been almost £100 million in it by the time we got it. *Zero*, Mr Speaker. So if he is a disciple of rainy day funds, he at least needs to be factoring that in to who he calls the greatest Gibraltarian of all time,

the person who allowed the trustees to have to spend that money and did not continue to give them capital. *Zero.*

835 How much have we given, Mr Speaker? One hundred and thirty four million in total by the end of this financial year! (*Banging on desks*) It is because it is a manifesto commitment. But look, if that is the way to honour the founder of the GSLP by demonstrating commitment to the rainy day fund philosophy – and everybody describes that as one of the rainy day funds although it is completely independent of the Government – well, honour number one, Mr Speaker.

840 And the Savings Bank Fund: it was £30 million. Joe Bossano told us yesterday, in 1996 – he was not here to hear it – £30 million. So I mean inflation... what was it, £60 million by the time we came in on 9th December 2011, £100 million? It was *zero*. The other established rainy day fund of this community in the Savings Bank in its reserve, Mr Speaker – *zero*. So how can he dare to get up and preach about rainy day funds? He does not know what he is talking about and he is demonstrating it by putting himself in the firing line with remarks such as that which are so easy to reply to.

845 Then he says, ‘You are operating two books. One book which is the budget and the other book which is your borrowing from the Savings Bank – and that is off-balance sheet.’ That is a snazzy term, Mr Speaker, accountants use it, ‘off-balance sheet’. So he has used that term, see if I can capture the imagination, it is off-balance sheet. Has he looked at the balance sheet? This is the balance sheet of our community, these are the estimates; the one that comes out after this debate is the *actual* and it sets out the revenue and expenditure that we expect. And then the auditor audits this. He seemed to have forgotten on television recently, when he was debating with me, that we had an auditor.

850 Can I ask him and anybody else in our community who might manage to have a copy to hand, to look not in the detail hidden away of this book, but in the index, Mr Speaker? Can I invite him to look up the words Savings Bank, indeed Savings Bank Fund, Appendix L, page 210? Off-balance sheet? It is in the index of the balance sheet! All he needs to do is his homework, his understanding. All he needs to do is look at the numbers and then he gets a breakdown of where the money is invested in detail. And then all that is referred to in the audited accounts – and we are having the debate! He is saying we are hiding it, it is off-balance sheet. It is there on the balance sheet, Mr Speaker, we are talking about it.

860 He disagrees with how we are spending it he says... although I am sure he would do it if he were here, but where can he conject the argument that this is off-balance sheet, that we are operating two books. Look, Mr Speaker, it is the same book.

865 It is so difficult to argue with somebody who lacks understanding and I so miss Peter Caruana; and I know I am not the only one, because at least when you argue with somebody who knows what they are talking about, it is easier to reach some conclusion. Even if the conclusion is that you agree to disagree. But there is nothing hidden, Mr Speaker, and one has to be a dyed-in-the-wool disciple of the hon. Gentleman. One needs to see him as a political messiah – and actually after today he is more likely to be seen as a political pariah – to believe that there is anything hidden. It is in the same book and this is soon to be available for £5. I think we should be charging more, just the paper is worth more than £5 now. So how can anybody pretend that there are two books and that things are not going through the House?

870 He might disagree with what we are doing with it, that is fine, he is paid to do that, to disagree – at least that is his interpretation of loyal Opposition. And he says that there is growth – 10% and all the rest of it – but it is all being fuelled by Government spending. I had a whole section that I was going to refer him to about that, Mr Speaker, I had gone back to the *Hansards* where Sir Peter had indicated that was the way he wanted to do things. But helpfully Sir Peter himself yesterday explained his spending for growth criteria and explained that in particular when there was a time of crisis and banks were not lending it was important that the Government spend in our community, and when there were projects to be done.

880 Sir Peter’s view now is that we have done most of the projects that need to be done; he would say that wouldn’t he? But he explained this, Mr Speaker, in a way that just so completely flies in the face of what his new leader, his successor, has said in the course of this debate that at least I understand why the only part of Sir Peter’s erodent valedictory goodbye to this Parliament, which he had to read, was the bit in which he pretended to praise him. It was not lost on any of us. I think that his eulogy of Sir Peter was much shorter than mine, and that Sir Peter’s eulogy of him was the only part of his speech that he had to carefully write and read, Mr Speaker. It certainly did not come naturally.

885 Then, dealing with the issue of LNG in his speech, he said this... well, in fact, asked by the interviewer on *GBC* he said this about the things he had said in his speech:

‘You spent a large part of your address tackling the issue of an LNG power station and bunkering facility at the North Mole. Is this a key electoral issue for you?’

Of course the key electoral issues had been nepotism before. Now that we have demonstrated that there is no nepotism, and in fact we do more work with people on that side than we do with every other sector of the community, because we are open to all, he does not talk about nepotism. Then it was the stadium, but

890 when 1% of people in a poll – which he did believe – said that the stadium mattered to them in an election and 99% said it did not, the stadium is no longer relevant. So now the key electoral issue is LNG – well it was until yesterday and the Lloyd’s Report.

But he said this:

‘Absolutely, I can give you a cast iron guarantee’

895 – well his guarantees are not worth much –

‘to all those people living in Waterport Terraces, in West Side One, in West Side Two, in Europlaza, in Peninsular Heights, this LNG bunkering facility the Government is planning to build is not safe, and if we are elected, not only will that not be built, but we will not build an LNG power station at North Mole.’

‘This LNG bunkering facility’ – but he does not know what LNG bunkering facility we are going to build, that is his other complaint. We have not settled on the plans yet so how can he say it is not safe? How can he be against something that is not yet planned? Something that is not yet out in the public domain? What is he against? Maybe what he is against, Mr Speaker, is the single skin tank alongside the cruise liner terminal which would require cruise liner passengers to get on to the ship like this, let alone the danger of it being single skinned.

And he said, ‘Anyway, it is going to take four more years to build that power station, it is going to be beset by problems.’ He is already looking into the future like he looks into the future and says he is going to win the 2019 Election, even if it is not held in that year. All of this is crystal ball gazing, Mr Speaker: beset by problems, we may as well scrap it, start from scratch – but he is going to build a new power station immediately in his next term, because how is it going to take four years?

It is going to take two years, it is not going to take four years. There are not going to be any setbacks – although engineering is engineering. And it is the wrong decision to go back to that we are going to use diesel. And if he was sitting here, he would be saying what I am saying about LNG being the future, Mr Speaker. He is not sitting here, but he wants to sit here. And he is just thinking about votes, he is not thinking about Gibraltar. But the greatest Gibraltarian of all time in *his* estimation told him yesterday that the time has come to stop thinking in purely partisan terms when we are thinking about the future of Gibraltar. And he is not taking his erstwhile leader’s advice, so I suppose I should not be surprised that he is not taking mine.

But if he does not want to take my advice, I do not mind. I do not mind, that is his problem, Mr Speaker, he never takes my advice. Bossano, Caruana, Picardo: all those names he hates in different ways, we are all different and we have all done things in different ways at different times, in different styles. But the one thing we have in common is that we have led winning teams, not abysmally failing teams. So I am really happy that he is not going to follow Joe’s advice on debt, he is not going to follow Peter’s advice on a non-partisan approach – or my advice on anything, because perish the thought he might twig and start listening and he might turn things around.

On one particular issue where we have a serious disagreement, is this issue of finances. I have dealt with the fact that he says we have two books and that he cannot scrutinise things, but actually he can because they are in the same book and he scrutinises them every month, Mr Speaker, which is *res ipsa loquitur* that he is wrong. Every month we have the same debate about what we are spending on, every month he is looking at things with a magnifying glass. Which is fine, that is what he is paid for, but it demonstrates that we are looking at it and it demonstrates that there is parliamentary scrutiny.

And then, Mr Speaker, he says on trust, ‘This is a Chief Minister who is prepared to answer no to the question whether the Government has directly or indirectly provided any loans to the owners of the Sunborn when in fact a Government-owned company had provided a loan of between £30 and £40 million.’ Well, when he wants to scare people, he says, ‘This is savers’ money, it is not the Government’s money.’ When he wants to say I am a liar, he says, ‘It is the Government’s money, and when I asked you whether the Government had lent, you said you had not.’

He has got to make up his mind, Mr Speaker. Either I am profligate in spending savers’ money and therefore savers have to be careful, or it is Government money and I should have answered yes. He cannot have it both ways – I put it to his election. At least Mr Benzaquen, a speaker of his Executive, does not appear to have agreed with him on this subject, having written to *The Chronicle* saying about this subject, true that it was not Government money. But then he went on to say that this was all done through a company we had incorporated in secret. He just says these things, Mr Speaker, he says these things. Every time he opens his mouth his brains fall out. (*Laughter*) Frankly he should take an action against his brains for failing to perform.

How can you say that a company has been incorporated in secret? It is not possible to incorporate companies in secret. There is a Companies Registry, the company only exists when it is on the registry, the registry is public, Mr Speaker –

945 **A Member:** And he is a lawyer.

**Hon. Chief Minister:** And he is a lawyer and was Minister for Justice – but he is not QC QC; he is not even QC. (*Laughter*) It is impossible to incorporate a company in secret. Just in case he has got confused, the debate today internationally – sometimes he might switch on the news and something might flash in front of his eyes and he might not realise what it is about – is about whether we should disclose in all of Europe and indeed in the rest of the world, the ultimate beneficial ownership of companies on the register. It is not about whether the companies are public or private in the hidden sense, it is not possible to incorporate a company in secret. Unless, I suppose what you mean is you go to Liechtenstein, you appoint some nominee directors, you leave a letter as to what happens when you die and your son takes over and manages the money. I mean that might be incorporating something in secret but that is not what we are dealing with here.

But he thinks he can get away with it, Mr Speaker, and I suppose his sycophants – if he has any of them left after what has happened in the past 24 hours and people must be running away from him like the pariah, politically, that he is – are now going to start repeating ‘Danny caught them incorporating a company in secret, and putting it on the public register in secret.’ (*Laughter*) If things were not this serious, they would actually be funny.

Then he said that we have taken advantage of the fact that any debentures issued by the Gibraltar Savings Bank which they are using to fund their programme, is a debt of the bank and not a debt of the Government. Taking advantage of it, Mr Speaker? Where was he during the last election? The whole debate was Sir Peter saying, ‘Look, this issue is... I can get rid of this public debt in five seconds, I can just make it a debt of the Savings Bank.’ (*Interjection*) In some measure, although I do not accept any of what was said at the time, Mr Speaker, but in some measure we have just followed the advice of the greatest Gibraltarian of our times.

But he must have taken absolute and utter leave of his senses, or forgotten his senses, or left his brain behind at Spark, Mr Speaker, when he said this:

‘... the only possible explanation for the huge explosion of Gibraltar Savings Bank debentures, where the Gibraltar Savings Bank was paying between 4% and 5% interest, the interest rate. No credible bank in the world is paying that kind of interest. Those interest rates are there to attract more debenture holders, so that the Government can then use the money for its own expenditure.’

Mr Speaker, again pen engaged before brain and then tongue engaged before thought. Has he forgotten that it was – he does not like me calling him the backbencher, so I am going for the other term now – the man who *he* says was the greatest Gibraltarian of *our* time, now carefully nuanced not to offend anyone... the greatest Gibraltarian of our time who fixed the rates at 5%? (*Laughter*). (*Banging on desks*) It is just too easy, Mr Speaker. All we have done, two months ago, is lower the rate. That busts his argument so completely, so completely that it is actually quite incredible that he did not think that through and not give me this very easy goal to score.

But he does not do much thinking, Mr Speaker. Let me just show him exactly what has happened in the Savings Bank, given that he was not here to hear the masterclass given by Mr Bossano yesterday. It is a real pleasure to hear Joe Bossano when he is in full flow. I will always remember his contribution in the Giraldi Home Enquiry, when he took silk twice. But this is what he had to say yesterday when he was out peddling the distortions of the Lloyd’s Report. In fact, Mr Speaker, I think Mr Bossano was very kind yesterday in saying that even though he might not agree with Joe Bossano, he enjoyed his contributions and it said a lot for a man aged 76 to do two hours on his feet in this place, and having got up at three o’clock in the morning to write his contribution. And I would say that there is life in the old dog yet, except of course there is more life in the old dog than there is in any of us younger dogs sitting around the table; (*Laughter and banging on desks*) and just as spotty as ever, too; (*Laughter*) and all of them in the same place, all those spots in the same place.

And he said this, Mr Speaker, and the hon. Gentleman would be wise to listen to these words of the founding father of the GSLP, the rainy day fund man, the man he says he agrees with and who does not agree with me, and all the rest of it. My dear Joe Bossano, he said this:

‘In 1988 I set out to expand the role of the Savings Bank. It was not an easy task in those days because the Secretary of State had the last word and the Foreign Office had to consult with the Bank of England. The reply from the Bank of England was that the Savings Bank was supposed to be a small colonial bank, as if it was still in 1832, and we should not be allowed to get any bigger.

Well, as the Leader of the Opposition will know, the GSLP Government of the 1980s was not the sort of Government that took no for an answer.’

995

This is much better than being in Waterport Terraces with a few hangers-on.

‘So I used my well-known powers of gentle persuasion’

and I have yet to come across those, the gentle part at least –

‘and they finally agreed to let me get on with the job of making it profitable, and a growing institution.’

1000 Then he set out the history in financial terms, of the bank:

‘We inherited in 1988 a Savings Bank with £2.6 million in deposits – £2,672, 384.89 to be exact. The profits for the financial year 1987-88 were £60,187.96. The profits for the year were retained by us and added to the reserves increasing them to a level of £398,227.

In our eight years we increased deposits, profits and reserves. In other words we did then what we are doing now. By March 1996, deposits had grown from £2.672 million to £179.433 million, an increase of 6,715%.’

In case people think they have misheard, Mr Speaker, it is a 6,715% increase.

‘On this level of deposits we made a profit of £4,705,698 in one year compared to the £60,000 in one year in 1987-88. We added the profits to reserves and left them there for the GSD to spend when they came in the following May.

1005 The reserves we inherited in April 1988 had been £398,227.’

So, less than half a million.

‘The reserves the GSD inherited from us in April 1996 were £30,549,249.’

1010 So the GSLP Government increased the reserves from £400,000 to £30.5 million. And then he went on to say:

‘The reserves we inherited from the GSD in 2011 were £1,444.’

1015 With all the greatest of respect to Mr Speaker and the fact that many years of inflation have passed, the AACR left £400,000 when they left in 1988. The GSLP left £30.5 million when they left in 1996. The GSD, the party he is so in love with that he will never leave it, left £1,444. What unrequited love, Mr Speaker.

Joe Bossano, carrying on, said:

‘So perhaps the Members Opposite may forgive me if I feel that I do not have to accept any lecturing from them on prudential management or looking after our people’s money. We had the same moaning from the Opposition between 1988 and 1996 as we get from the Opposition now, Mr Speaker. The same idiotic arguments about risk and exposure’.

As clear as ever there...

‘But taking it to new heights, if the GSB lends to the Government and the Government fails to repay, the liability falls to the Government as guarantor, how much circular can an argument get! In case Members Opposite think that GSB lending money to the Government is new, it was already happening before 1988 but on a small scale as the whole of the assets was only a couple of million pounds.’

1020 Before 1988, not before 1996, before 1988 under the AACR.

‘However, by 1996 the GSB was investing in Government Debentures to the tune of £59.334 million.

This time round, however, the critics did not even try to have an element of truth in what they say. So for example, the former Tax Collector, gamekeeper turned poacher, Mr Chris White had the audacity to claim that we had UK ex-pats like him, I suppose, who he says are the depositors of the £1 billion who I am providing with risk-free investments at the expense of exposing Gibraltarian taxpayers.

This, even though I have told the GSD Opposition in this Parliament on more than one occasion that 99% of the deposits are from local sources and not expatriate money.’

Can you please listen to the argument so that we can have it on a sensible basis?

‘...– not that I see anything wrong with accepting expatriate money, which would be very welcome.

Mr Speaker, as a political gimmick this takes the cake. Mr White should stick to advising his clients how to reduce their tax liabilities.’

1025 Very wise words indeed, if I may say so.

‘The Savings Bank between 1988 and 1996 was an important part of our economic plan for growth and prosperity. It has been since 2011, and will continue to be in the future.

The GSB we inherited in December 2011 had £273 million of deposits and £1,444 in reserves. The results for 2014, audited and published last year, showed deposits at £856 million’

– 99% from local sources – note Mr White and anybody else –

‘profits from the year of £8.91 million and reserves of £11 million. For the year ending March 2015 we expect, subject to audit, around £1 billion in deposits, around £9 million in profits, and around £20 million in reserves.’

Mr Speaker, we shall defend our stewardship of the Savings Bank when the election takes place and will continue to grow its deposits, profits and reserves when we are returned to Government.’

If I may say so, Mr Speaker, (**A Member:** Hear, hear.) (*Banging on desks*) to Joe Bossano’s words, Mr Speaker, vintage Bossano in every way. What a pleasure it is to be able to quote a Jedi Master in his brilliant interventions yesterday. (*Laughter*)

1030 But, most importantly, Mr Speaker, a reflection to Mr Bossano that it is a very good thing indeed that this particular leopard does not change its spots. Very good for the community, very good for savers in the Savings Bank and very good that we can deliver great growth again and again doing the things that Joe Bossano has demonstrated that he can do so successfully for our community, in the past and is doing again.

1035 Mr Speaker, really for the people, the issue of the Savings Bank is really now *who do you trust?* Do you trust Joe Bossano and Albert Mena, the Financial Secretary with your money, given the track record that Joe, in particular, has established and the reputation of Albert Mena? Or do you hand over control of this money to Mr Feetham? That is really the litmus test for people, Mr Speaker. Joe Bossano and Albert Mena, with the track record of Joe Bossano and the reputational integrity of Albert Mena, or Daniel Feetham and what he is saying about the bank? Who do you trust with your money, Mr Speaker? That is the question – I think that is a no-brainer, Mr Speaker, even for people without brains, which means even he must know the answer.

1040 What is the main accusation on debt? He says, Mr Speaker, that the debt in Gibraltar now is larger than ever if we include company debt, which you can’t see in the book, but is there by his measure being the amount in the Savings Bank investment and credit finance, by his measure, which we do not agree. But he says that is what it is, it is in the book. Well, company debt is *not* government debt and it never has been government debt. It wasn’t when they were in power, Mr Speaker, when they were happy to spend through companies, but now they want it to be government debt.

1045 So what I am going to do now, Mr Speaker, is to for one moment allow myself the horror of putting myself in his brain, in his mind, and accept that company debt is government debt and even accept another premise which is wrong, which is that what he says is the company debt is the company debt. In other words, I am going to accept all the false premises of his argument as true. So please do not turn around and say that I accepted any of this, I am just doing it because I want to demonstrate to Members Opposite how wrong they are, even in respect of this particular interpretation. So for one moment, Mr Speaker, I will put myself in the horror of his brain. Oh, I have just seen a spark fly! (*Laughter*)

1050 Gross debt, Mr Speaker, with company debt in 2008 – when the hon. Gentleman started his journey with the GSD in Government, the first time he was elected in 2007, in 2008 when he was in Government with the person he calls the greatest Gibraltarian of our time – gross debt *with* company debt was 17.8% of GDP. That assumes, Mr Speaker, that they have to understand that there was company debt. There was company debt at the time, even of the hospital, Mr Speaker. That is the thing they clapped so hard when Sir Peter talked about his legacy. He was against it in 2003; he has told us on a number of occasions. Gross debt including company debt had grown by 2011-12 – their last financial year in office, with him included – enormously from 17.8% of GDP to 51.2% of GDP. It jumped from 17.8% to 51.2%, under them.

1060 And what has happened since? Assuming all the things that were wrong in the way that they wanted to calculate debt, what has happened since then? Well gross debt today, Mr Speaker, including every penny paid as investment in redeemable preference shares in credit finances debt, which it is clearly not, but I am going to do the exercise anyway, is estimated to be 49.2% of GDP. It was 51.2%, it is 49.2%, two points down. And that is if every penny of the investment in credit finance were debt of the Government, which it is not. They are redeemable preference shares, down a whole 2%, even using his nonsense figures. Using the figures he wants to use, it is down, using that £400 million as debt.

1070 But let us do another thing. Even he will accept that the amounts lent by credit finance to third parties are not government debt, because they are lent to third parties, they are somebody else’s debt. The Sunborn, they like to talk about, that is Sunborn’s debt, not the Government’s debt. So let us take out the amount that we will see and what I like to call the balance sheet and he doesn’t like to call the balance sheet of credit finance on the website – that thing which he says we hide but we put every month on the website, Mr Speaker. That is spending that is the second book but is every month available to him to come and quiz us

about here, and which is referred to in this book, Mr Speaker, under the Savings Bank fund. If we take out that debt, which is third party debt, then gross government debt against GDP is 45.71%, Mr Speaker. But if we do a really precise calculation and we take out of there as well the payment of the commutations, because that is not government debt, clearly, Mr Speaker. None of it is, but anyway. And we take out the third party debt then the gross debt including company debt, assuming that every other penny is company debt, although it is in the pool and not spent as the hon. Gentleman pretends it is, but assuming all of that erroneously, the gross debt to GDP ratio is 42.9%. So what they left at 51.2%, Mr Speaker, we have reduced to 42.9%. What is the problem? Even doing the calculations erroneously, as he wants to do them, and using the information in the book and on the website, everything which is public, Mr Speaker. Everything he says we are hiding, but which is public, quite unlike the way that he was hiding who had funded his Lloyds report.

Just to understand it in household terms, Mr Speaker, what is happening is that we are earning more each year. Our salary as a community is bigger. We used to earn £340-odd million under them, we earned £559 million next year, at least, Mr Speaker. The overall income into the household has grown, not just one actor but all actors together used to bring in £1.1 billion, now we bring in £1.8 billion, next year, at least.

Debt as a share of income in the household was higher under them, even when including company debt, which should never be included and has never been included. This Gibraltarian family, Mr Speaker, is doing very well indeed and there is no need to pay any heed to the claims of illegal debt, debt ceilings being breached, or any other nonsense of the sort that he and his disciples put about.

What is most galling, Mr Speaker, is that in this respect, as in every other he does not think of the consequences of what he says. He said on television that we had exceeded the legal borrowing limit. He has not said it again. I think the tongue, again, engaged before brain and even his advisors have told him that he went too far, and he was so looking forward to that programme he had said. If he was right and if he was able to peddle effectively what he is saying, and if he were able to persuade anybody to cause a run on any bank except the Savings Bank, where you cannot run from anyway, it would mean that he would have achieved that we would not be able to pay civil servants, that we would not be able to fund schools, that we would be in crisis. Mr Speaker, is that what he wants?

He wants to persuade people, institutions that deal with the Government of Gibraltar, that we are 'skint', he used the word here, Mr Speaker. And therefore, what he is saying is that we should not pay any civil servant, we should not pay any service, we should stop spending. We, Mr Speaker, when we found ourselves with very little money, did exactly that, we stopped spending on the things we did not have to spend on. But he is saying we have exceeded the debt limit. If we have exceeded the debt limit, Mr Speaker, that is a legal issue. Every penny has to go to get us back to that. Well, look I will tell the civil servants I see he does not want me to pay them. But it is, thank goodness, Mr Speaker, not the case in any way or by any measure.

People much more experienced than him – institutions much more understanding than him of these issues, have X-rayed us, not because they pay any heed to what he says, but because we had a revolving credit facility that had to be renewed because we were going to do an expression of interest exercise that was going to lead to a huge investment in Gibraltar. Gibraltar has been X-rayed, Mr Speaker, and his arguments looked at as well, of course. The Principal Auditor X-rays us every year, but he does not seem to have much regard for the Principal Auditor these days, given what he has said on television.

And what has happened, Mr Speaker? The revolving credit facility has been renewed without a problem and an investment of £1.1 billion into communities is likely to be confirmed very shortly. Banks do not lend £50 million to countries that cannot repay them – well, not these days anyway. People do not invest £1.1 billion in economies that are not going to prosper because the public finances of the place are going to crash. Mr Speaker, he might not like it but that is the reality of the situation. When independent third parties come and look at what we are doing and what we are saying, they side with us, thank goodness, not with him on this subject. Not with him or his merry bunch of men.

There are two points there to take. The first is that, I suppose it is one of the things that sets us apart from them, that when we obtain loans we do not obtain them on terms which we do not intend to keep to. In other words, we do not say to banks we will pay this money back by adding 5% on the cost of utilities every year for the next 20 years, only to have a Member of the Cabinet that agreed that deal say, 'Oh, we never intended to do it.' That is a loan, Mr Speaker, obtained in a manner which this Government will never obtain a loan.

Then, of course, there is another consequence of what he has said; he has said in this House, on a number of occasions that we are 'skint'. I think the Hon. Mr Figueras whispered that word to him and he adopted it – not blaming Mr Figueras he wasn't on his feet, it was Mr Feetham who was on his feet. To summarise his argument he said we were 'skint' and on television he said, 'The debt has exceeded the legal ceiling,' well, Mr Speaker, they have no choice now. This book, and let me show him... because I do not think he has even looked at it. This Bill is to enable us to spend £½ billion more. If he votes yes to this Bill he is recognising that we are not 'skint', because he is giving us licence to spend £½ billion more. So if he



sticks by his guns, and believes we are ‘skint’ and believes we have exceeded the debt limit he has only one choice, two really. He can abstain, and take the cowards way out, or he can vote no and stand by his principles. But what he cannot do, without accepting that he has been wrong all along, and that we have been right all along, is vote yes. So when he votes yes – because I assume that he will bring the consistency to this debate that he brings to everything that he does, we will feel vindicated in every argument we have had in respect of public finances.

Mr Speaker, I am very concerned that we are on the cusp of probably the most divisive and dirty general election campaign this community has ever seen. The way in which social media actors, supportive of the hon. Gentleman opposite, are behaving on social media, denigrating even the Chair of this Parliament in ways which I believe are frankly, defamatory and potentially even criminal, are frankly unacceptable. If that is the way that this general election debate is going to continue I think that we will emerge even stronger winners, because if there is one thing that Gibraltar does not like, Mr Speaker, it is a dirty politician. It is a politician who goes into the gutter to try and make an argument. Who cannot make a rational political argument to try and persuade people, as gently as Joe Bossano has made an art in the past 43 years, Mr Speaker. I counsel everyone in this community, because we are very political, that we should have the debate, it should be harsh and it should be forceful, but it should not descend into the sort of behaviour that we are seeing from some of their social media actors, Mr Speaker.

The Hon. Mr Bossino in his address, which I have already described in positive terms – I do not think I should fall into the trap of continuing to eulogise him otherwise I might be doing his political back a disservice and he might find himself the subject of an assault soon – talked about tourism and I think we share the views that he expressed, and I have indicated that. We have very few concerns about the tourist expenditure survey because that is a finger in the air, whilst the receipts from companies etc, which is real cash, are continuing to go up. So it would appear that there is something happening there and either we are about to get much more cash in if tourists come back and spend more, or actually a lot of tourists come and do not spend anyway, although we estimate what they spend, we might need to fine tune what we take from them.

But, Mr Speaker, what are we going to do in tourism should the heavens fall in and the GSD form Government? We are going to lose 6,000 passengers per cruise call every time Carnival Corporation pass the Straits of Gibraltar with one of their spanking new ships.

It was actually very refreshing to hear, Mr Speaker, his intervention in respect of our EU office commitment and the work that Sir Graham Watson is doing. Such fantastic work that he is doing with the people from Gibraltar who are there with him, learning through him about the institutions, and I think that is going to be work that – as everything that the Hon. the Deputy Chief Minister does – is conscientiously done and delivers in the long-term interests of the community. The Hon. the Deputy Chief Minister always says to me, ‘Remember that lobbying is a long-term gain ambition and that you don’t immediately see a return, but you do many years from now.’ As somebody who started to talk to Sir Graham Watson over a decade ago, and has turned him into a real champion of Gibraltar. I think he has demonstrated how right he is about that and what a fantastic job he does when it comes to these things. Mr Speaker, he was *very* kind about Sir Graham Watson and the office in the EU, but he said he was concerned about cost. I think we all agree that we want things done, but they cost money. If you want to get a D list actor to represent you it costs less than if you want to get an A\* representative in Brussels, and we have gone for the A\*.

Mr Speaker, he was very kind also in his remarks about the Minister for Equality and Tourism and the work that she is doing. I am grateful for that because she puts in a huge amount of effort, as do all Members on this side of the House. And although he has disagreed vehemently with some of what she has done, and some of what we have done, in particular in the field of equality, it is absolutely to his credit that despite those continued disagreements, which is what politics is about, and life is about, he recognises the work that we are all doing on this side of the House, and I want to thank him for that.

The Literary Festival, which he thought was a fantastic thing, was created by us and we are very happy to have done that and we are very proud to have done that. Calentita was created by them, and it was a very good thing too, and we have continued it and improved it and I think – and I am not saying improved it to claim any credit – they might have improved it if they had been in government. I think festivals like that, a food festival, a literary festival, also a music festival, a jazz festival, all of those things are the sort of things I think we all agree – certainly those of us who are capable of agreeing across the floor of the House – are exactly the sort of thing we need to be doing in order to promote Gibraltar as a place where niche tourism can prosper.

Mr Speaker, he, I think will allow me this moment to praise also, Steven Linares for the work that he has done. Gibraltar does not often have a government which can announce that it has opened two new art galleries in the space of, I think, under a year. The Mario Finlayson National Gallery of Art and the Gibraltar Exhibition of Modern Art, the GEMA, and it is to the credit of Steven Linares that that has been achieved. Steven is a real driver of the Ministries that I have encharged him with and he is tireless in pursuing the objectives of this Government. And in particular, Mr Speaker, he has not just done that, he has

also delivered a fabulous jazz festival every year, which people are enjoying more and more and is becoming more and more popular. And he has delivered something that I think people could never have imagined would be as fantastic as it is, which is the Gibraltar Music Festival which goes from strength to strength. *(Banging on desks)* I am sorry that Fabian Vinet is not in the House, I see he has left – he would have heard me eulogise his Calentita achievements. I lament the fact that we have not yet had Marillion for the Gibraltar Music Festival, *(Laughter)* but I am very happy as an 80s man to have heard Tony Hadley singing in Gibraltar and to soon hear Simon Le Bon and the gang with Duran Duran on Saturday night. There is everything for every taste, for every generation. I think the only person who does not enjoy the Gibraltar Music Festival is the Leading Counsel to my left who is busy working on his legal briefs that Saturday night – nay, now that Saturday and Sunday night, because what seemed a dream only four years ago is now actually a two-day festival.

It is popular to denigrate Joe Bossano but if you look at what he does and actually there is very little grounds for really criticising him because he has produced results like never before. It may be popular to denigrate others, it may be popular to denigrate Steven Linares, he has *delivered* art galleries and now festivals like no other Minister for Culture has before and he deserves recognition for that. I am grateful for the hon. Gentleman for giving me the opportunity of doing so in his kind remarks about the Literary Festival, something which of course Neil Costa, with his energy and enthusiasm and intelligence was one of the prime movers of. I think what Neil has achieved in that respect, apart from all the other things he has done in the time that he has been a Minister with me since 9th September 2011, that is one thing that *the minute it happened*, became established. The minute we had our first literary festival everybody said, ‘We are not letting go of this.’ People across the partisan divide, people who don’t care about politics, people who just love their books and love Gibraltar and love literature suddenly said, ‘We are not going to let anyone get away with not having a literary festival now as an annual event,’ and that is a huge credit to the way that the Literary Festival was organised in the first year. It immediately became a feature of our lives. That is the way to do Government, Mr Speaker. *(Banging on desks)* I usually bang from a sedentary position, Mr Speaker, and it is strange to bang when one is standing up.

If I may say so to the hon. Gentleman, again, in the same way that that is the way to do Government, his way is the way to do Opposition and it was a pleasure to hear him and to take the points that I am taking now.

Mr Speaker, we believe in strong growth in the port. The number of ships coming in 2012, which was the year which we inherited because they are booked in 2011, was 172. He likes to look at the number of cruise calls, rather than the number of passengers, and by 2015 it is 212. So he can judge us against their best year, but obviously the fairer thing, and given that he is a fair man and I am giving him the credit for it, is to judge us against their last year. In other words what we took over and how we are growing it and that has grown by 212. Of course, the size of the increase should not just be measured in the numbers of calls, but in the numbers of ships, because in the same way as these magnificent new LNG ships are going to bring in 6,000 passengers already the larger ships are bringing in four-odd thousand passengers and the number of passengers in 2012, the numbers that they left us was 290,395 already the joint efforts of Samantha Sacramento and Neil Costa in the period that he was Minister, 302,697. Of course we all want more, of course we all want to emulate the highest year there might have been. I do not know whether that was under the GSD or the GSLP or the AACR. We want to be higher than the highest there ever was and that is where we are going, but I think we are demonstrating the trajectory in this place.

The only thing that he said which was a slightly snide reference was to these companies at No. 6 and Town Range. I fear, Mr Speaker, that the longer I see him sitting there, the more he is likely to catch the infection, although he has done very well to avoid it, the infection that there is such a thing as a secret company, nothing to uncover or nothing secret, Mr Speaker.

But actually work that is done very very well indeed because if you look at the numbers of companies then the fact that they are up is a good thing and he seemed to be against the numbers being up. The more economic actors there are, the more revenue there will be. The fact that there are more economic actors by way of companies in the construction industry is a good thing. The fact that there are more people employed by them is a good thing and this demonstrates that this start-up scheme – he might not like how we referred to it – actually worked very well indeed.

I forgot to take a point that he had asked me to take in my reply, Mr Speaker, which was to explain to him why revenues were estimated to be down from £300,000 to £60,000 in respect of the Literary Festival and I can tell him that the information I have from the office of the Minister is that because in one year two years of revenue were booked together, for some reason, and in this year we are not just booking one year we are booking half a year because revenue comes in over years but the better way to do it is to book in less of the revenue.

He said, Mr Speaker, that I should not pretend to be the ‘saint’ – he didn’t use that word, he might not feel comfortable with using it, ‘The saint delivering an economic miracle.’ I do not pretend to be, Mr Speaker. He said I should recognise the contribution of the GSD in that respect. Of course I do and he was

here for what I think might have been fairly described as a fulsome remarks that I made in respect of Sir Peter's valedictory remarks. I said that we were building on 16 years of GSD Government, and we were not denigrating what had been done. We disagreed with a lot of it, and we would have done things in a different way, but of course, we were building on it.

When you look at the economic position when we took over, if you are looking at usable cash reserve, if you are looking at the bank, if you are looking at community care, that was the position then. Look, the economy is running. The economy had grown to £1.1 billion. I am not pretending I have created an economy that next year is going to be at £1.8 billion. All I am saying is...and I am not claiming the credit for myself, as I said earlier. I happen to be the person who makes the announcements, who has the reins, but not responsible therefore for everything, with the 10 others, that delivers the growth in the economy to £1.8 billion but from £1.1 billion. So I give full credit for the growth between 1996 and 2011 to the hon. Members who were here, but not because they delivered it, but because they were the ones in charge then of the economy that delivered it, and everyone in it that delivered it. But he is absolutely right; I am not pretending that we started an economy on 9th December 2011, but we did start to replenish the pots and he has to accept that the data is there. It is not our data; it is data from independent civil service of the Ministry for Finance and the Treasury that demonstrates the size of the pots today. And he will allow me to say I do not believe that that is a miracle, I believe it is just the fruit of management in the way that we have done it. The Hon. Mr Bossano's intervention yesterday demonstrated what the growth had been in particular in respect of the Savings Bank.

He does not like the Future Job Strategy, Mr Speaker. But it is a strategy also that he has to accept has worked in terms of getting people in to work. Those people are now people with real jobs, they have real dignity and they are making a real wage which is paid at the minimum wage, at least, Mr Speaker, whilst under them it was not.

When he says that they want to do all these things that they want to do and they want to grow tourism and they want to grow the port. All I will say to him, Mr Speaker is that if he wants that – if he really wants the port to grow in bunkering, if he really wants the port to grow in cruise calls, if he wants the port to grow in passenger numbers, given the stated position of his leader, not allowing LNG bunkering, not allowing cruise ships with LNG on them, etc to call at the port, I invite him formally now, to cross the floor, and he will be very welcome on this side of the House. *(Laughter)* Because of the objectives that he has set out, which are common objectives to people here, and I offer him the hand of friendship that is always there, but in political terms also and to come over, and he will be a very welcome Member of this side of the House. *(Banging on desks)*

Mr Speaker, *(Interjection)* he reflected on how difficult it is to be in this House, not just for Ministers but for everyone, and in particular for someone who is a partner in a law firm – and I know that because I have been a partner in a law firm at a time when this House was not as structured as it is now, when you did not know when you had to be here and you did not know what time you might adjourn to and you could not fix meetings. But I will put it to him, because we have been political nerds together since the 1980s, that actually there was one thing that he failed to reflect, which is actually harder, and I am sure he will agree with me: it is harder to be a good husband and a good father – that is very hard indeed.

Then, Mr Speaker, he expressed his own views of a deeply felt need for Sir Peter Caruana to continue in politics for four more years in 2011. Well, I was very generous, I think, with Sir Peter Caruana yesterday, but if anybody had asked me on 8th December 2011 whether I thought he should stay around for another four years, whipped as we were in those days, nothing could have been further from my mind. Now that we have persuaded him of so much else, he did not say it but I detected in there that he believed that we have not done so bad a job, actually, and that there was no need for Sir Peter to stick around and that he was seeing numbers which were not so bad.

He told us about how he had been persuaded by Leading Counsel on the issue of Brussels many years ago and how he never thought that Sir Peter would become Chief Minister. Well, Mr Speaker, it was generous of him to say so, and I think we have all been very generous in the way that we have dealt with Sir Peter's intervention yesterday. But there is one thing that I still would not be able to accept, and that is that in a referendum in Gibraltar a Gibraltar Chief Minister might recommend an Andorra style solution, and I think that is another reason why the hon. Gentleman might want to think again and realise that there is room for 11 on this side of the House if he ever decides... especially given the way that he was abandoned by his peers yesterday, Mr Speaker. There was more tumbleweed on the other side than there were Members of the Opposition to hear him, and yet all of us – almost all – were here. If you believe, as Mr Bossino does... But there was no leader; there was no Peter Caruana. If the hon. Member will allow me to say, the biscuits on some occasions obviously got the better of temptation, because he was not here for the whole thing! *(Laughter)* I sat through the whole bleeding thing!

Mr Speaker, he says, absolutely rightly, that debating issues and not insults should be the way to do things. Well, I consider that I am somebody who deals with appropriate force with the attack put on me, and if he looks at my opening speech he will find that there were no insults in it. If he looks at the speech that I

am responding to, in terms of his dear leader, he needs to understand that the insults did not originate on this side of the House.

Mr Speaker, I want to thank Mr Reyes for his intervention yesterday. I am sorry that I had to delay him by having to adjourn the House. He was also very generous in complimenting Steven Linares and the work that he has done. This was obviously the last intervention, of this Parliament at least, for him and he was very good in acknowledging the work that we have done.

He said that we had not yet fulfilled our commitment in relation to instruments and the orchestra, but actually, in the speech just before that Steven Linares had indicated how that is going to be dealt with.

He is absolutely right to say that we have not been able to progress with as much alacrity as we would have wanted in relation to the new Theatre Royal project, and that is something that we are working on designs of and he will see the fruit of that. It is not going to be possible in the time left before the General Election – short of bringing in a Meccano set – to have a new theatre, but we are working on that already and the work is very, very advanced.

Mr Speaker, the publication date for completion of the refurbishments was also something that the hon. Lady had given just, I think, a few hours before the hon. Member spoke, so I think he needed to take that into consideration in his speech.

He said he is disappointed because we are not building flats for rental, but actually we are building flats for rental because we are building flats for rental for the elderly. He recognised that and said that was not enough and said we are building Charles Bruzon House. Well, actually, we are not just building Charles Bruzon House; we are also building Sea Master Lodge, so there are two sets of homes being built for the elderly for rental. Why are we not building other rental blocks? Well, for a simple reason, Mr Speaker: because by building these apartments, the people who will move into them will release the rental accommodation, so we get 154 rental flats by building 154 rental flats for the elderly. For the elderly we will build one-bedrooms – not 1RKB that means, but one bedroom, kitchen, bathroom and sitting room – and for families we would have to build three-bedrooms, four-bedrooms and all the rest of it. We get back very large flats, as he will know. We get back five-bedroom, three-bedroom, four-bedroom properties that a single elderly person may be living in now, by producing this type of accommodation.

If I may say so – and the Hon. Mr Bossino will be pleased to hear me say this – I think that one of the things the GSD did in the time that they were in office, which was one of the best innovations and developments, was the creation of Bishop Canilla House, which then led to Albert Risso House. We are continuing that strategy in building Charles Bruzon House and Sea Master Lodge and in that way releasing apartments for rental. And anyway, Mr Speaker, what money would the hon. Members like me to spend on rental flats? If they think that I am doing too much by refurbishing the existing, how should I build new? If I build new I am not going to have to refurbish the existing.

Another thing he said, Mr Speaker, was that the works being done to the existing housing stock, not the refurbishments – which I have talked about; he has got the timetable for the completion of those in the hon. Lady's speech – but the works done in each apartment... the complaints due to... that the Housing Works Agency has to do... that that is not working well and there is no transparency. Well, that is not true. As the Hon. Joe Bossano indicated, and I think he responded immediately, there is a quote from the Housing Works Agency, then that quote is put out to three quotes from the companies that are then going to do the work. And there are *very* many, very many happy clients and we have broken the back of the backlog.

Is it always perfect? The hon. Gentleman needs to know that in building work nothing is ever likely to be perfect. You do an extension to your home and you are very happy that it is finished, but then you start to snag and you have to fix. The best builders in the world require snagging. If there are works that are not completed properly, in the words of the Hon. Mr Bossano, please let us know and we will ensure that we deal with it. In the old days, Ministers were not allowed to call and make complaints – shadow Ministers, rather. Shadow Ministers had less rights than citizens. Today, you know you can pick up the phone and we will deal with an issue that you put to us in terms of a constituent. If there were I do not know how many thousands of outstanding complaints and there are now a handful at any time, well that is a very good thing and most of them have been done properly. There may be some complaints in respect of some, and already Joe Bossano has told us how that is dealt with.

Mr Speaker, he then talked about the criteria for the allocation of affordable homes and said that we were not doing it properly and that there were complaints about it because we were not following the proposal to allow people who had sold and then gone to Spain etc... We are following the housing list first and foremost, and then the other criteria is published – and it is published at the time. What we are not doing, which hon. Members opposite did do – and they accused us of not being very socialist in the way that we dealt with things – what we are not doing, is selling four or five-bedroom homes to the highest bidder. We are selling four or five-bedroom homes to somebody who might require a three-bedroom home if, by the time we have gone through the housing list, everybody who is entitled to a four or five-bedroom has said they do not want to buy. Then the three-bedroom entitlement is able to choose from what is left. That is how we did it. That is not how it worked in the time the hon. Members were in office. As he knows,

the highest bidder won. So if you were prepared to buy 100%... If you were a single person, energetic, enthusiastic and intelligent – a single person, a barrister, young, free and single at the time – able to afford a beautiful maisonette on Waterport Terraces with views of the new LNG facility, when it comes... (Laughter) a four-bedroom maisonette and you had the money to buy 100%, the GSD sold it to you before selling it at 50% to somebody who had a family and six children. We think that was not very socialist and we think that was the wrong criteria, so now we sell to the people as entitled, not based on the percentage that they are prepared to buy – although good luck to those who did.

In relation to mortgages, Mr Speaker, I think it is very clear now that actually there are going to be much more mortgages available than are going to be required. People sometimes forget that Barclays is still going to be in the market for mortgages, although it is not in retail banking – I think mortgages over £100,000 – and therefore anybody who is buying 100% of a property is going to be able to go, even in respect of affordable homes, to Barclays, as I understand it.

Mr Speaker, he was extraordinarily kind to the Hon. Minister for Equality in the work that she does internationally with him and others when they travel to Commonwealth Parliamentary Association meetings. If there is one thing that has always united the House it is the work that we do in the Commonwealth Parliamentary Association. The Clerk of the House is very helpful in organising all those events and successive Clerks have worked very hard indeed. It is one of the bits of the work of the House that we forget about, and I know Members enjoy it in part because of the spirit of camaraderie that we take out there together, where party-political affiliation is forgotten and Gibraltar always comes first.

Thank you for the words that he used about Samantha Sacramento and the work that she has done there. She was, when first elected to this House on 9th December 2011, a person who had no parliamentary experience. The way that she has discharged the conduct of her responsibilities in the time that she has been here has demonstrated her huge ability – she is a bit Joe Bossano-like and does not like to be praised – and demonstrated why it is that she has brought such value to this community and delivered so much in such a short time.

Mr Speaker, I want to thank him also for the work that he and colleagues on his side of the House do in respect of the Commonwealth Parliamentary Association when we go out there. It is an important job that we all do for Gibraltar. Recently, Joe Bossano showed how it can be harnessed to make important points, like the rights of all the Overseas Territories to be represented in Commonwealth heads of government meetings when those happen.

Mr Speaker, he did not talk about the issue of allocation of housing, which was the recent press release by Members opposite – I assume because he realises that there is a non-point there and the Minister allocates housing as the allocating authority under the law that *they* created. The 155 allocated, most of them are on advice, but not all of them, telling her to put to your charities here, move people here etc. But what was telling was the speech from the hon. Lady, where she indicated in fact that 490 direct allocations had been made by hon. Members when they were in government, not 190 we had done 155 – 490 on one occasion. I think it was one week, actually, and it was just before the 2007 General Election – or the 2003 General Election, I forget – for flats at Mid Harbours, for flats which did not exist, as I am energetically, enthusiastically and intelligently reminded, and all of those allocations were made not even, not by the Housing Allocation Committee, not by the Housing Minister, they were made by the Chief Minister from No. 6 Convent Place, as Sir Peter yesterday amusingly reminded us.

Mr Speaker, the Hon. Mr Figueras gave an intervention, which I am going to deal with now and I want to start with a reflection. Some years ago, when we were in this House debating, I called him my ‘erstwhile friend’ across the floor in the debate, and I am very pleased we are no longer ‘erstwhile’ – we are now, once again, firm friends. But he said that having meetings in public of the DPC does not mean that it is any more open, transparent or accountable, because the people cannot vote out the DPC over the Government. Well, if he has those thoughts, they are so far away from the types of thoughts that the GSD used to have in office, which were that not only did they appoint the DPC, they held the meetings behind closed doors. There is room for a little one here if he wants to come over too, because we believe in more democracy but what we do not believe in is appointments being made to DPC by a general public vote, either by show of hands or by secret ballot. The Government has to do something we appoint the DPC, but actually we do not appoint the DPC to a very great extent; this House appoints the DPC and we vote the DPC by creating the legislation on behalf of the public, and the town planner and all the other people he has issues with – the office, not the planner – are put there by public vote of the people.

Mr Speaker, he said there was no problem with investing in Gibraltar, the place we call home, which I thought actually was very telling and I entirely agree with him and I think flies in the face of what we have heard from the Leader of the Opposition. He is keen to see private industry taking the wheel of the growth in our economy, which I agree with and I indicated in my opening speech I think is what is happening. The only dark cloud that he sees is Credit Finance. Well, as he has seen, I think, during the course of the debate, Credit Finance is no dark cloud. The Savings Bank is getting stronger than ever.

I am not going to go into parking and things like that, but the one thing he talked about was the cost of the Mott McDonald report, and I put it to him he got that wrong, Mr Speaker, and that he has added all of the totals for the financial years 2012-13, 2013-14 and 2014-15 to reach the sum of £838 million-odd that he talked about, or £829 million. Actually, £586 million of that is made up in a different way. Part of it is traffic counters – that is £60,000; the fees of the consultants are £380,000; and the purchase of speed radars and speed enunciators, speed cameras, which are coming soon, is £140,000. So it is not quite like the hon. Gentleman suggested.

Mr Speaker, the one issue on which he and I, and the Government and he, have a big difference is the issue of the Marrache case. On 7th February 2012 Benjamin Marrache and Solomon Marrache presented a constitutional motion to the Supreme Court seeking their discharge as defendants in the case which was pending against them. The motion was based on three grounds: (1) that the Legal Aid (Fees and Expenses) Rules 1981 were *ultra vires*; (2) that the Legal Aid (Fees and Expenses) Rules 1981 were unconstitutional in that *inter alia* their rates were so low that criminal defendants were precluded from effective representation; and (3) that the claimants' rights under section 8(2)(c) and (d) of the Constitution, the right to be provided fairly with representation at the public expense where the interests of justice so require – that is what the Constitution says – had been violated and that they had not been provided with legal representation in circumstances where the interests of justice plainly so required and where they had been and remained unable to do so through impecuniosity themselves to secure this.

James Neish QC, of Triay Stagnetto Neish, was asked to advise on the likelihood of success of the constitutional motion. His advice was clear and categorical. On 2nd March 2012 he advised the following, and I am going to reveal this advice, Mr Speaker, conscious of the fact that the Government is not obliged to reveal the legal advice that it receives. He said this:

'I consider that the motion'

– what I have just read to him–

'is likely to be successful. Alternatively, the grounds relied upon in the motion are likely to constitute good grounds for appeal.'

Mr Neish was also provided with a copy of a draft Legal Aid Bill which had been prepared by the previous administration – the one he often refers to – specifically by the Leader of the Opposition when he was Minister for Justice. This is the Bill which the Opposition have so criticised us for not introducing. Mr Neish was asked to advise whether the position would be different if changes were introduced to the Legal Aid Scheme with improved rates as set out in schedule 4 of the draft Bill provided to him, which the Hon. the Leader of the Opposition claims credit for having drafted as Minister for Justice. Mr Neish QC advised as follows:

'I do not consider that the proposed new rates are likely to secure effective representation unless a competent practitioner can be persuaded to act at those rates. New rules were published in March 2012 which allowed Messrs Marrache to secure effective representation and which allowed them to be tried on charges of serious fraud. They were subsequently convicted and sentenced to 11 years and seven years imprisonment respectively.'

Had we done what the Opposition had been urging us to do it is likely, as advised by Mr Neish, that they would have been discharged and would not have been tried at all. We acted responsibly, therefore, Mr Speaker, and in the public interest. Gibraltar's reputation as a financial services centre is too important for us to risk by allowing people who acted criminally – because they have been found guilty – to get away with it, as was finally the case in that matter.

In any event, Mr Speaker, what could possibly have been our alternative interest in funding their legal aid and not the legal aid of others? Can Members opposite explain to us why they think we might have done this for the Marrache brothers and not for others? I do hope that they are not allowing rumour and innuendo to fuel even their most exotic fantasies. Why would we want to spend money on legal aid that we did not have to spend, if we were not advised by an eminent leading counsel – not Joe Bossano, but James Neish QC – that we *had* to do it? If they have a different allegation to make, they should make it; or else they will realise that if they had been in government they would have had to do this too. If the law developed by them failed this advice, as it did, it could not be implemented and therefore we had to act immediately.

Mr Speaker, I pray to deal now, with the Hon. Mr Netto's intervention. Let me start by saying that Mr Netto did not say a word about health. I understand he is now supposed to be shadow... Oh, right, okay. Well, if he is not, I apologise. I thought he was supposed to be shadowing. So let me just take the point on health, whether it was Mr Netto's responsibility to make it or not. But we have not heard a word from Members opposite about health. I think that demonstrates how healthy the Gibraltar Health Authority has

become over the past four years. (A Member: Hear, hear.) (*Banging on desks*) There was a lot to say about the Gibraltar Health Authority three and a half years ago, but nothing now, and I think that demonstrates that of all the people who have been Minister for Health – and there have been many good ones and all of them, of course, with the right aim to ensure that our community has the best possible healthcare – few have achieved as much in as little time as John Cortes. (A Member: Hear, hear.) (*Banging on desks*) Not for good reason is he *Dr* John Cortes, Mr Speaker. It is not just the Barbary Partridge, that secretive species, that benefits from his expertise, but every upright mammal walking in this country of ours. He has done an excellent job. It is a real pity that during the course of this Budget debate and the way that the news is taken over by this Budget debate we have not seen the prominence given to the introduction yesterday, I believe, of electronic notes in the Gibraltar Health Service at last, which, by the way, is compliant with another manifesto commitment, a huge step forward for our community and something of absolutely huge importance. I am not going to say more about Mr Cortes in respect of the work he has done in Health and Utilities and all the rest of it, because a lot of the work he has done he has done with me, and what we have uncovered about Spark etc has been uncovered together.

But the Hon. Mr Netto talked about Gibraltar being a banana republic, Mr Speaker. I do not know whether he realised what he was saying, because in a banana republic we would not have had the problems we have had with Spark and with the report. These would have been dealt with in quite a different manner. We would never have got to this sort of headline in a banana republic. He needs to understand that his words will be picked up and that when we say things we have to be careful how we say them and why we justify them. I have showed them just how much disclosure they have. All the numbers they need are in the book. There is nothing hidden and no reason to call anyone in this place a person who is in charge of a banana republic. But if there were a reason to call Gibraltar a banana republic I am going to remind him of it.

A banana republic, amongst the many things that require that definition... and it is related, as he knows, to things that happened in South America and the Caribbean in the 1950s and 1960s. A banana republic is a country that goes to a lending institution and secures a loan on one premise fully intending not to comply with the criteria for lending. In other words a country that goes to a bank – for example, the Royal Bank of Scotland – and asks them for a loan for a power station, for example, and tells them in their business plan that the way that they are going to repay is by raising electricity charges by 5% a year, signs on the dotted line and secures that financing – as we were told was the case because we have been told that the contract was signed, the financing was secured – and then a Minister in that government says publicly that they had no intention of complying with their obligation under the contract. That is a banana republic, Mr Speaker.

He will be very happy to know that after 9th December 2011, having washed him away from office, he no longer secure borrowing in that way; but I am very grateful that he was honest enough, as he always is, Mr Speaker, to go on television and tell the truth. He, for a good reason, vomits his brains every time somebody puts a microphone in front of him, and I welcome that because he tells us the truth and he told us the truth on that ‘Viewpoint’ programme about having absolutely no intention as a government of complying with any obligations, and then at the Piazza, drunk on equality, he told us the truth about progress in Gibraltar on issues of social justice and equality in the time that we have been in power and the time that they were in power.

Now, Mr Speaker, it is tuna season. (A Member: Steady on!) Tuna season is the time when people go out big-game fishing, and they see the fish, with the hook caught in its mouth, struggling to get it off. Today we have seen two such tuna: we have seen the Hon. the Leader of the Opposition wriggling like no-one, but caught on the hook; and what we saw yesterday, when the hon. Member spoke and he had to spend about 15 minutes trying to get himself out of the truth that he had spoken at the bottom of the Piazza when he told us how much progress had been made on progressive the issues, was the other tuna – skipjack tuna, in fact – but he was not getting out of it. It was very clear that he had said what was true downstairs and was trying to say something which was not true during the course of his intervention.

The Alameda Gardens are better than ever, Mr Speaker, and nobody is going to persuade anybody otherwise, however much the hon. Gentleman might try and do so.

The fact that the GSLP did not train women civil servants and therefore they had to start was something that he went on about – and how we were bad for equality – in trying to justify his position. Mr Speaker, I do not accept that, but let’s take a leaf out of Mr Bossino’s book: if that was true in 1996 it must have been true in 1988 also, because they did not find any women promoted before 1988, who were the only women... He said there were no women. And why is it that he does not say Gibraltar had not yet started the process of training women and yet Gibraltar was changing, people were starting to get mortgages etc? He says Joe Bossano and the GSLP had not done it, which we do not accept, but why doesn’t he say Sir Joshua did not do it? Why doesn’t he say the AACR and the IWPB did not do it? Why? Because obviously he does not want to have political issues with others in his executive. He wants to pretend that the world started in 1988 and that then the New Testament started in 1996. If we are going to do things the way Mr Bossino suggested that we should and give credit backwards, we must also understand when there are problems

backwards. So if there was a problem in 1996 there must also have been a problem in 1988 – and I am making no comment about that, Mr Speaker, but I am just asking the hon. Gentleman to recognise that.

Mr Speaker, the hon. Gentleman talked about the power station. He said there was an elephant in the room. Well, the elephant has been exposed today. Jaime is a good man, he is not just somebody who is going now with our best wishes, but he cannot talk about power stations and issues like this seriously. These are too serious an issue for somebody to be pretending that we can go from North Mole back to Lathbury, that Lathbury would have been ready, that the ESG is against... Has he even read what the ESG has said? The ESG has said it was concerned because of the Lloyd's report before they knew the reality of what was behind the Lloyd's report. I think the ESG are very responsible, Mr Speaker, and I said so yesterday on 'Newswatch', and I think when they see the reports that are available they will have a different view.

Mr Speaker, then he talks about *aqui no se pesca*. Well, that was never our slogan, but he wanted to make the point because he likes to make political points.

He said that the sewage plant was our failure. Well, Mr Speaker, he knows we are much more advanced in relation to the sewage plant than they ever were. We are on the cusp of signing something. He says that we have allowed La Línea to use the failure of a sewage plant here as the argument for the Western Beach faeces. Doesn't he remember that the Western Beach faeces problem started under them? And doesn't he know, because he does not follow it, that the European Commission has recently accepted that the Gibraltar problem with the sewage plant, which is leading to a pilot case which we hope to stop because we have granted the contract, is not the issue that creates the problem on Western Beach? I think he is only following half of the debate.

Mr Speaker, he has been an advocate for the rights of Moroccans for many years and I recognise that and praise him for it, but he cannot pretend that the problem for the Moroccans started again under the GSLP, because before 1988 there was the same problem and people were deported not to have children here; it was even worse.

**A Member:** If you fell pregnant.

**Hon. Chief Minister:** Exactly, deported pregnant, Mr Speaker.

So there were a lot of Moroccans in Gibraltar who had not been recognised nationality under the AACR, there were a lot of Moroccans who had their lot improved after 1988, there was more to go. You did some work in it in Government as a party, when you were in Government – not work that we thought was the best way to do it. But, Mr Speaker, can he at least recognise that we have done a lot of work and we have broken the back of the problem, and there is now no backlog of applications for British Nationality by Moroccan citizens.

I do not know whether he represents his party in that because the ex-chairman of his party was saying that we were wrong to have done it, and is on social media as saying that Gibraltar is too small and we should not have done it. But I am very proud of the fact that we have done it and we have got rid of the backlog and we have a vision as to what is happening with nationality. Then he went on to talk about the Joanna Hernandez case, and all this problem, and to say that we had denigrated Judge Parker, the President of the Court of Appeal – it is just absolute nonsense, Mr Speaker. And given that it is his valedictory, I am not going to get into the detail of it, and hope that he rides into the political sunset, happy with those things which he may have done, which may have been a positive contribution, and with everybody thinking that at the end of the day he is a good man with a good heart who has tried to do the best that he could.

But I will tell him one thing before he goes, Mr Speaker. (**A Member:** Yes!) If I needed to invest the money of savers in the Gibraltar Savings Bank, the remaining £600 million which they say we have not put in credit finance, up to the billion, I would buy shares in Jaime Netto for what they are worth and sell them for what he thinks they are worth – and then we would really make a pile for all the savers.

But well done, Mr Speaker, for spending 16 years of your life in this place, it is not easy – or 20 years – and although we have disagreed on just about everything, God speed for the future at a personal level.

One of the things that John Cortes reminded us of was our first visit to KGV – it was an absolutely horrible experience. I am very pleased that we have now opened Ocean Views and that we will soon be opening other facilities there for dementia and dementia day care. But one of the things that he said which stuck with me... and people sometimes in the cut and thrust of the debate, too often what makes the headlines is the minutiae of the argument between leaders but people do not sometimes realise just how much work is being done by other Members of the Cabinet. And he said that there are now more operations than ever, there are now less cancelled operations than ever, and the work on electronic notes, etc, has been done.

Mr Speaker, certainly I will give him one thing: the number of operations is certainly up. We have seen more people lobotomised – given from what we have heard in the past 48 hours than I expect it was possible in three and a half years! But anyway...



Mr Speaker, some of the work that I have done, I do with my long term political friend Dr Joseph Garcia, and if there is anybody who understands Dr Garcia's commitment to politics on the other side, then it is Mr Bossino, because we all started together. Ironically, I think, at the Rock Hotel, when his father was the manager, that we all managed to get together one fateful day there, and ended up in a political party, having expected I think to go for a drink and a television debate! And in fact I recognise that Mr Bossino Senior is here today and I want to echo the words that Mr Bossino Junior had here to say about his commitment to the hotel industry, and the fact that he was probably the first Gibraltarian appointed to the post of manager of the Rock Hotel all those years ago.

But if anybody understands the commitment of Dr Garcia – another GP in many ways who sorts out problems in my Government before they get to me – it is Mr Bossino and me. And it has now been many years that Dr Garcia has been involved in politics, many of them completely unremunerated – not that he is in it for remuneration – and many of them with people not realising the value that he would bring to the administration of the affairs of our nation if he became a Minister. I think people do now realise that, and the work that he is doing with me internationally, in Europe in particular and in Washington, I think is really shining through. (**A Member:** Hear, hear) (*Banging on desks*)

Mr Speaker, I have said something about Paul Balban and the work he has done with me on the ID cards, although he is not here, but I think I said that during my main intervention; and I think I have thanked Albert Isola for the work he has done with the Gibraltar International Bank; and Gilbert Licudi for the *fantastic* work he has done creating a university, two new schools, a marina, the new Ministry of Information Exchange which has been created in the time that he has been here – all whilst continuing to be Minister for Justice and for Education, amongst so much else. And Joe Bossano I have spoken about in such glowing terms, that I am prevailed upon by him not to do so again, let alone during the course of this debate.

Mr Speaker, it was not me who said that the Hon. the Leader of the Opposition is not of GSD stock, but if we ever needed any evidence of it we have seen it this week. What we have opposite us is not the GSD any more: he has single-handedly managed to destroy what that party stood for. It is now, Mr Speaker, really the 'nasty party'. He complains that we have an investment in Bayside: well, haven't we invested already in the two schools that most needed it? Did he ever go to KGV?

It was *them* that developed the airport before developing the two new schools that we are developing, before delivering a new KGV, before doing *any* of the things that we did. They delivered an airport and courts and the new prison instead of delivering a new Bayside. Doesn't their conscience turn on that?

Well, the hon. Gentleman is really exceeding himself in the way that he is conducting his affairs. He knows he is not going to win the election because of his existing and continuing lack of credibility, so he is doing what those of us know he does in exactly that situation: cornered like a rat he just raises the stakes further and further, double or nothing.

On the Savings Bank, pretending that we are exceeding debt; pretending that there is off-balance sheet on lending when actually all of those amounts are in exactly the same balance sheet. On the issue of the liquefied natural gas facility, Mr Speaker, well the Hon. Leader of the Opposition is a political fraud. He is a political fraud who has been found out on the economy. He is a political fraud that has been found out on public finances and he is a political fraud, the layers of which I am really going to relish peeling off in coming weeks and months so that the public can see how he has tried to corrupt the political process. How he has corrupted his party and now how he has tried to corrupt this parliament by taking Russian and Gibraltarian monies to finance his atrocious campaign of defaming our professionals, undermining the GEA, and undermining the professionals who make it up.

Mr Speaker, this is an axis of greed, an axis of cynicism, an axis of conspirators against the good of Gibraltar ready to do anything to advance the unholy alliance between their commercial and political interest. This is ambition on steroids, combined with business on speed.

People will want to disassociate themselves politically from him forever, after the events of this week. When I was Leader of the Opposition their previous Chief Minister during the course of this debate said that I was not fit to govern, Mr Speaker. That was not for him to say and is not for me to say – it is for the public, it is not for this parliament to decide who should be in it and who should take what post in it. That is for the democratic process. I will leave it to people to decide who should be fit to govern and who becomes the next Chief Minister of Gibraltar; and I trust that Members of the Opposition will actually do the right thing in relation to the Lloyd's Report, if only after they have exhausted all other possible options.

There are many good people in the GSD, Mr Speaker, many of them are telling us that the spirit of the party they joined is dead. They see the party that represents wholesome Gibraltarian ideas now as the GSLP, which always has. They see today how we represent the older and younger generations' aspirations. We represent hard work and their old insignia represents opportunism. There are people in the GSD who are worried about finances because of the things their leader tells them – and they do not want it to be true, even though they do not accept our version of events. And there are those who are so bloodthirsty for

power, who really hope that we are skint, so that it might bring down the Government, so that we might fail.

They do not care that Gibraltar might fail, they do not care that the whole Gibraltar edifice might teeter, just to say that they saved it, or rebuilt it. And this is not what the GSD used to represent. I have never agreed with them but this is not what they stood for. At a time in our history when some people felt that we were wrong, although we did not believe so ourselves, they acted not out of ambition but out of genuine concern for our community – wrong though we believe they were. However ill-founded they were then, the party of Peter Montegriffo and the party of Peter Caruana is not the party that we see opposite us today.

For all the reasons that I have indicated already, it is clear that if hon. Members are going to be honest to the things that they have said during the course of the debates so far in and out of this House in the past three and a half years, they must vote against this Bill or they are voting to allow us to spend another half a billion pounds. We have governed for all of Gibraltar, Mr Speaker, in the past three and a half years and if we are elected again after this election we will do so again – without discrimination based on partisan support. Everyone who brings something good for Gibraltar we will work with, and we have demonstrated that. All talent will be harnessed for the good of Gibraltar.

Louis Montegriffo who was a member of the executive committee of the GSD and who now is in private practice as an estate agent, wrote in the introduction to one of his business magazines, in the March edition of this year, the following:

‘I really wish that I could tell you something different and throw caution out there, express concerns etc, but I just can’t, it’s simply not the case.’

Mr Montegriffo is to be thanked for his honesty. The reality is that none of the issues that the Leader of the Opposition is raising cause real concern to those who understand the issue, Mr Speaker.

The mission we decided to accept when we became the Government of Gibraltar was – it was said by Members opposite – impossible. They said it was absolutely impossible, that we had embarked on a ‘mission impossible’. But with true Gibraltarian grit, with hard work and with the determination of members of this Government on my side of the House and the hard-working people in our economy, impossible is nothing, Mr Speaker. Today, I can proudly boast for my colleagues and on behalf of my Government, that what they said was impossible is today a mission accomplished in many areas.

Rounding up now: the Gibraltar that we inherited in 2011 was one of a golden legacy, apparently, of undisclosed loans to developers, £4 million lent to OEM of legal actions coming out of our ears, leaving Gibraltar with only £2 million of usable cash reserves. How dare any Member Opposite raise the spectre of bankruptcy or an illegal debt ceiling as the Hon. the Leader of the Opposition has done. The spectre of bankruptcy is sitting on the benches opposite. They were the ones who were going to come here to raise the debt limit, or not be able to pay for what they were doing.

This is a rotten legacy of legal claims. We have won against OHL but we still have the Bruesa case to go on. But in any event if, when we win cases which relate to the time that they were in office, it is because they did things well when they were in office then they should at least recognise that they have won the Harbour Views litigation because we had done things right when we were in office – something that they have never done.

But I want to doff my hat to Members Opposite for a particular reason, they are garnering support. It is true that they are garnering support, we should not pretend otherwise, because the Hon. the Leader of the Opposition has gathered unto himself all the disaffected who want and did not get an *enchufe*. All those who wanted something they did not deserve and did not get it because they did not deserve it are flocking to him. All those who were given feedback about the reasons why they did not get a job, which shows that they did not get it because they did not deserve it and they were not best for the job, they are all flocking to him now. All those who could not accept the truth about their own abject failure and wanted jobs and promotions they did not deserve. All of those, Mr Speaker, I now see are close to the GSD and the hon Gentleman.

Even those who wanted and expected the bloodbath after the election, and their blood thirst was not satisfied, they are flocking to him – because he hath gathered unto himself with the clarion call of an end to the culture of entitlement everyone who believes that they are entitled to something and did not get it. (Laughter) That is what he is playing on his flute as the Pied Piper selected to lead the GSD into the political oblivion to which they are confining themselves.

Mr Speaker, four years ago during the course of this debate it was said that I was unfit to govern. I am very happy to say I have proved them wrong. Four years ago they said our manifesto could not be delivered and we proved them wrong. Four years ago they said that they would win the election: the general public proved them wrong. This year will be no different. They are wrong about debt, they are wrong about gas, they are wrong about the Savings Bank and I, we, and the public will prove them wrong again.

1730 I am pleased that we have endured the debate that we have had. It demonstrates that the party opposite is clearly riven with divisions – clearly torn apart by competing ambitions and clearly not able to aspire to taking the reins of our great nation’s affairs. Mr Speaker, this is not the ‘GSD B-Team’ sitting to your left, it is the ‘GSD D-Team’ – shorn of talent, devoid of credibility, lacking in substance exposed as a fraud, dangerously ambitious and politically finished.

1735 I have heard nothing which was remotely the type of analysis one might have expected to hear from an alternative government; whilst we said we would change things – and we have. We said we would govern as a team, as a Cabinet – and we have. We said we would have parliament meet monthly – and we have. We said we would lower our debt and grow our economy – and we have. We have done what we said we would.

1740 This is the history of our time in Government to date. That is why we deserve the trust of the Gibraltar people. That is why we have *earned* the trust of the Gibraltar people. And, Mr Speaker, I have heard nothing in this debate from the few members of the Opposition who have turned up and spoken to persuade me that this Bill should be anything other than commended to the House and our community as a whole so that we can now move on to laying even stronger foundations for our nation’s future. (*Banging on desks*) (**Several Members:** Hear, hear.)

1745 Mr Speaker, I would move that the House do now recess until – (*Interjection*)

**Mr Speaker:** I have to put the question.

1750 **Hon. Chief Minister:** Oh, you have to put the question? (*Laughter*)

**Mr Speaker:** I now put the question which is that a Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2016, and further sums of money to the service of the year ended 31st day of March 2014 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

1755 **Hon. Chief Minister:** Sorry, Mr Speaker...

**Mr Speaker:** Clerk.

1760 **Clerk:** The Appropriation Act 2015.

**Mr Speaker:** The Hon. Chief Minister.

1765 **Hon. Chief Minister:** Mr Speaker, for the blessed relief of being able to have a lunch, I propose that the House do now recess until 4.30 this afternoon.

**Mr Speaker:** The House will now recess to 4.30 this afternoon.

*The House recessed at 3.02 p.m. and resumed its sitting at 4.36 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 4.36 p.m. – 8.33 p.m.

Gibraltar, Thursday, 25th June 2015

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# The Gibraltar Parliament

*The Parliament met at 4.36 p.m.*

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

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

## Order of the Day

### BILLS

#### COMMITTEE STAGE AND THIRD READING

##### **Appropriation Bill 2015 – Committee Stage and Third Reading to be taken at this sitting**

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to give notice of the Committee Stage and Third Reading of Bill be taken later today, if all hon. Members agree?

5 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Appropriation Bill be taken today? (**Members:** Aye.)

#### FIRST AND SECOND READING

##### **Supreme Court (Amendment) Bill 2015 – First Reading approved**

**Clerk:** We now move to a Bill for an Act to amend the Supreme Court Act.  
The Hon. the Minister for Education, Justice and International Exchange of Information.

10 **Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):**  
Mr Speaker, I have the honour to move that a Bill for an Act to amend the Supreme Court Act be read a first time.

**Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Supreme Court Act be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

15 **Clerk:** The Supreme Court (Amendment) Act 2015.

##### **Supreme Court (Amendment) Bill 2015 – Second Reading approved**

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):**  
Mr Speaker, I have the honour to move that the Bill be now read a second time.

20 Mr Speaker, this Bill makes amendments to the Supreme Court Act, so as to set new training requirements for barristers and solicitors who wish to commence practice in Gibraltar as from July 2015. The format and content of these requirements are the result of extensive discussions and agreements between Her Majesty's Government of Gibraltar and the Bar Council. The Chief Justice was consulted regarding the changes and he fully supports the new requirements. In fact, Mr Speaker, some of these

amendments arise following not just discussions, but calls from the Bar Council for harmonisation of training requirements for both barristers and solicitors.

The current system, Mr Speaker, is that whilst barristers are able to be admitted and enrolled as barristers of the Supreme Court, under the Supreme Court Act upon completion of the Bar professional training course, solicitors are nevertheless required to undertake a further two-year training period after completing the common professional examination before they can be admitted and enrolled as solicitors of the Supreme Court. In addition, solicitors and not barristers are required to undertake a professional skills course before admission.

Mr Speaker, given the fused profession in Gibraltar, whereby barristers and solicitors essentially undertake the same type of work and have the same rights of audience in our courts, both her Majesty's Government of Gibraltar and the Bar Council felt that the current disparity between the training requirements for barristers and solicitors could no longer be justified.

In fact, Mr Speaker, what was happening was that barristers, upon completion of their training, could come back to Gibraltar and be enrolled immediately as barristers of the Supreme Court and undertake solicitor work, given that we have a fused profession. Whereas solicitors, who did the professional training, still had to do two more years before being able to be enrolled as a solicitor of the Supreme Court and that was an anomaly which we could not allow to stand any longer.

In addition to that, Mr Speaker, local law firms that were previously approved by the Law Society as training establishments, authorised to undertake the two years' training period for solicitors, were having difficulty in renewing their approval. This meant that it would be very difficult, if not impossible, for those who qualify as solicitors to carry out their training in Gibraltar.

The new requirements which are given effect by the Bill, which amends the Supreme Court Act, will apply to both barristers and solicitors equally and include the following elements: (1) an academic course in Gibraltar Law; (2) practical training over one year in an approved establishment in Gibraltar; and (3) a professional skills course.

Mr Speaker, the academic course in Gibraltar Law will be delivered by the University of Gibraltar as from September 2015. It will involve 24 lectures over the academic year. The lectures will be presented by members of the Gibraltar Bar with a particular interest and expertise in the areas of law covered, and in the case of lectures on accounting for lawyers, by a local accountant.

The practical training element, Mr Speaker, will require barristers and solicitors to undertake a one year's training contract at an approved establishment. The minimum criteria for approval as a training establishment will be a Gibraltar firm that contains at least three practitioners – one with at least ten years' standing and two with at least seven years' standing.

The proviso, Mr Speaker, in the Bill is that the Chief Justice may in exceptional circumstances approve an establishment which does not meet these criteria and may set other conditions. This training, Mr Speaker, would cover at least three of the following four areas of legal practice: commercial law, property law, litigation and private clients. The professional skills course is expected to be undertaken towards the end of the year's training and will include advocacy and communication skills, client care and professional standards, and financial and business skills.

The new requirements, as with current practice, may be waived by the Chief Justice for outside counsel wishing to be admitted to the Gibraltar Bar for a particular case. In addition, the Chief Justice would have the discretion to waive the requirements of the practical training and professional skills course – but not the academic qualification in Gibraltar Law – for any barrister or solicitor wishing to practice in Gibraltar, if he was satisfied that such barrister or solicitor already had the necessary training or experience.

Furthermore, this Bill also contains provisions amending sections 34 and 35 of the Supreme Court Act, which are not directly related to the new training requirements.

The amendment to section 34 corrects a typographical error in the paragraphing of subsection (3) and the amendment to section 35 updates the offence of unqualified persons practising in Gibraltar. So a person not enrolled as a barrister or solicitor in Gibraltar, who exercises or holds themselves out to exercise a right of audience before any Gibraltar court, or carries on or holds himself out to carry on any activity which under any enactment is restricted to barristers or solicitors or both, or provides or holds himself out as able to provide for reward legal services of any description in or from within Gibraltar to members of the public or businesses generally, then such a person would be guilty of an offence and is liable on summary conviction to a fine at level five on the standard scale.

Mr Speaker, I want to give notice of an amendment I am proposing to make, a minor amendment, which has just arisen and which I propose to make at Committee, and that is to clause 1 in its title and commencement.

Clause 1 provides that the Act will come into operation on 1st July 2015. There are currently, Mr Speaker, a number of petitions for call to the Bar before the Gibraltar Court. I understand and I expect that all those petitions will be heard and be decided on before 1st July, but what we want to do is simply make an amendment to this to allow a little bit of flexibility in case there is any slippage of two or three

85 days. We would not want an Act which comes into operation on 1st July to interfere with petitions which are already and currently before the Supreme Court if they are already being dealt with, as I understand they are.

90 So therefore I will be proposing that that should be amended to a day appointed by the Government by notice in the *Gazette*, with different days appointed for a different purpose, which is a standard phrase that we use. If there is slippage, the intention is still that the Act be commenced on 1st July, but if there is a one or two day slippage then we will have that flexibility so as not to interfere with pending cases before the Supreme Court.

Mr Speaker I commend the Bill to the House.

95 **Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of the Bill?

**Hon. S M Figueras:** Yes, Mr Speaker, I rise to say that this side of the House will be supporting the Bill and mostly really to reminisce of how it used to be. Certainly, I remember during the Bar year, knowing that we had the advantage that we did over our English counterparts in returning to Gibraltar qualified as barristers and knowing that we would be enrolled and admitted immediately and that we would be able to start practising from the moment we arrived in Gibraltar.

100 The experience, Mr Speaker, of doing that and not having the training that this Bill contemplates introducing, was one of much stabbing in the dark, if I am honest, and I was at Hassans, which is not to say that there was more stabbing in the dark or less by any means, but there was obviously no formal training and that was the rule of the day and everybody got on and hoped and prayed that they were going to pick it up along the way. It was only really down to the generous giving of time of some of the practitioners – many actually in most cases – in the firms that we were able to find our way through the mine field, because of course we would return from the UK with much fresh in our minds that we promptly had to disregard to learn something new, particularly in the companies context where our Bill was based on the English 1929 Act, and that is certainly not what we had been taught in the UK.

105 So I certainly welcome this. I understand as well that concerns that have been raised by relevant bodies have been addressed. In relation to the academic course, I have had the opportunity of discussing with the Hon. Minister what that course might entail and the practitioners that might be cast with providing it and I have to say it is exciting, certainly from this side of the House, as I am sure it is from theirs.

The fact that the training requirements will be equalised between barristers and solicitors is probably going to be of benefit to the profession because of course, as we all know, so much of our work is solicitor-style work that it seems only right that the training requirements should be equalised, and that will likely have the effect that more people choose not to don a wig during their professional training in the UK and return probably a little better prepared for the style of practice that is prevalent in this jurisdiction.

120 This side of the House has no problem with the amendment proposed by the Hon. Minister and I look forward to seeing how the training develops and learning of its delivery in the new academic year.

**Hon. G H Licudi:** Mr Speaker, we are grateful for the support of the other side of the House and the words of the hon. Member.

125 These new requirements, which as I mentioned have been the subject of consultation and agreement with the Bar Council and consultation also with the Chief Justice, have generally been... or rather have been universally accepted and received with glee by all members of the profession, certainly everyone that I have spoken to and I am aware. *(Interjection)* Yes, well members of the profession. *(Laughter)* That is why I say by all members of the profession.

130 The hon. Member has mentioned that concerns were raised by relevant bodies and in fact no concerns have been raised, certainly to me, by any member of the profession. There was some correspondence by a group of students, who were now going to be required to comply with these requirements and to that, correspondence separate and individual replies were given by myself, by the Chief Justice and by Melo Triay as Chairman of the Bar Council. So we each addressed all those issues and we have not heard any further; therefore I hope that they are satisfied with the responses that they have received.

135 As the hon. Member has mentioned, the system we had is that to return to Gibraltar you are called to the Bar and in some cases thrown in at the deep end with no form of practical training; but that in itself was not so much the problem. The anomaly of solicitors having to do two years and barristers having to do no practical training at all when they were *both* doing the same job and in particular barristers doing the work of solicitors, that was something that needed to be corrected. What we have done is reduce the time that solicitors have to do from two years, as they are required to do in the UK, to one year and increase what barristers have to do from nothing to one year. So it is a compromise. So it harmonises and also adds the new and exciting prospect of a brand new academic requirement in Gibraltar Law, which has never existed.



145 I would add, Mr Speaker, just to end, that this new academic course, although it is a requirement for those who want to practice and be called to the Bar, it will in fact be open to everyone, whether you work in financial services, banking, gaming or anywhere else, and you want to have an oversight of what Gibraltar Law is about in any field, then that is something that anyone can enrol.

150 I would commend the course to the hon. Member. We would be very happy to see him at the University as from September.

**Mr Speaker:** I now put the question, which is that the Bill for an Act to amend the Supreme Court Act be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Supreme Court (Amendment) Act 2015.

## COMMITTEE STAGE AND THIRD READING

### Supreme Court (Amendment) Bill 2015 – Committee Stage and Third Reading to be taken at this sitting

155 **Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

160 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

## FIRST AND SECOND READING

### Fair Trading Bill 2015 – First Reading approved

165 **Clerk:** A Bill for an Act to establish and provide for the functions of the Office of Fair Trading and the Office of Fair Trading Commission; encourage businesses to comply with consumer law and improve their trading practices; streamline and simplify the trade licensing system and re-name the modernised system as business licensing; establish enforcement powers for the Business Licensing Authority, being part of the Office of Fair Trading, in cases of non-adherence by licensees; establish a single point of contact as part of the business licensing procedure; amend the law relating to the protection of the collective interests of consumers; enable action to be taken against conduct which may significantly harm the interests of consumers; and for purposes connected therewith.

170 The Hon. the Minister for Business and Employment.

175 **Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, I have the honour to move that a Bill for an Act to establish and provide for the functions of the Office of Fair Trading and the Office of Fair Trading Commission; encourage businesses to comply with consumer law and improve their trading practices; streamline and simplify the trade licensing system and re-name the modernised system as business licensing; establish enforcement powers for the Business Licensing Authority, being part of the Office of Fair Trading, in cases of non-adherence by licensees; establish a single point of contact as part of the business licensing procedure; amend the law relating to the protection of the collective interests of consumers; enable action to be taken against conduct which may significantly harm the interests of consumers; and for purposes connected therewith be read a first time. It reads like a speech actually.

180 **Mr Speaker:** I now put the question, which is that a Bill for an Act to establish and provide for the functions of the Office of Fair Trading and the Office of Fair Trading Commission; encourage businesses to comply with consumer law and improve their trading practices; streamline and simplify the trade licensing system and re-name the modernised system as business licensing; establish enforcement powers for the Business Licensing Authority, being part of the Office of Fair Trading, in cases of non-adherence by licensees; establish a single point of contact as part of the business licensing procedure; amend the law relating to the protection of the collective interests of consumers; enable action to be taken against conduct

which may significantly harm the interests of consumers; and for purposes connected therewith be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

190 **Clerk:** The Fair Trading Act 2015.

**Fair Trading Bill 2015 –  
Second Reading approved**

**Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, I move that the Fair Trading Bill be read a second time.

It is both a pleasure and a privilege to have the opportunity to present to Parliament what I am sure this House will agree, is a project that will, amongst other things, take that leap in easing the administrative burdens of establishing a business in Gibraltar.

The Fair Trading Bill and the establishment of an Office of Fair Trading in Gibraltar have been in the making for the better part of three years, due to the breadth of our research and consultation. Mr Speaker, with your indulgence, I will abbreviate the Office of Fair Trading to OFT during the course of this speech.

As some Members of the House are already aware, the OFT is a statutory regulator, set up by Her Majesty's Government of Gibraltar as a watchdog to protect consumer interests and ensure that a fair marketplace is adhered to by all businesses. It will study the market, issue information and educational guidance, enforce consumer protection law, prohibit practices that significantly harm consumer interests and simplify the licensing regime.

Mr Speaker, I must at the outset thank the hon. Member opposite, Mr Damon Bossino MP, for reading the Bill and for his very useful suggestions, most of which I am sure he will be pleased to learn have been incorporated in the Bill.

Mr Speaker, for the most part our differences are highlighted in public and not our agreements or collaborations. I therefore wish to highlight that Members of this Parliament can and do in fact work together and in this instance our joint endeavour is to draft better law, which can only be of benefit to our community.

Mr Speaker, leaving aside my gush for my partisanship, I should note that on 18th March of this year, our officers of the Department of Business and Employment held and open seminar on the OFT. It was clearly the collective opinion of the participants that the Bill should commence as soon as practicable and that the introduction of best practice guidance could not be introduced soon enough.

The general consensus after all the research and feedback received was that the following three elements would be essential to the success of the OFT: licensing, which is currently out of date; regulation, which is not fully in place; and enforcement, which is not currently in place.

The purpose of this speech, Mr Speaker, is to set out how the Bill, when put together, will form the legal premise from which Gibraltar's OFT is launched, standing proudly at the forefront of the Government's regulatory revolution for consumers and businesses alike.

Part 2, Mr Speaker, establishes the Office of Fair Trading, as well as its duties and functions. At the end of each financial year, clause 4 requires that the OFT assesses performance and any relevant developments throughout the year, as well as the extent to which it has met its main objectives in the form of an annual report which must be laid before this House. The OFT has a duty to obtain and provide information to the public as to its functions and consumer protection measures. It is envisaged that the OFT will be active in its informative role and will engage the public by publishing educational materials and carrying out educational activities.

The OFT will review commercial activities that relate to goods or services supplied or offered to consumers in Gibraltar in order to become aware of any practices that could significantly harm the interests of consumers. The OFT is not there merely to act as an after-the-event type of complaints handler; it will be active and forward looking in its approach and engage with the general public. It will strive to improve potential for growth in an environment that is well regulated, neutral and fair for all involved. In this spirit, the OFT is granted a power under clause 7 to formulate proposals as to any aspect of the law or proposed changes.

The OFT Commission – known in the Bill as 'the Commission' – is the quasi-judicial body of the OFT established by clause 10. It is responsible for implementing decisions, upholding consumer law and hearing referrals from the OFT alleging that a person or business has significantly harmed consumer interests. The Commission does not initiate inquiries independently; all of its activities are undertaken following a reference to it by the OFT or a Minister.

240 On issues of law, the Commission has the power to refer a case for the opinion of the Supreme Court under clause 15 of the Bill. In this respect, the rules of the Supreme Court apply to the Commission in the same way as it would apply to the Magistrates' Court.

245 Part 4 of the Bill allows for complaints to be made to the OFT, either by individuals or designated consumer bodies. Designated consumer bodies are appointed by the Minister and published in the *Gazette*. Consumers may not always have the knowledge or information necessary to judge whether markets are failing them, known as information asymmetry. The Bill therefore allows for designated consumer bodies to make a super complaint to the OFT, while they consider that a feature or a combination of features of a market for goods or services is significantly harming consumer interests. In that way the designated bodies on behalf of consumers refer the matter to the OFT. They are a fast track to ensure that these complaints are considered within a shorter time period, being 90 days from the receipt of all information relating to the complaint.

250 By virtue of clause 19, a consumer or a business may also make a complaint to the OFT. The ability for businesses to also be able to make a complaint is important. For this reason the definition of 'consumer' in the Bill includes persons who are acting for the purposes which are wholly or mainly outside of the businesses – for example, goods bought by individuals primarily for their own personal needs, but also for their businesses, are also afforded protection under the Bill.

255 If the OFT has reasonable grounds for suspecting that any feature or combination of features of a market in Gibraltar for goods or services is or appears to be significantly harming consumer interests, it may refer the matter, in accordance with clause 20, to the Commission for review. The Minister may also make a reference to the Commission where he is not satisfied with a decision of the OFT not to make a reference, or where the Minister has brought information to the OFT's attention that he is not satisfied, or she is not satisfied, that the OFT will decide to make a reference. The content to be included in references to the Commission, such as the place where the goods or services are supplied or acquired or the persons by or to whom they are supplied, are more particularly set out in the Bill.

260 Before the OFT makes a reference, it will use its best endeavours to communicate with that person and obtain from them an assurance in the form of an undertaking. An undertaking is a satisfactory written assurance given by the person concerned that they will refrain from behaving in the manner described as being significantly harmful to consumer interests. The undertaking may be extended to an individual to refrain from such behaviour or by a body corporate, as a director, manager or similar officer, or has a controlling interest in the company.

270 The OFT can investigate and ask the relevant business to give evidence and, at clause 24, to help decide whether a reference is necessary. An undertaking in lieu of reference will come into force when accepted by the OFT. It may be varied or suspended by another undertaking or may be released by the OFT. No reference will be made in relation to any feature or combination of features of a market if (a) the OFT has accepted an undertaking within the previous 12 months; and (b) the goods or services fall within the same description as the goods or services described in the reference. This will not stop a reference being made to the Commission, however, if the OFT considers that an undertaking has been breached, a reference may still be made where the person giving an undertaking supplied false or misleading information to the OFT.

275 Mr Speaker, one of the main criticisms of the UK's OFT model was that it failed to actively identify risks of malpractice, instead relying on complaints from consumers and information from other third parties and it is for this reason that Gibraltar's Fair Trading Bill has introduced street level consumer protection officers. The CP enforcers' primary role is to protect the collective interests of consumers and ensure a level playing field for all businesses. The enforcers will be required to: monitor and check advertisements for accuracy; visit businesses to review the practices and inspect weighing and measuring equipment used for businesses; inspect and test goods for safety; check licences to ensure they are in place and up to date; ensure that no person is selling goods to consumers without a licence; and act and investigate conduct that could appear to harm consumer interests.

280 In order to provide and impose effective deterrents, the OFT must be active on enforcement. If a business has conducted itself in a way that could be significantly harmful to consumers, the OFT will consult such business to try and remedy their harmful conduct at an early stage. If this fails the Commission will become involved. An enforcement order issued by the Commission would name the suspected person who was engaged in conduct that significantly harms consumer interests. It will direct the person to comply with the content of the order sometimes within a specified time period.

290 Businesses, Mr Speaker, need not fear the law however. The OFT will, as soon as is reasonably practicable after the data is sent, prepare and publish advice and information explaining the provisions relating to CP enforcers and indicating how the OFT expects such provisions to operate. At both seminars held this year, such explanations and guidance were put forward and discussed with the attendees. Any person aggrieved by a decision of the OFT, the Minister or the Commission in connection with a reference, may appeal to the Supreme Court, but an appeal may *only* be brought on a question of law and an appeal must be made within 28 days of the Commission's decision.

Mr Speaker, part 9 deals with business licensing and is therefore an important and central component of the Bill. The Trade Licensing Act 1978 will be repealed upon implementation of the Fair Trading Act, which makes the way for a modern and streamlined business licensing procedures. In line with the improvements of a licensing regime, we have replaced the term 'trade licence' with the modern equivalent, a 'business licence'.

Mr Speaker, the revised licensing provisions are forward thinking and in line with European Union requirements. A prime example of this is the new statutory presumption that an applicant will be able to carry on business in Gibraltar, subject to obtaining the required licence. There is also a presumption that a licence will be renewed subject to there being no breaches of the terms of the licence having taken place.

Trade licences previously run in calendar years from 1st January to 31st December. Under the Bill, a licence will continue in force for one year from the date it is issued and will thereupon expire.

The OFT, Mr Speaker, will cover a wider reach of businesses and services to avoid incidents of unlicensed malpractice. From feedback received from the industries, those who did abide by the existing regulatory regime often felt cheated by those who are able to avoid regulation by selling goods or providing services without a licence. Gibraltar needs to ensure a fair playing field, not just for the benefit of consumers, but equally as importantly for businesses as well. The ability to licence sellers of goods is invaluable as a consumer protection tool. Licences will not only cover trade, but also services of any kind not already catered for under existing legislation. In other words, all businesses and services not regulated under Gibraltar legislation are caught by the Bill.

As the law currently stands, a licence can only relate to a single property. Under the Bill, however, the Licensing Authority has a discretion to allow more than one licence over a single premises. To do so, the Authority will need to be satisfied that the existing licence can co-exist in a compatible manner with a licence to carry on business of a different type at the same premises.

Further, Mr Speaker and as a vitally important step forward, the requirement to have premises may be waived entirely in cases where the Licensing Authority is of the opinion that such businesses do not need premises in which to operate, such as, but not limited to, online services. To protect the OFT's position, a person who knowingly gives any false information when applying, or with regard to an application to object, will face a fine of up to level 3 on the standard scale. Previously, Mr Speaker, there was no administrative procedure for a licence to extend the licence, which led to existing licence holders making manuscript amendments to a new application. The new Act corrects this.

In order to encourage productivity and enterprise in Gibraltar, provision of licences may be granted to start-ups. The pre-condition for such a provisional licence is that the applicant has premises that are being or will be constructed for the purposes of being used for a business in Gibraltar. Provisional licences may also be granted where premises are being altered for the purpose. The provisional licence would only be granted on the condition that such premises are fit for use within 12 months from the date of issue of the provisional licence, following which the provisional licence automatically expires.

The new Bill, Mr Speaker, removes the statutory discretion to refuse a licence on the basis that the needs of the community in Gibraltar, or in the area of where the trade or business is to be carried on, are adequately provided for. This removal reduces the risk of monopolies and provides consumers with a greater variety of competitively priced goods and services in accordance with Directive 2016/123/EC on the services in the internal market.

In the spirit, as well, of the EU Services Directive, member states should facilitate the establishment of productivity in new business. As a result, in addition to the reduced grounds under which a person may launch an objection, the Bill also introduces a filing fee payable upon the lodging of any objection. Business licence hearings, Mr Speaker, were previously held on an *ad hoc* basis, usually once a month. These meetings must now be held at a minimum of fortnightly intervals and whereas the previous trade licensing meetings were called to consider all applications, the Business Licensing Authority will *only* call for a hearing if either of the following circumstances are met: that it is deemed necessary for the purpose of considering the applications or where an objection has been received.

Mr Speaker, it is imperative that the licensing hearings are carried out in an objective and impartial manner and for this reason any person who has a disqualifying interest in the matter being heard, being for reasons of financial interest, having an interest in a competing business, organisation or relationship, or personal relationships, will be prohibited from considering the application, which allows the Authority to alert itself to potential risk of conflicts at all times.

Mr Speaker, also in an important modernisation and overhaul of the current system, the concept of business licensing will be revolutionised by the introduction of an online area for information, forms, payments and advice in relation to business licensing. Increasingly, Mr Speaker, daily tasks are carried out online and this Government is steadfastly committed to introducing the legislative and logistical structure to accommodate the digital era. The information that a Government places in the public domain forms a crucial part of our engagement with the general public. The introduction, therefore, of an online information

portal and the new online business licensing system will steer us towards the technologically modern way we intend to conduct our business.

In line with the EU Services Directive, Mr Speaker, there will also be an office within the OFT known as the Single Point of Contact. The Single Point of Contact aims to drastically ease an applicant's administrative burden. This will become the first port of call for new businesses that intend to set up in Gibraltar. The Single Point of Contact is a convenient one-stop shop providing information and guidance on the various licensing and registration requirements, historically handled by a multitude of Government Departments. An applicant will be able to collect and complete these forms at the Single Point of Contact. Whereas previously forms had to be delivered to several different locations, the Single Point of Contact will also accept completed forms and redistribute them. It sets out that these forms may relate to a business licence, town planning permits, environmental health permits, registration as a business, trade or profession and registration for tax and social insurance.

The Single Point of Contact provides applicants with all information and procedural formalities by electronic means, so that these can be accessed and completed remotely as well as manually. The facility will also include the provision to help and support electronically and/or by telephone for its users in accordance with clause 98.

Mr Speaker, schedule 3 of the Bill is divided into two clearly distinct parts, both of which cover areas that require a licence under the Bill. Further, any category whose business involves handling client monies or holding financial deposits for clients will be required to evidence to the OFT that the business has put in place a separate client account within three months from the date of issue of the licence.

The Minister has the power to issue codes of conduct or consumer codes as guidance for certain categories of licence holders to follow in their practice. The codes, which we are to publish in conjunction with the opening of the OFT, are comprised of a consumer code for estate agents, a consumer code for travel agents and a consumer code for all those licenced businesses that require a client account under the Bill.

Mr Speaker, to conclude, the Government has worked earnestly to bring into fruition the legislative provisions of the Fair Trading Bill in a way that is capable of being read by the non-legal person and avoids legal jargon. By its simplicity, the legislation marks the passage of the piecemeal consumer protection currently found in our law and ushers in a modern and unified area of consumer protection, complaints redress and enforcement. We also ensure a fair level playing field for businesses by mandating that all businesses play by the same rules and that no one inures an unfair advantage.

Further, in the spirit of the European Union Digital Single Market, Gibraltar is taking bold steps to create an open and flexible market within the supervisory and regulatory framework established by the OFT. Our outdated trade licensing legislation and lack of consumer enforcement powers did not match our aspirations for economic growth.

Gibraltar, Mr Speaker, must strive to maintain choice in our markets and allow for new businesses to flourish. We aim to give applicants access to services at a single point of contact, without having to resort to paper-based processes delivered throughout Gibraltar. By digitising information services and allowing consumers to submit applications for business licences online, businesses would be able to establish themselves much more efficiently. I believe that this legislation caters for the dynamic nature of the digital economy in which we live.

I also firmly believe that the new streamlined application system and Single Point of Contact will be an effective way to bring fresh ideas and business to Gibraltar. Making life simpler makes doing business a more user friendly experience for those involved and provides consumers with greater choice. After all, Mr Speaker, the less time that business people spend lodging applications, the more time they will have to dedicate to their businesses.

Mr Speaker, I commend the Bill to the House.

**Several Members:** Hear, hear. (*Banging on desks*)

**Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill?

**Hon. D J Bossino:** Mr Speaker, yes, just to thank the Hon. Minister for the recognition of the work done by the Opposition. I am grateful for that, and he knows that this side of the House will be supporting the Bill. He heard me yesterday during the course of my intervention in relation to the Appropriation Bill.

So going into the meat of things, Mr Speaker, just to raise a few points which arise from my further very quick review of the second incarnation of the Bill, I would refer him – if he could take a note perhaps in his reply later on and give an explanation or assistance – in relation to the words in clause 10... does he have it, it is clause 10(2) and it reads:

‘The function of the Commission is to ensure a level playing field between businesses for the benefit of consumers and the economy.’

I think he may recall that during the course of our discussion – and this is one of the clauses which has survived in the new Bill – I think I mentioned that I found some difficulty with those words because – and I know that the intention has been because he has told me throughout that the wording should be as non-legal as possible, but I think, certainly in my mind in many respects it has given rise to more complications than less and perhaps he give some explanation as to whether there is any case law or any form of guidance as to what that will mean in practice and legally.

Moving on, Mr Speaker, I am glad to see in clause 20 the removal of some of the tests which were reflected in the wording used in relation to references to the Commission. I think it was a very confusing in the first draft of the Bill where it referred to preventing, restricting and distorting good consumer practice or fair trading. I think that has now been changed to – if the House bears with me – significantly harming consumer interests. Perhaps, if he could confirm in his reply that that is the uniform test, which applies irrespective of the matter that is being addressed in the particular clause in the Bill, whether it is a reference of the OFT Commission or any other rules. I think the test is now standard and the test now is significantly harming consumer interests, but I would be grateful for his confirmation in relation to that.

Moving along, again, from a quick review of the Bill, I see that that the erroneous cross references to the previous clauses have also been addressed, which is very useful indeed.

Mr Speaker, if I could ask the Minister also to take a note of this particular clause – it is clause 28(5)(b) and I will just double check that it is still there in the new Act... I think it was when I saw it – where it reads:

‘For the purposes of this part a benefit is a consumer benefit’

I will ignore (a)...yes, so it would read:

‘For the purposes of this part a benefit is a consumer benefit’

Then you have got (a):

‘if it is a benefit for consumers...’

– blah, blah, blah.

And then (b) it says:

‘The Commission believes that...’

I am not sure that the wording quite flows as nicely as it should there, because I think that (a) and (b) ought to be read disjunctively. So you read the first bit:

‘For the purposes of this part a benefit is a consumer benefit’

And then it goes on –

‘The Commission believes’

I think there maybe something missing there.

Then if he could give an explanation of (b)(i) and (ii) which again I think survives, where it says –

**Hon. N F Costa:** Will you give way?

**Hon. D J Bossino:** Yes, of course.

**Hon. N F Costa:** Mr Speaker, just on that point, if I am following the hon. Gentleman correctly, I am referring to section 28, subsection (5)? (**Hon. D J Bossino:** Yes.)

Well, it reads:

‘For the purposes of this part a benefit is a consumer benefit –  
(a) if it is of benefit to consumers or future consumers in the form of –’

Then it has paragraphs (i) and (ii) and:

‘The Commission believes...’

**Hon. D J Bossino:** Yes, he is absolutely right, and that clarifies completely the point that I was making.

But in any event (b)(i) and (ii), I do not necessarily need to read the entirety of that clause, but I thought when I first read it, Mr Speaker, that the wording was rather woolly and I did not quite understand it. Maybe if he could specifically home in and focus on that particular section and provide the House with some explanation for its current existence in the Bill in its current form.

Clause 70, subsection (4), again I am very happy to see the drastic tidying up that we see there, because I think in the original draft of the Bill... yes, in the original draft of the Bill I think we had erroneous references. I see that Miss Miles, who assisted the Minister in relation to the drafting, who but is nodding her head. I think it was a very specific to the death of a licence holder and it has now been made much wider and I think as it currently stands, Mr Speaker, it now works. It now very definitely works and it makes it much more user friendly.

Just a final point, Mr Speaker, and perhaps this is a point I could have raised at the Committee stage, but in schedule 2(5), this is a point... yes, probably more properly raised... can be raised – but at least I can give him notice, and maybe it is an amendment that he could himself suggest. *(Interjection)* It is schedule 2 at 3(5) to be precise and it reads:

‘The Chairman of the Commission may be removed from office only for inability to discharge the functions of his office...’

– I will forget the brackets –

‘or for misbehaviour and shall not be removed except in accordance with subparagraph (5)’

So it is not clear which subparagraph (5) it is referring to. Is it that paragraph? Is it that subparagraph itself? Maybe it should just simply read ‘in accordance with this paragraph’ or ‘this subparagraph’. It is just a suggested wording, but I think it may be a bit of a nonsense as it currently stands. *(Interjection)* Thank you. You are so kind.

I think that is the end, Mr Speaker, and I am grateful.

**Hon. S M Figueras:** Mr Speaker, yes, I am grateful for the opportunity to contribute to this debate.

Mr Speaker I would ask a specific question in relation to schedule three in the business licensing classes and in particular to clause (b)(6) which is drafted as online services provided from Gibraltar. I appreciate that I have not given notice to the hon. Member, because I have not actually looked at it until today *(Interjections)* Well, it is not my area of responsibility, so hardly that shameful, Mr Speaker. *(Interjection)* Schedule 3 (b)(vi) and I am very happy that I have decided that I will make the comment that I will declare just in case, because *asi esta el ambiente* that a potential interest because it is... Isolas is the firm for which I work that has drafted this and so I just put that out there so that you are aware of it before I raise the point, because it is not a point in any event. I will revert to the point and sit down quickly because I can see that the longer I stand, the longer I am a target, Mr Speaker.

‘Online services provided from Gibraltar’ strikes me, Mr Speaker, as being very wide and in capturing all online services. Mr Speaker, the hon. Member may or may not be aware that there are websites out there that are special interest blogs and special interest web publishing where the income from which websites is purely affiliate marketing commissions based, and therefore it is not a service, as such. I wondered when I saw it, given my particular interest in that kind of activity in any event, whether it might be possible perhaps to suggest an amendment that might exclude that kind of business. Again, I appreciate the lateness of the notice, but it may be something to think about at this stage because, Mr Speaker, you see that is the kind of activity where many entrepreneurs might start out in online business, as such. They may be writing about the subject that they are interested in and they may be able to generate some income as a result of the availability, the very easy availability of online affiliate marketing initiatives.

I would suggest, Mr Speaker, and it is something for the hon. Member to consider, whether perhaps we might be able to exclude services other than special interest web publishing, where the income arises exclusively from affiliate marketing commissions. Again, I leave it to the hon. Member to consider. I have drafted a potential amendment to that clause and would move it if he considers it relevant. In fact, if he would like to have a quick word about it behind the Speaker’s chair, if that is appropriate, Mr Speaker, then I am more than happy to do that too.

**Hon. N F Costa:** Mr Speaker, I will take first the Hon. Mr Bossino’s questions to me.

In the first place, he asked me about the reasons why at clause 10, subclause (2), the specific reference to level playing field, and I think that I have explained during the course of my speech and in my discussions with him over the phone and in my office that the main thrust of the Office of Fair Trading Bill

530 actually, interestingly, was not so much from consumers, but from businesses. It is the legitimate complaint and gripe of licenced businesses who play fairly by rules and by certain codes of conduct that there were other players within the Gibraltar market who were not playing by the same rules or by the same conduct. Therefore, whereas there is no case law because that part of the Bill is specifically from us – drafted by us – I do not think that it will be a difficult point on which the Supreme Court will be able to adjudicate, for that  
535 simple reason, and for the reason that the schedule – I believe it was schedule 3 – sets out all of the businesses that are to be licenced by this Act. But in the body of the Bill it also says that the licences to be issued by the Business Licences Authority are for those businesses which are not already caught or covered by other legislation – Financial Services legislation and the Supreme Court Act for Barristers and Solicitors. So we are talking, by exclusion, of a set of businesses not already covered and therefore the Supreme Court  
540 I think will have a very easy time to be able to determine whether the business falls under schedule 3, whether it is a business that needs to be licenced as a result of that schedule, and because it is not covered by any other enactment. Therefore all that the phrase does is ensure that everyone, who is not already covered and should be covered, *is* covered, so that no business gets away with not playing by the same rules.

545 In respect of consumer interests, he is absolutely right when he says that the consumer interest test is the standard test throughout the entirety of the Bill.

In respect of the mismatch of cross references, as the hon. Gentleman knows, and as I explained, because of the numerous numbers of drafts, there were certain sections which did not correctly cross reference to others and I am grateful to him, as I told him in my bipartisan gush speech, for pointing that out  
550 to me.

In respect to the Hon. Mr Figueras, in the first place to remark about his preface to the question, there is very good *ambiente* in this House; and secondly, if he were to – (*Interjection by Chief Minister*) At the risk of irking the Hon the Chief Minister, who is already alerting me to the fact that he does not like this level of bipartisanship, if he puts to me a proposed amendment, I will be more than happy to consider it by the time  
555 we get to the Committee stage.

**Hon. D J Bossino:** Will you give way?

**Hon. N F Costa:** Yes, of course.

560 **Hon. D J Bossino:** Just before he sits down, I think, unless I missed it, there is one point which I think he has left out, which is an explanation in relation to the wording in 28(5)(b), did I miss that?

Also, it just occurred to me when he was speaking about the home grown wording in relation to a level playing field, I think in his discussions he told me that there was some EU Directive influence in relation to  
565 this. Is that correct? No? Do you remember when we discussed about it, it did not actually feature in the first pages of the Bill and...

**Hon. N F Costa:** Yes, Mr Speaker. My discussions with the hon. gentleman, although not seared in my mind as having been unpleasant, I do remember what we spoke. The EU Services Directive comes in in the  
570 points that I pointed out in the speech, which are essentially the Single Point of Contact and also making sure that the grounds that said that you could not set up a business if that particular area of Gibraltar was already catered for, had to be abolished because it was deemed to be anti-competitive.

In respect of section 28(5) subparagraph (b)(ii), the Commission will always have to carry out a balancing exercise and there will be occasions where a particular market feature complained of has good  
575 aspects and bad aspects, and therefore the Commission will have to determine whether the good outweighs the bad.

**Mr Speaker:** I now put the question, which is that a Bill for an Act to establish and provide for the functions of the Office of Fair Trading and the Office of Fair Trading Commission; encourage businesses to  
580 comply with consumer law and improve their trading practices; streamline and simplify the trade licensing system and re-name the modernised system as business licensing; establish enforcement powers for the Business Licensing Authority, being part of the Office of Fair Trading, in cases of non-adherence by licensees; establish a single point of contact as part of the business licensing procedure; amend the law relating to the protection of the collective interests of consumers; enable action to be taken against conduct  
585 which may significantly harm the interests of consumers; and for purposes connected therewith be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Fair Trading Act 2015.



**COMMITTEE STAGE AND THIRD READING**

**Fair Trading Bill 2015 –  
Committee Stage and Third Reading to be taken at this sitting**

590 **Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

**Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

**FIRST AND SECOND READING**

**Gibraltar Land Titles (Amendment) Bill 2015 –  
First Reading approved**

595 **Clerk:** A Bill for an Act to amend the Gibraltar Land Titles Act 2011.  
The Hon. the Deputy Chief Minister.

**Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, I have the honour to move that a Bill for an Act to amend the Gibraltar Land Titles Act 2011 be read a first time.

600 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Gibraltar Land Titles Act 2011 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Gibraltar Land Titles (Amendment) Act 2015.

**Gibraltar Land Titles (Amendment) Bill 2015 –  
Second Reading approved**

**Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, I have the honour to move that a Bill for an Act to amend the Gibraltar Land Titles Act 2011 be read a second time.

605 In accordance with a manifesto commitment, as listed in page 19, this Bill makes various amendments to the Gibraltar Land Titles Act 2011, to address concerns of legal practitioners with respect to registration of deeds.

610 When the Act was commenced, together with its accompanying regulations, it introduced significant procedural changes, with the aim of tightening up the regime of registration of deeds. Many lending institutions complained about the inordinate amount of time it took them to retrieve registered deeds, post-completion, from some legal practitioners. Registered deeds provide security to a lending institution against a loan or mortgage that it has given out and it is understandable that the said institutions would want them in their safe keeping immediately after. In order to rectify the situation and allay fears held by lending institutions, the Act came about.

615 Problems arose when the transitional provisions commencing the Acts and deadlines – where unregistered deeds were to be registered before the new Acts came into operation – were not achieved by some legal practitioners. In order to rectify the situation, pursuant to the Acts, they would have to make an application for late registration to the Supreme Courts. They claim that this was burdensome, an expense they had not catered for and that it was unfair.

620 I take this opportunity to advise the House that the Bar Council has been consulted before this Bill was presented to Parliament today, with submissions received from only two lawyers advocating a complete overhaul of the land registration system which has existed in Gibraltar since 1888. The merits and costs of moving away from the current system is something which may be explored as a long-term project. It will take more detailed consideration and was not in our election manifesto. In the meantime, and in the light of  
625 the manifesto commitment, the Bill contains the main changes to deal with the concerns raised by legal practitioners and the Registrar of Land Titles at the time.

Mr Speaker, I commend the Bill to the House (*Banging on desks*)

**A Member:** Hear, hear.

630 **Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill?

I now put the question, which is that a Bill for an Act to amend the Gibraltar Land Titles Act 2011 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

635 **Clerk:** The Gibraltar Land Titles (Amendment) Act 2015

## COMMITTEE STAGE AND THIRD READING

### Gibraltar Land Titles (Amendment) Bill 2015 – Committee Stage and Third Reading to be taken at this sitting

**Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

640 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

## FIRST AND SECOND READING

### Private Trust Companies Bill 2015 – First Reading approved

**Clerk:** A Bill for an Act to make provision for the voluntary registration of private trust companies and for matters related thereto.

The Hon. the Minister for Financial Services and Gaming.

645 **Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, I have the honour to move that a Bill for an Act to make provision for the voluntary registration of private trust companies and for matters related thereto be read a first time.

650 **Mr Speaker:** I now put the question, which is that a Bill for an Act to make provision for the voluntary registration of private trust companies and for matters related thereto be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Private Trust Companies Act 2015.

### Private Trust Companies Bill 2015 – Second Reading approved

655 **Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, I have the honour to move that the Private Trust Companies Bill 2015 be now read a second time.

660 Mr Speaker, private trust companies, or PTC's, may already be established in Gibraltar. Any limited company may act as a trustee provided that it is not carrying on a licensable activity. Typically, however, such a company will notify the FSC (a) that it has been formed to administer a trust settled by one or more individuals; (b) that this is its sole purpose; and (c) that it will not receive remuneration for providing trusteeship... in order to be able to act as a trustee of any one or more trusts, often the trusts of the family.

665 Mr Speaker, while this provides a simple and cost-effective process for establishing a PTC, the lack of a formal registration procedure sometimes prevents clients and intermediaries from recommending Gibraltar as an appropriate jurisdiction for the incorporation of a PTC as there is no legislative or regulatory framework from within which the PTC is formally recognised and can operate. Introducing a law to govern the operation of PTC's will provide greater legislative protection and certainty and encourage potential clients to consider Gibraltar as an attractive jurisdiction in which to establish a PTC structure.

At present Gibraltar is at a disadvantage compared to other international financial centres, which have made specific provisions for PTC's in their legislation. Indeed, Mr Speaker, it is appropriate to report and to mention to this House that the Society of Trust and Estate Practitioners, who have been promulgating this legislation together with a series of other Bills, some of which we will be considering today... some seven years ago – are delighted at the steps that we are taking. There are numerous benefits to appointing a PTC as a trustee of a trust in place of professional individuals or licenced professional trustees.

Mr Speaker, I must also mention the approach that we have adopted towards implementing this legislation. A mandatory registration regime could be unfairly and unnecessarily onerous, especially on PTC's in respect of which the cost of registration and renewal might be disproportionate to the size of the trust fund. We therefore felt that a voluntary system of registration would provide, for those who chose to submit to it, a legal framework within which a PTC could be officially established and operated, whilst at the same time provide flexibility for those seeking to opt out of it.

The legislation therefore fills a gap in Gibraltar's offering as an international finance centre without prejudicing those who may have felt caught by a mandatory system of registration. Notwithstanding the voluntary character of the PTC regime however, Mr Speaker, the proposed legislation provides for, among other matters, the establishment of a register, and for inspection of the register by members of the public and registration and renewal to be accompanied by a declaration of compliance.

Before I close, I should briefly mention that amendments have been notified to you, Mr Speaker, in writing and these largely comprise the correction of minor errors and stylistic changes; however, we also decided, after input from the Finance Centre Council, that it served no purpose not to include the name and address of the registered administrator in the register and that information will now therefore be fully available for public inspection.

Mr Speaker, the Government is confident that the legislation we are proposing will be of great addition to Gibraltar's trust offering especially, but by no means exclusively, in the context of family offices. Once again, Mr Speaker, the Government is indebted to the efforts of those individuals and firms, as well as the Committee, drawn from the private sector in bringing this Bill to fruition.

Mr Speaker, I commend this Bill to the House. *(Banging on desks)*

**Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill?

**Hon. S M Figueras:** Mr Speaker, yes.

The Opposition will be supporting this Bill, as it will be supporting the other two Bills, which effectively, as a package, deliver for the financial services industry in various different respects. Some very positive changes and initiatives, which many in the industry have agreed for a long time, were needed and probably overdue.

Certainly, Mr Speaker, the Bills have clearly been drafted in consultation with the relevant stakeholders and in that regard, having reviewed them, there is nothing we need to add to the debate, other than that to say that we, on this side of the House, welcome the arrival of these initiatives and look forward to benefiting, certainly in a professional context, from the advantages that this will bring in due course.

**Several Members:** Hear, hear. *(Banging on desks)*

**Mr Speaker:** I now put the question, which is that a Bill for an Act –

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, Mr Speaker.

**Mr Speaker:** Mr Speaker, sorry.

**Hon. G H Licudi:** Mr Speaker, I also welcome and will be supporting this Bill – *(Interjections and banging on desks)* That is, of course, no surprise, but I do so with a great deal of pleasure because this Bill, and as the hon. Member opposite has mentioned, the two Bills that follow – and I will not be making the same speech three times, hon. Members will be glad to know, which will be for the Purpose Trusts Bill and the Trusts (Private International Law) Bill – are good for business, good for the industry and generally good for Gibraltar. They have been much awaited and are needed tools to increase the range of products and armory that professionals in Gibraltar have to offer the financial services world.

I remember... and the hon. Member, Mr Isola, has mentioned discussions or steps promulgating these measures as far back as seven years ago, and I certainly remember being in private practice and having discussions with colleagues at Hassans and elsewhere about the need to include this type of legislation to the financial services offering that we already have in Gibraltar. I started work when I was Minister for

Financial Services in this area and I am very glad to see that my learned and hon. colleague took over that work and this now sees fruition during this term of office.

730 Gibraltar primarily, as we all know, Mr Speaker, is a services jurisdiction – that is primarily what we do. We offer services. We have a competitive world out there and the greater the range of products and the greater the range of tools that we have in Gibraltar, the greater our competitive edge. We are required to remain at the top of our game and for our professionals to remain at the top of their game by having the necessary tools and that is what we in Government are required to do: facilitate that work; work in  
735 partnership with a private sector; provide the tools that are necessary; promote the work of the industry and thereby to improve the offering of Gibraltar. That is how Gibraltar moves on. That is why we have got the resources we have in the Finance Department with the senior executives who go round, visit conferences and talk about what we do in Gibraltar and it is important that we come to this house and we enact these pieces of legislation so that that message gets out there and that Gibraltar continues to be recognised as the  
740 first class jurisdiction that we all recognise that we are and that we will continue to be for many years.

Thank you Mr Speaker.

**A Member:** Hear, hear. (*Applause*)

745 **Mr Speaker:** I now put the question, which is that a Bill for an Act to make provision for the voluntary registration of private trusts companies and for matters related thereto be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Private Trust Companies Act 2015.

## COMMITTEE STAGE AND THIRD READING

### Private Trust Companies Bill 2015 – Committee Stage and Third Reading to be taken at this sitting

750 **Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

**Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

## FIRST AND SECOND READING

### Purpose Trusts Bill 2015 – First Reading approved

755 **Clerk:** A Bill for an Act to make provision to allow for trusts for a purpose or purposes otherwise than for charitable purposes and for matters related thereto.

The Hon. the Minister for Financial Services and Gaming.

760 **Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, I have the honour to move that a Bill for an Act to make provision to allow for trusts for a purpose or purposes otherwise than for charitable purposes and for matters related thereto be read a first time.

**Mr Speaker:** I now put the question, which is that a Bill for an Act to make provision to allow for trusts for a purpose or purposes otherwise than for charitable purposes and for matters related thereto be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.  
765

**Clerk:** The Purpose Trusts Act.

**Purpose Trusts Bill 2015 –  
Second Reading approved**

**Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, I have the honour to move that the Purpose Trusts Bill 2015 be read a second time.

770 Mr Speaker, ordinarily a trust will contain identified or identifiable beneficiaries and the duties imposed upon trustees are owed to those beneficiaries. Charitable trusts established for one or more charitable purposes are a long held exception to this principle. With regard to non-charitable purposes however, the law has been slow to recognise that trusts have a role to play.

775 A number of finance centres therefore have taken steps in their legislation permitting the creation and enforcement of trusts, whereby the trustees hold property on trust to carry out specific purposes which do not qualify as charitable and this type of trust is usually referred to simply as a purpose trust. The Bill before Parliament will add Gibraltar to that list of jurisdictions, which includes Jersey, Guernsey and the Cayman Islands.

780 Mr Speaker, there are a number of purposes for which a purpose trust can be useful, which include to fill the charity gap. That is to say, to label purposes which cannot strictly be said to be charitable, but which equally do not require beneficiaries – for example, a request that a trust fund be used for the promotion of peaceful relations between nations.

785 To maintain control over family assets, such as when there is an aim to benefit family, but also to ensure the continuance of a business. A purpose trust might make certain that the benefit of the business is retained without interference from the beneficiaries and the beneficiaries could still receive dividends from the business without right to interfere.

790 Mr Speaker, you will see that the Bill has been carefully designed so as to ensure that, among other things, a purpose trust established in Gibraltar has purposes that are capable of being carried out and are sufficiently certain to be capable of being carried out. We have also made certain that at least one trustee of a purpose trust must be a licensed trustee.

This Bill also sets out particular powers that a trustee will need in the context of a purpose trust, such as, for example the discretion to formulate the means by which to give effect to the purpose of the trust.

795 Finally, the Bill also provides applications to Court by the trustees and other authorised parties, disappplies the rule against perpetuities in common with other jurisdictions that have adopted purpose trust legislation and also creates various offences for breaching various provisions of the Act.

800 Mr Speaker, this Bill is another example of how Government is ensuring the continued growth and success, not just of the trust industry and the financial services industry. As with the Trusts' firewall legislation and the Private Trust Companies legislation, I want to record my gratitude to the Private Sector Committee and those personally involved in the drafting this legislation for their work in bringing this to the House.

Mr Speaker I commend the Bill to House.

**Two Members:** Hear, hear. (*Banging on desks*)

805 **Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill?

I now put the question, which is that a Bill for an Act to make provision to allow for trusts for a purpose or purposes otherwise than for charitable purposes and for matters related thereto be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

810 **Clerk:** The Purpose Trusts Act.

**COMMITTEE STAGE AND THIRD READING**

**Purpose Trusts Bill 2015 –  
Committee Stage and Third Reading to be taken at this sitting**

**Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

815 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

**FIRST AND SECOND READING**

**Trusts (Private International Law) Bill 2015 –  
First Reading approved**

**Clerk:** A Bill for an Act to provide for certain matters of private international law in relation to Gibraltar trusts and for connected purposes.

The Hon. the Minister for Financial Services and Gaming.

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**Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, I have the honour to move that a Bill for an Act to provide for certain matters of private international law in relation to Gibraltar trusts and for connected purposes be read a first time.

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**Mr Speaker:** I now put the question, which is that a Bill for an Act to provide for certain matters of private international law in relation to Gibraltar trusts and for connected purposes be read a first time.

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

**Clerk:** The Trusts (Private International Law) Act 2015.

**Trusts (Private International Law) Bill 2015 –  
Second Reading approved**

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**Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, I have the honour to move that the Trusts (Private International Law) Bill 2015 be read a second time.

Mr Speaker, the trust industry worldwide is a large, mature and increasingly competitive one. In this marketplace many jurisdictions have enacted so-called firewall legislation, designed to attract substantial investments and deposited trust funds, by providing a secure environment in which local law trusts are free from attack by foreign laws and foreign courts.

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Typically, firewall legislation does two things. Firstly, it sets out rules that limit the circumstances under which any foreign law can affect a local law trust; and secondly, it prevents the enforcement of foreign judgments that undermine these principles. The Cayman Islands was the first major finance centre to enact such legislation in 1987 and remains a global leader in this field. In response, other centres have reformed their laws and many have since extended the scope of their firewall legislation beyond that of the Cayman Islands. For instance, Jersey has amended its trust law several times in recent years. Guernsey and Cyprus have also amended their legislation. Each successive amendment in each jurisdiction goes further that the last in the quest to provide world-leading protection.

840

In the Bill before you I believe we have struck the right balance between, on the one hand, too little protection, such that the legislation is unlikely to prove attractive in the global marketplace and unlikely to attract meaningful investment, and on the other hand, Mr Speaker, so much protection that we would risk being perceived as a haven for shielding assets. It will, of course, be appreciated that Gibraltar's position is unique. We are bound by EU regulations in the field of private international law, and in particular we are bound to recognise and enforce judgments from fellow EU member states, pursuant of Regulation EC44 2001 and EC4 2009.

850

Moreover, Gibraltar's position differs again from, for example, the Cayman Islands and Cyprus, and then the provisions of the Hague Convention on the law, applicable to trusts and their recognition, apply in Gibraltar. The Hague Trust Convention also applies in many other finance centres, including Jersey and Guernsey. The Convention states that the law chosen by a set law applies to almost all issues relating to the trust once created, but does not apply to preliminary issues necessary for the creation of the trust.

855

Importantly, the Convention also contains a number of exceptions in favour of rules of the legal system designed by Gibraltar's choice of law rules, for related areas of law, such as divorce and matrimonial property, which cannot be derogated from by voluntary act.

Mr Speaker, the legislation of some jurisdictions which have purported simply to exclude the possibility of any derogation to foreign law is not one that Gibraltar could or would want to follow and we are making it clear in this Bill that our legislation is subject to the provisions of the Hague Trust Convention as enacted by the Trust Recognition Act 1989 and, of course, to EU law.

860

Mr Speaker, besides providing for the various circumstances in which Gibraltar Courts have jurisdiction in relation to trusts, this Bill sets out in clause 4 when various questions relating to Gibraltar trusts are to be determined by Gibraltar Law alone, subject again, of course, to the Convention. Moreover, the Bill provides for the regulation of foreign law and foreign judgment orders and decisions in relation to Gibraltar trusts

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and when foreign trusts *must* be regarded as being governed by and interpreted in accordance with its proper law.

870 Mr Speaker, this Bill is another milestone in this Government's plan to strengthen Gibraltar as a finance centre, and I again, Mr Speaker, for the third time today, want to acknowledge the great work of the Private Sector Committee that has been advising Government on this and the other pieces of legislation referred to earlier.

Mr Speaker, I commend this Bill to the House.

875 **Several Members:** Hear, hear. (*Banging on desks*)

**Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill? I now put the question, which is that a Bill for an Act to provide for certain matters of private international law in relation to Gibraltar trusts and for connected purposes be read a second time.  
880 Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Trusts (Private International Law) Act 2015.

### COMMITTEE STAGE AND THIRD READING

#### **Trusts (Private International Law) Bill 2015 – Committee Stage and Third Reading to be taken at this sitting**

**Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of this Bill be taken today, if all hon. Members agree.  
885

**Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

### COMMITTEE STAGE

#### **Appropriation Bill 2015; Gibraltar Land Titles (Amendment) Bill 2015; Supreme Court (Amendment) Bill 2015; Fair Trading Bill 2015; Private Trust Companies Bill 2015; Purpose Trusts Bill 2015; Trusts (Private and International Law) Bill 2015**

**Clerk:** Committee Stage and Third Reading.  
The Hon. the Chief Minister.

890

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that the House should resolve itself into Committee to consider the following Bills, clause by clause: the Appropriation Bill 2015; the Gibraltar Land Titles (Amendment) Bill 2015; the Supreme Court (Amendment) Bill 2015; the Fair Trading Bill 2015; the Private Trust Companies Bill 2015; the Purpose Trusts Bill 2015; and the Trusts  
895 (Private and International Law) Bill 2015.

*In Committee of the whole Parliament*

#### **Appropriation Bill 2015 – Clauses considered and approved**

900 **Clerk:** A Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2016 and further sums of money to the service of the year ended 31st day of March 2014.  
Clause 1.

**Mr Chairman:** Stands part of the Bill.

905 **Chief Minister (Hon. F R Picardo):** Mr Speaker, if I might, I have circulated to hon. Members and I think they have received a notice of amendment which I am advised by the Financial Secretary, who is in the House this afternoon, Mr Mena. It is the first time he is in the House with the Government and I am sure all will want to welcome him (**Several Members:** Hear, hear.) (*Banging on desks*) despite the press releases which were related to his appointment – (*Laughter*) and the amendments, Mr Speaker, relate to typographical errors which have crept into the book.

910 I think we have given Members the amendments with the mark-up so that they can spot it. Some very minor amendments, but then they are followed through in the rest of the whole of the book. So if something is wrong, if something is improperly described, then that description has to go through in the book. Then there are one or two at the end, which I will bring Members to when we get to them, where the complement is wrong in two areas. The vote of cash for the complement is correct and so the sums do not change. The number that has been put has crept in as a typographical error.

915 Mr Speaker, whenever you want. There isn't anything to move in clause one... or that you have moved clause one already to stand as part of the Bill and there is nothing to move now for some time.

920 Mr Speaker, so I formally move that these amendments be incorporated... these typographical errors be incorporated in the draft. I think it will be easier for everyone.

**Mr Chairman:** Unless any hon. Member wishes to raise any matter or has any problem with any of these amendments – they have been circulated and are fairly clear cut – I move that the Committee agree that they be incorporated as appropriate.

925 **Several Members:** Aye.

**Clerk:** Clause 2, Head 1, Treasury; subhead 1 Payroll; subhead 2 Other Charges.

930 **Mr Chairman:** Head 1, Treasury, stands part of the Bill.

**Clerk:** Head 2, No. 6 Convent Place; subhead 1 Payroll; subhead 2 Other Charges.

935 **Mr Chairman:** Head 2, No. 6 Convent Place, stands part of the Bill.  
Does the Hon. Leader of the Opposition wish to raise any matter under these Headings? [*Inaudible*]

**Clerk:** Head 3, Customs, subhead 1, Payroll.

940 **Hon. J J Netto:** Mr Speaker, may I, with your indulgence... *Mr Chairman*, sorry, I beg your pardon – with your indulgence - go to Head 2 on page 27, subhead 21 (*Interjection*) Advertising and Official Notices?

945 What I notice from the figures here provided is a forecast outturn for 2014-2015 of £1,280,000 from an estimate of £½ million. Given that the estimate is in itself a substantial amount of money, can the Government provide an explanation for the doubling or for the forecast outturn? (*Interjection*) Page 27, Item 21 – (*Interjection*) Page 27, Item 21 – (*Interjection*) Oh, sorry, I beg your pardon.

950 **Hon. Chief Minister:** Yes, Mr Speaker, this figure is every year an estimate because we do not know how much advertising or how many official notices have to be put. There may be more traffic works, there may be less traffic works, there may be more advertising or less advertising and so it is because of that. This is to an extent demand driven. It depends what is happening and what we are advertising in.

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

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

**Clerk:** Head 4, Broadcasting; subhead 1, Payroll; subhead 2, Other Charges.

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

960 **Clerk:** Head 5, Income Tax; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** The Hon. Mr Bossino?



**Hon. D J Bossino:** No.

965

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

**Clerk:** Head 6, Parliament; subhead 1, Payroll; subhead 2, Other Charges.

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**Mr Chairman:** Head 6, Parliament, stands part of the Bill. *(Laughter and banging on desks)*

**Clerk:** Head 7, Human Resources; subhead 1, Payroll; subhead 2, Other Charges.

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

**Clerk:** Head 8, Immigration and Civil Status; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 8, Immigration and Civil Status, stands part of the Bill.

980

**Clerk:** Head 9, Financial Secretary's Office; subhead 1, Payroll; subhead 2, Other Charges.

**Hon. J J Netto:** Mr Chairman, could I ask the Government for... have I got it right? I might have got it... secondment. On page 42, Item 2(3) Secondment, is the figure £183,000? Is that the correct figure for the estimate? Is it correct?

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**Hon. Chief Minister:** Yes, it is.

**Hon. J J Netto:** And could the Government therefore provide an explanation... sorry, I beg your pardon. –

990

**Hon. Chief Minister:** The hon. Gentleman needs to... this is the salary for the Financial Secretary on secondment, Mr Speaker.

**Mr Chairman:** Head 9, Financial Secretary's Office, stands part of the Bill.

995

**Clerk:** Head 10, Procurement Office: subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 10, Procurement Office, stands part of the Bill.

1000

**Clerk:** Head 11, Civil Aviation; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 11, Civil Aviation, stands part of the Bill.

1005

**Clerk:** Head 12, Town Planning and Building Control; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 12, Town Planning and Building Control, stands part of the Bill.

**Clerk:** Head 13, Health; subhead 1, Payroll; subhead 2, Other Charges.

1010

**Mr Chairman:** Head 13, Health, stands part of the Bill.

**Clerk:** Head 14, Environment; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Mr Netto.

1015

**Hon. J J Netto:** Can we actually go back on payroll, if I may?

In relation to 1(e) Salaries, I noticed, Mr Chairman, that there was an estimate of £900,000 estimated for 2014-15 and we have a forecast outturn of £780,000. Can we have an explanation as to why it was estimated in relation to the complement figures of the Department and why the drop, because I notice that the estimate for this new financial year is even slightly less than the complement... or rather than the forecast outturn?

1020

So what I am seeing here is a picture between the estimates of 2014-15 in comparison to the new estimate. It is quite a significant drop and that must in one way or another reflect the establishment figures and so could I have an explanation for that?

1025 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Chairman, I believe that this is because at the time there may have been a move – and we are talking about back in 2014-15 – between Departments. Certainly – (*Interjection*)

1030 **Hon. J J Netto:** If you look actually at the establishment figures on page 51, and I do not know whether this is helpful or not, but I notice that under the Department of Environment there has been a movement of personnel. For instance, in environmental monitors, which were in the previous financial year 3 and this year is not. But then if we go to the next page, on page 52, and we see the movement reflected there and also with the Environmental Protection Officer, but I am really assuming a lot of things here and this is why I am really asking the question to get some details.

1035 **Hon. Dr J E Cortes:** Mr Chairman, I am not concerned about the slight drop between last year and this. This is nothing major, but I do believe – and I would need to go back – that it may be that in 2014-15, I think for a while one of the –

1040 **Hon. J J Netto:** In fact, once the Hon. Minister... I think if you look at the bottom of the summary...

**Hon. Dr J E Cortes:** Alright, yes, thank you.

1045 The Financial Secretary has kindly assisted. I was thinking of a previous year in which we had some areas that were in Environment which were passed, first of all, to my colleague and then they have come back.

1050 But if you look at Payroll, what essentially has happened is that from the Department of the Environment, they have been moved and now entered, instead of being scattered between the Department of the Environment and supernumerary, they have now been entered as a cleansing section. If you go down to cleansing section, there is now an element there of salaries, which adds up to the £740... the £186, and that balances out approximately the figure that you are looking at. So it now appears under the cleansing section, rather than as the Department of the Environment.

**A Member:** Look at (m) –

1055 **Hon. Dr J E Cortes:** If you look at (m), the zero for last year and the £186 for this year. Yes. I knew there was some change, but I thank the Financial Secretary for his assistance.

**Hon. J J Netto:** Mr Chairman?

1060 **Mr Chairman:** Head 14, Environment, stands part of the Bill.

**Hon. J J Netto:** Mr Chairman, I do not know whether... just as we move on from the actual Head itself, there are a couple of other points which I would like to raise. The thing is that we seem to be going too fast and I need some space or rather, time to actually look at some of the details here.

1065 One of the things I would like to raise for an explanation, if the hon. Member goes to page 55, Item 2(c) under the title of Air Quality Monitoring Environmental Agency, and what I am noticing is a slight decrease between the estimate of last year and this year. I was just wondering whether, as a result of the contract in existence for the services of air quality monitoring, there is a reason why that range of services is being limited or is becoming less and less. Why is the explanation of – (*Interjection*) Mr Speaker, can I have a – (*Interjections*)

1070 **Hon. Dr J E Cortes:** Mr Chairman, a number of what is paid for from that Head are contractual with external contractors, and others are certain local things that we do – certain works and certain equipment – and the Department this year believes that we do not have to have the expenditure that we had last year, but it does not mean that there is going to be any less air monitoring. It is just that we spent a bit more last year than this year because we... it is a thing we do not need to repeat every year.

1080 **Hon. J J Netto:** But is it not the case that the Hon. Minister did allude to the fact that there was a need to increase the services, in terms of air monitoring, as a result of new circumstances? I would have assumed, if that was the case, and there was a need to increase the different type of air monitoring. I would at least have expected that the size of the contract would remain the same or, if not, even increased.

1085 **Hon. Dr J E Cortes:** Mr Chairman, the staff of the Financial Secretary has kindly confirmed that what I alluded to earlier was correct, that we did buy certain equipment last year and therefore we do not have to buy it this year. What I said in my budget speech that we were considering, we are now at a point of

revising the contract which is now due for renewal with the UK consultants. We are revising to see how we are going to be changing the monitoring. This may mean that we deploy the existing monitors in different locations, rather than getting new monitors – that is a process that we are going through now. So it may not be necessary to buy any more additional equipment, if that is the case, and clearly we would need to see how we fund that, but that is going to take a while to review.

But the drop here that the hon. Member mentioned earlier is, I can confirm, due to the fact that we bought equipment last year. We do not need to buy it again this year. It has got a lifespan and therefore there is no need to have that expenditure.

**Hon. J J Netto:** I am grateful, Mr Chairman.

May we move to Item 2(g), Animal Welfare and Conservation, Animal Welfare Centre? We had an estimate of £95,000 for the last financial year 2014-15 and, well, the forecast outturn is more or less that level, but then there is a jump up to £150,000. Can the Hon. Minister provide an explanation of the reason for that?

**Hon. Dr J E Cortes:** Most certainly.

The Animal Welfare Centre is assisting in the provision of personnel for the increased management regime in the Upper Rock, which we have seen increase this year, and that is what is reflected there.

**Hon. J J Netto:** And lastly on this section of Head 14, Item 4(f) Commonwealth Park, we had an estimate of £100,000 for the financial year 2014-15 and a forecast outturn of a £¼ million. (*Interjection*) Can the Hon. Minister provide some information as to this over expenditure?

**Hon. Chief Minister:** It is for the car park, Mr Speaker. We have started to dig!

**Hon. Dr J E Cortes:** Yes, certainly.

Remember, Mr Chairman, that last year was the initial year of the management contract and therefore there is always an additional amount of equipment and so on to start up any new management programme. That is, again, not going to be necessary this year to that extent and in any case, Mr Chairman, he would have seen a slight increase in the upkeep of planted areas. So if we were to find that there was any shortfall as a result, then we do have flexibility there, but essentially it is due to the fact that a lot of the initial equipment that had to be bought – lawn mowers, spiking machines and so on – do not have to be bought other than in the first year.

**Hon. S M Figueras:** Mr Chairman, and the Minister can confirm that that just went towards equipment? No?

**Hon. Dr J E Cortes:** Not *exclusively* towards equipment, but partly towards equipment and security. It is the whole management of Commonwealth Park. But the start-up expenses are greater than the running expenses.

**Hon. S M Figueras:** Mr Chairman, the point I am getting to is to whether any element of that was in addition to the contractual arrangement with Wildlife or whether this is exclusively for equipment and other needs that were required at the park, rather than as an additional contribution to the contractual payment that is already agreed and paid to Wildlife.

**Hon. Dr J E Cortes:** This is the whole budget for Commonwealth Park and so it is likely that there would have been a bit of both.

**Hon. S M Figueras:** And therefore there will have been an additional payment to Wildlife as part of that?

**Hon. Dr J E Cortes:** Not necessarily. It depends on whether the equipment was bought through the management company, which sometimes happens in contracts, or bought directly by the Department. Essentially it is cost only. It is not that there is a profit element or anything like that, but partly it depends on whether particular items were bought directly or not.

**Hon. S M Figueras:** I wonder whether the information is available to, perhaps the Financial Secretary.

1145 **Hon. Dr J E Cortes:** Yes, I do not have a breakdown of exactly what was bought. This is something that we are looking at retrospectively, si it is something that, I can either be asked in correspondence or in a question in the House as to what was spent.

We believe that the running costs this year, because it is not the start-up year, will be lower and closer to the £100,000. We are also changing some of the security arrangements and so on, and so we believe that it  
1150 will be closer to £100,000. But any breakdown as to last year, I can obviously provide that information because that is money spent.

**Hon. J J Netto:** Yes, Mr Chairman, that is fine, but I just spotted another item which is very close to my heart, much to the discomfort of the Chief Minister.

1155 In relation to Item 2(h) Control of Seagulls, GONHS, (*Laughter*) what I have noticed is that we have gone – as I said, indeed, in my Budget speech – from making a payment in 2012-13 of... I think it was either £84,005 or £85,005. I think it was £84,000 to £230,000, which roughly speaking is an increase of 270% and although I have been highly critical for not having any sense of value for money, because we are culling less seagulls now than we used to do long before the termination of the FERA contract –  
1160 (*Interjection*) Less, we are doing less now for much more money – that is what we are doing, and while the Chief Minister may think this is funny, I think that we are talking about taxpayer's money here – not his money and not my money. We are talking about taxpayers' money. I think I am entitled to ask, whether he likes it or not – (*Interjection*) Can I get on with my comment? (*Interjection*) Thank you very much. Thank you.

1165 Can I have an explanation therefore – (*Interjections and laughter*) Well, I have not finished my point – (*Interjections*) Exactly, because I am trying to finish my point, but your colleagues are not allowing me to finish – (*Interjection*) The point I am trying to find out is whether these increases in expenditure reflect perhaps an increase in personnel, hopefully to do a much better service than the one we have had in the last few years.

1170 **Hon. Dr J E Cortes:** Mr Chairman, firstly I would like to say that I am taking the benefit of using the Chief Minister's counsel, the Hon. Joe Bossano QC, QC, who is *not* in favour of my killing any more gulls, and I have to recognise that. Now that he is QC, QC, I have to listen to him a lot more even than I used to before.

1175 There's a very clear explanation to *both* things, Mr Chairman. There is an increase and this is largely to do with equipment. The time has come to purchase new equipment, which includes rifles, and there has been an increase in the complement. But I think... and do have to point out because the hon. Member has referred several times to the contract with FERA and he said so yesterday in his address.

The contract with FERA was not terminated by me; in fact, it ran into 2012 and then expired and we  
1180 agreed to hold it. There had been a certain amount of success and there was no need to repeat it the following year, but we continue in contact and we may think about how we use their services in future years. But one thing I have to make very clear is that what was not revealed in Parliament the other day is that the cost of FERA was at least...I do not have the figures, but it worked out at about £120,000-something for a six-week period, when people would come over for six weeks approximately (*Interjection*)  
1185 cost £20,000 a week... whereas the money is now going to create employment for four or five Gibraltarians all year round.

**Several Members:** Hear, hear. (*Interjection*) (*Banging on desks*)

1190 **Hon. J J Netto:** Well, Mr Speaker, that is not an explanation that explains the reason for the increase. The fact of the matter is that the Hon. Minister seems to say that the increase is largely based on the fact that they have had to buy new rifles. Well, are we going to have a situation where new rifles are going to be bought *every* year? (*Interjection and laughter*)

1195 **Hon. Dr J E Cortes:** No, not necessarily. I do not keep a personal tab any more. I used to when I used to be more closely involved in another occupation, but I do not keep a close tab personally on when each item of equipment needs to be renewed. Clearly, if I had to keep tabs on each item of equipment, I would probably keep tabs more on equipment in the hospital than on gull culling equipment, but I don't have...  
no, of course, provided the wear and tear.

1200 The thing is that the more seagulls you kill – with an apology to the Hon. Joe Bossano – the more you use the rifle, the quicker the wear and tear and the more quickly you have to replace them. So I do not know whether the point that the Member is saying is that we should actually decrease the money so that we have a less active gull unit, although he has all the time been accusing me of not (**A Member:** Doing enough.)  
doing enough. There we are. It is one or the other and I would have thought he would have welcomed that.

1205

**Mr Chairman:** Head 14, Environment, stands part of the Bill.

**Clerk:** Head 15, Utilities; subhead 1, Payroll; subhead 2, Other Charges.

1210 **Mr Chairman:** Head 15, Utilities, stands part of the Bill.

**Clerk:** Head 16, Collection and Disposal of Refuse; subhead 1, Payroll; subhead 2, Other Charges.

1215 **Mr Chairman:** Head 16, Collection and Disposal of Refuse, stands part of the Bill.

**Clerk:** Head 17, Gibraltar Health Authority, Elderly Residential Services Section, subhead 1, Payroll; subhead 2, Other Charges.

1220 **Mr Chairman:** Head 17, Gibraltar Health Authority, Elderly Residential Services Section, stands part of the Bill.

**Clerk:** Head 18, Equality and Social Services, subhead 1, Payroll; subhead 2, Other Charges.

**Hon. J J Netto:** Chairman, if I may...?

1225 Could I have an explanation? If I can take the hon. Lady to page 64, Item 2(d)(a) Contribution from Revenues Received. I mean if I look at all the other columns right now, I see that the figures almost have the same meaning. The actual 2013-14 in £1,180,000, the estimate for 2014-15 is £1,170,000, the forecast outturn for 2014-15 is £1,170,000 and then there is a drop for the estimate... There must be a sensible explanation for this and if the hon. Lady perhaps could provide that, then I would be grateful.

1230 **Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):** Yes, Mr Chairman.

He may have realised that the previous Head we just approved was for Elderly Residential Services, which means that the money has been extracted from here and transferred to Head 17, Mr Chairman.

1235 **Mr Chairman:** Head 18, Equality and Social Services, stands part of the Bill.

**Clerk:** Head 19, Tourism, subhead 1, Payroll; subhead 2, Other Charges.

1240 **Hon. D J Bossino:** Head 19, no?

Mr Chairman, can I take the Minister to Head 23(a) under Marketing Promotions and Conferences? There is an increase of about £610,000 from the estimated figure to the forecast outturn and then it goes down to £900,000. So it seems that going forward the standard figure that we see of £900,000 will prevail. Can she explain why there is a blip upwards of £610,000?

1245 **Hon. Miss S J Sacramento:** Mr Chairman, it is for additional marketing, particularly in relation to the new airline routes (**Members:** Hear, hear.) (*Banging on desks*) Mr Chairman, which would have flown to any airport terminal (*Laughter*) as long as they can land on the runway, Mr Chairman.

1250 Last time I checked, people do not go on holiday to check the airport terminal, Mr Chairman. They go to visit the destination (**Several Members:** Hear, hear.) and, Mr Chairman, generally it is in relation to an increase in marketing. There is also a payment in relation to the School of Hospitality and that is work that the Tourist Board was doing in connection with the University as well.

1255 **Mr Chairman:** Head 19, Tourism, stands part of the Bill.

**Clerk:** Head 20, Housing Administration, subhead 1, Payroll; subhead 2, Other Charges.

1260 **Hon. E J Reyes:** If I may, Mr Chairman, in Head 22(a) under Housing Legal Expenses, I see that the forecast outturn for the 2014-15 shot up to £45,000, given that the estimate is reverting back to £12,000. It must have been because of some particular one-off expense. I do know, Mr Chairman – and it could help the Hon. Minister – that I asked during the course of the year on a couple of occasions what sort of legal expenses had been incurred in removing squatters out of the homes and so on, and from the answers I got it was a figure much, much lower than the £33,000 overspend. So perhaps the hon. Lady has some sort of information available that can show to us why this figure went up by well over £30,000.

1265

**Hon. Chief Minister:** Mr Speaker, we have had, as you know, a change of Minister halfway through the... in fact towards the end of the last financial year, and I do not know whether our friends from the Treasury would be able to help, but Mr Balban is not here, who was the Minister at the time and might be able to shed some light.

1270 From memory, the decanting is done on the basis of a retainer and so I do not think it is that –  
(*Interjection*) No retainer? There is a fixed fee element, I think, for the decanting etc and so this must be an extraordinary expenditure. Let us see whether we can find the bill.

1275 Can I invite the hon. Gentleman that we should continue until we either find the bill or we are able to get the information perhaps from the principal – from Gerry Reading or from some of the other...Ah, we have got it. It has arrived.

**Hon. Miss S J Sacramento:** Mr Chairman, I am informed that we have had a higher volume of cases which required legal representation in the last year.

1280 **Hon. E J Reyes:** Perhaps I might be advised to perhaps pose the question because I understand the Minister is certainly trying her best to search a higher number of cases. Can she at least confirm that these were not in relation to the removal of squatters, which we had been asking for, but rather that it could be connected with the unpaid rent or something like that? Does she have an indication, or if she doesn't, I think at the next session I can pose a question. Whatever is possible, Mr Chairman.

1285 **Hon. Miss S J Sacramento:** Mr Chairman, sometimes cases are referred for legal advice and not necessarily end up in litigation and so it may have been cases beyond eviction of squatters or beyond eviction. I have myself asked for advice. I have asked for clarification. I have asked for an opinion on the Act. So it may be that we are being a little bit more proactive, in terms of obtaining legal advice, before we actually take steps.

1290 I have noticed that there has been an increase in cases for eviction, but in most cases I seek advice in advance of the eviction and so it means that more referrals are made for legal advice.

1295 **Hon. E J Reyes:** I am grateful for that now, Mr Chairman, and obviously should I require something further, if need be I will even obtain guidance from the Chair and it can be brought up at a future Question Time.

**Mr Chairman:** Head 20, Housing Administration, stands part of the Bill.

1300 **Clerk:** Head 21, Technical Services, subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 21, Technical Services, stands part of the Bill.

1305 **Clerk:** Head 22, Driver and Vehicle Licencing, subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 22, Driver and Vehicle Licencing, stands part of the Bill.

**Clerk:** Head 23, Port, subhead 1, Payroll; subhead 2, Other Charges.

1310 **Mr Chairman:** Head 23 Port, stands part of the Bill.

**Clerk:** Head 24, Economic Development, subhead 1, Payroll; subhead 2, Other Charges.

1315 **Hon. D J Bossino:** Mr Chairman, if I may, with some trepidation, I am going to just make a comment and suggest an answer and maybe the Hon. Minister can confirm it, in relation to the establishment, where we see a significant decrease overall. Presumably, is that because of the change of responsibilities in his Department...?

1320 **Hon. J J Bossano:** The people who have disappeared have taken the work with them – And the money.

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** The people that work and the money have all moved together. The people that work and the money.  
(*Interjection*) It is now under my colleague and so he has got the people, he has got the work and they have got the money.

1325 **Mr Chairman:** Head 24, Economic Development, stands part of the Bill.

**Clerk:** Head 25, Statistics Office, subhead 1, Payroll; subhead 2, Other Charges.

**Hon. D J Bossano:** Mr Chairman, if I may, this will be a question for Minister Bossano in relation to Head 24. Can I go back, with your permission?

It is page 87 (2) subparagraph (7), which deals with services provided by Gibraltar General Support Services Ltd. Before, it used to be under the Environment... seems to be the case. Can he explain why it is now under his Department, under Economic Development?

**Hon. J J Bossano:** Mr Chairman, it has not come now under me. It came under me a year ago and he voted in favour. If he looks back, it was under the Environment in 2013-14, okay? These two entities are the entities that were originally created for people to be there on the basis that eventually they would be redeployed to permanent jobs within the public service and I am making sure that any changes are only in one direction, which is down and not up.

**Mr Chairman:** Head 25 Statistics Office, stands part of the Bill.

**Clerk:** Head 26, Business, Employment and Social Security, subhead 1, Payroll; subhead 2, Other Charges.

**Hon. J J Netto:** Mr Chairman, if I can draw the attention of the Hon. Minister for Employment, we are talking about payroll here – (*Interjection*) Talking about employment and more specifically on the question of the Health and Safety Officers. If we look at page 92 on the establishment figures, we have Health and Safety Officer three, which is one, and Health and Safety Officer four, which is two.

Can I first of all ask whether... because of course this is representative of the established figures, regardless of the fact whether someone is in post or not in post – and so therefore then my first question is whether everyone is in post? In other words, whether we have, perhaps, two Health and Safety Officers four, while one could be acting on the higher post of three or is it that we have perhaps, two, three and one four? Can I have an explanation of that?

**Minister for Business & Employment (Hon. N F Costa):** Yes, Mr Chairman, to answer the question of the Hon. Mr Netto, the officials from Treasury have confirmed my recollection, which is that there is the Principal Health and Safety Officer, which as you know, of course, from the Budget debate, that's vacant, and of the two positions on the Health and Safety Officer four, one of them is vacant.

**Hon. J J Netto:** Okay. So at the moment what we have basically are two factory inspectors, but how do we reconcile that with the Hon. Minister's statement yesterday – was it yesterday or was it today? I cannot even remember... no, it was yesterday. That is right – when he actually said there were five factory inspectors employed. Have I misunderstood the hon. Gentleman?

**Hon. N F Costa:** Mr Speaker, I said that there were four operational officers and one administrative officer. But in any case, as I explained to him, the vacancy for the Health and Safety Principal Officer is vacant and the Health and Safety Officers underneath will now apply for that post and one of them may or may not be successful. Depending on that, we may have to then go down the chain, which is why the position is currently as it is.

The position of the Principal Health and Safety Officer is a position that is filled by the PSC and so it is in their hands to fill that post.

**Hon. J J Netto:** Mr Chairman, I can understand the logic that the higher post will have to go out. People will apply and if someone is successful they will get into that particular post and if nobody is successful by the board, then you will go outside. All that I do understand, but what I want to reconcile in my mind, is at the moment, according to the figures presented here, we have got two, whilst the hon. Gentleman is saying there are four. I am removing from the equation the administrative officer, I am talking here about Health and Safety. You can call it factory inspectors. We can call it, if you like, Health and Safety Advisers. Sometimes we have been talking different words, but at the moment under the establishment figures there are only two; whereas the hon. Gentleman is saying four.

Is it – and I am making here an assumption and this is why I want to clarify the matter – is it because the original Health and Safety Advisers that used to belong to what is now the Housing Agency, before that Buildings and Works, probably three years ago were seconded to, under the factories unit, and maybe those two figures under a different head. But at the moment I am trying to reconcile having two figures here, with his statement there are four, but I need to try and square the circle.

**Hon. N F Costa:** Mr Chairman, just to add to what I have already said, two of the Health and Safety Inspectors are GDC.

**Hon. J J Netto:** That would have explained the fact of what I have always said from the beginning: we do not have four factory inspectors. We have two factory inspectors, of which, in addition to that we have two members seconded from the Housing Agency to form part of this group, which must be somewhere in this book.

**Hon. J J Bossano:** Mr Chairman, it has nothing to do with the Housing or the secondment. It is just that there are people who are qualified and doing the work of factory inspectors, but are GDC equivalent grades, but not... (*Interjection*) The fact that it is not shown there is because the GDC grades are shown collectively.

**Hon. J J Netto:** Where is it? Show me.

**Hon. J J Bossano:** Under GDC. If the hon. Member has not yet worked out that there is at the back of the book a GDC, he is not going to have much time left before he departs from the House to work it out. They were the ones who put it there in the first place when they decided that in order to make everything more transparent, the GDC complement would then be broken down showing where everybody was.

So it is in the green pages and on top of that, if he looks at the outturn from the preceding year, when they were mine, he will find that there is a block number for the GDC in Head 24, which shows 45. This year it is 17. In the 45 were the people who were Health and Safety Inspectors, who are no longer with me. Part of the reason why we have gone down from 45 to 17 is that not just in the Civil Service, but in the non-Civil Service grades, there has also been a separation of function, personnel and cash.

**Hon. N F Costa:** Mr Chairman, to add to what the Hon. Minister Bossano has very eloquently explained, if the Hon. Mr Netto cares to hear the answer and not just ask questions which he thinks is going to embarrass us, but is simply going to confirm our position (*Interjection*) he will have read, if he had bothered to read the book when he got it, that on page 93, Head 26(4) in the Gibraltar Development Corporation Staff part, there are 26 GDC. If he adds all of it up, he has his answer. (*Banging on desks*)

**Mr Chairman:** Head 26, Business –

**Hon. D J Bossino:** Mr Chairman, can I take the Minister to (2) (12) on page 96? There is a Head there, under Industrial Tribunal Reform, £40,000. Can he tell me what that is? Is that exclusively legal fees or maybe not at all actually?

**Hon. N F Costa:** Mr Chairman, as the hon. Gentleman knows, the Industrial Tribunal Reform is currently taking place and I have taken them in the past in respect of the legislative reforms that we are conducting and on which he knows that the £40,000 relates to the amounts that may be payable to chairpersons, whilst discharging the function of chairpersons. It is £40,000. It could be less in this financial year or it could be more.

**Hon. D J Bossino:** And if I can take him back, just one further point, it is 8(f) – can you hear me? – under the Office of Fair Trading. It is one page back and it deals with office, rent, parking space and service charges of £76,000. Can he tell me where the Office is likely to be situated, because clearly there is an expenditure in relation to these items? So it is not a Government Department or Government premises, it is... well, basically the question is where is it going to be situated?

**Hon. N F Costa:** Mr Speaker, I will be delighted to give the hon. Gentleman personally a tour of the new Europort premises which have been rented for the Office of Fair Trading. I will even allow him to use one of the parking spaces. (*Laughter and interjections*)

**Mr Chairman:** Head 26, Business, Employment and Social Security, stands part of the Bill.

**Clerk:** Head 27, Postal Services, subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Postal Services stands part of the Bill.

**Clerk:** Head 28, Education, subhead 1, Payroll; subhead 2, Other Charges.



**Hon. E J Reyes:** If I may, Mr Chairman, on subhead 2(h), under the heading of Transport of School Children, from an estimate of £16,000, we have a focus outturn of £45,000, which is a substantial increase. That seems to be an increase in something that somehow or another the Minister for Education is going to establish as a more permanent feature because we are even predicting for this year we just commenced at £55,000. Does the hon. Member have an indication why we have quadrupled from one year to another in respect of what?

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Yes, Mr Chairman. This is over expenditure, which relates to the hire of additional vehicles to cater for the increase in demand as a result of special educational needs children and we expect that demand to continue into next year.

**Hon. E J Reyes:** I am grateful for that, Mr Chairman.  
Further down the page on the subsection (12) Contract Officers, the forecast outturn for last year was £47,000 and that expenditure is not only continuing, but has even been increased by an extra £18,000. Is it in respect of one officer, more officers, and what sort of contract officer is it that we have engaged?

**Hon. G H Licudi:** Mr Speaker, this is to cover the cost of employers' pension contributions, as well as £8,000 provision in relation to a school counselling service for eight hours per week.

**Hon. E J Reyes:** Sorry, Mr Chairman, but I am not quite clear in that. Something to do with the pension contribution does not really tally in accounting purposes as contracted officers. I think I may have suggested something about £8,000 a week or whatever for someone? Can he repeat it and clarify it for me?

**Hon. G H Licudi:** Mr Chairman, I am informed that it relates to what I have said and also that there was one individual who was incorrectly charged to salaries previously, but it was a contract officer and therefore it should have been charged as contract officer and not to personal emoluments under charges, under salaries.

**Hon. E J Reyes:** I can understand that it has been charged now correctly under contract officer and it is continuing because it even receives an increase of an extra £18,000, which – (*Interjection*) Sorry?

**Hon. G H Licudi:** That is why there is the increase.

**Hon. J J Bossano:** The change is this year. Last year it was the outturn of £47,000 as opposed to £46,000, which is almost holding in line, but last year there was £47,000 here and an amount in personal emoluments. The increase this year is compensated, in part, by a reduction in personal emoluments.

**Hon. E J Reyes:** I got that, Mr Chairman.  
Which contract officer is it? Is it an educator delivering a service inside the classroom or is it an administrative post? Do we have an indication of what the duties are in respect of the contract officer?

**Hon. G H Licudi:** Mr Chairman, it is the Educational Psychologist that was previously included, as I understand as payroll, but it is in fact a contract officer.

**Hon. E J Reyes:** That is fine. I am grateful for that, Mr Chairman.  
Two little subheads further down on relief cover of £22,000, I know on the previous page that we do cater already for temporary cover for absences and maternity leaves and so on, which I take it to be in respect of the school teachers. So this must be relief cover, am I correct in assuming, for someone other than a school teacher? If that is the case, what grade or what relief cover is it that has been offered?

**Hon. G H Licudi:** Sorry, which particular subhead?

**Hon. J J Bossano:** Subhead 40, Relief Cover.  
There is a standard provision in every Head now for relief cover that covers maternity, sickness and absences in respect of any other grade that is not already covered. So, in this case, if the teachers have got their own cover in the complement, this would be any non-teaching staff.

**Hon. E J Reyes:** No. I follow that. Minister Bossano is completely correct in the way he has explained it, which is why last year in the estimate we put down the token figure of £1,000 and it just so ended up

1510 being £22,000. But this year instead of putting once again, as we have done in other cases, a token figure of £1,000, we are already predicting exactly the same £22,000 –

1515 **Hon. J J Bossano:** That normally happens - For example, if we find that there is a token and there are people on long-term sickness or a long-term period of maternity leave, which is known beforehand to overlap the end of the financial year and the beginning, there is not much point in putting a token of a £1,000 in April if you know you are going to be spending more than £1,000 in the first month. So where there is a higher sum, it is because there is an ongoing cover, at the end of March normally.

1520 **Hon. E J Reyes:** I am just checking upon myself. Am I correct in saying that Minister Bossano was able to confirm that this was relief cover, other than for classroom teachers, which are covered under another heading?

**Hon. J J Bossano:** Yes, that will be the case, yes.

1525 **Mr Chairman:** Head 28, Education, stands part of the Bill.

**Clerk:** Head 29, Policing, subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 29, Policing, stands part of the Bill.

1530 **Clerk:** Head 30, Prison, subhead 1, Payroll; subhead 2, Other Charges.

1535 **Hon. S M Figueras:** Yes, Mr Chairman, on payroll, I note the estimate for 2015-16 is up by approximately a £120,000-odd and I just wanted to clarify... sorry, Head 30, Prison, (1) Payroll. The main figure, the main estimate and it is at page 113. The estimate is at £1,706,000 over the £1,590,000 forecast turnout. My query was only whether that, as I suspect, incorporates the estimate for the weekend premium that the Hon. Minister announced during his intervention?

1540 **Hon. G H Licudi:** Yes, Mr Chairman. This is an actual estimate, taking into account the complement and what it is expected that they will be paid.

There is, as the hon. Member will see, also an additional amount in respect of overtime and that was because of the announcement that was made as part of the overall agreement that was made with prison grades which now includes payment of overtime instead of time off in lieu, which has been historically the case, and as part of the overall package which has been agreed, that has resulted in that amount being the estimate for this year.

1545 **Mr Chairman:** Head 30, Prison, stands part of the Bill.

**Clerk:** Head 31, Gibraltar Law Courts, subhead 1, Payroll; subhead 2, Other Charges.

1550 **Mr Chairman:** Head 31, Gibraltar Law Courts, stands part of the Bill.

**Clerk:** Head 32, Attorney General's Chambers, subhead 1, Payroll; subhead 2, Other Charges.

1555 **Mr Chairman:** Head 32, Attorney General's Chambers, stands part of the Bill.

**Clerk:** Head 33, Justice, subhead 1, Payroll; subhead 2, Other Charges.

1560 **Hon. S M Figueras:** Yes, Mr Chairman, in relation to Head 33, Payroll, I note that there is a new section Probation – a total of a £161,000 – and obviously if you look in terms of the establishment figures as well, it is evident that it has moved into there. I was just going to ask whether the Minister could explain why it is that this is happening in this way?

1565 **Hon. G H Licudi:** Previously it used to appear under Social Services, as I recall, and this year it now appears under the Ministry for Justice and so it is just a move from one Head to another.

**Hon. S M Figueras:** I am grateful for that. It is just that I did look at the establishment figures for Social Services as well and there does not seem to be a corresponding drop in the figures in Social Services this year. That is the only reason I asked actually, because I did check it and it did not crop up. *(Laughter)*

1570 **Hon. G H Licudi:** I can certainly confirm to the hon. Member that the Probation Service *did* exist before this year and therefore this is not something new. It was somewhere else or it must have been somewhere else and now appears here.

1575 **Hon. S M Figueras:** Mr Speaker, just for the information of the relevant people, then they might want to look at the figures in Social Services just to see whether they haven't, you know, let a few people in.

**Mr Chairman:** Head 33, Justice, stands part of the Bill.

1580 **Clerk:** Head 34, Fire and Rescue Service, subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 34, Fire and Rescue Service, stands part of the Bill.

**Clerk:** Head 35, Civil Contingency, subhead 1, Payroll; subhead 2, Other Charges.

1585 **Mr Chairman:** Head 35, Civil Contingency, stands part of the Bill.

**Clerk:** Head 36, Sport and Leisure, subhead 1, Payroll; subhead 2, Other Charges.

1590 **Hon. E J Reyes:** Mr Chairman, in subhead 1 I note the introduction of a salary of £32,000, which on the previous page on the establishment shows the creation of a new position: Sports Performance Director. The Hon. Minister made no reference to this particular post. He did mention some review in the Sports and Leisure Authority. Can he confirm that this post has already been filled or is going to be filled and perhaps a very brief insight into what duties come under this nomenclature?

1595 **Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Yes, Mr Speaker, the Sports Performance Director will be working under the Ministry and not under the GSLA and therefore the £32,000 is because we do not envisage the Sports Performance Director to come into play, or come into work until September, October or November. So therefore it is probably half of what is the salaries as it is not a complete year, because by the time that the Sports Performance Officer is in place, there will be, we reckon, about... it is a calculation of £32,000.

1600 But, yes, the person, whoever that person may be, has to go through the process of the PSC and all because it would be under the Ministry and not under the Sports and Leisure Authority. *(Interjection)* Pardon? Yes, like we did with the archaeologist in relation to Heritage. It is similar.

1605 **Hon. E J Reyes:** Am I correct – a simple 'yes' will confirm it – is it premature to ask the Minister for some information in respect of the duties or would you rather that be the subject of a question because it is still under negotiation?

1610 **Hon. S E Linares:** It is not quite under any negotiation, but mainly the person will deal with things with elite athletes, co-ordinating all the sports associations in order to help them and in conjunction with the Development Unit. So that person is specifically under the Ministry.

**Mr Chairman:** Head 36, Sport and Leisure, stands part of the Bill.

1615 **Clerk:** Head 37, Culture and Heritage, subhead 1, Payroll; subhead 2, Other Charges.

1620 **Hon. E J Reyes:** Yes, Mr Speaker, in the subhead 2(9), Purchase of Cultural Items, there have been no provision in the estimate and they had to undergo an expenditure of £122,000; therefore for this year, such as the Hon. Joe Bossano reminded all of us, you just leave a token figure of a £1,000 in case it happens again. But given a substantial expenditure in something that had not been predicted or asked for in the previous year's estimate, can the Minister enlighten us on the £122,000 expenditure?

1625 **Hon. S E Linares:** Mr Speaker, most of that was the buying of the Leni Mifsud collection, which is now in the Mario Finlayson National Art Gallery. We had an offer to buy all her collection and all her works, but it is not the full amount and other bits and pieces that have been bought. I think there was a Gustavo Bacarisas that was bought at one point as well and so all these amount to the £122,000.

1630 **Hon. E J Reyes:** May I say, Mr Chairman, with your leave. I am really glad to see that we have continued that practice. I was also responsible for acquiring some Gustavo Bacarisas; in fact we even had to go all the way to Seville to purchase it. But it does make Gibraltar all the richer and I am sure even the hon.

the Father of the House will agree that it is money well spent because it is invested there and it is like a sort of a piggy bank. There will always be enough collectors somewhere in the world that one day might make a bid and give us a substantial profit and so I am glad to see that the Minister and I have managed to convince the Leader of the House to invest in art works.

1635

**Hon. S E Linares:** Mr Speaker, just to say that at least we have got the Head now, because we never had that Head. It used to come from another pot, sort of thing. (**A Member:** Hear, hear.) Now it is 'Purchase of Cultural Items' and it has got a token of £1,000 and so we got there, yes.

1640

**Mr Chairman:** Head 37, Culture and Heritage, stands part of the Bill.

**Clerk:** Head 38, Youth, subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 38 Youth, stands part of the Bill.

1645

**Clerk:** Head 39, Financial Services, subhead 1, Payroll; subhead 2, Other Charges.

**Hon. D J Bossino:** Yes, Mr Speaker, can the Minister – sorry, Mr *Chairman* – explain the increase by four in the Senior Finance Centre Executive Head, under the establishment? Also if I can just deal with both points... I have just got two points.

1650

What the subvention to the FSC is about. I think the forecast outturn figures there of £4.78 million and then it goes down to £560,000, can he give me an explanation as to why the subvention arises? On the face of it this year it is the first time that there is a...

1655

**Minister for Financial Services and Gaming (Hon. A J Isola):** Yes, Mr Chairman, the first point: these are the senior executives that we promised to deliver in our manifesto and subsequently delivered. They are contract officers and they are being transferred into the main complement. So they are from contract coming in. It is the same people. There are not four new – (*Interjection*) There were four (**A Member:** Yes.) and now there are three... plus Jimmy, is four, and so I assume that is where the four come from, but they are not four new people, no. We are not taking on another four. It is the same four contract officers that we are looking at coming through.

1660

With respect to the subvention to the Financial Services Commission, this stems from the announcement that we made some months back in respect of the new strategy for the Financial Services Commission and our agreement to fund the shortfall in costs for the Financial Services Commission over a period of time, which we are doing in partnership with the industry, because the industry in their licence fees have had those fees increased so that within a period of time we step out and they continue.

1665

As you will know, I am sure, the Finance Centre Council, the Financial Services Commission and ourselves are working together on a totally new methodology for the charging of licence fees during the course of this year, which will come into effect next April when those fees are levied and which will review totally the manner in which those fees are currently addressed. I cannot predict what that outcome will be, but in terms of the numbers, we expect to make this contribution over the next 12 months to the Commission as a shortfall.

1670

**Hon. S M Figueras:** Mr Chairman, what are the terms of the subvention and is it anticipated that any further subventions will be required?

1675

**Hon. A J Isola:** There is a three-year budget, which we have agreed with them and we are committing to the extent of that budget. I do not expect any overruns and so I do not expect to pay more than we are voting for.

1680

**Hon. S M Figueras:** Mr Chairman, he says there is a three-year budget, I confess that I do not understand what he means in that respect, in terms of the subvention this year being just over a £1 million. Does that mean, in effect, that there will be a need to continue to pay subvention next year and the year after that, beyond what is being paid this year?

1685

**Hon. A J Isola:** It is a three-year budget, in the sense that the funding requirements they had to employ the strengthening of the resources and the expertise that they have has been costed over a three-year plan. I say three years because we are committed to funding them for three years. This last year we have had is the first, and so this year and next year, after which we do not expect to be funding them any further and they will be standing on their own two feet. Does that answer the question? (*Laughter*)

1690

**Hon. S M Figueras:** Partly, Mr Chairman.

Is it anticipated then that at the conclusion of three years they will be standing on their own two feet and there will be a return of funds to Government from the FSC? Is that it?

1695

**Hon. A J Isola:** It is not coming back to Government and that is why it is a subvention. It is a three-year investment plan that the Government has agreed with the Financial Services Commission, and at the end of which we fully expect them to, from the licence fees, be able to meet their own needs.

1700

**Hon. S M Figueras:** And finally, Mr Chairman, is the extent of the commitment to investment of the Government three times what has been paid in this financial year?

**Hon. A J Isola:** No, they are different each year, Mr Chairman.

1705

**Hon. D J Bossino:** Different in what way? Are they going down? Is the third year figure going to be less than the £560,000? Is that the expectation?

1710

**Hon. A J Isola:** Well obviously as the licence fees increase, the Government contribution reduces. So what we have had is in the part of the first year a lower amount, in the year we have just passed a higher amount and then next year a lower amount again and then zero.

**Mr Chairman:** Head 39, Financial Services, stands part of the Bill.

1715

**Clerk:** Head 40, Gambling Division, subhead 1, Payroll; subhead 2, Other Charges.

1720

**Hon. D J Bossino:** Again, Mr Chairman, I will group the three points and it is basically seeking an explanation for each of the increases in these areas: (2)(e) Office Rent and Service Charges – that goes from £33,000 to £57,000; the other one is Conferences, Training and Office Travel, and from the estimated figure you see the increase to the forecast outturn from £21,000 to £37,000; and then finally, where we see a considerable increase in the contribution to the GDC, from the estimated figure to the forecast outturn and then going forward for the estimated figure for 2015-16, it also goes up. An explanation for those three increases, please.

1725

**Hon. A J Isola:** Mr Chairman, in respect of the first one, Office Rent, you will recall that the Gambling Department was within the floor of offices which I share with the Minister for Education and Justice. They were relocated some months back to the ground floor – the former offices of the Gibraltar Regulatory Authority – and then I have a small unit on the ground floor of Europort. Those are the new arrangements, so it is a slightly increased cost from the sharing costs of being with us and being on their own stead.

1730

With respect to Conferences Training and Official Travel, there has been a significant increase in travel this past year with relation to the point of consumption tax and I would expect some of those costs are put into that. We have attended two conferences this year. So that is what was envisaged and the increase has not been there, it has been more on the travel and attending those events in London.

With respect to the final point, there is a contribution of one extra person from the GDC.

1735

**Mr Chairman:** Head 40, Gambling Division, stands part of the Bill.

**Clerk:** Head 41, Maritime Services, subhead 1, Payroll; subhead 2, Other Charges.

1740

**Mr Chairman:** Head 41, Maritime Services – (*Interjection*) I am sorry. The Hon. –

1745

**Hon. E J Reyes:** I just wanted to ask something like... on subhead 2(a) Computer Running Expenses, there seems to have been quite a substantial expenditure there which probably Government is considering to have just been necessary last year, because from the estimate of £10,000, which still remains at £10,000, we actually have a forecast outturn of £58,000, but it is down as running expenses, rather than as purchase of new equipment or whatever. Can the Minister enlighten us on how the computer running charges have been so high?

1750

**Hon. A J Isola:** Yes, Mr Chairman.

The increase in cost was wrongly charged to recurrent; it was a capital cost in terms of new IT equipment and so it will not be there next year, hence the drop back to £10,000 for the forthcoming year. It was a capital cost.

**Mr Chairman:** Head 41, Maritime Services, stands part of the Bill.

1755 **Clerk:** Head 42, Gibraltar Audit Office, subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 42, Gibraltar Audit Office, stands part of the Bill.

1760 **Clerk:** Head 43, Gibraltar Regulatory Authority, subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 43, Gibraltar Regulatory Authority, stands part of the Bill.

1765 **Clerk:** We now move to clause 3 of the Bill, Head 45, Contribution to Government-owned Companies, subhead 1, Contribution to Government-owned Companies.

**Mr Chairman:** Head 45, Contribution to Government-owned Companies, Contribution to Government-owned Companies, stands part of the Bill.

1770 **Clerk:** Head 46, Transfer from Government Surplus; Head 1, payment to Social Assistance Fund, Input Duty, Transfer from Government Surplus.

**Mr Chairman:** Head 46, Transfer from Government Surplus, stand part of the Bill.

1775 **Clerk:** Head 47, Contribution to the Improvement and Development Fund, subhead 1, Contribution to the Improvement and Development Fund.

**Mr Chairman:** Head 47, Contribution to the Improvement and Development Fund, stands part of the Bill.

1780 **Hon J J Netto:** Mr Chairman, am I perhaps jumping the gun? (*Interjection*) I think I might be because we will be coming now into –

1785 **Clerk:** Yes. We now move to clause 4, Head 48, Exceptional Expenditure; Head 1, Giraldi Home Inquiry.

**Mr Chairman:** Head 48, Exceptional Expenditure, stands part of the Bill.

1790 **Clerk:** We now move to clause 5, Improvement and Development Fund, Head 101, Works and Equipment, subhead 1 Works and Equipment.

1795 **Hon J J Netto:** Mr Chairman, if I may on subhead 1(h) Contribution to the Gibraltar Electricity Authority, I see an estimate there of £380,000. Could I perhaps ask the Minister... I mean it must be for the purchase of perhaps some equipment for the Power Station or something related to that, and perhaps could the hon. Gentleman provide some information?

1800 **Hon. Dr J E Cortes:** That is works and equipment, particularly works that are programmed and that is the estimate that we have included there. It includes, for example, refurbishment to buildings, vehicles, computer hardware, plant and machinery. That is the test equipment. It is a selection of equipment and works.

**Hon J J Netto:** So we are basically talking about plant equipment, vehicles and that kind of thing. We are not talking about any sort of consultant's report or anything of that kind are we?

1805 **Hon. Dr J E Cortes:** Not in the document I have here, no. New building refurbishment, tools, vehicles – (*Interjection*) yes – public lighting, distribution network, Eastside distribution building, contribution to that.

1810 **Hon J J Netto:** If I can move on, Mr Speaker, I am not quite sure whether my hon. colleagues have got some questions, but I certainly have another one and if I can point it out to the hon. Gentleman?

I am talking about subhead 1 item (y) Government Vehicles and Plant, there is a provision there of £150,000. My point is not so much about the amount of money for the ongoing provision of vehicles in the Government fleet of vehicles, my point is more related... the more I have seen from the figures provided by the hon. Gentleman – in fact I think it was the Hon. Mr Balban, who is the Minister for Transport – that in

relation to the vehicles purchased by the Government in the last few years, the last three and a half years, in relation to the amount of European classification on polluting cars, once we remove the G1 and the Tesla, the hybrid cars, the rest of the other vehicles purchased are classified under the European label either very excessive, excessively polluting, very polluting, polluting.

I know that one of the answers that is a reasonable answer for the Government to say is because some vehicle purchases are for plants working in a particular construction side and by the very nature those particular cars are very polluting. Can I ask the Minister that the environmental filter is focused far greater in the need to ensure that as reasonably as possible when the purchase of cars are made, that they are made in a manner which is less contaminating, because from the figures provided for the last few years they have not been, once you exclude the ones I have said. It seems to me that something that needs to be addressed and if it can be addressed as reasonably possible, then it should be done.

**Hon. Dr J E Cortes:** Certainly, Mr Chairman. It is not my Head, but the Minister Balban is not here, but this is part of the strategy that we will be taking forward.

**Mr Chairman:** Head 101, Works and Equipment, stands part of the Bill.

**Clerk:** Head 102, Projects, subhead (1) Roads and Parking Projects; subhead (2) Relocation Costs; subhead (3) Reclamation Projects; subhead (4) Other Projects; and subhead (5) Equity Funding.

**Hon. D A Feetham:** Mr Chairman, yes, in relation to equity funding of Government-owned companies, this is where, in the past, there has been contributions to Gibraltar Investment Holdings, as I understand it, by way of equity funding that has then trickled down to all the other Government-owned companies. There is a £40 million actual 2013-14, with an estimate of a £1 million... for £1,000, I beg your pardon, in 2014-15, and the forecast outturn for that year, the past year, is zero. As I recall in previous years, I think it is probably... I may be wrong in relation to this, but I have got a recollection that 2012-13 is about £70 million and so there has always been substantial contribution. There is a zero forecast outturn 2015, the past year that has gone, and can he explain why?

**Hon. J J Bossano:** Well, Mr Chairman, the initial contribution was partly because of the fact that the companies, for a number of years, had had loss-making situations, which were covered by advances. When the equity was increased, in effect it meant that the capital came into the company and the company repaid the advance.

The provision of £1,000 is to determine whether in the course of the year we want to meet the capital requirements of a company because we think it needs to be done by increasing its capital or we find that the company's requirements, in terms of cash, can be met sufficiently by the £25 million we have now put at the beginning of the year. If the hon. Member looks back he finds that we had the practice initially of putting a token, as we do for Community Care, and then at the end saying the surplus is given. This time, what we have done is we have actually put the provision of the £25 million right at the beginning. If we find, that as a result of expenditure that the company has incurred, it looks as if that is not going to be enough, we then decide whether to up the money that is given from the consolidated fund or we do it by increasing the capital through the equity.

**Hon. D A Feetham:** This is the contribution... effectively, this is equity funding. (**Hon. J J Bossano:** Yes.) that is then used in order to fund Government Projects. Correct?

**Hon. J J Bossano:** It is used to repair the balance sheet, basically, which is what we did initially, because in fact for a number of years the balance sheets of the companies were getting to the stage where the shares that the Government held in GIH were at a level that the accumulated losses would have brought us into an area where the nominal value of the shares no longer had any relation to the reserves of the company because the losses were being covered by advances of cash and not by transfers of cash. In effect, when the big money was transferred after the 2011 election, it was in fact restoring the position of those companies. The last time we moved money into increasing the equity was in 2013-14. Last year we put in a token amount, but we decided there was no need to make use of it and this year we will put a token amount and we will see how the year goes.

**Hon. S M Figueras:** Mr Chairman, yes.

On subheading 1(a)(i), on tunnels and roads to North Front, I note that the actual for 2013-14 was just shy of £7 million and that the forecast outturn for this year is just over £3 million. The £1 million estimate for last year almost looks like it was a token amount given the actual outturn. Is the estimate for next year and therefore, by implication, the amount of work remaining on that project as that figure would suggest?

1875 Or how far along are we in relation to that project? That is what I am getting at essentially, the tunnels and roads to North Front, subheading 1(a)(i).

1880 **Hon. Chief Minister:** Mr Speaker I had the discussion on this subject with the former Leader of the Opposition about discussing these issues behind the Speaker's chair. All I would say at this stage – remember we are in litigation in relation to this matter – is that it is the Government's intention to complete this project as soon as possible, but the litigation has delayed the attempt to complete the project ourselves because of issues arising in respect of liability and the walls that we have inspected – the walls that are under the runway now – having more damage than was anticipated. But the work on the 'dewatering', which is a term I use because it is what I am told, but I have very little technical understanding of what it means... dewatering is about to start and that in any event as I think I said in my main speech, the works to the south of the runway, in other words the road that goes down towards the tunnel and the road that will come through what used to be Devil's Tower Camp and now the Aerial Farm, Beach View Terraces site, and leading to a roundabout there, all of that is expected to be completed by the end of August, because what we have not wanted is to hand over that estate – and we should be ready by the end of August to September – and then have to go back in with heavy machinery to do works once people are living there and we assume that principally those are going to be families with young children etc and we want to do as little disrupting of that area, which will be pristine when it is handed over, as possible. I hope that helps the hon. Gentleman to understand. I am quite happy to have a further discussion with him later if he wishes.

1895 **Hon. J J Netto:** Mr Chairman, if I may?

In subhead (4)(n) Camp Bay, construction of groyne, there is a token figure there of £1,000. I wonder whether he can give some sort of explanation as to the need of this particular project and whether we are dealing basically here with the same problem we had in Both Worlds in terms of erosion of soil on this kind of thing, or is it a completely different kind of project whatsoever?

1900

**Hon. Dr J E Cortes:** This is really the Minister for Technical Services and so I will try and assist in his absence.

1905 There was a study being carried out – and I am not sure as it is not one of my areas of responsibility – as to see whether a groyne was (a) possible because of the depth of water there and (b) whether it would have an effect of increasing the size of the beach. I am not sure of the outcome, but I think that pending the outcome, a token was provided because it was not possible yet to give any details. That is my recollection in my discussions with him.

**Hon. J J Netto:** I am grateful, Mr Chairman, for that.

1910 Moving on to just a few lines down below from there, Item S Parliament House, again there is a token figure there of £1,000. What I would like to know is what is envisaged, perhaps, that would be done in this new financial year and particularly whether the lift will be done during the course of this financial year?

1915 **Hon. Chief Minister:** Mr Speaker, all that is planned at the moment is the lift, if we finish that process. I know that he was being pooh-pooed the fact that there needs to be more consultation. I certainly think we should just have the lift, but the Heritage Trust is very keen that we should try and hide the lift and there are issues there, but anyway...

1920 And, of course, the monument to Sir Peter Caruana, the monument to Jaime Netto and the monument to Joe Bossano (*Laughter*) which will use a lot of copper and will be very expensive, but other than that... seriously, it is the lift, Mr Speaker.

1925 **Hon. J J Netto:** Mr Chairman, I thoroughly agree with the Hon. Chief Minister there. I mean I can understand people from the heritage position saying putting a lift here will detract from the beauty of the building, the façade, but I really think that there are ways and means and different types of lift, which can be actually adding value and beauty to the building itself, if it is done correctly and nicely, and really we ought to do that and move forward. So if that is done, it will be great.

**Hon. Chief Minister:** Mr Speaker, I thank him for his support. He and I are entirely on the same page.

1930 I think the other thing that has happened is that the Heritage Trust has asked me for another engagement on the subject and therefore, you know, if we had said no, he would be attacking me for not consulting them. I think it is important that we do have that consultation, but more important is that people with disabilities should have access to this building. This is the most important building, in terms of democracy in this country and they need to have access.

1935 I agree it can be done in a very tasteful way. I think that the existing plans are very tasteful. They take the lift off the building. It is a glass structure and they come in through the window at the end there and I



think it is perfectly acceptable. Then, when you propose that, the argument is that it gets rid of the symmetry. Well, there are two ways of dealing with that: either just putting up with it because it is important or we add two lifts, one on one side and one on the other, which, or at least a glass atrium so that you have symmetry back. Look, this has to be resolved because the important thing is that people who are disabled should not be shut out of this building.

**Hon. J J Netto:** Well, I certainly support and agree wholeheartedly with that statement, Mr Speaker.

**Mr Chairman:** Head 102, Projects, stands part of the Bill.

**Hon. J J Netto:** Mr Chairman, there was another item... yes, just one more item, which on subhead (4)(z)(h) Commonwealth Park, page 156 – (*Interjection*) yes, there is an entry there of £200,000. What I am trying to get at, because when we were discussing recurrent expenditure under Head 14, Commonwealth Park, the Hon. Minister in his reply stated that part of the over expenditure from £100,000 to £250,000 was the need to terminate the project... had to buy a lot of equipment, machinery, mowers and things of that kind, but I would have thought that then the expenditure would have finished, but it seems to be like every year putting more and more expenditure. Can the Minister perhaps provide an explanation for this?

**Hon. Dr J E Cortes:** Yes, I can. That is provision for the payment of some of the last few bills from the construction, which had not passed into the previous year. So it is nothing new. It is just to take care of the tail end of the creation of the park.

**Hon. J J Netto:** So that will be the last payment.

**Mr Chairman:** Head 102, Projects, stands part of the Bill.

**Clerk:** We now move to clause 6, which is situated at page 145 of the Book, and that is Head 44, Supplementary Provision, subhead 1 Supplementary Funding.

**Clerk:** Page 145.

**Mr Chairman:** Clause 6, Head 44, Supplementary Provision, subhead 1 Supplementary Funding [*Inaudible*] Any questions? Stands part of the Bill.

**Clerk:** We now move to Clauses 7 and 8, starting at page 162, Gibraltar Development Corporation.

**Mr Chairman:** Clause 7, Gibraltar Development Corporation, stands part of the Bill.

**Clerk:** Then we have got Borders and Coastguard Agency, which is at page 171.

**Mr Chairman:** Does anybody have any questions? No? Then clauses 7 and 8 stand part of the Bill.

**Clerk:** We move to the Gibraltar Health Authority, which is situated at page 173 [*inaudible*]

**Mr Chairman:** Go back to page 171 and there we have Borders and Coastguard Agency. Any questions? Stands part of the Bill.

**Mr Chairman:** Gibraltar Health Authority. Do you have a question? Stand part of the Bill.

**Clerk:** Gibraltar Electricity Authority.

**Mr Chairman:** Gibraltar Electricity Authority, page 179, stands part of the Bill.

**Clerk:** Gibraltar Health Authority, Elderly Residential Services Section, page 183.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Care Agency, page 187.

**Mr Chairman:** Care Agency, page 187, stands part of the Bill.

**Clerk:** Housing Works Agency, page 193.

**Mr Chairman:** Housing Works, Housing Works Agency, stands part of the Bill.

**Clerk:** Gibraltar Port Authority, at page 196.

2000

**Mr Chairman:** The Hon. Mr Bossino.

**Hon. D J Bossino:** Yes, I am grateful Mr Chairman.

2005 I mentioned this during the course of my budget intervention and it relates to... it is at page 198, and really what I am seeking is an explanation for the increase in 24, which is Advertising, Marketing and Travel. The estimated figure for assistance was £80,000 and then the actual forecast outturn is close to £300,000 and so it is quite a significant increase.

2010 **Hon. Chief Minister:** Mr Speaker (*Interjection*) but in any event, I think this relates to an increase. We changed the Captain of the Port. Different people do things in different ways, and I assume that this is the increased activity that we have seen from this Captain in the marketing of the Port in the short time that he has been there. I think that is very likely the reasoning.

2015 **Hon. D J Bossino:** I am happy to... perhaps the former Minister for the Port can give the full explanation once he is back. I know he is in the antechamber. I can hear him from here. (*Laughter*)

**Hon. Chief Minister:** You can hear the energy and the enthusiasm (*Interjections*) and the intelligence coming through.

2020 **Mr Chairman:** Gibraltar Sport –

**Clerk:** Gibraltar Sport and Leisure Authority at page 199.

**Mr Chairman:** The Hon. Edwin Reyes.

2025

2030 **Hon. E J Reyes:** Yes, Mr Chairman, I am just seeking a little bit of clarification on page 200, under subparagraph 23, this introduction of Sports Grant, as a general heading, of £½ million, and what used to come before under subparagraph 24, we had £490,000, almost the same amount, but broken down. There was already a subdivision before. I am not quabbling because the figures seem to be the same, but can the Minister confirm that what he has done is amalgamated all the funds there, so as to give the Committee of GSAC more freedom to move between those sub-heads with all the pros and cons that there might be? He might want to enlighten me in the philosophy behind that movement.

2035 **Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Yes, Mr Chairman, in fact, as he rightly says, last year – and I have got the book here with the estimates of last year – it was broken down into four different ones. But, as he rightly says, GSAC at one point was probably... because we had last year £150,000, £150,000, £150,000 broken down and therefore the Committee said, ‘Well, sometimes we only spend a £100,000 in one section and only £50,000 in the other’. They were having problems with passing on through the system the monies from one to the other. So we arranged in GSAC, and I said, 2040 ‘Well, if you have a lump sum, we can still have those within, divided into four, say’, but we have more flexibility in being able to pass some of the monies for some other things. So that is why this year it is in italics – all those broken down – and therefore they will have more leeway in passing, for example, multi-sports competition to the sports development projects. That is exactly why.

2045 **Clerk:** That is clauses 7 and 8 completed.

**Mr Chairman:** Gibraltar Sport and Leisure Authority, stands part of the Bill.

**Clerk:** Clauses 9 to 12.

2050

**Mr Chairman:** Clauses 9 to 12 stand part of the Bill.

**Clerk:** The scheduled parts 1 to 10.

2055 **Mr Chairman:** The scheduled parts 1 to 10 stand part of Bill.

**Clerk:** The long title.

**Mr Chairman:** Stands part of the Bill.

**Gibraltar Land Titles (Amendment) Bill 2015 –  
Clauses considered and approved**

2060 **Clerk:** A Bill for an Act to amend the Gibraltar Land Titles Act.  
Clauses 1 and 2.

**Mr Chairman:** Stand part of the Bill.

2065 **Clerk:** The long title.

**Mr Chairman:** Stands part of the Bill.

**Supreme Court (Amendment) Bill 2015 –  
Clauses considered and approved**

2070 **Clerk:** A Bill for an Act to amend the Supreme Court Act.  
Clause 1.

**Mr Chairman:** Stands part of the Bill.

2075 **Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):**  
Mr Chairman, in clause 1, I move an amendment to remove the words ‘the 1st July 2015’ and replace those  
with ‘a day appointed by the Government by notice in the Gazette and different days may be appointed for  
different purposes’.

2080 **Mr Chairman:** Do all hon. Members agree to that amendment? (**Members:** Aye.) So clause 1, as  
amended, stands part of the Bill.

**Clerk:** Clause 2.

**Mr Chairman:** Stands part of the Bill.

2085 **Clerk:** The long title.

**Mr Chairman:** Stands part of the Bill.

**Fair Trading Bill 2015 –  
Clauses considered and approved**

2090 **Clerk:** A Bill for an Act to establish and provide for the functions of the Office of Fair Trading and the  
Office of Fair Trading Commission; encourage businesses to comply with consumer law and improve their  
trading practices; streamline and simplify the trade licensing system and re-name the modernised system as  
business licensing; establish enforcement powers for the Business Licensing Authority, being part of the  
Office of Fair Trading, in cases of non-adherence by licensees; establish a single point of contact as part of  
the business licensing procedure; amend the law relating to the protection of the collective interests of  
consumers; enable action to be taken against conduct which may significantly harm the interests of  
consumers; and for purposes connected herewith.

2095 Part 1.

**Mr Chairman:** Stands part of the Bill.

2100 **Clerk:** Part 2.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Part 3.

2105

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Part 4.

2110

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Part 5.

**Mr Chairman:** Stands part of the Bill.

2115

**Clerk:** Part 6.

**Mr Chairman:** Stands part of the Bill.

2120

**Clerk:** Part 7.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Part 8.

2125

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Part 9, clauses 58 to 72.

2130

**Mr Chairman:** Detailed amendments have been circulated to all hon. Members amending clause 73 and clause 74 in fact – (**Members:** Yes.) both of them. So I will put the amendment.

Do all hon. Members agree to the amendment circulated in respect of clause 73? (**Members:** Aye.) Clause 73, as amended, stands part of the Bill.

Do all hon. Members agree to the amendment in respect of clause 74, as circulated? (**Members:** Aye.) Clause 74, as amended, stands part of the Bill.

2135

**Clerk:** Clauses 75 to 90.

**Mr Chairman:** Clauses 75 to 90 stand part of the Bill.

2140

There is an amendment to clause 91, which notice has been given and has been circulated. Are all hon. Members happy with the amendment? (**Members:** Aye.)

Clause 91, as amended, stands part of the Bill.

**Clerk:** Clauses 92 to 100.

2145

**Mr Chairman:** Clauses 92 to 100 stand part of the Bill.

**Clerk:** Schedules 1 to 3.

2150

**Mr Chairman:** Schedules 1 to 3 stand part of the Bill.

**Hon. D J Bossino:** Mr Chairman, if the Hon. Minister recalls, I mentioned a point in schedule 2 and then paragraph 3(5), where there was a reference to subparagraph 5. Has he considered that and would he be considering an amendment in relation to that, just to clarify that it is referring to the same paragraph?

2155

**Minister for Business and Employment (Hon. N F Costa):** Yes, Mr Chairman, I have considered the amendment proposed by the Hon. Minister Bossino and I think that – (*Interjections*) Mr Bossino. I thought he would – (*Interjections and laughter*) (**Hon. Miss S J Sacramento:** it's been such a good day! No!) I just keep considering him a Member of the Government and I think that (**Hon. Miss S J Sacramento:** Potential.) section 3, paragraph 5, reads well the way that it does.

2160

**Clerk:** Schedule 2.

**Mr Chairman:** Stands part of the Bill.

2165 **Clerk:** Schedule 3.

**Mr Chairman:** Stands part of the Bill.

2170 **Clerk:** The long title.

**Mr Chairman:** The *very* long title stands part of the Bill. (*Laughter*) (*Banging on desks*)

**Private Trust Companies Bill 2015 –  
Clauses considered and approved**

**Clerk:** We now move to a Bill for an Act to make provisions for the Voluntary Registration of Private Trust Companies and for matters related thereto. Some amendments have been circulated beforehand.

2175 **Mr Chairman:** There has been an amendment... a series of amendments... [*Inaudible*]

**Hon. D A Feetham:** Mr Chairman, we are happy to take the amendments, having already been read out to the House.

2180 **Mr Chairman:** Right. We will do so as we go clause by clause. Okay?  
So Clause 1.

**Clerk:** Clause 1.

2185 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Clause 2, as amended.

**Mr Chairman:** Clause 2, as amended, stands part of the Bill.

2190 **Clerk:** Clauses 3 and 4.

**Mr Chairman:** Clause 3 stands part of the Bill.

2195 **Mr Chairman:** Clause 4, there is an amendment.  
Is that agreed to? Then clause 4, as amended, stand part of the Bill.

**Clerk:** Clause 5, as amended.

2200 **Mr Chairman:** Again, clause 5, as amended, stands part of the Bill.

**Clerk:** Clause 6, as amended.

**Mr Chairman:** Clause 6, as amended, stands part of the Bill.

2205 **Clerk:** Clause 7.

**Mr Chairman:** Clause 7, stands part of the Bill

2210 **Clerk:** Clause 8, as amended.

**Mr Chairman:** Clause 8, as amended, stands part of the Bill.

2215 **Clerk:** Clause 9 as amended.

**Mr Chairman:** Clause 9, as amended, stands part of the Bill.

**Clerk:** Clause 10 as amended.

2220 **Mr Chairman:** Clause 10, as amended, stands part of the Bill.

**Clerk:** Clause 11.

2225 **Mr Chairman:** Clause 11 stands part of the Bill.

**Clerk:** Clause 12, as amended.

**Mr Chairman:** Stands part of the Bill.

2230 **Clerk:** Clause 13 as amended.

**Mr Chairman:** Stands part of the Bill.

2235 **Clerk:** Clause 14.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Schedule 1.

2240 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Schedule 2, as amended.

2245 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Schedule 3, as amended.

**Mr Chairman:** Stands part of the Bill.

2250 **Clerk:** Schedules 4 and 5.

**Mr Chairman:** Stands part of the Bill.

2255 **Clerk:** The long title.

**Mr Chairman:** Stands part of the Bill.

**Purpose Trusts Bill 2015 –  
Clauses considered and approved**

**Clerk:** A Bill for an Act to make provision to allow for trusts for a purpose or purposes otherwise than for charitable purposes and for matters related thereto.  
Part 1.

2260 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Part 2.

2265 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Part 3.

2270 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Part 4.

**Mr Chairman:** Stands part of the Bill.

2275 **Clerk:** The long title.

**Mr Chairman:** Stands part of the Bill.

**Trusts (Private and International Law) Bill 2015 –  
Clauses considered and approved**

**Clerk:** A Bill for an Act to provide for certain matters of private international law in relation to Gibraltar trusts and for connected purposes.

2280 **Clerk:** Clauses 1 to 8.

**Mr Chairman:** Stand part of the Bill.

2285 **Clerk:** The long title.

**Mr Chairman:** Stands part of the Bill.

We will amend that. It is clauses 1 to 9 stand part of the Bill. The long title, of course, also stands part of the Bill.

**BILLS FOR THIRD READING**

**Appropriation Bill 2015;  
Gibraltar Land Titles (Amendment) Bill 2015;  
Supreme Court (Amendment) Bill 2015;  
Fair Trading Bill 2015;  
Private Trust Companies Bill 2015;  
Purpose Trusts Bill 2015;  
Trusts (Private and International Law) Bill 2015 –  
Third Reading approved: Bills passed**

2290 **Mr Chairman:** The Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to report that the Appropriation Bill 2015; the Gibraltar Land Titles (Amendment) Bill 2015; the Supreme Court (Amendment) Bill 2015; the Fair Trading Bill 2015; the Private Trust Companies Bill 2015; the Purpose Trusts Bill 2015; and the Trusts (Private and International Law) Bill 2015 have been considered in committee and agreed to, some with amendments, and I now move that they be read a third time and passed.

2295 **Mr Chairman:** I now put the question, which is that the Appropriation Bill 2015 be... be what? (*Interjection*) – be read a third time and passed. Those in favour? (**Members:** Aye.) Those against?

2300 **Hon. Chief Minister:** Mr Speaker, sorry. I think that you do the list, don't you, and you have to do the appropriation –

2305 **Mr Chairman:** [*Inaudible*]

**Hon. Chief Minister:** No, because I want a division on the Appropriation Bill.

**Mr Chairman:** You want a division on the Appropriation Bill? Very well. The Appropriation Bill, we will call a division.

2310

*A division was called for and voting resulted as follows:*

2315

**FOR**

The Hon J J Bossano  
The Hon D J Bossino  
The Hon Dr J E Cortes  
The Hon N F Costa  
The Hon D A Feetham  
The Hon S M Figueras  
The Hon Dr J J Garcia  
The Hon A J Isola  
The Hon G H Licudi  
The Hon S E Linares  
The Hon J J Netto  
The Hon F R Picardo  
The Hon E J Reyes  
The Hon Miss S J Sacramento

**AGAINST**

None

**ABSENT**

The Hon P J Balban  
The Hon Sir P R Caruana KCMG QC  
The Hon Mrs I M Ellul-Hammond

**Mr Chairman:** There are three Members absent – (*Interjections*) 13 Members have voted in favour, 1 against, carried. (*Banging on desks*) I thought I had heard a no – (*Interjection*) I didn't. (*Laughter*) So three Members are absent and with all the others that is 14 in favour: the Appropriation Bill is approved. (**Members:** Hear hear) (*Banging on desks*)

2320

I now put the question that the Gibraltar Land Titles (Amendment) Bill 2015 be read a third time and passed. Those in favour? (**Members:** Aye.) Those against? Carried.

That the Supreme Court (Amendment) Bill 2015 be read a third time and passed. Those in favour? (**Members:** Aye.)

That the Fair Trading Bill 2015 be read a third time and passed. Those in favour? (**Members:** Aye.)

2325

That the Private Trust Companies Bill 2015 be read a third time and passed. Those in favour? (**Members:** Aye.)

That the Purpose Trusts Bill be read a third time and passed. Those in favour? (**Members:** Aye.)

And that the Trusts (Private International Law) Bill 2015 be read a third time and passed. Those in favour? (**Members:** Aye.)

**ADJOURNMENT**

2330

**Chief Minister (Hon. F R Picardo):** Mr Speaker, the debate on the Appropriation Bill is always a difficult one for every Member of this House that prepares for it intensely. We exchange many views and yet it is now over for another year, and I think we will all be reflective of that and happy that the difficult work of the House at this time is now over.

2335

I thank all Members, Mr Speaker, for their contributions. I thank all Members for voting in favour of the Bill presented by the Government in that respect and I now have the honour to move that the House do now adjourn *sine die*.

**Mr Chairman:** I now propose a question that the House do now adjourn *sine die*.

2340

I now put the question that the House do now adjourn *sine die*. Those in favour? (**Members:** Aye.) Those against? Carried.

The House will now adjourn *sine die*.

*The House adjourned at 8.33 p.m.*