



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**AFTERNOON SESSION: 3.00 p.m. – 3.23 p.m.**

**Gibraltar, Friday, 24th June 2016**

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# The Gibraltar Parliament

*The Parliament met at 3.00 p.m.*

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

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

## PRAYER

*Mr Speaker*

## CONFIRMATION OF MINUTES

**Clerk:** Confirmation of Minutes – the Minutes of the last meeting of Parliament, which was held on 25th, 26th February and 2nd March 2016.

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

*Mr Speaker signed the Minutes.*

## SUSPENSION OF STANDING ORDERS

### Standing Order 7(1) suspended to proceed with a Statement

10      **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 Statement.

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

## Silence in memory of UK Member of Parliament, Jo Cox

**Clerk:** The Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, thank you.

20      Can I start, Mr Speaker, by reminding the House that it is the first time that this Parliament meets since the cruel murder last week of United Kingdom Member of Parliament, Jo Cox.

I propose therefore, Mr Speaker, that the House should hold a minute's silence before I commence my statement, to honour her memory.

*Members stood in silence.*

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

**Congratulations to Mons. Carmelo Zammit  
on appointment as Bishop Designate of Gibraltar**

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**Chief Minister (Hon. F R Picardo):** Now before I commence my address in respect of the Referendum held yesterday, may I also congratulate Monsignor Carmelo Zammit on his appointment as Bishop Designate of Gibraltar. He has long been a friend of Gibraltar and his appointment at this important time will be most welcome indeed.

**RESULT OF REFERENDUM ON UK MEMBERSHIP OF THE EUROPEAN UNION**

**Statement by the Hon. the Chief Minister**

30

**Chief Minister (Hon. F R Picardo):** Mr Speaker, the people of Gibraltar yesterday voted by 96% to 4% to remain within the European Union. Members of this House will have noted the decision of the rest of the British people who were called upon to vote yesterday, which was to leave the European Union, by a margin of 4 percentage points. In a franchise of 46.5 million people, with 72% voting, our contribution did not even move the needle.

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This House was nonetheless united in campaigning for a vote to remain in the European Union. Unprecedented unity swept our nation in support of that cause and I want to thank the Members of the House who were genuinely committed to dropping our differences and uniting in working for Gibraltar's greater interests together.

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I call, Mr Speaker, on Members to sustain the spirit of unity that they have shown over the coming months as we adjust to the reality of change across the United Kingdom, Europe and most significantly Gibraltar itself, that the decision to pull Britain out of the European Union will bring.

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This morning I met with my Cabinet colleagues and later with the Hon. the Leader of the Opposition and the Hon. Messrs Hammond and Clinton. For the good of Gibraltar, we have agreed to work together in order to face the challenges that the vote to exit the European Union will bring. This is a time to put egos aside and work together, as some of our predecessors here did for the benefit of our community as a whole in the past. I have no doubt that Members opposite will do so.

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We have also agreed the outline of the substance of what needs to be done, although this will no doubt require further work as events develop in coming weeks and months. I intend to discuss with my Cabinet the mechanisms and the formula through which this co-operation between Government and Opposition will take place. Later this morning I spoke also to independent Member, the Hon. Miss Hassan Nahon. I have no doubt we will also be able to count with her support as we deal with the issues that now arise.

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All of them backed the Stronger In campaign and the result that it produced for Gibraltar, and the Gibraltar results declared in the early hours of this morning have, in my view, served also to fully reinforce the unity with which we stood on this issue. Indeed our clear and unequivocal statement as a people will now be a critical element in helping us to better shape the political and economic interests of Gibraltar in the months to come. It is a mandate that I know that the British Government will not ignore.

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This morning, following the formal declaration of the outcome of the Referendum, I spoke to the Minister for Europe, David Lidington. I considered with him some of the many issues which will be thrown up by the result.

65 The British Government and the people of the United Kingdom have heard the clear message from the people of Gibraltar that we aspire to the continued freedom of movement of people, services and capital throughout the EU. The British Government are deeply aware of that and of the fact that it falls on them to help us mitigate the negative impact of leaving Europe, as we also will now be able to work with them on capitalising on the positives that might also emerge.  
70 We have agreed that we will speak again later today.

After we spoke, the Minister for Europe made a statement to reiterate from London that the United Kingdom remains 100% behind Gibraltar. The double lock commitment on sovereignty has been specifically reiterated by him. Mr Speaker, we are of course not alone in being affected by the Referendum decision.

75 There are likely to be some tumultuous months ahead for Britain as it adjusts to the real impact of the decision its people have taken. Northern Ireland and of course Scotland are affected also as nations that voted to remain in the European Union. Jersey, Guernsey and the Isle of Man did not vote in the Referendum, but have access to the single market in different degrees via the United Kingdom. Theirs is a model of success based on those different degrees  
80 of access to the European Union, which is different to ours. I have already scheduled calls with the leaders of each of these nations and Crown Dependencies. In addition, I have been in touch with other overseas territories' leaders, with whom we will also work at this time.

The change which is heralded by this result will bring uncertainty – of that there is no doubt. But of course there will be benefits as well as burdens, and we are clear and determined to  
85 capitalise on those benefits.

Mr Speaker, the Government has not been idle in the run up to this decision which cannot be described as unexpected. As we campaigned vigorously for a Remain vote, we were also working on the preparations for what has now happened. The top priority has been in working towards a sustainable alternative economic model and making best use of the time we have now, to  
90 position Gibraltar's economy whilst the complex task of uncoupling the UK from the EU and building new trading political relations will start, it appears, to take place.

But let me be absolutely clear. Despite the noises that are bound to be made by some in the neighbouring nation – indeed, some have already been made this morning – this Government is confident in the support from the British Government that there will be no talks, nor even talks  
95 about talks, against the express wishes of the people of Gibraltar in respect of the sovereignty of Gibraltar.

So let others make irrelevant noises about flying flags over our Rock, if they want to waste their breath. Such ideas will *never* prosper. Gibraltar will never pay a sovereignty price for access to a market. Gibraltar will never be Spanish in whole, in part or at all. So I ask all our citizens to  
100 ignore these noises. Our work will be focused on the more pressing issues before us. Redirecting and protecting our economy are what we must all now focus on.

Let me tell the public today that we know that we are able to deliver on our manifesto commitments on economic growth in the lifetime of this Parliament. Of that, we have no doubt. It is true that doing so will be harder and that we will face new challenges. Of course we cannot  
105 diminish the significance and potential impact that the decision to leave the EU may have on our community. But we are also entirely confident that the core elements of our economy and our Government's public finances remain sounder than ever. In fact, Gibraltar is better placed today than ever in our history to address a decision like that taken today by the British people.

Even if we face a perfect storm, to take a meteorological allusion, we are ready to weather it and we are ready to weather it well, Mr Speaker. This means that those areas we have long  
110 identified as priorities for the community will not be affected as we move forward.

There will be many issues to address in the coming months which raise legal and even constitutional questions. For obvious reasons, some of these will be best shared with the Leader



of the Opposition in privacy. The last thing we need to do is to inform those who do not wish us well of what we are doing to secure a good future in this new and game-changing scenario which Brexit brings to Gibraltar and its people.

I will also look to forming working groups and committees which will include Members and others, where these can help chart the way ahead in a new world outside the EU.

Mr Speaker, can I – and can I say this also with the greatest of respect – call on the public at large to resist knee-jerk reactions or rushed reactions to what is undeniably a momentous decision. As I stated earlier this morning, this is a time for reflection. As the drama of this day recedes, we will enter a period where diligence and calm thought, action and diplomacy will be required. We know that irrespective of their position on the Referendum, the British people are hugely supportive of Gibraltar and its people. The people of Britain will not let us down.

Our ties with our friends in the British Parliament are strong. We have been working and will continue to work closely with the UK Government Departments, including the Foreign Office and the Treasury, to ensure that the partnership we have established will continue to flourish and be productive for the good of Gibraltar. The strength of our inter-governmental relationships and our strong, objectively verified reputation will greatly assist us as we move forward to protect and promote our economic interests.

Mr Speaker, in this respect, the Government will over the coming weeks and months begin to unroll a series of measures and strategies designed to guide Gibraltar through the new reality before us. It is important that we work in tandem with the UK and that we take one step at a time. I can assure this House that the Government is confident and ready to take all the steps necessary to take Gibraltar forward and we shall do so.

This afternoon I will be meeting with the Gibraltar Gaming and Betting Association and the Gibraltar Finance Centre Council. I have been hugely encouraged by the support already expressed by a number of gaming companies, who confirm that the result today does not change their commitment to remaining in Gibraltar. The market that matters most to them is of course the United Kingdom, so the establishment of a common market between Gibraltar and the United Kingdom has been the main issue we have long been working on with the UK. We are confident that this is entirely achievable.

I will also meet today with the Federation of Small Businesses and the Chamber of Commerce. On Monday, I expect to be able to meet with Unite, the Union, the GGCA and the Gibraltar Teachers' Association. I also expect to meet with the *Grupo Transfronterizo* which includes all of these groups and others from the Campo. It should be clear to all that after the Prime Minister's statement today, no Article 50 Notice will be submitted by him next week. It will fall to a new Prime Minister to do that in the autumn.

On that ground, Mr Speaker, there will therefore be no immediate changes to speak of in respect of the application of rights and obligations between us and the rest of the European Union.

Mr Speaker, the many cross-frontier workers who come to Gibraltar each day are an important part of our success. They will continue to be welcomed by us and I trust that their passage into Gibraltar and that of the tourists and others who they work for when they are here with us will not in future be impeded. In this respect, I have today been in touch with both Juan Franco, the Mayor of La Linea and Juan Carlos Ruiz Boix of San Roque in this regard. I expect to meet both of them in the coming days and weeks.

Mr Speaker, it has been a tough 24 hours, but I have been humbled by the support of the people of Gibraltar this morning for both my Government and for myself and the leadership that we provide to our community in coming days, weeks and months. All in our nation can rest assured that the Government has the energy, the ability, the capability and the commitment and enthusiasm to steer a clear and steady course through the coming months and years.

Challenges there will be, but then again, Mr Speaker, haven't there always been for our people? To an extent for Gibraltarians, this is business as usual: just one more mountain to

165 climb. And I, as no doubt all Members of this House, have great faith in the resilience and the spirit of the Gibraltarian to overcome such challenges.

Together, Mr Speaker, we will overcome. With hard work, Mr Speaker, we will overcome. We have done it in the past; we will do it again.

Thank you, Mr Speaker. *(Banging on desks)*

170 **A Member:** Hear, hear.

### **Statement by the Hon. the Leader of the Opposition**

**Mr Speaker:** The Hon. the Leader of the Opposition.

175 **Hon. D A Feetham:** Mr Speaker, before I start, may I add my own voice to offer our congratulations certainly from this side of the House on the appointment of Bishop Carmelo Zammit. We would have wished that it would have been in more auspicious times but I hope certainly that he will be just as popular and just as loved as his predecessor was.

180 Mr Speaker, in 1980, Joseph Elliott Trudeau, the then Prime Minister of Canada and the father of the current Prime Minister of that country, reflecting on the Quebec Referendum said, and I quote:

‘It is obvious that these are historic moments. There are very few examples in the history of democracy of one part of a country choosing to decide for itself and by itself whether, yes or no, it wants to be part of a country to which it has belonged.’

185 In less than two years, Mr Speaker, the United Kingdom has faced not one such historic moment, in the Scottish Referendum, but a second, equally seminal moment in yesterday’s Referendum which ironically will test the resilience of the Union itself in the forthcoming years. And I pray, Mr Speaker, as someone who feels passionately about the Union and forming part of the British family of nations, that though undoubtedly tested, the Union will prove resilient over the next few years.

190 Sadly for us, the result has not been what we wanted in this House or what the people of Gibraltar have voted for in massive numbers. We could not have done more than we did in Gibraltar and I am proud of my fellow Gibraltarians who once again were not found wanting, Mr Speaker, when the chips were down in Gibraltar. **(A Member:** Hear, hear.)

195 It has not been indeed, the will of the people of Scotland or Northern Ireland who have also voted by a majority for Remain. But it is the will of the United Kingdom as a whole and in any democracy, one must respect that will. Every new chapter in life, and politics is no different, brings its challenges, but so too hope and opportunities.

We as a people are no strangers to adversity and have faced and overcome many challenges in the past. Our community has the strength of purpose and the resilience to overcome adversity again, and together we will again prevail.

200 There will be no despair, Mr Speaker, on this side of the House and I want the people of Gibraltar to know that we will be working hard to ensure that Gibraltar is kept safe, that Gibraltar is kept secure and that Gibraltar is kept prosperous in the years to come. In this House we must all now collectively deal in hope – realistic hope but hope nonetheless.

205 We need above all to develop a positive and workable road map for the future, and that is what we will concentrate on doing on this side of the House; hopefully, Mr Speaker, working alongside the Government to devise that road map as equal partners on a non-partisan and transparent basis. The creation of a non-partisan road map will help confidence and create a measure of certainty that our businesses and that the people of Gibraltar need at this time.

One of our main immediate focuses has to be to obtain from the United Kingdom guarantees that Gibraltar will be included in any trade deals that are negotiated with third parties, any re-

210 negotiated access to the single market and unrestricted access to the UK market in areas such as insurance, financial services and gaming.

Mr Speaker, this situation is not of Gibraltar's making and the Government of the United Kingdom, particularly one led by Brexiteers in the future, owes a duty to the people of Gibraltar to ensure we are not left behind and that Gibraltar does not suffer economic damage over the

215 next two years. Early guarantees from the United Kingdom will ensure that certainty and that stability in Gibraltar.

My message to Gibraltarians today is this: Gibraltar has always prevailed, even in the most difficult of circumstances and I am confident that working together, Government, Opposition and the rest of the population in Gibraltar that we can work through those future difficulties and

220 that Gibraltar will prevail at the end of it stronger than ever before. And we will be able to maintain, Mr Speaker, that Gibraltarian way of life that we are all here in this House committed to defending and that with will and hard work, Mr Speaker, that we will maintain and we will protect over the years to come.

Thank you very much, Mr Speaker. *(Banging on desks)*

#### Statement by Mr Speaker

225 **Mr Speaker:** Before we conclude, as someone who was active in support of the In campaign, I would like to lend my support to all the elected Members in whichever way I can as they go about their business of securing Gibraltar's future.

I was reminded by the fact that we held a minute's silence for Jo Cox about something which

230 Nigel Farage said in the early hours in his victory speech. He said that Britain's Independence Day today had been achieved without a single bullet having been fired. He was of course quite correct. Three bullets, not one were fired when Jo Cox was massacred.

The Hon. the Chief Minister.

235 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I want to thank the Hon. the Leader of the Opposition for his words and you for your kind words. This is a time for us to work together for the good of our nation.

Mr Speaker, therefore, I am not going to proceed with further Government business today, I am going to propose that we adjourn the House now until Wednesday at 3.00 p.m. in the

240 afternoon. But it is still my intention to proceed with the nation's Budget on Monday 4th July, which is certainly American Independence Day.

Business as usual.

**Mr Speaker:** The House will now adjourn until next Wednesday at 3.00 p.m. in the afternoon.

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*The House adjourned at 3.23 p.m.*



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

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

## PRAYER

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This morning I met with my Cabinet colleagues and later with the Hon. the Leader of the Opposition and the Hon. Messrs Hammond and Clinton. For the good of Gibraltar, we have agreed to work together in order to face the challenges that the vote to exit the European Union will bring. This is a time to put egos aside and work together, as some of our predecessors here did for the benefit of our community as a whole in the past. I have no doubt that Members opposite will do so.

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165 climb. And I, as no doubt all Members of this House, have great faith in the resilience and the spirit of the Gibraltarian to overcome such challenges.

Together, Mr Speaker, we will overcome. With hard work, Mr Speaker, we will overcome. We have done it in the past; we will do it again.

Thank you, Mr Speaker. *(Banging on desks)*

170 **A Member:** Hear, hear.

### **Statement by the Hon. the Leader of the Opposition**

**Mr Speaker:** The Hon. the Leader of the Opposition.

175 **Hon. D A Feetham:** Mr Speaker, before I start, may I add my own voice to offer our congratulations certainly from this side of the House on the appointment of Bishop Carmelo Zammit. We would have wished that it would have been in more auspicious times but I hope certainly that he will be just as popular and just as loved as his predecessor was.

180 Mr Speaker, in 1980, Joseph Elliott Trudeau, the then Prime Minister of Canada and the father of the current Prime Minister of that country, reflecting on the Quebec Referendum said, and I quote:

‘It is obvious that these are historic moments. There are very few examples in the history of democracy of one part of a country choosing to decide for itself and by itself whether, yes or no, it wants to be part of a country to which it has belonged.’

185 In less than two years, Mr Speaker, the United Kingdom has faced not one such historic moment, in the Scottish Referendum, but a second, equally seminal moment in yesterday’s Referendum which ironically will test the resilience of the Union itself in the forthcoming years. And I pray, Mr Speaker, as someone who feels passionately about the Union and forming part of the British family of nations, that though undoubtedly tested, the Union will prove resilient over the next few years.

190 Sadly for us, the result has not been what we wanted in this House or what the people of Gibraltar have voted for in massive numbers. We could not have done more than we did in Gibraltar and I am proud of my fellow Gibraltarians who once again were not found wanting, Mr Speaker, when the chips were down in Gibraltar. **(A Member:** Hear, hear.)

195 It has not been indeed, the will of the people of Scotland or Northern Ireland who have also voted by a majority for Remain. But it is the will of the United Kingdom as a whole and in any democracy, one must respect that will. Every new chapter in life, and politics is no different, brings its challenges, but so too hope and opportunities.

We as a people are no strangers to adversity and have faced and overcome many challenges in the past. Our community has the strength of purpose and the resilience to overcome adversity again, and together we will again prevail.

200 There will be no despair, Mr Speaker, on this side of the House and I want the people of Gibraltar to know that we will be working hard to ensure that Gibraltar is kept safe, that Gibraltar is kept secure and that Gibraltar is kept prosperous in the years to come. In this House we must all now collectively deal in hope – realistic hope but hope nonetheless.

205 We need above all to develop a positive and workable road map for the future, and that is what we will concentrate on doing on this side of the House; hopefully, Mr Speaker, working alongside the Government to devise that road map as equal partners on a non-partisan and transparent basis. The creation of a non-partisan road map will help confidence and create a measure of certainty that our businesses and that the people of Gibraltar need at this time.

One of our main immediate focuses has to be to obtain from the United Kingdom guarantees that Gibraltar will be included in any trade deals that are negotiated with third parties, any re-

210 negotiated access to the single market and unrestricted access to the UK market in areas such as insurance, financial services and gaming.

Mr Speaker, this situation is not of Gibraltar's making and the Government of the United Kingdom, particularly one led by Brexiteers in the future, owes a duty to the people of Gibraltar to ensure we are not left behind and that Gibraltar does not suffer economic damage over the

215 next two years. Early guarantees from the United Kingdom will ensure that certainty and that stability in Gibraltar.

My message to Gibraltarians today is this: Gibraltar has always prevailed, even in the most difficult of circumstances and I am confident that working together, Government, Opposition and the rest of the population in Gibraltar that we can work through those future difficulties and

220 that Gibraltar will prevail at the end of it stronger than ever before. And we will be able to maintain, Mr Speaker, that Gibraltarian way of life that we are all here in this House committed to defending and that with will and hard work, Mr Speaker, that we will maintain and we will protect over the years to come.

Thank you very much, Mr Speaker. *(Banging on desks)*

#### Statement by Mr Speaker

225 **Mr Speaker:** Before we conclude, as someone who was active in support of the In campaign, I would like to lend my support to all the elected Members in whichever way I can as they go about their business of securing Gibraltar's future.

I was reminded by the fact that we held a minute's silence for Jo Cox about something which

230 Nigel Farage said in the early hours in his victory speech. He said that Britain's Independence Day today had been achieved without a single bullet having been fired. He was of course quite correct. Three bullets, not one were fired when Jo Cox was massacred.

The Hon. the Chief Minister.

235 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I want to thank the Hon. the Leader of the Opposition for his words and you for your kind words. This is a time for us to work together for the good of our nation.

Mr Speaker, therefore, I am not going to proceed with further Government business today, I am going to propose that we adjourn the House now until Wednesday at 3.00 p.m. in the

240 afternoon. But it is still my intention to proceed with the nation's Budget on Monday 4th July, which is certainly American Independence Day.

Business as usual.

**Mr Speaker:** The House will now adjourn until next Wednesday at 3.00 p.m. in the afternoon.

245

*The House adjourned at 3.23 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**AFTERNOON SESSION: 3.04 p.m. – 8.11 p.m.**

**Gibraltar, Wednesday, 29th June 2016**

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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*]

### PAPERS TO BE LAID

**Clerk:** Wednesday, 29th June 2016 – Order of Proceedings.

(vi) Papers to be laid. The Hon. the Chief Minister.

5       **Acting Chief Minister (Hon. Dr J E Cortes):** Mr Speaker, as Acting Chief Minister, I have the honour to lay on the Table: the Consolidated Fund Pay Settlement – Statement No.1 of 2014/2015; the Consolidated Fund Supplementary Funding – Statement No. 2 of 2014/15; the Consolidated Fund Reallocations – Statement No. 3 of 2014/15; the Improvement and Development Fund Reallocations – Statement No. 1 of 2014/2015.

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

The Hon. Mr Cortes again.

15       **Hon. Dr J E Cortes:** And on behalf of the Deputy Chief Minister, I have the honour to lay on the Table: the Air Traffic Survey Report 2015.

**Mr Speaker:** Ordered to lie.

20       **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 2015; and the Hotel Occupancy Survey 2015.

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

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

30       **Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Mr Speaker, I have the honour to lay on the Table: the Accounts for the Gibraltar Heritage Trust for the financial year ended 31st March 2015.

**Mr Speaker:** Ordered to lie.

35       And I myself have the honour to report that in accordance with Standing Order 12(3) the Ombudsman's Annual Report for the year ending 31st December 2015 has been submitted to Parliament. I now rule that it has been laid on the Table.

## Questions for Oral Answer

### HEALTH, THE ENVIRONMENT, ENERGY AND CLIMATE CHANGE

**Q289-290/2016**

#### **Glass lookout, Mount Misery; Royal Anglian Way suspension bridge – Progress, costs and maintenance**

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

We commence with Question 289/2016, the Hon. L F Llamas.

40

**Hon. L F Llamas:** Mr Speaker, when is the glass lookout at Mount Misery expected to open and what are the insurance and maintenance costs expected to be?

45

**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 Question 290.

50

**Clerk:** Question 290, the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, when is the Anglian Way suspension bridge expected to open and what are the insurance and maintenance costs expected to be?

55

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

60

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, the glass lookout or skywalk at Mount Misery is expected to open in October. The Royal Anglian Way suspension bridge was opened by the Hon. the Chief Minister on Tuesday, 21st June.

There are no insurance costs for either as the Government is self-insuring.

In relation to maintenance for both, the Nature Reserve maintenance team will manage the general day-to-day maintenance which will include cleaning and odd jobs as and when required.

65

Arrangements for more specialised maintenance are currently under consideration.

**Hon. L J Llamas:** Does the Hon. Minister have an indication of what those specialised maintenance may be or is it just a starting project?

70

**Hon. Dr J E Cortes:** Yes, Mr Speaker, particularly in relation to the bridge which has already opened. In relation to the skywalk, the technical documents are being studied and presented and will be handed over at the time of handing over of the skywalk.

75

In relation to the bridge, we have the manuals and what we are looking at is what the costs and so on are going to be. They are not expected to be more than a few thousand pounds a year. It is mainly checks on such things as the cabling and so on and so forth which have to be done by people who know what is involved and that is what we are studying at the moment.

Because it is brand new, this will not be required, I believe, until approximately one year's time and we are quite far advanced in knowing what arrangements we are going to be putting in place.

80 **Hon. R M Clinton:** If I may, can the hon. Member advise us of any anticipated charges for the use of the skywalk or the bridge in future?

**Hon. Dr J E Cortes:** Mr Speaker, the bridge has been opened and there has been no additional charge and no charge at all introduced. There are no plans at the moment. As the  
85 House knows, we are reviewing all sorts of different aspects about the Upper Rock, but there is no specific plan at this point in time to introduce charges.

That does not mean that when we have developed the Upper Rock Project further, there may not be changes. But at this moment, none are envisaged.

90 **Hon. D A Feetham:** Mr Speaker, in relation to the insurance, the hon. Gentleman said that the Government was self-insuring. It means obviously that the Government has decided not to take any insurance and will pay any claims if they arise.

Is this a conscious decision by the Government to take out no insurance, or is it for example that the quotes that the Government has received from insurance companies the Government  
95 felt were prohibitive?

Did the Government explore the possibility of obtaining insurance or from the very beginning did the Government just simply make a decision they were going to be self-insuring and not seek any quotes from insurance companies?

100 **Hon. Dr J E Cortes:** There was no initial intention to have specific insurance. I think it must be stated that both structures, and I can speak from personal experience of the bridge which I have already crossed, are extremely safe. They are built to very, very safe specifications and are probably safer than the average walk on the Upper Rock. Therefore we do not feel that there are any particular dangers involved at this stage, but as I say the whole policy for the Upper Rock  
105 is being reviewed and these are things that may be considered in the future.

**Hon. D A Feetham:** Yes, Mr Speaker, the reason why I ask is that ... Of course, the structure is going to be a safe structure; nobody is talking about a structure actually falling and for the avoidance of doubt, there was no implication in my question that that is the case. It is that of  
110 course, if you have for example young children who are crossing this particular bridge it is unsupervised, you may have implications, legal implications in terms of if there is an accident on the bridge involving young children or anybody else.

It is in that context that I am asking whether the Government has sought any kind of view on the insurance aspects of this particular project or not?

115 **Hon. Dr J E Cortes:** Mr Speaker, I will not rule out anything. These are things that can always be studied, but I have to state again that it is very safe – not just from the point of view that the bridge is in no danger of collapse, but from the point of view that it is actually safe. The Hon. Leader of the Opposition actually lives closer to the bridge than probably anybody else in this  
120 Chamber, I do not know whether he has experienced it himself, but apart from the fact that it is under supervision, it is also safer from that respect because there are high barriers on either side. It is not a place that you can fall off.

As I say, it is probably safer than a lot of other areas on the Upper Rock or any other mountain trail that one might go on anywhere else in the world. It is not considered to be a high-risk structure.  
125

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

And in relation to maintenance costs, the hon. Gentleman said there would be some cost. Now, I would have expected the Government to know precisely how much the maintenance cost  
130 is going to be and I would ask the hon. Gentleman to give us the information.



**Hon. Dr J E Cortes:** Mr Speaker, we have an estimate of what we expect the maintenance cost for the bridge, which has been handed over, to be. I said, 'a few thousand pounds'. If memory serves me right, it may be something like five or six thousand pounds a year. It is a question of finding quotes to see who would be providing those services.

So we have an idea but we are waiting to see proposals for the maintenance. As I said, some of the maintenance is going to be done in-house by the Upper Rock management team. We are talking about cleaning and basic things like that.

**Hon. R M Clinton:** If I may, would the hon. Gentleman be able to advise if there are any security arrangements in place for the bridge and the skybridge at night, and if so, what if any measures have been taken to manage the apes in the area?

**Hon. Dr J E Cortes:** There is security. Security is going to be provided throughout. The security is briefed and there are signs at either end of the bridge asking people not to cross when there are monkeys on the bridge – only because in a confined space, monkeys do not particularly like that and may react.

But they are tending not to use the structure at the moment. Everybody expects monkeys to love jumping up and down on bridges but they have not been seen doing that on a regular basis. But there is a security presence and also signs on either end. It is the same as if you face a monkey on Charles V Wall, which is a narrow area and that is the only time when it is possible that a monkey might find itself confined and may attack.

So people have been warned clearly and there is somebody there warning people, should they see monkeys on the bridge, then go round the path and not cross it. But technically, if you come face to face with a monkey in a restricted area anywhere, that is a fact of life.

**Hon. T N Hammond:** Mr Speaker, the Minister referenced security for the suspension bridge. Can he just describe in a little more detail what that security comprises?

**Hon. Dr J E Cortes:** Yes, there is a security guard present on site.

**Hon. T N Hammond:** Is that an additional security guard and so therefore, is that included in the maintenance costs of the bridge, if you like?

**Hon. Dr J E Cortes:** We have an arrangement with a security firm to carry out security duties throughout the Upper Rock – environmental security which includes being at some of the Macaque sites and so on to warn people off and so on – so it is included in that package and it is a question of them re-deploying in different areas but always making sure that there is somebody by the bridge.

So it is not an additional cost; it is just a re-arrangement of the current security arrangements.

**Hon. T N Hammond:** Thank you. And just to get clarification for my purposes, the Minister referenced the Nature Reserve management maintenance scheme. It is not a document I am familiar with obviously. Is that purely an internal document or is that one that may be available?

**Hon. Dr J E Cortes:** Maintenance *team*.

**Hon. T N Hammond:** My apologies, I heard 'scheme'.

**Hon. Dr J E Cortes:** Maintenance team: it is the team that has been in place now for about eight or nine years which does work on the Upper Rock.

**Hon. T N Hammond:** My apologies, I misheard that. I heard scheme so I thought it was a programme of some sort.

Thank you.

**Hon R M Clinton:** If I may ask one final question. Just from a point of view of security again: at night, is the site secure?

**Hon. Dr J E Cortes:** Arrangements are being made for a security presence day and night.

**Q291-292/2016**

**Unlawful incursions into British Gibraltar Territorial Waters –  
Details of Spanish fishermen**

**Clerk:** Question 291, the Hon. T N Hammond.

**Hon. T N Hammond:** Mr Speaker, can the Minister for the Environment state how many unlawful incursions into British Gibraltar Territorial Waters have taken place by Spanish fishermen since May 2015, broken down on a monthly basis and how many of these have ended up with a fine, appropriation of a boat, or the confiscation of their assets?

**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 Question 292.

**Clerk:** Question 292, the Hon. T N Hammond.

**Hon. T N Hammond:** Can the Government say how many vessels have been boarded by either the RGP, GPA or any other agency in order to check for compliance with the Marine Protection Regulations since 1st June 2015; and would the Government provide a breakdown of how many of the vessels were local and how many were foreign?

**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 hand over to the hon. Member a schedule containing the information on the number of incursions into BGTW by Spanish fishermen since May 2015.

On the subject of boarding of vessels, this has been done by the Royal Gibraltar Police and relates to two tuna fishing cases, both foreign.

The Department's Environmental Protection and Research Unit has five cases which are being reported for process, including four cases of seizures of equipment. All relate to Spanish nationals.

ANSWER TO QUESTION 292/2016  
Answer to Question 291/2016

FISHING INCURSIONS

YEAR	MONTH	INCURSIONS
2015	May	6
	June	17
	July	20
	August	18
	September	24
	October	11
	November	13
	December	17
	January	11
2016	February	10
	March	12
	April	13
	May	11
	June	0

225 **Hon. T N Hammond:** Mr Speaker, there is a little bit of data here. In order to keep proceedings moving, I am happy, as long as I am afforded the opportunity, to come back should it become necessary.

**Q293-294/2016**

**Bluefin tuna –**

**Tonnage caught and registered in Gibraltar**

**Clerk:** Question 293, the Hon. T N Hammond.

230 **Hon. T N Hammond:** Can the Minister for the Environment state what has been the tonnage of Bluefin tuna caught and registered in Gibraltar since the current legislation was enacted?

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

235

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, I will answer this question together with Question 294.

**Clerk:** Question 294, the Hon. T N Hammond.

240

**Hon. T N Hammond:** Further to the answer given to Question 304/2015, can the Minister for the Environment state (a) the information available so far in the Department of Environment Fisheries database; and (b) the figures for the fish tagging programme and type?

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

250 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, the tonnage of Bluefin tuna caught and registered in Gibraltar since the current legislation was enacted – that excludes this year, the season only started about a week or so ago, so it is last year's figures, Mr Speaker – is 13.473 tonnes.

The information available in the Department of the Environment Fisheries database consists of data pertaining to the licences issued to date for all the different licence types available under the Marine Protection Regulations.

255 The figures that are currently available for the fish tagging programme are as follows: Bluefin tuna tagging, 88 specimens; White Bream tagging, 19.

**Hon. T N Hammond:** Mr Speaker, just reference the Bluefin tuna catch, 13.473 tonnes – that would be almost half a tonne over the legal limit?

260

**Hon. Dr J E Cortes:** Yes, Mr Speaker. The explanation for that is that tuna come in and they are weighed. You then assess the tonnage at the end of the day and it just takes two tuna to go over by 400 kilos. Therefore I do not have the exact details but you cannot have the precise cut off at 13. So as soon as it was seen that the data came over 13, it was stopped. There is always a little bit of leeway.

265

I think we must also remember that includes tuna which were confiscated by the Department because there was a second tuna caught and so on, but the real crucial thing is that you tally at the end of the day and therefore if you were just under 13 you are going to be just over 13 on the actual cut off. That is the reason.

**Q296-299/2016**  
**Fisheries Advisory Committee –**  
**Allocation**

270

**Clerk:** Question 295 is unallocated, so we move to Question 296, the Hon. T N Hammond.

**Hon. T N Hammond:** Has the Government established a Fisheries Advisory Committee as recommended by the Fishing Report?

275

**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 297 to 299.

280

**Clerk:** Question 297, the Hon. T N Hammond.

**Hon. T N Hammond:** Can the Minister for the Environment advise what research, as recommended by the Environmental Action and Management Plan, has taken place for the purpose of EU Marine Strategy compliance?

285

**Clerk:** Question 298, the Hon. T N Hammond.

**Hon. T N Hammond:** Can the Minister say if a research programme on the nursery function of BGTW for fish species has been undertaken?

290

**Clerk:** Question 299, the Hon. T N Hammond.

**Hon. T N Hammond:** Can the Minister say if it has been possible to establish a code of conduct for dolphin watching, in collaboration with Spanish authorities, as recommended in the fishing report?

295

**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, marine research in British Gibraltar Territorial Waters (BGTW) has taken great strides in the past four and a half years. Following a publication of Gibraltar's initial assessment of British Gibraltar Territorial Waters and the proposals for good environmental status in BGTW in 2012, HM Government of Gibraltar published its Marine Strategy Framework Directive (MSFD) Monitoring Programme in July 2015.

There are currently numerous research areas that are being investigated by the Department of the Environment and Climate Change in line with the monitoring programme and the environmental descriptions included in the programme include: EU-protected habitat types such as reefs; EU-protected species including cetaceans and marine reptiles; non-indigenous species such as invasive algae; contaminants in water and marine biota; marine litter; sea-floor integrity and benthic ecosystems.

A Fishing Working Group has been created.

Investigating the nursery functions of different areas within BGTW forms part of the Department's research aims and this led to the creation of No Fishing Zones in Sandy Bay, Seven Sisters and Mid Harbours.

As part of this research, the Department installed an underwater camera in spring 2015. The camera is helping the Department monitor fish species amongst other useful bio-indicators within the Rosia Marine Conservation Zone. It is also assisting the Department's marine awareness campaign by providing live underwater footage to the general public.

A code of conduct for dolphin watching known as the Cetacean Protocol has been implemented in British Gibraltar Territorial Waters. This has not been established in collaboration with the Spanish authorities but is similar to the protocol established in Spain under Spanish law.

**Hon. T N Hammond:** I thank the Minister for that comprehensive answer. He did reference the marine camera that has been installed and I admit I too go to the Thinking Green site and do enjoy the images.

Does the Minister by any chance know how much the camera costs to situate in that location, how much it costs to maintain and how often it has been unserviceable since its installation?

**Hon. Dr J E Cortes:** I would need notice. I volunteered the camera information so I would need notice as to the particular cost. It has been out of action several times, as one would expect a camera out at sea is likely to, and obviously has to be serviced. It is generally serviced in-house by the Department's diving team but I would need notice for the more specific information.

**Hon. T N Hammond:** Thank you. And reference the Cetacean Protocol, I understand that we have introduced a protocol which reflects a similar protocol which must exist in Spain. Do Spanish dolphin operators comply with the protocol in BGTW?

**Hon. Dr J E Cortes:** Mr Speaker, I hope so. It is very difficult to police something like that because we are talking about distances and so on and you have to be ... but it is expected that the Spanish operators would. I cannot answer specifically whether there are any occasions where they have not.

Spanish dolphin tour operators tend to do most of their watching on the other side of the median line, but I have no information that they have not. They would be expected to because it is a protocol that has to be followed in BGTW but I have no specific information – and certainly no reports of any instances of it not being followed have come to me.

350 **Hon. D A Feetham:** Yes, Mr Speaker. Mr Speaker tying answers that the hon. Gentleman has given to the questions that he has just dealt with, with also the answers to questions in terms of the incursions from 2015, and just taking the Hon. Minister to the schedule: if the Hon. Minister looks at the schedule that he has given me for fishing incursions, apart from one month where there have been six incursions, the minimum number of incursions a month during those 15 months is 11, the maximum is 24 so there is an average of about 14 or 15 incursions per month.

355 What kind of an impact does the hon. Gentleman believe that these incursions are having on fishing stocks in Gibraltar and the Government's initiatives that of course he has quite comprehensively outlined in his answers to the question a few moments ago?

360 **Hon. Dr J E Cortes:** What an interesting question, Mr Speaker. *(Laughter)* No, genuinely interesting!

Mr Speaker, it is hard to tell because these are figures provided by the RGP which monitor this and this does not tell us and the data I have seen does not provide information on whether these fishing incursions are actually fishing, for how long they are fishing and so on. So it really does depend on whether they are just on their way through and how long and so on.

365 To me, whether the impact is significant is again something that would require data: how many fish have been caught or how many shellfish have been raked. To me all those are things that I would not like to see, it is absolutely clear.

The only thing I can say is that the people I have spoken to who fish in Gibraltar waters from Gibraltar recreationally have commented on increases in fish stocks. We have had reports of whales spending considerable periods of time within BGTW and humpback whales feed very largely on fish. So I think that there will be an impact. I do not think it is stopping the recovery of stocks.

370 Clearly I would like there to be zero incursions. That is nothing that is going to surprise anybody. Scientifically, I am unable to say because I just do not have the scientific information to analyse that.

**Q300-302/2016**  
**Dust and water pollution –**  
**Monitoring and fines**

**Clerk:** Question 300, the Hon. T N Hammond.

380 **Hon. T N Hammond:** Can the Minister for the Environment say if a method for the quantification of African dust intrusion has been developed?

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

385 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, I will answer this question together with Questions 301 and 302.

**Clerk:** Question 301, the Hon. T N Hammond.

390 **Hon. T N Hammond:** Can the Minister for the Environment say if a rain gauge has been installed at the Rosia Road monitoring station?

**Clerk:** Question 302, the Hon. T N Hammond.

395

**Hon. T N Hammond:** As a part of the strict application of the 'polluter pays' principle set out in the Environmental Action and Management Plan, can the Minister for the Environment say what fines have been issued since 2011?

400 **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, in answer to Questions 300 and 301, yes sir, it has to both questions.

405 In answer to Question 302, the Environmental Agency has instituted legal proceedings for breaches of the Environment (Control of Dust) Regulations 2010 in 2016 and three fines have been imposed.

**Q303/2016**  
**Bathing water standards –**  
**Revision**

**Clerk:** Question 303, the Hon. T N Hammond.

410

**Hon. T N Hammond:** Mr Speaker, can the Minister for the Environment say if the required standards for bathing water have been revised since 2012?

415 **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, yes they have.

420 **Hon. T N Hammond:** Mr Speaker, as they have been revised, have those revisions been made publicly available? They may well have been; I am just not aware of having seen anything to that effect or any announcement to that effect.

425 **Hon. Dr J E Cortes:** Mr Speaker, I would have to check. I believe they have. I believe they have been referred to in press releases. I have no problem in summarising what they are if that would be of assistance.

430 This is a new Bathing Water Directive which was adopted in 2006 which led to progressive improvement in ... It was aimed at achieving progressive achievement in water quality and the new requirements came into force in 2015 so they are effective from this year. And so they now require monitoring of two microbiological indicators of faecal contamination, E.coli and intestinal enterococci.

At the end of 2015 bathing sites were classified into four categories: excellent, good, sufficient or poor. These specifications are based on an analysis of sample results in 2015 and the preceding three years cumulatively. They are considered together.

435 Additionally, the current water quality has now got to be classified as acceptable and low, depending on the number of organisms seen in the samples taken. That is a brief synopsis.

440 **Hon. T N Hammond:** And bearing in mind the EU report on the waters, which I know we have already gone through in the press so I do not want to necessarily re-open that discussion, does any independent monitoring of our waters and the quality of our waters take place?

**Hon. Dr J E Cortes:** Not to my knowledge. This is sampled by the Environmental Agency so I have no reason to think that they need to have independent scrutiny, but I am not aware of anybody who does it separately.

445 I think that it is relevant to say without entering into any discussion that we have already had, and it is in the public domain, that the 2015 quality taken on its own is better in all cases than the four-year average, which includes 2015 which obviously shows improved water quality, with the exception of Western Beach, which remains poor as an average, as we know, and Little Bay which remains good. It has not gone like, for example, Eastern Beach which has gone from good  
450 to excellent and so on.

So the quality was better last year than the four-year data, which I think is a good sign but in answer to that supplementary, I am not aware of any independent sampling and certainly we do not do it, other than the Environmental Agency.

### Q304-305/2016

#### Countering vandalism and litter across Upper Rock – Maintenance programmes; CCTV cameras

455 **Clerk:** Question 304, the Hon. T N Hammond.

**Hon. T N Hammond:** Mr Speaker, in November of last year, the Government announced ‘the implementation of efficient continuous maintenance programmes backed by anti-litter measures, to counter vandalism. CCTV cameras were also deployed across all tourist sites within  
460 the Upper Rock.’ Can the Government describe in more detail, these maintenance programmes, in particular anti-litter measures, and whether any fines have resulted from these measures?

**Clerk:** Answer, the Hon. the Minister for Health, the Environment, Energy and Climate Change.  
465

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, I will answer this question together with Question 305.

**Clerk:** Question 305, the Hon. T N Hammond.  
470

**Hon. T N Hammond:** Can the Government say how many CCTV cameras have been deployed across the Upper Rock and where are they located?

**Clerk:** Answer, the Hon. the Minister for Health, the Environment, Energy and Climate Change.  
475

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, the Gibraltar Nature Reserve Management Team, as well as the maintenance team of the Gibraltar Tourist Board, carry out regular maintenance works within the Upper Rock.

480 The maintenance programme is wide ranging and includes the removal of litter and graffiti, clearing footpaths and vegetation, restoring historic structures and street furniture, as well as other routine tasks.

In addition to the installation of CCTV across tourist sites, the most significant anti-litter measure carried out has been the deployment of environmental security guards and environmental protection officers.  
485

No fines have been issued to date.

There are 57 CCTV cameras across the Upper Rock.



**Q306/2016**

**Rock of Gibraltar and Upper Rock Management Plans –  
Publication**

**Clerk:** Question 306, the Hon. T N Hammond.

490

**Hon. T N Hammond:** Would the Minister for the Environment advise when the Government will be publishing the Rock of Gibraltar Management Plan and Upper Rock Management Plan?

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

500

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, the draft Nature Reserve Management Plan is ready – you can see it here – and will be published as a consultation document within the next few weeks. It will be available online from the Department of the Environment and Climate Change website.

505

**Hon. T N Hammond:** Just so I have complete clarity then, that is the document, and I did not quite catch what it was called, that is covered by the descriptions in the Environmental Action Management Plan?

510

**Hon. Dr J E Cortes:** Mr Speaker, when we undertook to carry out the Upper Rock Management Plan it was still called the Upper Rock Nature Reserve, but because of the expansion it is now called the Gibraltar Nature Reserve and therefore, although largely it will refer to the Upper Rock, it will also refer to other areas. So the full name is the Gibraltar Nature Reserve Management Plan.

515

I must say, Mr Speaker, that we were going to publish this a couple of weeks ago and then notice came of the question and because of the guidance given in the past, I thought it would be improper to just put it on the website and tell the hon. Member today it is on the website already, but it will be there very shortly.

**Hon. T N Hammond:** I very much appreciate that action on the part of the Minister.

The original timescale for that plan was actually to be completed by 2013. Can the Minister explain why there has been such a substantial delay?

520

**Hon. Dr J E Cortes:** Because it is a lot of work, Mr Speaker, and most of the work has been done by one of the senior members of the Department of the Environment and Climate Change, Steven Warr, who is also leading on all sorts of other areas. But also the importance of widespread consultation and every time one reads it, you say, 'Well okay, this we need to discuss with another stakeholder.' It has really been in process, also because as I said before, the Gibraltar Nature Reserve is now bigger than just the Upper Rock and has to take other sites into consideration, but I am glad to say that we are there.

525

**Q307-308/2016**

**Upper Rock and Marine Nature Reserves –  
Watering points; vulnerability assessments**

530

**Clerk:** Question 307, the Hon. T N Hammond.

**Hon. T N Hammond:** Can the Minister say how many extra watering points have been placed across the Upper Rock Nature Reserve?

**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 Question 308.

**Clerk:** Question 308, the Hon. T N Hammond.

**Hon. T N Hammond:** Can the Minister say if any vulnerability assessments have been conducted for habitats and species within the Upper Rock and Marine Nature Reserves, as recommended by the Environmental Action Management Plan?

**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, five extra watering points have been created across the Upper Rock.

Mr Speaker, in answer to Question 308, yes, vulnerability assessments are being carried out by the Department in both the Upper Rock and the Marine Nature Reserve.

**Hon. T N Hammond:** And is the Minister aware for what species or habitats these assessments are being conducted for?

**Hon. Dr J E Cortes:** Mr Speaker, generally. Surveillance monitoring data is collected by the Department, by Government contractors and by NGOs in both the terrestrial and the marine sites and they are used to determine the vulnerability of different habitats and species.

The Barbary Partridge is one that comes to mind which has resulted in our reintroduction programme, which as we know has been successful. Maybe limpets are another one: the Mediterranean Rib Limpet, which is the one with special protection.

I cannot specifically give a list of everything – well, I suppose I could if I sat down and thought about it, but those are two specific examples. It is general monitoring and then you focus.

Yes, another example: the Lesser Kestrel is being monitored. Unfortunately it seems that from 20 pairs five or six years ago, there is only one pair left, probably due to the fact – anecdotally I can give it to you now – that they have to fly further and further away to feed in Spain, as La Linea has expanded.

So those are the sorts of things that are picked up and then you say, what can we do about it? So right we are going to try and enhance the captive breeding of Lesser Kestrels to see if we can release them. That is the sort of thing I mean.

**Hon. D A Feetham:** Mr Speaker, just out of interest, it is something that the hon. Gentleman and I speak about occasionally; we have not for some time. I know that in the Upper Rock Nature Reserve in the last one, it outlined that the Government, I think it was our Government, had made an attempt – and the hon. Gentleman was involved in that – to introduce foxes into the Upper Rock and there were a number of foxes that were introduced. Certainly I have never seen any and I wonder whether he can give us some information in relation to that?

Also an interesting project in the old Upper Rock Nature Reserve was the introduction of the idea of the Iberian Ibex which was something that again was being planned and I wonder whether that is something the Government intends to do in the near future or perhaps in the future.

585 **Hon. Dr J E Cortes:** Mr Speaker, I have no problem in answering those, in fact I am going to enjoy doing so. They are not specific supplementaries but with your leave, Mr Speaker, I will just very briefly answer them if I may.

A decision was taken just a couple of weeks ago, in consultation with the Nature Conservancy Council, to attempt once again the reintroduction of the Red Fox and we have already started  
590 sourcing suitable animals. They will be fitted with satellite transmission collars so we can keep tabs on where they are, and that is something that can be put in the public domain.

Regarding Ibex, what has held us back when we have consulted the experts of the species – it is the Iberian Ibex so clearly there were experts in Spain – is the possibility of the fact that they spend a lot of time on cliffs, destabilising cliffs and possibly causing danger. In a place like  
595 Gibraltar where we have cliffs overlooking roads and so on, we have taken a step back from that, because we thought although we would love to have Ibex, the risk was too high. Therefore we have stopped that project, sadly. Unless we have other assessments that say otherwise, we thought that public safety, clearly we all agreed, was more important.

**Q309-321/2016**

**Environmental Action and Management Plan –  
Biodiversity; electricity and water; tidal currents; grants; transport; development; heritage**

600 **Clerk:** Question 309, the Hon. T N Hammond.

**Hon. T N Hammond:** Can the Minister for the Environment say if the Biodiversity Action Plan described in the Environmental Action and Management Plan has been published?

605 **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 310 to 321.

610 **Clerk:** Question 310, the Hon. T N Hammond.

**Hon. T N Hammond:** In the Environmental Action and Management Plan, Government stated that to encourage greater energy efficiency, electricity bills would be revised to provide more  
615 information to the end consumer. This would happen by the end of 2014. Can the Minister say what additional information has been made available on these electricity bills?

**Clerk:** Question 311, the Hon. T N Hammond.

620 **Hon. T N Hammond:** Can the Minister for the Environment say what revisions have been introduced as recommended by the Environmental Action and Management Plan, to the electricity and water tariff system?

**Clerk:** Question 312, the Hon. T N Hammond.

625 **Hon. T N Hammond:** Can the Minister for the Environment say if the study of tidal current profiles in BGTW as recommended by the Environmental Action and Management Plan has been completed?

630 **Clerk:** Question 313, the Hon. T N Hammond.

**Hon. T N Hammond:** Can the Government say if any part of the existing electricity grid has been upgraded to allow for the connection of renewable energy, as recommended by the Environmental Action and Management Plan?

635 **Clerk:** Question 314, the Hon. T N Hammond.

**Hon. T N Hammond:** The EAMP recommends the establishment of a fund for energy efficient home improvements to be in place by 2014: can the Minister say if the fund is in place and how many grants to home owners have been offered through this fund?

640

**Clerk:** Question 315, the Hon. T N Hammond.

**Hon. T N Hammond:** The EAMP recommends the implementation of educational programmes to encourage children to walk or cycle to school: can the Minister say how many programmes have been run and at which schools from the start of 2014 to the present date?

645

**Clerk:** Question 316, the Hon. T N Hammond.

**Hon. T N Hammond:** Can the Minister say how many cycling proficiency courses, as recommended by the EAMP, have been held since the beginning of 2014?

650

**Clerk:** Question 317, the Hon. T N Hammond.

**Hon. T N Hammond:** Can the Minister say on which dates the “In town without my car” days have been held since the beginning of 2012 and, as recommended by the EAMP, which roads were reserved for pedestrians, cyclists and public transport on those days?

655

**Clerk:** Question 318, the Hon. T N Hammond.

**Hon. T N Hammond:** Can the Minister say what permanent measures have been introduced since 2013 which have been aimed at contributing to modal transfer from the private car to an environmentally sound means of transport?

660

**Clerk:** Question 319, the Hon. T N Hammond.

665

**Hon. T N Hammond:** Can the Minister confirm whether all Government development projects are now subject to the planning process as recommended by the EAMP?

**Clerk:** Question 320, the Hon. T N Hammond.

670

**Hon. T N Hammond:** Considering the volume of imminent development, is Government intending to apply the recommendation in the EAMP that any new development includes a minimum of 5% total land area as green areas?

675 **Clerk:** Question 321, the Hon. T N Hammond.

**Hon. T N Hammond:** Can the Government say how much progress has been made towards the creation of an Environmental Heritage Register as described by the EAMP?

680 **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 take the questions in turn. They have been put together because they all refer to the EAMP and it was, I think, a convenient way of dealing with them.

The EAMP actually, Mr Speaker, does not say that a Biodiversity Action Plan was going to be published, but rather that the existing plan was going to be implemented and this work is currently ongoing.

The electricity and water bills now include a graph showing the last 12 months of usage. This allows consumers to identify patterns in their energy consumption. The information will allow customers to take informed decisions on daily habits which will lead to energy as well as cost savings. Similarly, customers will be able to see whether the measures taken to reduce consumption are having the desired effect.

In relation to Question 311, no changes have been introduced to date.

Question 312: a study of tidal current profiles was conducted by French oceanography company Énergie de la Lune.

Question 313: the Government through the GEA continues to invest in the upgrade of the electricity grid, not only to allow for the connection of renewable energy as recommended by the EAMP but also as an integral part of the construction of the new gas-fired power station at North Mole. At low voltage, most schemes can already be accommodated.

Question 314, the fund has not yet been set up. However, interested parties can apply to the Ministry of Finance for loans for projects which will result in energy and efficiency and renewable energy benefits. The placing of solar panels on the roof of Sir William Jackson Grove is an example of such an initiative.

Question 315, the Department of the Environment and Climate Change has an ongoing environmental education programme through which the departmental scientists visit all schools every year to talk to different year groups about environmental issues. The issue of traffic and pollution and the ways in which they can help to tackle these, such as by walking, cycling or taking the bus to school, are addressed every year.

Thirty-three cycling proficiency courses have been held since 2014.

An 'In town without my car' day was held on Saturday, 22nd September 2012. Secretary's Lane, Governor's Lane, Convent Place, Convent Lane and the southern end of Main Street were closed to vehicular traffic from 10 a.m. till 7 p.m.

During subsequent years, time and resources have been focused on developing the Sustainable Traffic, Transport and Parking Plan. However, I am pleased to say, that an 'In town without my car' day will be held again this September on Sunday, 18th with Secretary's Lane, Governor's Lane, Convent Place, Convent Lane and the southern end of Main Street, and Line Wall Road up until the junction with the Haven all being closed to vehicular traffic for the day.

In answer to Question 318, a number of fiscal incentives have been introduced with this aim. There is a £1,000 cash back available to those who register an electric or hybrid vehicle and import duty on these vehicles has been reduced to zero. New Euro VI engine buses have been purchased, routes have been reviewed and refined, a night bus service was introduced and most recently, real time information for a number of bus routes has been made available.

Question 319: all Government projects go through the planning process for guidance and advice. Issues discussed at the planning stage are then considered and usually adopted by Government. Additionally as part of the green filter policy adopted by this Government when we first came into office, Government projects are referred to the Department of the Environment for environmental considerations. The new Town Planning Act will require Government projects to be processed formally.

In answer to Question 320, yes, the Government will continue to apply this policy which it currently does through the planning process. It is a standard condition included by the Department in their reviews of new development building applications. Where this is not feasible, alternatives are suggested such as green roofs and increase in trees and planters within the development.

735 In answer to Question 321, the Department is working on a draft register of sites.

**Hon. T N Hammond:** Just going back to Question 314, I can therefore confirm that no fund has at this point been established for this purpose?

740 **Hon. Dr J E Cortes:** Mr Speaker, that is what I said, at this point in time.

**Hon. T N Hammond:** And for Question 310, no amendments have been made to the electricity bills either. I made a note but I was not sure that I heard you correctly.

745 **Hon. Dr J E Cortes:** Mr Speaker, the bills are different. They now have, as I explained, the information regarding consumption. There is a chart which shows you how much you have spent in the previous 12 months and then you can compare that. That is the information that is now provided which was not provided in the old format.

750 **Hon. T N Hammond:** And for Question 317, and again I think I heard the Minister correctly when he said that no 'In town without my car' days had been held since 2012 but there was one planned for later this year, on Sunday 18th September, I think I heard.

Does the Minister think it is appropriate to hold such a day on a Sunday, when perhaps it is certainly convenient in terms of traffic, but it is hardly encouraging the daily commuter, who  
755 may be encouraged to try a different mode of transport to get to work, to actually take that option if they do not have to go to work and will more likely be going, on that date, potentially to beaches and places, and avoiding town with their car anyway.

**Hon. Dr J E Cortes:** Well, there are different patterns at weekends. That is clearly something  
760 that is obvious. But I think our message is clear. There are people who will use their cars at weekends and on Sundays to perhaps go to lunch somewhere and different types of activities, including going to the beach and they will have to take alternative routes.

So I feel that it does make a statement and my regret is that we have not done it on an annual basis, but as I explained before, initially this was an NGO initiative by the 'In town  
765 without my car' group. It was only in 2012 that the Government decided to support it and get involved.

But we have been putting our resources towards the traffic plan. I am hoping that this year will be the start of more regular events such as this. The fact that it happens to be my wife's  
770 birthday is an absolute coincidence.

**Hon. T N Hammond:** I accept what the Minister said and it is a scheme to be applauded, which is why I am somewhat surprised. I thought I had just missed the day somehow over the last three years. I had not genuinely realised that it had not occurred at all. It is a pity.

Bearing in mind it is going to be held on a Sunday and the bus service, for instance, tends to  
775 run with less frequency on a Sunday, on that particular day will the bus services be enhanced to give people the opportunity to use the bus perhaps?

**Hon. Dr J E Cortes:** Mr Speaker, this is something that I have not been briefed on by the Department. It may be the case, I do not have that information. I will enquire and take it up as a  
780 possibility. Clearly, one of the things we want to do is to encourage walking. In some cases for some of our citizens that is not an option, but I will need to look into that.

**Hon. T N Hammond:** I come back to the fact that the day is being held on a Sunday because it does feel a little like this is not in the spirit of the day. I presume it is programmed in for this year  
785 and nothing can be changed in that respect, but I wonder if in future years the Government may consider holding such an event on a weekday to encourage commuters to experiment with

other modes of transport – particularly if eventually we get a ReadyBike scheme and other alternate means of arriving at destination.

790 **Hon. Dr J E Cortes:** Mr Speaker, I have listened to what the hon. Member has said and it is something that can be looked into. I have not been involved personally in choosing the date so I really need to enquire, but the principle remains the same and I think the fact that the Government is now doing it is a significant step.

795 **Hon. R M Clinton:** Mr Speaker, if I may refer the hon. Member back to Question 314 which has a finance angle to it. He mentioned that although there was no fund in place, applications could be made to the Ministry of Finance for loans for energy-efficient home improvements. Does he have any idea about the minimum/maximum amount of loans and what criteria will be used; and does he intend to issue a statement or make this more publicly known?

800 **Hon. Dr J E Cortes:** No, Mr Speaker, I do not. I would need notice of that and if he will write to me, I would pass it, obviously, to the Financial Secretary. I do know that Sir William Jackson Grove obtained funding in that way. I know that there were other people who applied but I am not sure of the outcome. I do not have that information here.

805 My Department is involved by way of assessing whether it is legitimately energy-efficient, renewable and so on, but not in the actual funding side of it.

**Hon. R M Clinton:** Mr Speaker, I presume it is an initiative that is supported by his Department and therefore you obviously have a real interest in promoting people to do this. Am I correct in saying that so far to his knowledge the only people who have taken advantage of this type of funding arrangement are housing estates rather than private individuals?

**Hon. Dr J E Cortes:** So far as I recall, but that was included by way of an example and I have not consulted or looked into files and so on to see the total amount. So it is as much as I recall at this point in time.

815 Again, I would need notice if I was going to look into it further or by way of correspondence, I would be happy to assist. It is certainly something that one wants to promote.

**Hon. T N Hammond:** Just going back to Question 309, can I just confirm that the existing plan that the Minister is referring to is the 2006 plan published by GONHS? That is the biodiversity plan?

**Hon. Dr J E Cortes:** It is the Biodiversity Action Plan published by GONHS which probably has a forward by me in it. That is the one. That is coincidence by the way! That is the one. Perez & Bensusan, I believe it was.

**Q322-323/2016**  
**Wave generator –**  
**Cost, funding and output**

830 **Clerk:** Question 322, the Hon. T N Hammond.

**Hon. T N Hammond:** Mr Speaker, can the Government provide a breakdown of the total cost and funding of the wave generator commissioned in May 2016?

835 **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 Question 323.

840

**Clerk:** Question 323, the Hon. T N Hammond.

**Hon. T N Hammond:** Can Government provide figures for the daily power output since commissioning and the average hourly power output for the period since commissioning of the wave generator?

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

850 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, the EcoWave project has not been funded by the Gibraltar Government. The project was co-funded by the European Union and EcoWave.

The project total cost was broken down as follows: EU Structural Funds, £98,455.70, which is 30% of the cost; Private Sector Investment, £229,729.96, the remaining 70%.

855 The commissioning process commenced on 6th April 2016 and to date the total power generated has been 37Kwh hours.

The average daily output up to the end of May has been 0.672 Kwh hours and similarly the hourly of 0.03 Kwh.

860 **Hon. T N Hammond:** I must confess, I do get slightly confused with these figures sometimes. So 0.672 Kwh as an average hourly output equates to 672 Watts per hour, is that correct? So that is a dozen light bulbs. *(Laughter)*

**Hon. Dr J E Cortes:** Probably a little bit more than that; several kettles. *(Laughter)*

865 Mr Speaker, I think it is important to say that this is the commissioning period and that during this time, what has been happening is that not all the generators have been working at the same time. Some of them have been done one at a time in order to see how they develop. So this is no reflection of the ultimate output. Also obviously sea state affects this.

870 The full potential is 100 Kw and that has been clear from the outset, but at this moment in time in the initial stages where it is still going through a testing phase, the output is absolutely low, absolutely low that is no secret.

However, the fact that at least an infinitesimal amount of the light lighting us up here today comes from the sea, to me is significant. But clearly it is early days, the plan is to go up to the 5 Mw within the next 12 to 18 months.

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**Hon. T N Hammond:** I do apologise, it was not my intention to be facetious. It just sprung to mind, once I realised the level of power output.

So in order to produce those 5 Mw what would be the dimensions? How many wave generators will we need to achieve that?

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**Hon. Dr J E Cortes:** It is not necessarily bigger in size. The bigger plant will not be at that location. That location has the potential for some increase, but due to the fact that the pier is very old and structurally, the end of the pier is not safe enough for installing all of these wave generators, there are several other sites that we are planning to use and we are in discussion with EcoWave as to which they would be. But it is not that huge, it is not directly proportional to the ones that are there now.

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**Hon. T N Hammond:** Can I just confirm wave generators do require waves to generate energy? It is not like solar panels where daylight is sufficient. They do actually require waves so if you have extended periods with little wave action, there is little energy?

890

**Hon. Dr J E Cortes:** No, Mr Speaker, any movement will generate.

On the day that the plant was opened, you would have looked at the sea and said it was calm. But if you went into the unit where the generators are, you could see them moving. So any movement will generate wave power.

895

They will act between a wave difference – and I am using memory here – between 40 centimetres and four or five metres wave range. Clearly the higher the range, the quicker the pressure is built up into the cylinders which use a natural oil and the release of the pressure moves the turbines. Any movement will do it, but the more waves and the higher the waves, the more power.

900

So one would expect that the winter would be a more productive time than the summer, except when we have a *levanter*, but any movement will do it. Technically it is supposed to be 40 centimetres to kick it off, but even with less there will be some generation.

905

**Hon. T N Hammond:** And therefore whilst sites for other potential generators have not necessarily been identified at present, they could work equally well on the east or the west side of the Rock?

910

**Hon. Dr J E Cortes:** Yes indeed, they have been identified. Several options have been identified and we are discussing with EcoWave which would be the best from the point of view of wave generation and also environmental impact. There are several sites both on the east and west side that have been identified and discussions are in progress to see which would be the ones to be used.

915

**Hon. T N Hammond:** I presume that while this pilot project has not cost Government any money at this point, the fuller rollout of a project such as you describe would have cost implications to Government?

**Hon. Dr J E Cortes:** No, Mr Speaker.

920

**Hon. T N Hammond:** So the incentive for the company to provide this then is presumably that we will buy the energy it produces off them?

925

**Hon. Dr J E Cortes:** Mr Speaker, in this market power purchase agreements are the way forward. The investment and the risk is purely on the side of the person developing the technology.

930

**Hon. D A Feetham:** Mr Speaker, what percentage of Gibraltar's electricity output does the Government expect will be produced via this particular source if it does really work to its full potential?

**Hon. Dr J E Cortes:** If it is 5 Mw, it would be approximately 15%. If the 5 Mw plant works well and it could be increased to 10 Mw, then that would be 30%. So that is the bracket we are aiming to achieve; 15% is probably the minimum that would satisfy me.

935

**Hon. D A Feetham:** So effectively 15% of electricity would be produced by a private company that is effectively selling electricity to the Gibraltar Government and that is how it is going to be funded. Correct?

**Hon. Dr J E Cortes:** Put that way, yes. Yes I think that is a correct way of assessing it. I would emphasise the benefits of waver power over and above that consideration, but it is a power purchase agreement so we would be buying the power.

I am not going to go into details of the contractual arrangements because there may be time elements and so on, where other things would come into play.

**Hon. D A Feetham:** But this would have absolutely nothing to do with the Electricity Authority; this is entirely private.

And could I also ask the hon. Gentleman whether ... and I accept that he may need notice of this and he may not be able to answer it, but is this going to be a potential template – in other words the buying of electricity from a private company – for the expansion of electricity capacity in Gibraltar in other areas – not necessarily, I may add, in relation to the power station. I look at the Father of the House who probably has more information in relation to this than the hon. Gentleman.

**Hon. Dr J E Cortes:** Mr Speaker, not necessarily.

**Hon. R M Clinton:** Mr Speaker, if I may ask the hon. Member, in relation to the power generation, does he have in his mind or does he have information in terms of how long the contract is with EcoWave and is there – obviously there will be in a hire purchase agreement – a contracted rate per unit of electricity is supplied? Can he advise the House what that would be and of course whether that is a more expensive option or cheaper than other sources of power generation?

**Hon. Dr J E Cortes:** Mr Speaker, I do not have all the information, I would need notice. The rate is commercially sensitive, but clearly there is a rate, otherwise you do not have a power purchase agreement.

**Hon. R M Clinton:** But would the hon. Member know if that rate is more expensive than, for example, the envisaged gas fired power station?

**Hon. Dr J E Cortes:** Mr Speaker, I hesitate to answer yes or no because I would need to check facts and I am not going to commit myself to something that could then be attributed to me without having had the necessary information.

**Hon. D A Feetham:** Mr Speaker, just following on from that, of course we all understand that having electricity generated in an ecologically sensitive way is preferable to something that is not as friendly to the environment, and there is an intrinsic value in that and one has to accept that. But there are obviously balancing exercises to be done in assessing things like this and one is the question of cost.

Now, I can understand if it were very expensive compared to other more conventional forms of electricity, that the Government may say, 'Well actually, the reason why we are doing it is because we have to provide 20% of our electricity, renewable electricity by a particular date.' I think it is – if we are to stay in the EU! – I think it is by 2020/2021 that there is a requirement that we move towards 20% of renewable energy.

Is that what this is about? Is this integral to the Government fulfilling what were its obligations to provide, to have 20% of renewable energy by 2020/2021? Is that what it is? Because then of course I could understand that, rather than a situation where one is simply going for environmentally friendly but it is going to cost much more – and we still do not know and I am giving him the benefit of the doubt because of course we have not seen the figures. But I just want a flavour of the thinking of the Government in relation to this.

**Hon. Dr J E Cortes:** Mr Speaker, the hon. Member knows who he is asking that question to (*Laughter and interjection*) and he knows that the environmental considerations are extremely important. (*Interjection*) My colleague says 'trumps all', but I do not like using that word in a political context!

995 Mr Speaker, I would not be concerned about renewable energy being more expensive without giving any detail, because as I have said before, I do not think I have them. It is part of an EU obligation of 20% by 2020. I would like to think that we can surpass that and if we are no longer bound by the EU I would like to think that certainly from the environmental point of view, if we do not comply we do not comply because we are *better* and not worse than what the EU currently requires of us.

1000

**Hon. D A Feetham:** I accept, Mr Speaker, that environmental considerations are extremely important in this day and age and moving towards the future, but Government and the reality of the situation is that financial considerations also need to be weighed in the balance too, when one is considering the various alternatives and if it forms part of the 20%, that is more understandable certainly if it is going to cost far more.

1005

But just looking at the cost to the community in relation to something like this, what is the length of the contract that the Government is envisaging with this particular operator in order to provide that 15% of electricity? Because for this to actually work for the operator itself, one would imagine that we are talking about a fairly lengthy contract. The way that these things work is that the cost, the outlay to the operator is repaid over a period of time, and it is repaid by the sale of the operator to the Government of electricity, which inevitably is going to cost more than conventional ways of funding electricity, but I am interested in the length of the contract if he has any information in relation to that.

1010

1015 **Hon. Dr J E Cortes:** Again, Mr Speaker, it is not directly asked in the questions and I do not want to use my memory in order to do that. So I do not have the information available. It is clearly available to the Government, I do not have it here with me.

But I think we have to bear in mind the benefits to the company as well, and the publicity that this has given them so they may have other considerations, and there are people in the private sector who actually do give the environment importance over and above commercial considerations, and maybe this company is one of them.

1020

**Hon. D A Feetham:** Yes, and it may well be that in fact we are wrong to assume that it is going to cost more. I would be surprised because there has to be a recoupment of the investment by the company. But I wonder whether the Father of the House knows how long we are looking at in terms of this particular contract for the supply of this particular renewable energy?

1025

1030 **Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** I have no involvement in this, Mr Speaker.

**Hon. Dr J E Cortes:** Mr Speaker, let me just add that it is not that the Government does not know; it is not a direct question being asked and therefore I need to have that information researched.

1035

**Hon. D A Feetham:** I can assure the hon. Gentleman that I am not calling into question the collegiate credentials of the Government at all and we will ask the question next time round.

**Q324/2016**  
**Europa Point sewage outfall –**  
**Monitoring regime**

1040 **Clerk:** Question 324, the Hon. T N Hammond.

**Hon. T N Hammond:** Can the Minister for the Environment say whether the recommendation made in the Southern Waters Management Scheme for a monitoring regime to be implemented for the sewage outfall at Europa has been acted upon?

1045

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

1050 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, yes sir. A multi-faceted monitoring approach is being implemented by the Department to monitor the Europa Point outfall. Bacteriological samples have been collected by the Environmental Agency at different distances from the Europa Point outfall and the Department routinely collects water and sediment samples in the Southern Waters SAC/SPA. Intertidal surveys of Europa Point foreshore are also carried out by the Department.

1055 SAC is Special Area Conservation; SPA is Special Protected Area under the EU Habitats and Birds Directives.

**Hon. T N Hammond:** And are the results of those investigations published on the Government website?

1060

**Hon. Dr J E Cortes:** I am not sure whether they are specifically; they are part of a larger project. But if the hon. Member wants to write to me I can provide that information. It is not something that is ... but I could not tell you, there is a lot of information on the website. I could not tell him, Mr Speaker, whether this specifically is there.

**Q325-326/2016**  
**Climate change programme –**  
**Government action plan**

1065

**Clerk:** Question 325, the Hon. T N Hammond.

**Hon. T N Hammond:** Has the Government published a climate change programme and an associated action plan?

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

1075 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, I will answer this question together with Question 326.

**Clerk:** Question 326, the Hon. T N Hammond.

1080 **Hon. T N Hammond:** Has Government conducted a risk and vulnerability assessment as recommended by the EAMP to better understand the localised impact of climate change?

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

1085 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, in relation to the first question, not yet. I have a very advanced draft with me among these papers, but it is not yet published.

In relation to the second question, a preliminary desk-top assessment of climate risks and hazards was carried out by the Climate Change Adaptation Working Group during the EU Cities Adapt project in 2012.

1090

**Hon. T N Hammond:** Just reference the second of the two questions: whilst that work was conducted in 2012, there is no definitive risk and vulnerability assessment available to Government at this point?

1095

**Hon. Dr J E Cortes:** Well, the 2012 work that was done as part of an EU wide project in which Gibraltar was one of the cities that was selected to form part of it, informs the Climate Change Report and therefore it is updated.

The basic data was collected in 2012 as part of the EU Cities Adapt project, so there is a report that exists to look into the risks and vulnerability in relation to climate change generated instances like storm surges, flooding and so on. That work has been done.

1100

**Hon. T N Hammond:** And has that report highlighted any particular areas in Gibraltar which may be vulnerable in the future by climate change in particular in global temperature increases?

1105

**Hon. Dr J E Cortes:** Yes, Mr Speaker. Again from memory, the lower lying areas of Gibraltar are ones that are more at risk. A number of works have been done recently to reduce the likelihood of flooding, for example in the Wellington Front area and in Queensway, but this is something that is a problem throughout the world. Unlike some islands in the Pacific, we have not disappeared under the waves, which some islands have.

1110

So the major risks in the foreseeable future are due to storm surges, as we saw some years ago, and those risks have all been looked at as the Hon. the Leader of the Opposition will know from the time that happened as he was in office, works were carried out to strengthen lots of the western seafront and at the moment, any developments on the seafront actually take those risks into consideration when levels and so on are being assessed.

1115

I can for example say that the power station in the North Mole, the reclamation has been informed by the different assessments before in their time and since in our time, to ensure that we have the resilience that the way the climate is going requires of any advanced community.

1120

**Q327/2016**  
**Recycling –**  
**Penalties for failure**

**Clerk:** Question 327, the Hon. T N Hammond.

1125 **Hon. T N Hammond:** Has Government conducted any work in examining the feasibility of establishing penalties for failing to recycle or of offering a recycling incentive?

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

1130

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, yes. The Government has conducted work in both examining the feasibility of establishing penalties for failing to recycle and offering recycling incentives.

1135 **Hon. T N Hammond:** And could the Minister offer us any conclusions which may have been drawn from that work?

1140 **Hon. Dr J E Cortes:** Yes, Mr Speaker. Because recycling is actually increasing and has increased since we expanded the recycling to include cardboard and paper in 2012 and since rolling out more recycling points and so on, at this point in time we have no intention of establishing penalties because it is still increasing.

The advent of the eco-park which is just maybe six or seven months old – maybe more, one loses track of time, as you well know, in this work – has also increased the amount of recycling. I hope to have figures in my Budget speech which I will deliver sometime next week.

1145 Therefore at this point in time it is not felt necessary to establish penalties but this is something that could always be considered in the future. But at this point in time I am glad to say that the Gibraltar citizen is collaborating and co-operating and therefore we have to encourage by way of positive feedback like I am doing now and not by way of penalty.

**Q328/2016**  
**Renewable energy or carbon offset–**  
**Developing projects in Morocco**

1150 **Clerk:** Question 328, the Hon. T N Hammond.

**Hon. T N Hammond:** Has Government conducted any work in examining the possibility of developing renewable energy or carbon offset projects in Morocco?

1155 **Clerk:** Answer, the Hon. the Minister for Health, the Environment, Energy and Climate Change.

1160 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Yes, Mr Speaker, the Government has conducted work in both examining the possibility of developing renewable energy and carbon offset projects in Morocco.

**Hon. T N Hammond:** And could the Minister elaborate on what that work comprises so far?

1165 **Hon. Dr J E Cortes:** Not very much, Mr Speaker, because this work is not concluded. The Government has received a proposal for carrying out studies on the feasibility of laying cables and also has explored, to some degree, possibilities of protecting areas of woodland in Morocco as part of a carbon trade-off scheme. This was discussed by me in Rabat some time ago with the High Commissioner for Water and Forests, but these are all still in early exploratory stages and therefore I cannot offer any more information.

1170 **Hon. T N Hammond:** Could the Minister perhaps offer a timeline, bearing in mind the original timescale for this work was to be completed by 2015, according to the recommendations of the EAMP? I fully accept that those timelines may be fluid, but is the Minister in a position to be able to say another five years, another two years or give us any ideas in that respect?

1175 **Hon. Dr J E Cortes:** No, Mr Speaker, I am not.

**Q329-331/2016**  
**Industrial noise levels –**  
**Steering Group; Noise Bill**

**Clerk:** Question 329, the Hon. T N Hammond.

1180 **Hon. T N Hammond:** Can the Minister say if the Reactive Noise Steering Group has been established in accordance with the recommendations of the EAMP?

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

1185

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, I will answer this question together with Questions 330 and 331.

**Clerk:** Question 330, the Hon. T N Hammond.

1190

**Hon. T N Hammond:** Mr Speaker, what work has Government conducted to reduce levels of noise arising from industrial operations?

**Clerk:** Question 331, the Hon. T N Hammond.

1195

**Hon. T N Hammond:** Is the Government drafting or intending to introduce a 'Noise Bill' as recommended by the EAMP with an original target date of 2014?

1200 **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, there is no Reactive Noise Steering Group. There is an Environmental Noise Steering Group and the recommendation of the EAMP was to reactivate this group.

1205 I can confirm that this group was indeed reactivated soon after I took Office. The group has met seven times since 2012. I might add that it is thanks to this Government's reactivation of the group, that potential EU infractions on environmental noise were averted.

1210 In answer to Question 330, industrial operations in Gibraltar are divided into three categories: first, noise from power stations; second, noise from construction sites; and thirdly, noise from the ship repair yard. The Environmental Agency regulates these as follows.

In respect to noise from power stations, the new power station is being designed with the latest noise insulation measures which will be a condition of their IPCC permit.

1215 In relation to construction sites, the hours of operation are subject to conditions imposed by the DPC at the planning stage of an application. Additionally, the Department requires all construction projects to provide a Construction Environmental Management Plan with noise mitigation being one area of control. The Environmental Agency investigates any complaints and if necessary, ensures that Best Available Techniques (BAT) are used in their construction operations. The Environmental Agency takes legal action when necessary.

1220 In relation to Gibdock, the Environmental Agency has monthly meetings with the management of Gibdock to discuss any problems that may arise. There is a standing agreement that no noisy operations will be carried out during the silent hours.

In relation to Question 331, a draft Noise Bill has been introduced but is still work in progress.

1225 **Hon. T N Hammond:** With respect to Question 331, has the Minister any idea when that Bill may be presented to the House, how far down the line of progress we are?

**Hon. Dr J E Cortes:** No, Mr Speaker.

**Q332/2016**  
**Waste treatment plant –**  
**Award of tender**

**Clerk:** Question 332, the Hon. T N Hammond.

1230 **Hon. T N Hammond:** Mr Speaker, further to Question 449 of July 2015 and Question 8/2016 where the Minister said that he was hopeful that an announcement of an award of a tender for a waste treatment plant would be made in the first quarter of this year, can the Minister state if indeed an award of a tender has been made?

1235 **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):** No, Mr Speaker, an award has not yet been made for a waste treatment plant.

1240 **Hon. T N Hammond:** Could the Minister explain what has caused the delay in the awarding of a tender which in January of this year he was suggesting was imminent?

1245 **Hon. Dr J E Cortes:** Mr Speaker, lots of things have happened in the last few months, in fact in the last year. But we are still looking at the technologies and we are still looking at the funding packages and costs involved.

This is a complex issue; it is an issue that we have to get absolutely right because it is looking after the treatment of waste in Gibraltar for the next few decades. It has to be tied in with the fact that we are also increasing recycling targets. So it is a complex issue and it is taking time to resolve.

1250

**Hon. T N Hammond:** Mr Speaker, no, I am not at all suggesting that it is not a complex issue but the Minister has had four and a half years now just to bring this project to a point where a contract may be awarded.

1255 Bearing in mind it was a 2011 manifesto commitment also, I am really finding it difficult to understand how we are still in a position, when as recently as January this year, and certainly in July last year, the Minister was giving the impression that a contract award was imminent, that we still find ourselves not having awarded a contract on this very critical environmental project. There is no doubt that of all the things we do, pumping raw sewage into the Mediterranean is probably one of the worst things we do in terms of environmental impact.

1260

I have to ask the Minister surely it is time to resolve whatever difficulties remain with respect to this project and award a tender to a company and get the project moving within a reasonable time period.

1265 **Hon. Dr J E Cortes:** Mr Speaker, it seems that we were talking at cross purposes. I was referring to solid waste; the Member opposite is referring to sewage.

The situation is very similar. Mr Speaker, I am as keen as he and probably keener than most to get this going forward. There is active work going on in order to achieve this. We are not ready yet and the reason we are not ready is that we want to get it absolutely right, and I am sure that we will.

1270



I think that at this point in time that is all that I am able to say. I am confident that we will get it right but it is something that is complex and needs the time for us to achieve it properly.

1275 **Hon. R M Clinton:** Mr Speaker, if I ask the hon. Member – and I have heard this phrase before about getting it absolutely right – does he mean in financial terms or in terms of technology?

1280 **Hon. Dr J E Cortes:** In every kind of way, Mr Speaker. I may have taken four years in doing this: that still gives me another 12 to go before I can compare to other people who never did it. *(Laughter)*

**Hon. T N Hammond:** I find the last statement by the Minister unnecessary quite honestly. *(Interjections)*

1285 The fact is this was a 2011 commitment for a manifesto which was claimed to have been 100% delivered, yet clearly this particular element was not delivered and it remains a critical infrastructure project and a critical project for the environment.

Can the Minister at least give a commitment that we will have a sewage treatment plant in place and running before the end of this Parliament?

1290 **Hon. Dr J E Cortes:** Mr Speaker, at this point in time, I can say yes. But obviously I have said that before and I have been questioned because it has not happened. So, Mr Speaker, the intention is certainly to do it and we are getting very close but I have nothing further to add.

1295 It is something that as I have said before, I am probably keener than most to have and I am totally committed to it, but at this point in time we are being cautious in the way that we approach it from all sorts of different angles because of the complexities and for every single reason. We have to get this right and right we will get it.

**Q333/2016**  
**Nature Reserves –**  
**Invasive plant species**

**Clerk:** Question 333, the Hon. T N Hammond.

1300 **Hon. T N Hammond:** Mr Speaker, within the Nature Reserves, can the Minister describe what activity has taken place to remove invasive plant species?

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

1305 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, invasive plant species have been removed from the following areas of the Gibraltar Nature Reserve: Windmill Hill Flats; Upper Rock; Europa Foreshore; Northern Defences; and the Great Sand Slopes.

In addition, invasives have been removed around Europa Road, which is outside the Nature Reserve.

1310 In no particular order, species removed include *Lantana* spp; *Agave* spp; Hottentot Fig; *Aloe* spp; Bear's Breech; Prickly Pear; and *Pennisetum* spp.

I must here acknowledge the tremendous work in this field being carried out by environmental enthusiast Bart Van Thiesen, on a totally voluntary basis. His work supported by the Department and by GONHS is outstanding and exemplary. *(Banging on desks)*

1315

**Hon. T N Hammond:** I thank the Minister for the response and I would add to it and also like to show some appreciation for the work that Bart has done in various areas around Gibraltar, not least the foreshore, in removing the invasive species there.

1320 Just on that point, because Bart has shown an enormous amount of energy around the foreshore area and I know he has been working closely with the Department of the Environment in that respect – in terms of the Upper Rock, I may have missed it in my notation, has much work been conducted on the Upper Rock in terms of specifically invasive species, rather than nuisance species?

1325 **Hon. Dr J E Cortes:** Yes, in fact Bart himself did a lot of work in removing Chasmanthe which is a Gladiolus-like plant which was covering large areas of the fire breaks in the St Michael's Cave Area and those have mostly gone. But there has been other work as well done by the Nature Reserve Management Team in the Upper Rock in removing Agaves, Opuntias, Prickly Pears and other species.

1330 The problem of invasives on the Upper Rock is not as great as in some areas of the south and the east and therefore although there is work to be done, there is not so much work there. It is more important to remove invasives from areas like the Europa Point area because that is where the invasive species, which are largely South African, have obliterated a lot of the native vegetation and by removing the invasive species the native vegetation will naturally re-seed. We have already seen great success in that.

1335 So there has been work done in the Upper Rock, not as much, for two reasons: there is not as much there and the more sensitive species are those in the more literal zones around Europa Point and the east side.

**Q334/2016**  
**Biodiversity Action Plan 2006 –**  
**Guide for Government**

1340 **Clerk:** Question 334, the Hon. T N Hammond.

**Hon. T N Hammond:** Does the Minister for the Environment believe that the 2006 Biodiversity Action Plan, Gibraltar: Planning for Nature, is still a document which Government should use to guide its hand in the management of the Nature Reserve?

1345 I will just add that the Minister has already answered this question but we may as well, for the record, have it reiterated.

1350 **Hon. Dr J E Cortes:** Yes, Mr Speaker, it is. As is always the case, because of nature's dynamics, there are however some aspects of the plan that need to be updated and these changes are being incorporated into the Gibraltar Nature Reserve Management Plan.

**Q335-336/2016**  
**Trees in urban areas –**  
**Number planted since 2014 and cut down since 2012**

**Clerk:** Question 335, the Hon. T N Hammond.

1355 **Hon. T N Hammond:** Can the Minister say how many trees have been planted within urban areas since the start of 2014, by year, and where?

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

1360 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, I will answer this question together with Question 336.

**Clerk:** Question 336, the Hon. T N Hammond.

1365 **Hon. T N Hammond:** Can the Minister say if any trees have been cut down since the start of 2012, where, and provide the reasons for their removal?

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

1370 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, the information requested by the hon. Member is in the schedules which I now hand over.

1375 If I may just summarise for his benefit, the question asks me how many trees have been removed since 2012, but how many trees have been planted since 2014, so the figures are not directly comparable – but that actually probably works to my advantage.

The total number of trees planted in 2014, 2015 and 2016, so that excludes 2012 and 2013, is 1,811 trees; 51 trees have been removed. So the net increase in trees, even not accounting for those planted in 2012 and 2013, is 1,760 trees.

**ANSWER TO QUESTION 336/2016**

**Answer to Question 335/2016**

**TREES PLANTED FROM 2014-2016**

Area	2014	2015	2016
Camp Bay	13	1	2
Chilton Court		5	
Convent Garden		1	
Corral Road	9		
Devil's Tower Road			72
Dr Giraldi Home			3
Edinburgh Estate		18	
Europort Avenue			7
Europa Advance Road			1230
Gasa	14		1
Gibraltar Bank		9	
Gibraltar Museum		1	
Glacis Estate			1
Harrington Buildings			2
Landport			2
Mid Harbours Estate		2	
MOD			1
Mons Calpe Mews			50
No. 6		2	
Notre Dame School		65	

**CONT. ANSWER TO QUESTION 336/2016**

**Cont. Answer to Question 335/2016**

Ocean Views		70	
Opposite Glacis Estate	30		
Orange Bastion		1	
Red Sands Estate	66		19
Rosia Road	2		1
Rosia Waste Ground	4		
Secretary's Lane		2	1
Sir Herbert Miles Promenade	5		
Sir William Jackson Grove			30
St Bernards Hospital		4	
Trafalgar Cemetery	6	3	4
Transport Lane Waste Ground		2	
Urban Car Park	44		
Waterport	1		
Waterport Road Containers	3		
Other		2	

**Answer to Question 336/2016**

Trees removed from 01/01/20012 to Present		
Site Address	AppDate	Reason for Works
19 EUROPA ROAD	27/04/2012	AFFECTS THE INTEGRITY OF THE RETAINING WALL ALONG EUROPA ROAD
21 SOUTH BARRACK ROAD	20/09/2012	TREE REQUIRES FELLING DUE TO STRUCTURAL DAMAGE TO THE ADJACENT BOUNDARY WALL EXACERBATED BY GROWTH OF IVY FROM CRACK IN THE WALL
ST PAULS SCHOOL	08/03/2013	THE TREE IS CAUSING HEALTH PROBLEMS TO PUPILS AND STAFF, WHO DEVELOP RASHES DURING TERM TIME IN SPRING AND EARLY SUMMER
LOQUAT HOUSE, SOUTH PAVILION ROAD	03/05/2013	REMOVAL DUE TO PROBABILITY OF INFECTION WITH RED PALM WEEVIL
3B ROSIA ROAD	21/03/2013	TREE REQUIRES FELLING DUE TO STRUCTURAL DAMAGE
EDUCATION DEPARTMENT	02/01/2013	REMOVAL OF TREE FOR NEW DRIVE WAY
CANCER CENTRE	22/03/2013	TREE REQUIRES FELLING DUE TO STRUCTURAL DAMAGE
LAND PORT DITCH	17/05/2013	RISK OF FALLING, CAUSING DAMAGE OR EVEN FATALITIES
SOUTHPORT GATE	21/08/2013	DAMAGE TO HERITAGE WALLS
PETANQUE CLUB	04/09/2013	DAMAGE TO HISTORIC WALLS
ST VINCENT HOUSE, 4 ROSIA PARADE	09/12/2013	TREES REQUIRES FELLING DUE TO STRUCTURAL DAMAGE
FLAT C, DEVIL'S GAP	15/01/2014	TREES REQUIRES FELLING DUE TO STRUCTURAL DAMAGE
OLD COACH PARK	16/01/2014	REMOVAL OF TREES FOR NEW HOUSING SCHEME
BISHOP FITZGERALD SCHOOL CAR PARK AREA	14/03/2014	TO ALLOW CONSTRUCTION OF RESIDENTIAL BUILDING
MONS CALPE MEWS	10/02/2015	SERIOUS RISK OF COLLAPSE
PENNY HOUSE, NAVAL HOSPITAL ROAD	23/04/2014	POTENTIAL OF ROOTS DAMAGING THE STRUCTURE OF BUILDING
DR GIRALDI HOME	19/02/2015	REMOVAL OF TREE DUE TO DAMAGE CAUSED BY WINDS AND RESULTING IN TREE BEING AT SERIOUS RISK OF COLLAPSE
JOSHUA HASSAN HOUSE COURTYARD	19/02/2015	TREE HAS BEEN DAMAGED BY RECENT STRONG WINDS
NORTH MOLE ROAD	21/05/2014	CONSTRUCTION OF NEW ENTRANCE TEMPORARY POWER STATION
18-20 BOMB HOUSE LANE	17/03/2015	BASE OF TRUNK AT ADVANCED STAGE OF DECOMPOSITION
6 GOWLANDS RAMP	04/06/2014	TREE HAS BECOME HAZARD FOR PASSERS BY
5D LIBRARY RAMP	25/06/2014	PALM HAS OUTGROWN ITS PLANTER
FORMER ROYAL NAVAL HOSPITAL COMPLEX (BLOCK E	10/04/2015	PINE TREE: TO PROVIDE CLEAR ACCESS FROM THE REAR OF THE BUILDING AND ALLOW NEW RAISED LEVEL SEATING/LANDSCAPED AREA FOR PATIENTS.
NURSES QUARTERS), EUROPA ROAD, GIBRALTAR		PALM TREE: THE PALM TREE IS BLOCKING VEHICULAR ACCESS TO THE BUILDING
BISHOP FITZGERALD EXTREME WEST PATIO	09/07/2014	TO ALLOW THE CONSTRUCTION OF A ROOF
CASTLE RAMP/ROAD TO THE LINES	13/08/2014	ROOTS DAMAGING INTEGRITY OF WALL
CORNWALL'S LANE	13/05/2015	THE PLANTER WILL EVENTUALLY COMPROMISE THE TREE'S SURVIVAL. DUE TO THE NARROW FOOTPATH IT CANNOT BE ENLARGED.
WINSTON CHURCHILL AVENUE	15/05/2015	AFFECTING FUEL PIPES
ELLIOT'S BATTERY COMMUNAL PATIO	19/09/2014	THE TREE HAS BECOME A HEALTH AND SAFETY HAZARD AND RISK OF SERIOUS DAMAGE TO THE SURROUNDING STRUCTURES
LANDPORT DITCH	27/07/2015	HIGH HAZARD RATING, TREE GROWING ON RETAINING WALL
"LES OLIVES" 2B GARDENERS ROAD	20/07/2015	TREE CONCERNED IS A MEDIUM TO LARGE OLIVE TREE THAT HAS A SERIOUS LEAN OVER AN ADJACENT PROPERTY. IT IS GROWING THROUGH A RETAINING WALL WHICH IT WILL EVENTUALLY CAUSE SIGNIFICANT DAMAGE TO. THE TREE OF VERY POOR FORM AND GROWING IN THE WRONG PLACE. THE TREE COULD FALL INTO THE NEIGHBOR'S PROPERTY AND THEREFORE A DANGER.
EUROPA ESTATE	30/10/2014	TREE IS DISRUPTING ROAD AND PAVEMENT CREATING A SIGNIFICANT HAZARD
HOSPITAL RAMP AREA OF EX-ST BERNARD'S HOSPITAL	30/07/2015	AREA IS NEEDED TO IMPROVE TRAFFIC CIRCULATION FOR NEW SCHOOL IN AREA
QUEENSWAY ROAD, EDINBURGH ESTATE	03/11/2014	REPLACEMENT IN ORDER TO IMPROVE THE AESTHETICS OF THE AREA
BRYMPTON PROPERTY, BORDER WITH PENNY HOUSE PATIO	10/08/2015	INFESTED WITH WEEVILS, COMPLAINTS FROM RESIDENTS OF PENNY HOUSE
GEORGE DON GATES, THE ALAMEDA, GRAND PARADE, SOUTHERN END	06/11/2014	IMPROVE THE AESTHETICS OF THE MAIN ENTRANCE TO THE GIBRALTAR BOTANIC GARDENS
ROCK COTTAGE, SOUTH BARRACK ROAD	26/08/2015	THE REMOVAL OF THESE PALMS (PHOENIX CANARIENSIS) IS DUE TO THE INFESTATION OF THE RED PALM WEEVIL (RHYNCHOPHORUS FERRUGINEUS)
LANDPORT DITCH CAR PARK	10/12/2014	THE TREE IS OF POOR FORM AND LEAN IS OBSTRUCTING PARKING SPACE
39/41 FLAT BASTION ROAD	09/09/2015	TREE CRACKING RETAINING WALL
GLACIS ROAD, BY JUNCTION WITH ST ANNES ROAD	10/08/2015	CONSTRUCTION OF NEW MULTISTORY CARE PARK
BACK GARDEN OF GARRISON LIBRARY	24/02/2015	TREE IS GROWING FROM A CREVICE IN A WALL AND THIS HAS CAUSED THE WALL AND LANDING JUST ABOVE TO BREAK-UP. THE WALL IS SEVERELY UNDERMINED BY TREE.
DEVIL'S TOWER CAMP	05/11/2015	TREES ARE CURRENTLY OCCUPYING SPACE REQUIRED FOR NEW PARADE GROUND AND MUST BE REMOVED. THERE IS HOWEVER AN ADEQUATE AREA ADJACENT TO REPLANT THESE TREES IF REQUIRED.
MONS CALPE MEWS	10/11/2015	J HAMILTON INSPECTED THESE 2 PINE TREES WHERE I SHOWED HIM HOW TRENCHES HAD BEEN DUG BY GIBELEC/AQUAGIB AND ROOTS TO THESE TREES HAD BEEN SEVERED. THEY POSE DANGER. DEPARTMENT OF ENVIRONMENT ALSO WITNESSED.
MALLARD HOUSE LAGUNA ESTATE EAST PATIO AREA	09/12/2015	DUE TO THE REFURBISHMENT WORKS AT LAGUNA ESTATE THE SAID TREE IS OBSTRUCTING THE PAVEMENT AND BLOCK ACCESS WHEN APPROACHING THE BLOCK ENTRANCE FROM THE SOUTH DIRECTION
PATHWAY BETWEEN MORRISON'S SUPERMARKET & ST BERNARD'S HOSPITAL	19/01/2016	THE ROBINIA TREES ARE ON THEIR WAY OUT AND NEVER ADJUSTED TO IT'S NEW LOCATION. FICUS TREES ARE BETTER SUITED FOR THAT LOCATION AND WOULD ALSO KEEP WITH THE OTHER FICUS TREES PLANTED ALONG THE ROAD
PARK OPPOSITE CATHEDRAL OF THE HOLY TRINITY	26/01/2016	PEPPER TREE IS COMPLETELY HOLLOW INSIDE AND COULD EASILY FALL ON TO CHILDREN PLAYING IN THE PARK.
TRAFALGAR CEMETERY	19/02/2016	A LARGE TREE THAT IS IN A POOR STATE. ITS FORM IS UNATTRACTIVE AND IT IS UNHEALTHY, WITH ROT IN THE TRUNK AND BRANCHES
BISHOP FITZGERALD SCHOOL	24/02/2016	TREE HAS SNAPPED RECENTLY DUE TO THE INCLEMENT WEATHER AND AFTER FURTHER ASSESSMENT IT IS EXTREMELY HAZARDOUS DUE TO ITS LOCATION.
RECLAMATION ROAD		
WESTSIDE SCHOOL	24/02/2016	TREE HAS BEEN DAMAGED QUITE EXTENSIVELY RECENTLY DUE TO INCLEMENT WEATHER AND AFTER FURTHER ASSESSMENT IT IS BEST REMOVED DUE TO ITS LOCATION AND PROXIMITY TO CHILDREN
3 EUROPA ROAD	04/03/2016	MATTER HAS BEEN ADVISED BY DR KEITH BENSUSAN WHO RECOMMENDS CUTTING DOWN FOR HEALTH AND SAFETY REASONS.
ST CHRISTOPHER'S PASSAGE	08/03/2016	THE TREE HAS BEEN SURVEYED BY EDEN BOTANIC AND THE HAVE SAID THAT THE TREE IS DANGEROUS AND THAT IT HAS BEEN NEGLECTED AND NOW POSSES A RISK OF FALLING TO ONE SIDE. THERE SUGGESTION IS OF ITS REMOVAL
RETREAT CENTER	21/03/2016	THIS SMALL TREE IS GROWING ON A ROCK FACE THAT IS BEING ERODED. MOVEMENT BY THE TREE AND ITS ROOTS IS POSSIBLY CONTRIBUTING TOWARDS THE EROSION AND THE ROOTS AND BASE OF THE TREE ARE BECOMING EXPOSED.
LATHBURY		

1380 **Mr Speaker:** Let us go on to Question 337 and if the hon. Member has any supplementaries arising from the schedule I will allow him to ask them.

**Q337/2016**  
**Europa Point foreshore –**  
**Litter cleaning**

**Clerk:** Question 337, the Hon. T N Hammond.

1385 **Hon. T N Hammond:** Mr Speaker, how often is the Europa foreshore cleaned of litter and flotsam by Government agencies?

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

1390

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, Europa Point foreshore is cleaned on an ad-hoc basis by the Gibraltar Nature Reserve Management Team.

1395 **Hon. T N Hammond:** Would the Minister consider implementing a programme so that areas such as the foreshore are regularly swept of flotsam and litter, rather than on an ad-hoc basis?

And if we are to proceed on an ad-hoc basis, what triggers the action on the part of the Ministry? Is it reports or what else could it be?

1400 **Hon. Dr J E Cortes:** In the case of Europa Point foreshore, because of the voluntary work that is being done there, very often it is the volunteer himself who reports that there are accumulations and then the Department responds to that.

1405 It is also true that I occasionally at weekends have a look around the area and I may spot things myself. But there are lots of active people bird watching or watching nature and so on. If they report anything specific, then that triggers off the response and I think there are enough people looking around the area of Europa Point, sometimes the hon. Member himself with his camera, to trigger off those things.

1410 So the volunteer network actually seems to work in that particular area, so I do not think we need to do any more. If we found that it was an area that was no longer visited and it starts to accumulate a lot of debris, then obviously we would have to introduce a more regular monitoring and we would have the resources to do that through our environmental monitors and so on.

#### Q338/2016

#### Environmental guidance for boat owners – Details

1415 **Clerk:** Question 338, the Hon. T N Hammond.

**Hon. T N Hammond:** Mr Speaker, can the Minister describe what environmental guidance has been produced and disseminated for boat owners by the Department of the Environment?

1420 **Clerk:** Answer, the Hon. the Minister for Health, the Environment, Energy and Climate Change.

1425 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, the environmental guidance produced and disseminated for boat owners by the Department of the Environment, consists of a booklet aimed at informing anglers on the requirements of the Marine Protection Regulations. A species identification booklet has also been produced and both guidance documents are available online. The Department has also engaged with numerous marinas, the fishing working group and cetacean tour operators to advise them on the requirements of the Cetacean Protocol.

1430 **Hon. T N Hammond:** Yes, I understand that some documentation has been produced for the guidance primarily of anglers, but has anything been produced more specifically for boat owners in general who may not be anglers, but will still enjoy their weekends out on the waters, particularly now as we are likely to have significantly larger numbers of boat owners with the new boat marina?

1435

**Hon. Dr J E Cortes:** Mr Speaker, this very point was raised by members of the Fishing Working Group which obviously does not talk just about fishing but largely about fishing. It is something that has been accepted as being something that could be done in order to make boat owners aware of the wider environmental responsibilities and that is something that the Department is working on.

**Hon. T N Hammond:** Would the Minister agree that it would perhaps have been wise to have produced such information prior to the inevitable influx of new boats that we are going to see with the marina? The marina has not happened overnight and it would have been something that we could have been proactive on, rather than reactive to.

**Hon. Dr J E Cortes:** Mr Speaker, it is always a point to make. However, I do not think that our new boat owners ... Well, firstly not all of them are new boat owners; some of them are old boat owners who were not able to have a boat because the marinas were taken away and not replaced. Now we have replaced them so they will already be quite savvy about seamanship.

I do not think that most boat owners are necessarily irresponsible from an environmental perspective. So whereas clearly the sooner one has this sort of guidance available the better – and that is a wide rule that we can accept – I am not unduly worried as to things that may be happening now that could be done better. However, as I say these things take time, the Fishing Working Group brought it up and we are responding and we are hopefully going to be preparing something.

Let me add, Mr Speaker, that there are other Government authorities and agencies – the Port for example – that produces guidelines and if I am not mistaken, I believe there has been input by the Department of the Environment into some of that work. But I am not 100% sure, but I believe so.

**Hon. T N Hammond:** For the record, I was not suggesting that boat owners new or from the past have ever been deliberately out to damage the environment of course, but if guidance is not provided they could through lack of knowledge cause damage to the environment. Perhaps the Minister for the Port could corroborate what the Minister has said or otherwise, and advise what information has been disseminated from an environmental perspective to boat owners.

**Q339/2016**  
**North Front Cemetery –**  
**Plans to improve condition**

**Clerk:** Question 339, the Hon. T N Hammond.

**Hon. T N Hammond:** Does Government have any plans to improve the condition of the North Front Cemetery which currently finds itself in such a state of disrepair?

**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, yes sir.

**Hon. T N Hammond:** And I realise I need to ensure that my questions are not closed questions when I ask them, *(Laughter)* but could I ask the Minister to elaborate on what those plans are?

**Hon. Dr J E Cortes:** Mr Speaker, unfortunately and I think I have explained this, possibly not publicly, because I have had correspondence with a group that raised issues to do with North Front Cemetery and I have explained to them that there have been a number of changes in the structure of the cemetery which for a particular period of time reduced the amount of hours that were going in to the strimming and so on of the vegetation.

That has now been virtually put right and the areas have now been strimmed and so on, so the state of the cemetery as it was some weeks or months ago is now much improved. We are now identifying resources to put in to have a regular vegetation management problem, which is the usual problem. If it was not a cemetery, if it was a meadow, the poppies and flowers would look great, but clearly we have to ensure that people who go to remember relatives there have access to the graves and so on.

So that I think we will now be able to control. In any case, in discussions with the management of the cemetery, we have made it clear that if ever there should be a problem of access, the management will immediately respond and make sure that they open particular access directly to any particular gravestone that a relative may want to visit.

So I am confident now, Mr Speaker, that the problems that we have seen identified or raised by the public in the last few months will not occur again.

**Q340/2016**  
**Yellow-legged Gulls –**  
**Number of breeding pairs**

**Clerk:** Question 340, the Hon. T N Hammond.

**Hon. T N Hammond:** Mr Speaker, can the Minister say how many breeding pairs of Yellow-legged Gulls are estimated to have bred in Gibraltar for each year since 2010?

**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, thorough surveys of Yellow-legged Gulls have been carried out during the breeding season for the years 2002, 2009, 2010, 2015 and 2016.

Although in the past these surveys took place on an *ad hoc* basis, either when funding could be obtained or volunteer help was available, Government has now arranged for surveys to take place on an annual basis.

Due to the Rock's topography, it is impossible to ascertain accurately the number of breeding pairs of Yellow-legged Gulls in Gibraltar. Instead these surveys provide relative estimates of abundance and the main purpose is to assess population trends as a response to culling activity.

The trend is clear: the data estimate an average decrease in numbers of breeding pairs of gulls of some 4% per annum, with an estimated 40% decrease in breeding Yellow-legged Gulls between 2002 and 2016. Although this represents a substantial decrease, the trend is not as marked as would be expected from a closed population. For example, approximately 16,000 fledged Yellow-legged Gulls, mainly adults, have been removed between 2012 and mid-2016 and the expected decrease should be much greater if there were no input of gulls from elsewhere.

There is no doubt that there is substantial immigration of gulls to Gibraltar from nearby breeding sites. Although censuses of the type that are carried out in Gibraltar do not take place in nearby Spain, the species is known to be increasing steadily throughout coastal areas of Andalusia, much of which it has colonised only recently. Some limited culling activity has taken



place in the province of Cadiz, but not on the scale that it is carried out in Gibraltar. Unfortunately much of that activity has ceased in recent years.

1530 Gibraltar has to contend with what appears to be a considerable re-population of gulls from nearby Spain and possibly elsewhere from this 'Meta population' of Western Mediterranean Yellow-legged Gulls, and that makes the control programme more difficult. Even accounting for this, however, the breeding population of gulls in Gibraltar is definitely declining as a result of the culling programme.

1535 **Hon. T N Hammond:** The question did actually ask, though, for more specific figures. Are those figures available?

**Hon. Dr J E Cortes:** Mr Speaker, my point is that because it is impossible to accurately census every single breeding pair because of the topography of Gibraltar, what is done is you work out an index based on the amount of observer coverage and so on. Then what you do is you  
1540 compare year on year averaging out the different things.

I am very happy to share that information with the hon. Member. It is a trend so clearly figures can oscillate but the trend is downwards and the decrease, the figures that have been produced to me, show a 40% increase since 2002. I am happy to share the more detailed  
1545 information and if he will write to me by way of a reminder, I would be happy to do so and to show how those estimates have been arrived at.

**Hon. T N Hammond:** I will of course write to the Minister as he has requested it, but the question itself was actually asking for the information. I accept a 40% reduction; what I was  
1550 hoping to see was evidence of that, rather than just a description of how the numbers are arrived at.

But I will write to the Minister, thank you very much for that.

**Hon. Dr J E Cortes:** The description is crucial because the figures in isolation, because of the difficulty of censusing, it is not going to be an accurate reflection and you need the description  
1555 and both go together so that will be provided.

**Q341/2016**  
**Litter Committee –**  
**Meetings during 2015**

**Clerk:** Question 341, the Hon. T N Hammond.

1560 **Hon. T N Hammond:** Can the Minister for the Environment advise how many meetings of the Litter Committee took place during 2015 and if the meetings were minuted, are those minutes available for review?

**Clerk:** Answer, the Hon. the Minister for Health, the Environment, Energy and Climate  
1565 Change.

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, three meetings of the Litter Committee took place during 2015. Notes are recorded of these meetings but for the purpose of internal action only.  
1570

**Hon. T N Hammond:** So if I wrote to the Minister, would he not necessarily provide those notes, but certainly would he be able to provide a description of what actions are maybe coming out of those meetings?

1575 **Hon. Dr J E Cortes:** Mr Speaker, I would have no problem with that whatsoever.

**Q342-348/2016**  
**Dog fouling –**  
**Complaints to Royal Gibraltar police**

**Clerk:** Question 342, the Hon. E J Phillips.

1580 **Hon. E J Phillips:** Can the Minister for Justice ... I apologise that this question was written originally for the Minister for Justice but I will change it.

Can the Minister confirm how many reports/complaints have been received by the Royal Gibraltar Police or the relevant authority in respect of dog fouling?

1585 **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 343 to 348.

1590 **Clerk:** Question 343, the Hon. E J Phillips.

**Hon. E J Phillips:** Can the Minister confirm what action has been taken in respect of dog fouling reports/complaints?

1595 **Clerk:** Question 344, the Hon. E J Phillips.

**Hon. E J Phillips:** Since 26th November 2015, how many individuals have been prosecuted for dog fouling offences and what fines have been imposed by our Courts?

1600 **Clerk:** Question 345, the Hon. E J Phillips.

1605 **Hon. E J Phillips:** In March 2016, the Minister for the Environment confirmed that DNA fingerprinting procedures would be effective within the next few months. Can the Government confirm that the new procedures are in place and if not, explain the delay and confirm when they expect the new measures to be in place?

**Clerk:** Question 346, the Hon. E J Phillips.

1610 **Hon. E J Phillips:** Can the Government confirm how much the DNA fingerprinting will cost the Taxpayer?

**Clerk:** Question 347, the Hon. E J Phillips.

1615 **Hon. E J Phillips:** Is the Government confident that the new measures will drastically reduce dog fouling offending and, more importantly, act as a deterrent?

**Clerk:** Question 348, the Hon. E J Phillips.

1620 **Hon. E J Phillips:** Can the Government also comment on whether it is the Government's intention to increase the level of fines open to the Court to impose on those who continue to flout the law by letting their dogs foul in our streets?

1625 **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, the following reports or complaints have been received formally by the Royal Gibraltar Police, or the relevant authority in respect of dog fouling: 2011, four; 2012, two; and none in 2013, 2014, 2015 or 2016 to the present.

1630 When reports or complaints are received, the matter is investigated to try and ascertain who the culprit is. Additional patrols are made in the area. If the person is not caught in the act or a witness does not come forward, it is very difficult to find a culprit. This is precisely why the new measures are being introduced.

As from 26th November 2015, no persons have been prosecuted for dog fouling offences.

1635 The current fine is set at £250. It was increased from £150 in 2013 and the intention is to keep it as is once the new system is implemented. The new measures are in the final stages of preparation and will be in place shortly. Regulations were published in the Gazette on 16th June, and an amendment to the Animals and Birds Act will be published shortly – maybe tomorrow, maybe next week.

1640 It is envisaged that after 1st November 2016, all new dog owners will need to DNA fingerprint their dogs and existing dog owners have them fingerprinted upon renewal.

1645 There have been no delays. The starting time towards the end of the year was always envisaged as there was a need to consult stakeholders. This is a new system for Gibraltar and judging from success elsewhere, one which we are confident will tackle the long standing issue of dog fouling around Gibraltar.

1650 DNA identification is scientifically proven and conclusive when a match is found. Enforcement officers no longer have to catch an offender in the act, which has been a major reason for the lack of fining in the past. They simply have to collect a sample and that will be matched to the dog in question. The fine will then be sent to the owner. The system has for example, completely eradicated dog fouling in the island of Capri and is being adopted across an increasing number of European cities, including London.

1655 The system will not cost the Taxpayer. There will be an increase in dog licencing fees from £5 to £25 to cover the initial cost of the DNA fingerprinting and the cost of the testing of the samples and DNA matching.

**Hon. E J Phillips:** I am grateful for the extensive answer to those questions, particularly in regard to the DNA fingerprinting.

1660 But would the Minister not agree with me that even though you are going to have DNA fingerprinting available to the environmental officers or those who carry out those functions in respect of dog fouling, it clearly is not going to cater for those dog owners who have not registered their animals? Therefore would the Hon. Minister agree with me that it is a question of enforcement and continuing education in respect of the licensing requirements by those dog owners?

1665 **Hon Dr J E Cortes:** Mr Speaker, the question of unlicensed dogs is wider than just this, for a number of reasons. From the point of view of the health of the dog population, the problem possibly of having dangerous dogs which we are not aware of, but I think the thrust there has to be, once this regime is in place, to try and identify unregistered dogs and to deal with those.

1670 The problem has been – and believe you me, Mr Speaker, we have tried having policemen, in  
having environmental enforcement, environment agency officers, in areas putting up cameras ...  
When you put up a camera, that area becomes free of dog fouling but go round the corner and  
you will see. So enforcement is very, very difficult.

1675 As a lawyer, the hon. Member will realise that you have to provide the evidence that you did  
it, it was your dog and you were there when you did it. So it is very, very difficult and this is what  
has made us go towards the DNA finger printing. So I think we need to give this a chance and  
then tackle that later if it is still a problem.

1680 That still leaves the problem of unlicensed dogs and the Hon. Mr Llamas is, I know, very  
active in that world and it is something that we have to tackle as well, but for wider reasons. And  
there are other issues relating to dogs which we are looking at and in fact I have discussed them  
informally with the hon. Member opposite and hopefully that may include dealing with the  
problem that the hon. Member has identified.

**Hon. E J Phillips:** I am grateful for that response. I am sure the Minister will join me in  
condemning those irresponsible dog owners that continue to allow their dogs to foul in our  
1685 streets. It is a rather disgusting mess and I think we should continue in our campaign to educate  
people insofar as the fouling is concerned.

But I would also say that we should in my view, and I want to take some soundings from the  
hon. Minister in respect of the level of fines, that we should also in our view increase the level of  
fines so that those who continue to let their dogs foul in our streets are fined appropriately and  
1690 at higher levels so that they stop doing this.

**A Member:** Hear, hear.

1695 **Hon. Dr J E Cortes:** Mr Speaker, the purpose of every such regime is not to get people and  
fine them or throw them in jail – not that you would be jailed for this. The purpose of our law  
and the fines is to stop the offence being committed and that is my primary reason for doing  
this.

1700 I am quite confident that the system will work. If it does not, that is the time to consider the  
increase in fine. I do not think we should be punitive if we have other solutions, but certainly it is  
something that is open to us. We increased the fines a few years ago by £100 and that is still  
open, but I think this is not the time. I think we have got to give dog owners a chance to respond  
and then take it from there.

1705 **Mr Speaker:** The Minister has been answering questions for the better part of two hours.  
This is a convenient time at which to have a short break.

*The House recessed at 5.05 p.m. and resumed its sitting at 5.35 p.m.*

**Q349/2016**  
**Cleaning Gibraltar –**  
**Government contracts**

**Mr Speaker:** Question 349, the Hon. the Leader of the Opposition.

1710 **Hon. D A Feetham:** Mr Speaker, what contracts does the Government currently have to clean  
Gibraltar?

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

1715 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, the Government currently has a contract with Master Service Ltd to clean Gibraltar.

**Hon. D A Feetham:** Mr Speaker, can the Hon. the Minister say when this contract expires or is it a revolving contract?

1720

**Hon. Dr J E Cortes:** Mr Speaker, the contract was put in place by the former administration and is due to expire in March 2017.

**Q350/2016**  
**Mount Alvernia –**  
**Government workers**

**Clerk:** Question 350, the Hon. L F Llamas.

1725

**Hon. L F Llamas:** Mr Speaker, how many workers employed by Government, Government-owned companies, authorities and agencies are currently working in Mount Alvernia?

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

1730

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, 229½. The half obviously being the odd number of part-timers – not half a person!

**Q351/2016**  
**Mount Alvernia –**  
**Non-Government workers**

**Clerk:** Question 351, the Hon. L F Llamas.

1735

**Hon. L F Llamas:** Mr Speaker, how many workers not employed by Government, Government-owned companies, authorities and agencies are currently working in Mount Alvernia?

1740

**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, 46.

1745

**Q352/2016**  
**Primary Care Centre counter –**  
**Non-Government workers**

**Clerk:** Question 352, the Hon. L F Llamas.

1750 **Hon. L F Llamas:** How many workers not employed by Government, Government-owned companies, authorities and agencies are currently working in the Primary Care Centre counter?

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

1755 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, I have taken the liberty to include 'counter' in the plural, as there are many counters in the Primary Care and it was not clear which one was being referred to.  
The answer, Mr Speaker, is 11.

**Q353/2016**  
**Primary Care Centre counter –**  
**Government workers**

1760 **Clerk:** Question 353, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, how many workers employed by Government, Government-owned companies, authorities and agencies are currently working in the Primary Care Centre counter?

1765 **Clerk:** Answer, the Hon. the Minister for Health, the Environment, Energy and Climate Change.

1770 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, 19.

**Q351-352/2016**  
**Supplementary questions**

1775 **Hon. R M Clinton:** Mr Speaker, if I could go back to Questions 351 and 352, the non-Government employees. Would the Hon. Minister be able to advise what type of services they provide in general?

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Questions 351 and 352. It depends, they could be nursing services and they could be cover for example for administrative services, for people on maternity leave, long term sick leave and the like.

1780 I think that probably covers all in Mount Alvernia and in Primary Care.

**Hon. R M Clinton:** And if I may, Mr Speaker, would the Hon. Minister know whether these are all supplied by the same legal entity or are they on separate contracts individually?

1785 **Hon. Dr J E Cortes:** I know that they are not. It depends; they do come from several areas. For example, nursing may come from one area, admin may come from another. I do not have all the exact details but it would be certainly more than one.

1790 **Hon. D A Feetham:** Mr Speaker, can the hon. Gentleman just explain, if he has a reason, why such a high proportion of non-Government, Government-owned companies, authorities and agency workers are actually employed, which is 11, compared to 19 that are directly attributable if I can call it, to the public service – and I take the public service in the wider sense of the word, including Government-owned companies and authorities.

1795 **Hon. Dr J E Cortes:** I alluded to this earlier, Mr Speaker.  
The main reason would be maternity leave where people may be away for up to a year. It may be long term sick leave. On occasions, because it is such front-line work that they do, on occasion if there are going to be delays in ... You see, staff in the GHA may be civil servants, they may be GHA employees and if there are delays in recruitment processes and so on, we cannot be without front-line staff so on a temporary basis we may take on people who are not directly  
1800 from the Government or Government agencies.

So mainly it is short-term cover, whether it is to cover gaps where we cannot afford to wait for the longer process or maternity or long-term sick leave, that sort of issue. I could not tell you which is which in more detail than that at this point in time.

1805 **Hon. D A Feetham:** So he could not tell us how many of those 11 are actually covering short-term, maternity and long-term illnesses that he has outlined and for other reasons?

What I am obviously getting at is: is he satisfied that we do not have a situation here where there are non-public service employees almost working on a permanent basis in these jobs at the counter in the Primary Care Centre?  
1810

**Hon. Dr J E Cortes:** Mr Speaker, they are temporary engagements, as I have explained before. I do not have a breakdown. I was asked for figures, I have given figures, I do not have a breakdown.

#### Q354-356/2016

#### Antenatal classes, births and maternity staff – Details

1815 **Clerk:** Question 354, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Government please state how many prospective parents attended antenatal classes for the past 24 months?

1820 **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 355 and 356.  
1825

**Clerk:** Question 355, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Government provide details of the babies born during each shift at the maternity ward during the past 24 months?

1830 **Clerk:** Question 356, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Government provide details of the complement of staff working in each shift at the maternity ward during the past 24 months?

1835 **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, the information on antenatal classes in the handout I now hand over.

1840 Mr Speaker, the information regarding birth numbers is collated per day and not per shift and is also in the handout provided.

1845 Midwives per shift are as follows: three midwives on night duty from 8.30 p.m. to 8.00 a.m.; one midwife additionally on call as from 8.30 p.m. to 8.00 a.m.; four midwives on day shift from 8.00 a.m. to 8.30 p.m.; one to two midwives daily in the community setting, visiting mothers or mums to be at home between 8.00 a.m. and 8.30 p.m.

**Hon. R M Clinton:** Mr Speaker, would the Minister be able to advise whether antenatal classes have now been suspended in the GHA and the GHA is no longer providing those? Is there any truth in that?

1850 **Hon. Dr J E Cortes:** No, Mr Speaker. I think that in the handout that I have provided, I have shown that they are not suspended.

Parent-craft classes of this nature are no longer done in the United Kingdom. This is something that we still do in Gibraltar for first-time mums. They have not been suspended.

1855

Answer to Question 354-2016

<u>Parent craft classes 2014</u>	Couples booked	Couples attended
Jun-14	16	14
Jul-14	12	12
Aug-14	16	14
Sep-14	21	18
Oct-14	15	15
Nov-14	17	15
Dec-14	15	5

<u>Parent craft classes 2015</u>	Couples booked	Couples attended
Jan-15	16	12
Feb-15	18	18
Mar-15	16	11
Apr-15	11	10
May-15	3	3
Jun-15	19	13
Jul-15	9	4
Aug-15	19	14
Sep-15	20	18
Oct-15	15	13
Nov-15	9	7
Dec-15	11	10



Answer to Question 355-2016

2014	Number of deliveries
May	41
June	34
July	38
August	40
September	46
October	42
November	41
December	41

2015	Number of deliveries
January	34
February	29
March	51
April	39
May	51
June	33
July	27
August	47
September	41
October	51
November	40
December	44

2016	Number of deliveries
January	34
February	27
March	33
April	40
May	37

**Q357/2016**  
**St Bernard's Hospital operations –**  
**Cancellations**

**Clerk:** Question 357, the Hon. D A Feetham.

1860

**Hon. D A Feetham:** Mr Speaker, can the Government please state how many operations have been cancelled at St Bernard's Hospital in each of the financial years since 31st March 2012?

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

1865

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, the information is in the schedule I now hand over.

Answer to Question 357-2016

1 <sup>st</sup> April 2012 to 31 <sup>st</sup> March 2013 – 343 cancellations (57 of these cancellations are due to no bed availability)
1 <sup>st</sup> April 2013 to 31 <sup>st</sup> March 2014 – 223 cancellations (44 of these cancellations are due to no bed availability)
1 <sup>st</sup> April 2014 to 31 <sup>st</sup> March 2015 – 249 cancellations (12 of these cancellations are due to no bed availability)
1 <sup>st</sup> April 2015 to 31 <sup>st</sup> March 2016 – 346 cancellations (33 of these cancellations are due to no bed availability)

**Hon. D A Feetham:** Mr Speaker, if I might just read the numbers and then ask a supplementary because I think this is important to contextualise the question.

In the year up to 31st March 2013 there were 343 cancellations. In the year up to 31st March 2014, there were 223 cancellations. In the year up to 31st March 2015, there were 249 cancellations. And then in the year up to 31st March 2016, there were 346 cancellations.

Can the Minister explain, and I know there is an explanation: in the first year there were 57 cancellations due to no availability of beds; in the second 44 due to no availability of beds; 12 in 2015 because of no bed availability; and 33 again in the year ending 2016 because of bed shortages.

Those explanations apart, what explanation is there for the significant level of cancellations? In 2016 it is 346 cancellations – 33 because of bed shortages, but 346 cancellations. I wonder whether the Hon. the Minister for Health can provide an explanation in relation to this that is satisfactory to the House.

**Hon. Dr J E Cortes:** Mr Speaker, it gives me great pleasure to have the opportunity to ‘contextualise’ this, in the words of the Hon. the Leader of the Opposition.

Mr Speaker, the reason why I have highlighted in the handout the cancellations due to bed availability, is because this is something which obviously concerns the community as a whole. So I will talk about those in a minute.

If we talk about the overall figures, those figures include many different reasons, most of which are not the ‘fault’ – for want of a better word – of the Health Authority.

For example the surgeon might take a decision that on a particular day it is not advisable to go ahead with those operations. The patient may decide even at the last minute that they do not want to have the operation. Some patients do not attend. Some operations on the day are no longer required. The patient may be unwell or there may be other medical reasons.

So the only one really that one could attribute to possibly – it depends on how you see it – something which might be a fault of the system is the bed availability. Hence the second lot of figures.

Clearly, the figures to 2016 of 33 are still below 2012/2013 and well below previous years but you have not asked me those, and I am not going to go back. They are above the year before where we had a particularly good year, but I think again if I can contextualise that, if you consider that in 2012 we carried out 600 operations and in 2015-16 we carried out 2,900 operations, then in percentage terms, then in the year to 2013 there were 9.5% cancellations but in this last year only 1.1%.

**Several Members:** Hear, hear. *(Banging on desks)*

**Hon. Dr J E Cortes:** So to cancel 33 out of 2,900 is much more significant than to cancel 57 or more in years before that out of 400 or 500. *(Banging on desks)*

**Hon. D A Feetham:** Yes, Mr Speaker. *(Laughter)* Well, Mr Speaker, talking about contextualising things, I remember when the Hon. Minister Costa was on this side of the House, he used to say – because I remember it very well – that one cancellation was one cancellation too many, Mr Speaker! *(Laughter)*

So if we are going to talk about properly contextualising, well perhaps Mr Speaker, the hon. Gentleman – and I am really trying, post-Brexit, very hard to try and keep the political point-scoring very low indeed! – but if we are going to contextualise, then of course the Minister ought to take a leaf out of his colleague’s book and judge things by one cancellation of an operation is one cancellation too many.

But, Mr Speaker, just looking at these numbers, and I take on board and will analyse the figures later on and we may have further questions at the next session of the House, but are all

1920 these cancellations at St Bernard's Hospital and there are no cancellations that are attributable to, for example, Xanit Hospital?

**Hon. Dr J E Cortes:** The figures that are provided here are St Bernard's Hospital.

1925 If I may just comment, absolutely every cancellation is a cancellation that we do not want to have, when they are not based on medical reasons or the patient not turning up and so on – absolutely.

Clearly there are pressures on our beds for a host of reasons that we do not have to go into, and I have to pay tribute here to the very hard-working bed management team in the GHA who ensure that these figures are kept to an absolute minimum.

1930 But Mr Speaker, going back to what I said, we are operating not hundreds but *thousands* more cases than we were just a few years ago and although one cancellation is one cancellation too many, in context I think we are delivering a much better service than we used to.

**Hon. D A Feetham:** Yes, Mr Speaker, well thank you very much for that.

1935 In relation to these cancellations due to bed availability, can he help me with this: what is the pressure in terms of numbers that obviously then will have a knock-on effect on cancellations due to no bed availability?

1940 What are the numbers of say for example, people that are suffering from dementia that are long term in St Bernard's Hospital and are therefore taking a bed at St Bernard's Hospital which then has a knock-on effect on bed availability for the purposes of operations?

**Hon. Dr J E Cortes:** I am always too keen to speak and I press the button too early!

Mr Speaker, I do not have those figures; they are available if I am asked, but I think we have to bear several things in mind.

1945 One, clearly there are elderly people in St Bernard's Hospital and this is something that has been a problem in Gibraltar for as long as anyone can remember and is a problem throughout the world.

1950 But it is not just that, Mr Speaker. There was one weekend some months ago in which there were 20 emergencies that needed admission – about 20 – through A&E and even if you have 15 beds available that means that on the Monday after that weekend, you may have to cancel operations. So this is a dynamic thing.

But the figures on how many elderly and so on are available, but I do not have them now.

1955 **Hon. D A Feetham:** And of course, Mr Speaker, the Hon. the Minister must accept some responsibility, does he not, for the fact that you have a dementia facility that has been completed quite a considerable time ago and the decision has been taken by the Government to delay the opening? Because that not only has an effect on people who are suffering from dementia, but certainly people whose operations are being cancelled, because that must – indeed it is inherent in the answer he has given me – be contributing to the cancellation of operations. Does he accept that the Government must share some responsibility for operation cancellations on that basis?

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1965 **Hon. Dr J E Cortes:** Mr Speaker, as I said earlier in relation to another project, an infrastructure project, things often take longer than you would like them to, particularly when you want to get them right. So I think that a Government must accept responsibility for all sorts of things, but not necessarily blame and there is a subtle difference there.

So I would like to say that ... Mr Speaker, rather than say whether I accept responsibility or not, I will not accept blame certainly, I will accept the praise that I will get when it is open and we are providing for our elderly better than ever before.

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**Hon. T N Hammond:** Mr Speaker, just relating to part of the answer the Minister gave earlier on. He referred to 2,900 operations that did take place under the GHA. Were those all at St Bernard's or were those the operations that have taken place within the auspices of the GHA but at other centres?

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**Hon. Dr J E Cortes:** St Bernard's Hospital, Mr Speaker.

**Q358/2016**

**Ambulance decontamination –  
Health risks**

**Clerk:** Question 358, the Hon. D A Feetham.

1980

**Hon. D A Feetham:** Mr Speaker, does the Government believe there are any dangers or health risks with the decontamination of ambulances and the potential spread of diseases?

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

1985

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, in line with other UK Ambulance Trusts and to abide by present epic3 – which for your assistance is a national evidence-based guideline for preventing healthcare-associated infections in NHS hospitals in England – NICE, which is the National Institute for Health and Care Excellence and the World Health Organisation recommendations in the prevention of Healthcare Associated Infections (HCAIs), the ambulance service introduced a number of new and better infection control policies in February 2015.

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It is the responsibility of the clinician to ensure adequate aseptic practice when attending patients and the responsibility of the ambulance crew to ensure the vehicle cleaning schedule is abided by.

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Infection control measures are promoted and reviewed to protect the patient as well as the clinician.

In the event that a highly probable or confirmed Category IV infectious disease case is established, the ambulance would be driven to an area designated by the infection control team, quarantined and prepared for cleaning and disinfection. The Environmental Agency will then take over responsibility for vehicle decontamination.

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**Hon. L F Llamas:** May I just ask then if the Minister is actually happy with the way things have been done in the past and there is no risk of contamination when these procedures are carried out in terms of water going into the drains and into the normal sewerage and so forth?

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**Hon. Dr J E Cortes:** Yes, Mr Speaker. In order to keep improving, we introduced the new system in February last year.

Remember, as I said, in Category IV, which are the very, very serious ones, there would be an area identified by infection control away from the hospital where these would be treated and the vehicle decontaminated by the Environmental Agency. So we have improved from what we were doing before. Obviously, one keeps on reviewing systems and so on, but we are certainly in a much better position than we were just two years ago.

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**Hon. D A Feetham:** Yes, Mr Speaker, because the difficulty and what we are getting at here is when you decontaminate an ambulance and you clean an ambulance, obviously the residual

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material – be it water or other materials – from the decontamination, you do not want it to go into the main sewer system for example, because then it may have a knock on effect, particularly in very serious diseases and the propensity actually to spread the disease amongst the wider population.

Does the Government have a designated area where for those Category IV diseases, that cannot happen and there is a segregation, there is a protection so that the water does not go into the sewerage system so that we keep the contamination at effectively zero, or as close to zero as possible?

**Hon. Dr J E Cortes:** Mr Speaker, that would be determined at the time of the incident by the infection control team and also depending on the situation in Gibraltar.

You never know what area may be more or less used or more or less connected, so the decision is taken on the evidence at any particular moment.

We have not had cause to do this very often, but the decision is taken at the time, based on the current circumstances by the infection control team.

**Hon. D A Feetham:** Yes, Mr Speaker, but with respect to the hon. Gentleman, it is an unsatisfactory answer. It is an unsatisfactory answer because what I would have expected is that in a situation where you have a Category IV disease, and we are talking about seriously infectious diseases, and you are decontaminating an ambulance, the GHA or whoever is responsible would have already identified beforehand where it is that the ambulance is going to be contaminated.

It is not an answer to say, 'Well it is going to be determined on the hoof, bearing in mind whoever has the discretion at the appropriate time.' That is the way that I have understood the answer and I am giving him an opportunity to explain it, because it appears to me that the only satisfactory way of dealing with something like this is to already have identified an area where it is possible to decontaminate an ambulance in a way that is safe and a way that is secure.

**Hon. Dr J E Cortes:** Mr Speaker, these decisions cannot ever be described as 'on the hoof'. There are dedicated infection control teams who know what they are doing and will judge every single situation separately, so they would be well researched.

It may well be, Mr Speaker, but I do not have that information here, that they have a list of sites where it would go to and I will find out and I will share that information. At this point in time I cannot provide him with the list nor am I going to invent one because those may not be appropriate.

But I can reassure the hon. Gentleman that the ambulances in a Category IV infectious disease would be taken to a safe place. The exact identity of the place would depend on circumstances and on the layout of the land at any particular time. But I will find out from the team which are the sites on their list, so I am assuming they have a list of potentials and I would be very happy to share that information.

**Hon. D A Feetham:** Yes, well I am very grateful to the hon. Gentleman for that answer, but is he confirming that effectively what we have is a number of sites and it depends – ? *(Interjection)* Well, that is the way I understood the answer: a number of sites and it depends for example where the ambulance may be at a particular time, taking into account the situation at any particular time. Because that is what he appears to be saying: that there is a list of sites and it will depend on where it goes depending on the circumstances.

Can he say that for sure because that is what he appears to be saying?

**Hon. Dr J E Cortes:** No, I cannot say that for sure but knowing the professionalism of our infection control team, I can say almost for sure that they know very well where they would

send that ambulance. I do not know it at this particular point in time, but it is something that I will find out and share, as I have said several times.

### **SUSPENSION OF STANDING ORDERS**

2070

#### **Standing Order 7(1) suspended to proceed with a Government Statement**

**Mr Speaker:** The Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, good afternoon to all Members.

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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.

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

### **POST-BREXIT MEETINGS IN LONDON**

#### **Statement by the Hon. the Chief Minister**

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**Chief Minister (Hon. F R Picardo):** Mr Speaker, hon. Members will know that I have returned to Gibraltar this afternoon after a series of meetings in London yesterday. As I rise, hon. Members will forgive me for having to keep the ringer of my phone on.

The Government issued a Press Statement yesterday evening which gave some details of the work I had been doing.

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I was accompanied by the Deputy Chief Minister and assisted by the Attorney General and both Albert Poggio, who is retiring as London Representative, and Dominique Searle who will be taking over in that role.

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Mr Speaker, the House will wish to note that I had discussed with the Leader of the Opposition in one of our meetings earlier this month, when we planned how we were going to act in the event of a vote for the United Kingdom to leave the European Union, that I would be travelling for meetings with the Minister for Europe yesterday and that we were already preparing for our 'Greenland' style arguments.

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It was clear to us both that the Deputy Chief Minister and I should proceed with these meetings and that we should soon be able to finalise some mechanism to work more closely together in respect of the future work that will need to be done as a result.

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Mr Speaker, the Cabinet has not yet met to consider how we will propose to the Leader of the Opposition that we should best do this. Mr Speaker, I understand actually that in fact that the Leader of the Opposition has written to me on the subject of which mechanism we can best use for the purpose of acting in a unified manner going forward and giving confidence in Gibraltar. I expect to see his letter when I return to my office later this evening and it will no doubt inform Cabinet's thinking in this respect.

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Mr Speaker, the events of the last week continue to require careful handling. This afternoon, on arrival and before stepping into the Chamber, I have met with and briefed the Hon. the Leader of the Opposition in greater detail in respect of the issues I have dealt with in London. I have also similarly briefed Ms Hassan Nahon who sits independently in this House.

Mr Speaker, Hon. Members are aware that one of the many avenues we are exploring involves working with Scotland's Parliament in order to seek ways to give direct effect to the will

of the people of Scotland and Gibraltar who overwhelmingly expressed a desire to remain within the European Union and the Single Market.

2110 Hon. Members will have read reports of my very positive discussions yesterday with Mrs Nicola Sturgeon, the First Minister of Scotland, in this respect. Mrs Sturgeon and I have agreed that we have a common purpose in exploring possibilities which could achieve our common objectives.

2115 The Scottish Parliament yesterday supported the First Minister's motion to explore and pursue these possibilities for Scotland after a debate in which the First Minister confirmed our discussions.

Our aim, Mr Speaker, will never be to thwart the will of the British people. It will in fact be the opposite, that is to say: we will act to seek to give effect to the will of the British people of Gibraltar as much as to the British people of England, Wales, Northern Ireland and Scotland.

2120 That may give rise to varying degrees of membership of or access to the European Union or the Single Market.

That which may seem anathema to some, or impossibly complicated to others, is actually of course already the reality we have been operating under for the 44 years which have elapsed since we acceded to the European Union with the United Kingdom in 1972, or the European Economic Community (EEC) as it then was.

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A technical team from Gibraltar will be communicating with the team set up by the Scottish Parliament for the purposes of understanding what the possibilities are.

This will no doubt involve seeking further understanding of the precedent set by Greenland's departure from membership of the EEC, or the European Economic Community, which predates the Treaty of Lisbon and the provisions of Article 50 thereof.

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There is no rule book which would prevent Gibraltar negotiating – with the support of the United Kingdom – remaining both 100% British and 100% in the EU or in the Single Market, even if the United Kingdom or parts of it were to leave.

2135 Mr Speaker, can I just at this stage and can I remind Members, who no doubt do not need reminding, that section 47(3) of the Gibraltar Constitution provides as follows:

Without prejudice to the United Kingdom's responsibility for Gibraltar's compliance with European Union law, matters which under this Constitution are the responsibility of Ministers shall not cease to be so even though they arise in the context of the European Union.

Mr Speaker, that will be an important clause to understand in coming months.

Mr Speaker, we have also been in close contact with the team of the Mayor of London who is seeking also to ensure that he acts to protect the interests of the City of London and all Londoners, who also voted to remain in the European Union. I expect that we shall be doing

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come considerable work in the future also with the Mayor's team.

It is important in this respect to note that both Scotland and Gibraltar are separate legal jurisdictions to England and Wales. Gibraltar is British but it is not part of the United Kingdom, which in legal terms could be as advantageous as it might be disadvantageous for the purposes of this analysis.

2145 It is true, therefore, that there are political realities that might make difficult all aspects of our current considerations and some legal realities too. But in the context of negotiations, it is clear that ours can be a position which would achieve many objectives and which cannot be discarded out of hand.

It would deal with business concerns about access to the single market. It would deal with general concerns about freedom of movement. And it would certainly deal with the concerns I

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am hearing expressed by Spanish cross-frontier workers, whose representatives I will be meeting in coming days.

I sincerely welcome that the regional government of Andalucia, the *Junta de Andalucía*, have set up a working group on Brexit to analyse the potential impact on the region as a result of the

2155 Referendum result and the creation of which is in part at least explicitly stated to relate to the issues which arise in our hinterland, the *Campo de Gibraltar*.

I expect we will be able to work with the *Junta* also to understand the negative consequences that could arise from a bar to the free movement of people across our frontier with Spain and to prevent any such eventualities from arising, whatever the outcome of a potential United Kingdom notification to withdraw from the European Union.

2160 As I have said before and will say again, the Spanish and other nationals who are cross-frontier workers are very welcome in Gibraltar. Migration is not an issue in Gibraltar as it may have been elsewhere in the United Kingdom, Mr Speaker. We welcome migration as a cornerstone of our success. Cross-frontier workers and those who have moved to Gibraltar from inside or outside the European Union are part of our success. We wish to continue to see them working alongside us in our economy for many years. And Her Majesty's Government of Gibraltar is committed to ensuring guaranteed and unhindered access to Gibraltar for them, as well as for the businesses and clients of businesses who such workers serve.

2170 And to achieve that, it is imperative in my view that we remain, as we always have, ready to work with all relevant parties in the United Kingdom and beyond in the context of Gibraltar's desire to secure its human and business need to retain physical and commercial access to Europe.

For that reason we have worked in the last 24 hours with friends and contacts in the United Kingdom and beyond. In particular we have been able to express the detailed concerns that are relevant to businesses in Gibraltar to the Minister for Europe in person directly. We have also communicated in writing to the Prime Minister directly and via colleagues in the Conservative Party the things that we need to ensure are dealt with urgently.

2180 We are also perhaps most importantly able to report to the House today that Gibraltar will not just be *consulted* in the process of a potential negotiation to withdraw the United Kingdom from the European Union. We will actually be *fully involved* in such a process and we will work in partnership with the United Kingdom to seek to ensure Gibraltar's interests are protected and advanced. That is the same level of involvement that will be afforded to the political leaders of the Home Nations in the United Kingdom.

2185 The Minister for Europe confirmed this to me yesterday and he will be writing to me to set out this position in the coming days, as the official position of Her Majesty's Government of the United Kingdom.

The work has also already started in the terms of some of the other technical and underlying issues that have long afflicted Gibraltar's ability to access the United Kingdom as a market for our services. I am confident that we are progressing well with that work with colleagues in the United Kingdom.

2190 Last night was a propitious moment to celebrate the work that Albert Poggio has done for Gibraltar in London since 1988. For over a quarter of a century, he has worked the corridors of Parliament to keep the Gibraltar issue in the minds of the most influential people in politics in the United Kingdom.

2195 As a result, on his retirement from the post of Director of Gibraltar House in London, the reception in the Speaker's House in the Westminster Parliament was attended by representatives of all parties and of all factions of all parties. It was a final opportunity yesterday to ram home some of the things that we had already communicated to decision-makers during the day.

2200 Albert Poggio will continue to work with us in relation to political lobbying in the United Kingdom. That was always the agreed position; but I am sure that if it had not been, Albert would have nonetheless stepped up to the plate now in any event.

2205 Last night, Mr Speaker, our message, was being very well received indeed. But the House should be alive to the fact that politics of the current moment in the United Kingdom is as much in flux as the commercial aspects of the future relationship between the United Kingdom and



the EU. It is important therefore that we stand up for Gibraltar's interests together and united, as I know this whole House will do.

To end this intervention, Mr Speaker, I want to reiterate again some fundamentals, which the House will agree with me bear repetition:

2210 Mr Speaker, in all of the options we are looking at, in every alternative we consider, in every future that we countenance, Gibraltar will retain 100% of its British Sovereignty.

We have a Sovereign, Mr Speaker. We love our Sovereign. There are no vacancies for a new Sovereign for Gibraltar!

2215 What we are going to do is act to ensure that we properly contextualise for the whole world the situation in which Gibraltar finds itself. We are going to act to ensure we are the ones shaping the future for our nation and our community. We are going to act to fashion a reality that is in keeping with the expressed will of the people of Gibraltar.

2220 Finally Mr Speaker, I will shortly be consulting the Leader of the Opposition and the Independent Member, Ms Hassan Nahon on the text of a motion that I expect to move in coming days in this House to deal with the result of the Referendum and the response thereto.

I trust hon. Members will now have a better understanding of the activity that has occupied the Deputy Chief Minister and me for the past 48 hours. I will seek to keep the House and the whole nation as informed as possible in the coming weeks and months as we progress the pursuit of the best interests of Gibraltar in these rapidly changing scenarios.

2225 Can I also tell the House that I will not be present throughout this Question Time session and will perhaps have to absent myself at other times to travel, meet or speak to those who may be relevant as we pursue matters. I obviously mean the House no disrespect if that occurs and I know all Members will fully understand.

2230 One thing is clear, Mr Speaker, and I think Members of this House are now fully cognisant of this, and that is that the result of the Referendum on the United Kingdom's continued membership of the European Union has in fact ignited a chain of events, the resolution of which will be more like a marathon than a sprint.

2235 And not just for Gibraltar, Mr Speaker; for the whole of the United Kingdom, for the whole of the European Union and for the whole of the world. I am sure we all in Gibraltar have the energy for it and none of us will be found wanting!

Thank you very much, Mr Speaker.

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

2240 **Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, may I just, by clarification, before the Leader of the Opposition is invited to speak?

**Mr Speaker:** If you wish, yes.

2245 **Hon. A J Isola:** Mr Speaker, as Members of the House will know, it is indeed my job to work with and reassure businesses in Gibraltar across the spectrum of services that I represent, that Gibraltar is indeed open and available for business as usual.

2250 I am delighted to report to the Members of the House that indeed these past days that I have been engaging with them directly, what I have had is them reassuring me of their commitment to Gibraltar, their commitment to business as usual and applauding the energy, the drive and the logical sense which our Chief Minister and Deputy Chief Minister have demonstrated these past two days in knowing which way Gibraltar needs to go to protect their businesses and, of course, to protect our economy and our people.

2255 And if I may just add, it was ironic yesterday that Faisal Islam, the *Sky News* reporter, tweeted that he now had four people that knew what they were doing in terms of their plans for the Brexit. They happened to be Nicola Sturgeon from Scotland, Jeremy Hunt, Sadiq Khan and he

added to that list Mr Fabian Picardo. I think that is a sign of the recognition that our Leader and Deputy Chief Minister have displayed this past week since the stormy events of last Friday.

2260 I should also report to this House, Mr Speaker, that in this past week since Friday, we have had gaming companies that have relocated and plan to relocate *more* of their business to Gibraltar who have expanded and committed to take on *more* premises in Gibraltar and indeed, opened up *more* vacancies for their business in Gibraltar. All of this since last Friday.

2265 I am also delighted to report, Mr Speaker, that just today an MMOU has been signed between the Gibraltar regulator and the Cayman Islands' regulator facilitating more business between our jurisdictions and importantly and critically, since last Friday two new insurance companies have made applications to our Financial Services Commission.

So indeed in the sectors that I represent, Mr Speaker, and despite the uncertainty that undoubtedly lies, I am delighted to say it is very much business as usual. (*Banging on desks*)

2270 **Mr Speaker:** I will invite Members of the Opposition, in particular the Leader of the Opposition and the Hon. Independent Lady to ask any questions or clarification on anything that arises from the statement made by the Chief Minister if they so wish.

The Hon. the Leader of the Opposition.

2275 **Hon. D A Feetham:** Mr Speaker, yes. Mr Speaker, I have no questions and I am going to be keeping my intervention short. I actually think that at this moment in time, the less said the better and it is a time for actions rather than words.

2280 But let me say this: that the Opposition as I said last week, remains ready, willing and able to be engaged and to work with the Government on behalf of this community and for the benefit of this community and that the Opposition will place the interests of this community over and above its own narrow political interests every single day of the week.

2285 Because, Mr Speaker, at the end of the day, what we are talking about here is the future not only of the people here in this House, but of our children, our children's children and generations to come. (*Banging on desks*) And, Mr Speaker, those generations of people will not forgive us if we get this wrong and therefore we must get it right.

2290 Mr Speaker, as the Hon. the Chief Minister has said, I have today written to him in order to suggest to him a mechanism whereby the Government and the Opposition can work together on this particular issue. I understand that the Chief Minister arrived from the United Kingdom this afternoon and he has not been able to read my letter. But it shows that the Opposition is already constructively attempting to suggest a way forwards, in order to make sure that this Parliament and indeed the Government and the Opposition are united as far as possible in making sure that what is an important challenge to Gibraltar and to the future of Gibraltar is met as effectively as possible.

2295 And I finalise by saying this, Mr Speaker: that I think it is important that we do not close the door to any potential way forward that is obviously workable for Gibraltar and that delivers for Gibraltar the type of access in particular that we need in relation to the European Union, but also less important access to any trade deal that the United Kingdom may have with third parties.

2300 But equally as important as the first, in my view – and no doubt we will hear about this during the course of the Budget speech and the intervention of the Minister for Financial Services – is uninterrupted access to the UK market in the areas which I outlined last week, gaming, insurance and financial services in particular.

2305 And that the UK Government understands, Mr Speaker, that having effectively got us into the position that we are in, because the UK Government and the current Prime Minister called the Referendum, that obviously it then needs to do all that it can in order to make sure that any restrictions on our operators trading in the United Kingdom are removed as quickly as possible and that restrictions that we have seen in the past, that perhaps those are also revised. And I know that the Hon. the Chief Minister is also in fairness working in relation to that.

So, Mr Speaker, that is all I wish to say at this stage. *(Banging on desks)*

2310

**Mr Speaker:** The Hon. Ms Marlene Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, thank you.

2315 As I thank the Chief Minister for his briefing, Mr Speaker, may I rise to clarify one aspect of the Chief Minister's address, given that he says he is willing to involve me in his briefings? Can I just ask him what mechanisms he is going to put in place to ensure the regularity of those briefings?

2320 And, Mr Speaker, I would also like to say a couple of words. I would like to say to the House and to the people of Gibraltar that I am proud to be part of a people who are united, especially now – a people who know what is good for them and a people who are outward looking. We are not an insular people and we thrive on our acceptance of all cultures. This is a reflection of our maturity as a people, as seen by the overwhelming result of our part in the Referendum last Thursday.

2325 Therefore I take this opportunity to call for unity, Mr Speaker, because I believe we need to stand shoulder to shoulder, as Members of the House have always done in times of great adversity, to protect our own interests because nobody will protect Gibraltar's interests like we will here in Gibraltar. That is a fact and I applaud the Government's efforts in exploring all avenues to take control of Gibraltar's future.

2330 Also, Mr Speaker, I would like to take this opportunity to call for Gibraltar's solidarity with our European brothers and sisters in the light of the recent hate-filled attacks in the UK today and last night and I remind them that they are as welcome here today as they were this time last week.

Thank you. *(Banging on desks)*

2335 **Mr Speaker:** Before we return to the more mundane matters of Question Time, I have a copy of a letter here which I think I should bring to the attention of hon. Members, because I think it will please them to see in what very high regard the team that conducted the Referendum here in Gibraltar have been held by the Electoral Commission in the UK.

2340 The Clerk of Parliament works to me in his capacity as Clerk. As Returning Officer or as the officer in charge of conducting the Referendum, he has of course nothing to do with me, but I feel that I should take this opportunity to acquaint the House with the fact that Mr Martinez has received from the Chief Counting Officer of the Electoral Commission in the UK, a letter of thanks and of high praise for the work not only conducted by Mr Martinez but his whole team, in the smooth manner in which the whole show, the whole of the Referendum was conducted and the count afterwards.

2345 They ask that thanks be passed on to all his colleagues and I am sure that all Members in the House and Gibraltar generally will welcome the fact that we have people in Gibraltar who can rise to the occasion and carry out such a task to such great satisfaction.

2350 **A Member:** Hear, hear. *(Banging on desks)*

2355 **Hon. Chief Minister:** Mr Speaker, can I just associate the Government and no doubt all Members of the House with those words on behalf of the Electoral Commission. I think all of us were hugely impressed by the way that Gibraltar was able to synthesise with the UK for the purpose of this Referendum. We had expected that we would be able to because the Clerk has shown that he does it so effectively at European Election time, but we were in a different way under the microscope this time that we were not before.

2360 Can I just say that the fact Gibraltar reported its results first – let alone that they were so resounding, but that they were reported first – put Gibraltar in the minds of everyone who was watching that night. And I think everyone who was watching that night at the end of the

process, at least the political people, knew that Gibraltar had voted massively in one way and that the United Kingdom had in the end, by a smaller margin, voted in another way. So I want to associate the Government with the words of the Electoral Commission, and in fact the whole House and community with the words of the Electoral Commission, in thanking the Clerk.

2365 And may I simply deal with the issues that have arisen in clarification of my statement. Can I thank the Minister for Financial Services for the information that he has given the House. No doubt he will elaborate on that during the course of the Budget debate next week, but although the Deputy Chief Minister and I and other Members of the Government were aware of that, I think he will have given great comfort to others in Gibraltar and no doubt all Members of the House to hear just what reassurance we are receiving from international businesses in Gibraltar about their continued commitment to Gibraltar going forward.

Can I thank the Hon. the Leader of the Opposition for his words of support and unity. We had an opportunity to speak earlier and we will be looking to see how we can give greater shape to the way that we are going to work together in the coming weeks and months and perhaps years.

2375 Can I say to the hon. Lady that will to a very great extent determine how I am able to also include her in briefings, so that when we come to this House we are all aware of what we are talking about? There may be things that we are not comfortable saying in the context of the broadcast of this House because we want each other to know what we are doing to secure Gibraltar's position; we do not want to give a heads up to those who want us not to be in a secure position, to know what we are doing. It is therefore important to all of us to have the information.

And can I simply reflect that when Gibraltar acceded into the European Economic Community, there was a Bossano, a Canepa and a Hassan in this House and so it looks good, Mr Speaker. We may still have a chance to stay!

2385

**Mr Speaker:** Question 359.

**Clerk:** Question 359, the Hon. –

2390 **Hon. Chief Minister:** Mr Speaker, just for the purposes of the historical record, I am reminded that there was also an Isola. *(Laughter)* Things are looking up indeed, Mr Speaker! *(Banging on desks)* Things are looking up indeed!

## Questions for Oral Answer continued

### HEALTH, THE ENVIRONMENT, ENERGY AND CLIMATE CHANGE

**Q359/2016**

**Ambulance service –  
Plans to relocate**

**Clerk:** Question 359, the Hon. D A Feetham.

2395

**Hon. D A Feetham:** Yes, Mr Speaker, on that positive note, can I ask the Government, are there any plans to relocate the ambulance service?

2400 **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, yes sir.

2405 **Hon. D A Feetham:** Well thank you very much, Mr Speaker, and can he elaborate on those plans, please?

**Hon. Dr J E Cortes:** Mr Speaker, a public announcement was made some months ago regarding the potential use of the Rooke site and that one of the possibilities was incorporating an emergency services hub. So that is one of the areas where consideration is being given.

2410 In the interim there are also plans within the context or the confines of St Bernard's Hospital to do some changes in order to better accommodate the ambulance crew. But the longer-term plan that is being considered is the Rooke site.

2415 **Hon. R M Clinton:** If I may, Mr Speaker.

**Mr Speaker:** The Hon. Roy Clinton.

**Hon. R M Clinton:** Thank you. Mr Speaker, could the Hon. Minister please elaborate what he means by an emergency services hub. Would that include the Fire Brigade?

2420 **Hon. Dr J E Cortes:** No, Mr Speaker, I cannot speak for the Fire Brigade. I refer the hon. Member to a Press Statement some months ago which mentioned the possibilities for the Rooke site. I cannot elaborate any further other than to answer the question that I have been asked in relation to the possibility being considered of moving the ambulance service.

2425 **Hon. D A Feetham:** So when the hon. Gentleman talks about an emergency hub, he is just talking about the ambulance service and nothing else?

2430 **Hon. Dr J E Cortes:** Mr Speaker, I am talking about the ambulance service. I am not in a position to elaborate further.

Mr Speaker, this is all on public record if the hon. Members opposite do their research.

**Mr Speaker:** Question 360.

2435

#### Q360/2016

#### Dementia residential care facility, Old Naval Hospital – Service provider

**Clerk:** Question 360, the Hon. D A Feetham.

2440 **Hon. D A Feetham:** Mr Speaker, can the Government confirm the chosen service provided to run the dementia residential care facility at the Old Naval Hospital?

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

2445

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, it is presently Grand Home Care but subject to the negotiations to further reduce the cost to the Taxpayer.

2450 **Hon. R M Clinton:** Mr Speaker, is the Minister in any position to disclose what the successful – or we are led to believe the successful – tender amount by Grand Home Care was?

**Hon. Dr J E Cortes:** No, Mr Speaker. There was a panel that considered the various applicants for this contract. Grand Home Care was the preferred applicant and there are discussions at the moment into the costing, particularly the costing also a little bit on the manning levels, but I am not in a position to disclose that because we are still negotiating.

2460 **Hon. D A Feetham:** Yes, Mr Speaker, but my understanding, and the Minister will correct me if I am wrong, this particular service has gone out to tender has it not? Therefore presumably Grand Home Care was the lowest tenderer. Well, the Government is not obliged to take the lowest. It may be that the view the Government took was that Grand Home Care provided the best service and you are now trying to reduce the cost. Can he explain whether it is one or the other? Were they the lowest tenderers, Grand Home Care?

2465 **Hon. Dr J E Cortes:** Mr Speaker, I was not part of the tender process, but the tender process took into consideration cost as well as the ability to deliver the service. Because we are currently negotiating with them, I do not think it would be appropriate for me to give any further information.

2470 **Hon. D A Feetham:** But, Mr Speaker, was there a tender process in relation to this? Is this a situation where the service has actually gone out to tender and Grand Home Care have basically said, 'We can provide this service for x thousands of pounds'? Can he at least confirm that?

2475 **Hon. Dr J E Cortes:** Mr Speaker, expressions of interest were invited and a number of different organisations gave their proposals. These were considered by a board, and I think there is a question – in fact, I think, two questions – down on that, taking into account costs as well as their ability to provide the service we require. Grand Home Care, and it is already in the public record before today, were the preferred option and we are currently in negotiations with them.

I am not going to give any more details because it would not be proper for me to do so.

2480 **Hon. D A Feetham:** Mr Speaker, yes, but then there has not been a tender. What the Hon. the Minister is saying is that there was no tender, that there were invitations for expressions of interest, that those expressions of interest came in and that the Government have identified Grand Home Care as their preferred option, presumably based on both cost and quality of care, and you are now negotiating with them in order to see whether you can drive the price down. Is that an accurate way of characterising it?

2485 **Hon. Dr J E Cortes:** Mr Speaker, that is not what I have said. I have said that we are looking at costs and the service that they can provide, and I am not going to be drawn into giving more details at a point when we are actively in discussion. I think that would not serve the community well.

2490 **Hon. R M Clinton:** Mr Speaker, if I may, following on from what my colleague the Hon. Mr Feetham asked, I would be grateful if the Minister could enlighten us in terms of what is normal procedure for this type of contract: whether a formal tender is issued; is the Procurement Office involved; and who decides to whom expressions of interest are sent?

2500 **Hon. Dr J E Cortes:** Mr Speaker, the providers in this field are limited and well known in Gibraltar. The Government works with virtually all of them and the panel that discussed and met with all the applicants was made up of professionals – it is pre-empting Question 362 – in the field.

2505 **Hon. D A Feetham:** Mr Speaker, but he understands that there is a distinction between ... and the Hon. the Father of the House will understand it – there is a difference between something going out to tender, whether it is handled by the Procurement Office or not, and an invitation of expressions of interest. There is a difference. In relation to the former there is a price, that price goes in, and normally will go to the lowest tender but not always because there may be other factors. At least can he tell me has there been a formal tender here, or is it an expression of interest?

2510 And also – this will be my last question – in that expression of interest or that offer that was made pursuant to a tender ... I am not asking for the actual price; I am just asking were Grand Home Care the cheapest option.

2515 **Hon. Dr J E Cortes:** Mr Speaker, as I have already said, it was a call for expressions of interest and I am not going to give any further details because we are in the middle of negotiations.

**Q361/2016**  
**Dementia day centre –**  
**Progress**

**Clerk:** Question 361, the Hon. D A Feetham.

2520 **Hon. D A Feetham:** Mr Speaker, can the Government explain what work has been done in the past 12 months and is currently being done in order to open the dementia day centre?

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

2525 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, works to the building have been completed, handover of the building is expected next month, recruitment is in progress and the purchase of equipment and furniture is in progress.

2530 **Hon. R M Clinton:** Mr Speaker, dare I ask the Hon. Minister for a projected opening date?

**Hon. Dr J E Cortes:** You dare, yes, you may dare. Are you going to ask me, or are you just asking me whether you may dare? *(Laughter)*

2535 **Hon. R M Clinton:** I do love your wit! *(Laughter)* Do you have a projected opening date, Minister?

2540 **Hon. Dr J E Cortes:** Mr Speaker, we are projecting to open in September. It is tight, I will admit it, because we have a lot of work to do, but I am meeting with the team on a weekly basis and I am confident that we should be able to meet the September target.

**Clerk:** Question –

**Hon. D A Feetham:** May I just come back to this? The Hon. the Minister mentioned that the Government is undertaking recruitment, I think he said. Is that recruitment additional to any labour that has been provided by the service provider – in this case let's assume Grand Home Care – under its service provision contract?

**Hon. Dr J E Cortes:** Yes, Mr Speaker, there will be a few clinical – I mean very few, a handful, two or three; I do not have the exact figures here – and supervisory admin roles that will be included as well as the contracted carers.

The clinical involvement in the day facility will be provided by the GHA. We are talking about speech therapists, that sort of thing, and a small element of supervision of the contractors.

**Hon. D A Feetham:** And, Mr Speaker, will this involve a transfer of existing employees from other parts of the GHA into this particular facility, or are we talking about advertising for new posts? Are they new posts, effectively?

**Hon. Dr J E Cortes:** It will involve both. There will be a lot of services which will be just a change in location – the memory clinic being one – but there are one or two, a very small number of posts, that are being provided for as additional.

**Hon. R M Clinton:** Mr Speaker, would the Hon. Minister be able to advise whether the residential care centre and the day care centre were bundled as one service in terms of expressions of interest, or will they be separate contracts – or are we looking at two different service providers?

**Hon. Dr J E Cortes:** They are being handled separately, Mr Speaker.

**Hon. L F Llamas:** Is the Minister able to confirm, then, who has been the successful applicant for the day centre?

**Hon. Dr J E Cortes:** No, Mr Speaker.

**Hon. D A Feetham:** And, Mr Speaker, in relation to the day centre, is this also a case where the Government or the GHA is in negotiations with Grand Home Care, or is the GHA in negotiation with somebody else for the provision of this particular service?

**Hon. Dr J E Cortes:** The process of dealing with expressions of interest is current, and this is part of the recruitment process that I was referring to.

**Hon. D A Feetham:** I think that certainly on this side of the House we would benefit from clarification, because when the Hon. Minister talked about recruitment, automatically what came to mind was that the Government was either going to be relocating existing employees into this particular facility or alternatively advertising for new jobs. But then when he has talked about service providers, that conjures up a different type of approach that is not a recruitment of individuals. What that is is the contracting out of the service.

Could he explain this? Because also the Hon. the Minister for Health has also said that you are talking about very few posts – two or three I think he mentioned at one stage, or three or four – so how do you recruit and also contract out service providers in relation to just simply four posts?

**Hon. Dr J E Cortes:** Mr Speaker, in order to clarify, there will be a contracted provision for the caring, nursing element, which is currently in process, a similar process to what happened for



2595 the residential centre, where I said Grand Home Care is the one that is being discussed, and there is a separate process of a small number of posts that are being recruited or transferred.

2600 **Hon. R M Clinton:** Mr Speaker, if the Hon. Minister could clarify, he is giving a date of opening of September for the day care centre but he has not selected a provider yet. I believe for the dementia residential we are still talking about ... autumn, I think, was the last, more or less, date that he gave. Given that you already have a preferred supplier for the dementia residential care centre, how is it you are more confident for the September opening date for day care, even though we have not got a preferred supplier yet?

2605 **Hon. Dr J E Cortes:** It is a totally different thing. You are not talking about 24-hour care; you are talking about nine to five, eight to six, that sort of thing. The human resource element will be smaller. There is also the possibility of a phased opening, floor by floor; so it is not a challenge, we are still on time to deliver by that time.

2610 Remember, a day centre is not the same as manning a residential home 24 hours a day. It is a very different operation. It is an easier thing to do and much quicker to generate than a 24-hour shift service with all sorts of covers of shifts and overnight security and that sort of thing, providing food or whatever. So with the day facility we can still say we are on track because it is a much less complicated thing than a home that has to be open 24 hours a day.

2615 **Hon. R M Clinton:** Mr Speaker, I am sure the dementia carers and also the future users of the facility will very much appreciate that.  
Thank you.

#### Q362/2016

#### Old Naval Hospital dementia facility – Panel of experts

**Clerk:** Question 362, the Hon. D A Feetham.

2620 **Hon. D A Feetham:** Mr Speaker, can the Government disclose the names and posts of the panel of experts who have chosen the preferred applicant to run the dementia residential care facility at the Old Naval Hospital?

2625 **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, this is one that got away. I should have combined it with the earlier one, but when you have about 120 questions to answer, if one gets away, there we are – maybe two get away.

2630 I do not think it is appropriate to disclose the names of the panel, but I can assure the Member opposite that they were all highly experienced and of a qualified professional capacity in health. I would be happy to provide the names on a confidential basis.

**Q363-364/2016**  
**GHA Complaints –**  
**Complaints received**

**Clerk:** Question 363, the Hon. D A Feetham.

2635

**Hon. D A Feetham:** Mr Speaker, how many complaints received by the GHA Complaints Board in each of the financial years since 31st March 2012 related to (a) the service at the Primary Care Centre and (b) the accident and emergency ward of St Bernard's Hospital?

2640

**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 with Question 364.

2645

**Clerk:** Question 364, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, please give details of the number of complaints received by the GHA Complaints Board for each of the financial years since 31st March 2012 together with the number of complaints upheld. And, Mr Speaker, if the hon. Member is minded to provide that, obviously he can provide it in the schedule exactly.

2650

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

2655

**Hon. Dr J E Cortes:** Yes, Mr Speaker, the information is provided in the schedules which I now hand over. There are two tables on that sheet of paper.

**Answer to Question 364-2016**

**Answer to question 363-2016**

	PCC complaints	A&E complaints
1 <sup>st</sup> April 2012 to 31 <sup>st</sup> March 2013	25	17
1 <sup>st</sup> April 2013 to 31 <sup>st</sup> March 2014	51	19
1 <sup>st</sup> April 2014 to 31 <sup>st</sup> March 2015	41	27
1 <sup>st</sup> April 2015 to 31 <sup>st</sup> March 2016	47	33

**Answer to Question 364-2016**

	TOTAL COMPLAINTS	UPHELD
1 <sup>st</sup> April 2012 to 31 <sup>st</sup> March 2013	125	67
1 <sup>st</sup> April 2013 to 31 <sup>st</sup> March 2014	160	99
1 <sup>st</sup> April 2014 to 31 <sup>st</sup> March 2015	165	92
1 <sup>st</sup> April 2015 to 31 <sup>st</sup> March 2016	222	44

2660 Please note that there is no such thing as a GHA complaints board; we have changed the law. All complaints are handled by the Public Services Ombudsman through the complaints handling scheme.

2665 Since this system was introduced on 1st April all complaints, however minor, are logged, so the figures after that time are not directly comparable to previous years. Mr Speaker, before we introduced the ombudsman system, some of the minor complaints were dealt with in a less formal way and may not have been logged, so the figures are not totally comparable.

**Mr Speaker:** Are there any supplementaries arising from the information provided?  
Question 365.

**Q365/2016**  
**External health referrals –**  
**Reasons, institutions and costs**

2670 **Clerk:** Question 365, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Government provide a breakdown for each financial year since 31st March 2011 of referred health cases to medical institutions outside Gibraltar and the United Kingdom, detailing the reason, cost and medical institution where treated?

2675 **Clerk:** Answer, the Hon. the Minister for Health, the Environment, Energy and Climate Change.

2680 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, this was quite a task and I must here commend my personal staff and the staff of the St Bernard's Hospital and particularly the sponsored patient department for, despite all their onerous tasks in dealing with patients, extracting this information.

Mr Speaker, they are long, complicated schedules, so I suspect they are going to need a bit of time to look into. Clearly no names are included, as we have to make sure that these things are totally anonymous.

2685 I now hand over these schedules.

*The document can be found here:*

[Schedule to Question 365 of 2016](#)

**Mr Speaker:** Where schedules to answers are concerned, this one takes the biscuit: there are well over a hundred pages here of very, very small type.

2690 **Hon. D A Feetham:** Mr Speaker, I am very grateful to the Hon. the Minister for Health for answering this particular question; I think it is an important question.

The reason why I went back to March 2011 is obviously I wanted to compare the last year of our Government with the beginning of his Government to see whether there has been any perceptive change in the practice thereafter. That is the reason why I went back to 31st March 2011.

2695

**Hon. Dr J E Cortes:** Mr Speaker, I have to comment there. Clearly it is asking for a hospital other than the United Kingdom; the vast majority will be Spain. Prior to 2013 we did not have a contract with any Spanish hospitals and clearly that will be reflected in greater usage, but I am

2700 willing to answer – (*Interjection*) Yes, absolutely, and I am willing to answer any supplementary now, or later if they need more time.

2705 **Hon. D A Feetham:** May I also thank the hon. Gentleman's staff and the individuals who compiled this schedule. It is by far the longest schedule that I have seen in my time in the House and probably one of the longest schedules in parliamentary history, so I am very grateful indeed to the hon. Gentleman's staff.

2710 **Hon. R M Clinton:** If I may ask just one supplementary to this. The Hon. Minister mentioned contracts: would I be correct in assuming that the vast majority of contracts will be denominated in euros?

**Hon. Dr J E Cortes:** Sorry, I missed that.

**Hon. R M Clinton:** The contracts will be in euros, the currency?

2715 **Hon. Dr J E Cortes:** Mr Speaker, I cannot answer that question. I suspect probably not. I need notice of that question.

2720 The contracts were negotiated based on NHS UK prices, but whether that was converted to euros for the purpose of the contract is something that I would have to check. Please do remind me. I am happy to answer a letter. Do not rely on my memory – after three or four hours answering questions, that one might slip.

**Hon. D A Feetham:** Mr Speaker, I just have one or two supplementaries – figures that are striking, that caught my attention, and perhaps the Hon. Minister can help us with that.

2725 We see, for example, that with Xanit Hospital obviously there is no history prior to 2013-14 because it is a contract that no doubt has been negotiated and agreed by this current administration. But then in 2014-15 we see payments to Xanit of £4.1 million, and then there is a marked increase in that figure to £7.1 million in the year 2015-16. Can he explain why there has been almost a 40% increase in terms of money in the service provided by Xanit?

2730 **Hon. Dr J E Cortes:** Mr Speaker, Xanit was used before this administration but on an ad hoc manner and without a contract, and prices were not fixed. This contract does fix prices for particular treatments and is largely based on NHS figures.

2735 The increase in Spanish hospitals, particularly Xanit, has been clear for a number of reasons. Xanit, as opposed to some of the National Health Hospitals, as a result of a certain amount of deterioration in standards, which were reflected in complaints, following the financial crisis that affected Andalucia until very recently, if not current ... and as a result of complaints we had little option but to redirect some of the patients. Therefore, although we do pay the Sanidad hospitals, those bills come delayed sometimes by several years because they are processed through the EU or the UK as the case may be.

2740 Also, there is an increasing preference by members of the community to be treated in Spain, as opposed to the UK, because they are closer, because relatives can visit them at the end of a drive of an hour or two rather than move all the way to the UK. But also the fact ... and I do not have the figures here, but if I am asked the figures for the number of sponsored patients as a whole the number of sponsored patients is increasing very, very greatly as awareness increases, new medical opportunities increase, but also the fact that a sponsored patient who is new this year will still be a sponsored patient next year, the year after and the year after if they are still undergoing treatment. So there has been an increase in the number of sponsored patients which will largely mirror the increase in costs.

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2750 **Hon. D A Feetham:** Yes, Mr Speaker, in due course we will do the analysis, because what the Hon. Minister is saying is that we can expect to see perhaps some decrease in the use of other Spanish institutions in favour of Xanit over the years. It does not strike me as such, looking at these figures, but we will undertake an analysis in due course, because of course we can see from this that when we were in Government, in the year ending March 2011 £1.2 million was  
2755 being spent on Xanit and that has increased to £7.1 million at the end of this particular financial year.

But, Mr Speaker, I also see that there is a substantial increase in the use of the Clínica Universidad de Navarra. The Clínica Universidad de Navarra is a world-renowned cancer centre. Unfortunately, I had reason to send my mother there and it is a *fantastic, fantastic, fantastic*  
2760 centre. We see that there is an increase from £7,000 at the end of 2013, to £627,000, nearly £628,000, at the end of March 2015, and this year it has been £½ million. Can he explain why there has been such a significant increase in what is a world-renowned but of course a private hospital as well?

2765 **Hon. Dr J E Cortes:** Yes, Mr Speaker. Clearly the Clínica Universidad de Navarra, which is known locally as Pamplona, is a private hospital with which we are discussing contracts – we do not have a firm contract with them – and is generally used very exceptionally, without going into too many details because there are a handful of people whom I do not want to be identifiable as a result of this discussion. It is used quite infrequently, generally for particularly difficult cases.  
2770 The success rate is probably not as much as we would like. In some cases it does add some months or years to people's lives – obviously, it is a very delicate issue – and there has been some success and there have been some referrals there, although as I say, it is carefully managed and is usually for specifically difficult conditions where they happen to be the place to go.

2775 There will be other places, some in the UK, some in Europe, and over the last four years I recall particular patients have been sent to Switzerland or Germany and these are all patients with particular conditions. It tends not to be the rule, but that is why it features now and it would not have featured before.

2780 **Hon. D A Feetham:** So am I right in saying that if a particular cancer can be treated in Xanit, for example, or in the United Kingdom in particular, that the GHA would not consider sending an individual to Pamplona, even though obviously everybody wants to go to Pamplona because Pamplona is one of the most renowned centres in Europe if not the world, and if one had the choice one would go to Pamplona rather than go somewhere else? Certainly, if I unfortunately  
2785 had a member of my family ... that is something that would play on my mind too. But this is the provision, of course, of a National Health Service, where very difficult decisions have got to be made and I am just trying to really get to the bottom of the criteria for sending somebody to Pamplona rather than somewhere else.

2790 **Hon. Dr J E Cortes:** Mr Speaker, let me just say that Pamplona is not *the* place for every condition, and there are many conditions that are better treated or just as well treated in other centres of excellence, such as the Royal Marsden and so on.

But, Mr Speaker, these are clinical medical decisions and not political decisions. It is up to the clinician to identify the case that would most benefit from referral to Pamplona or anywhere  
2795 else. They are not political decisions. We do have agreements with a host of hospitals in the UK, for example, and most of our cancers would go to the UK rather than to Xanit or Pamplona; but clinically, sometimes there are cases which merit other consideration. But they are medical decisions and not political ones.

**Q456/2016**  
**Primary Care Centre –**  
**Complaints**

2800 **Clerk:** We now move to questions to the Hon. the Minister for Health and the Environment, Energy and Climate Change by the Hon. Ms M D Hassan Nahon.  
We commence with Question 456.

2805 **Hon. Ms M D Hassan Nahon:** Mr Speaker, if I may, I am aware that this is the first time I address or even ask questions to the Parliament as an independent Member of the House, and that some of you, and even the people of Gibraltar, may have some questions and even deserve clarification on how I perceive this role. But I will address this at our budgetary session next week, where we will also have a fuller House. In the meantime, I shall proceed with my questions.

2810 Can the Minister for Health state whether he believes and has evidence to the effect that things are working better in the Primary Care Centre and whether complaints have decreased in the last few months since I asked the question and was asked to give quote 'a few months' to see improvements?

2815 **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):**  
2820 Mr Speaker, I thank the hon. Lady for giving me the few months – although we have not sat, but I appreciate that comment.

Mr Speaker, there are many ways in which one can say the system has improved. One is the relatively low rate of official complaints received with regard to the appointment system. I say 'official' because there will be complaints on Facebook and so on. Sadly, many of the complaints on Facebook, if I might just digress for the moment, never get to the people who need to see them, so I would encourage people with complaints to actually write in or phone in or email.

2825 But anyway, there are only six officially registered complaints since January until now. The majority of these centre on the fact that the patients have not been able to see their preferred doctor and not that they have not just had access to a GP: they have seen a GP but not their preferred doctor.

2830 Another sign of improvement may be fact that on some days we are seeing advance appointments left over from one week to another or the fact that emergency appointments are not always being taken up. The most solid evidence is the increase of routine slots available from 1,361 slots in January for advance appointments, to 1,905 offered in May, or 1,630 slots offered for on-the-day appointments in January, compared to 2,805 on-the-day consultations attended to in May.

2835 The most common concern expressed by service users is around the fact that they may need to call on subsequent days before they get a slot with their preferred doctor. However, the service has responded to this by having all doctors on an on-the-day appointment only rota. This has resulted, in most cases, in an improvement in access.

2840 The routine appointments and advanced appointments in a public health system must prioritise those people who have an illness and not, as was the case previously, with the same clients pre-booking appointments as a matter of routine month after month.

2845 In the old system, all advance appointments were exhausted for the month by 10 o'clock on the first of the month. Now you have to phone again but you have a chance of getting an appointment. Patients were then not inconvenienced by having to phone over a few days as there was not an advance appointment to be had anyway.

**Hon. Ms M D Hassan Nahon:** So, Mr Speaker, is the hon. Gentleman, the Minister for Health, saying that the plan and the system that he has put in place is carrying on as has been started, or is he still changing things around; or are we carrying on with the new system, or are we looking for different ways, different improvements, all the time?

**Hon. Dr J E Cortes:** Mr Speaker, we are looking for improvements all the time. The system, I think, from the evidence provided to me, is better. I can, for example, say I have got the figures for June so far in front of me and on every day there have always been some slots not used. We have never, in the whole month, actually reached a point where there were no emergency slots available. There may not be a slot with your own doctor – that doctor may be away on leave, may be sick or whatever. As I said before, we have been playing around with the system. Between January and May we have increased the number of slots offered. We have made sure that some doctors have only on-the-day appointments regularly, so that people will know that they can see their particular doctor. So we are slowly moving forward.

I would not say that this task is finished; I would say we still have room for progress. I welcome people asking, and even complaining, because it will help us improve the system further. So I think it is better, but we always have room for improvement.

**Hon. E J Reyes:** Mr Speaker, may I ... if the hon. Lady has finished?

I am very interested with what the Minister answered at the very beginning. He said that he is aware, as I am, of people expressing many views which can be classified, broadly speaking, as complaints and so on, yet when it comes to official figures, which is what the Minister can only answer for in this House, it was down to six.

Can he give us, the general user of the Primary Care Centre, some guidelines? If I am wishing to put forward a complaint or grievance or something, what is the Minister's recommended process – which by all means would have to be far better than Facebook?

**Hon. Dr J E Cortes:** Yes, Mr Speaker. I think, if it is related specifically to primary care, it is to talk to the primary care administration team either directly or by e-mail – they are available by email – and make sure that they are aware. If it is a more general complaint or maybe a more serious complaint, then clearly we have the complaints handling scheme, which I mentioned earlier in answer to a question from the Hon. Mr Feetham. But I think the first point of contact would be the management team in the Primary Care Centre.

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

And therefore, in keeping with that, can I recommend and would the Minister take on board to look into it, perhaps a simple notice within the Primary Care Centre waiting rooms or whatever, saying 'Should you wish to bring something to our attention ...' and actually provide the e-mail address. Because sometimes when you go to the general counter you can be in the queue for a few minutes, and you have just come out of the blue waiting area and you are a bit upset, and the longer you wait the more you get upset. So in order to help us all to calm down at that moment a simple notice means it allows you to go back home and send your e-mail in a more cool, calm and collected yet constructive manner, which is what both the Minister and this side of the House would like to see.

**Hon. Dr J E Cortes:** Mr Speaker, clearly there will be instances and occasions and times of the day or particular days when there will be a build-up and so on. This is why I say we have to keep on improving.

People who use the internet will be able to have access to an e-mail address where all complaints can be sent, and they are all centralised in fact by one of my own personal staff and then sent to the different departments. But the idea of having a notice there specifying it is a good one and I will take it up. Thank you.

2900 **Hon. R M Clinton:** Mr Speaker, with your leave, if I may add to my hon. colleague's suggestion, again in terms of quality of service would the Minister consider a sort of an exit ... not so much a survey but a satisfaction process where you can then collect data from users of the centre on a daily basis as to how they perceive their experience and the interaction of the Primary Care Centre – a bit as we have all seen in the airport security queue lines, where you have these three or four buttons to press: were you happy with your service today, or not? That would then give you an anonymous source of real data as to people's perceptions and their experience of the Primary Care Centre.

2910 **Hon. Dr J E Cortes:** I take the point. I thought for a moment that the hon. Member was suggesting that we have staff doing questionnaires there, and frankly I think we would all rather they be doing other things more directly with patients. But an electronic method is a possibility, and again it is something that I will be very happy to look at.

2915 **Hon. E J Reyes:** If it helps the Member, Mr Speaker, I think there is one at Gibtelecom offices here, just a stone's throw away from this building. Maybe we can get them to sponsor it.

**Q457/2016**  
**St Bernard's Hospital –**  
**Security re dementia patients**

**Clerk:** Question 457, the Hon. Ms M D Hassan Nahon.

2920 **Hon. Ms M D Hassan Nahon:** What measures do we have in place in terms of security for dementia patients who are admitted in St Bernard's Hospital to ensure that they remain at all times within the hospital premises?

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

2925 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, St Bernard's Hospital has three uniformed security guards, on a 24-hour seven days a week basis, stationed at St Bernard's Hospital.

One is stationed at the main reception to monitor CCTV, another is based at the accident and emergency department for obvious reasons, and a third guard carries out patrol duties.

2930 Wards are locked with a door access card system, and if the risk is significant nurse management will allocate one-to-one supervision, depending on staffing constraints.

2935 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I have been made aware of a case who escaped at night – and yes, thankfully, I have only heard of the one case so far, but can we use this as alarm bells, despite the hon. Member saying that he has three ... so that this does not happen again, obviously?

2940 **Hon. Dr J E Cortes:** Yes, Mr Speaker, I am aware of that case and it is regretted. It is the only one I am aware of in many, many years; one case which has resulted in systems being checked and awareness being increased.

Fortunately, nothing untoward happened. It does happen in hospitals all over the world. It is regrettable and we have taken steps to try and ensure that it does not happen again. But I appreciate the comments.



**Q458-468/2016**  
**General Medical Council –**  
**New framework**

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**Clerk:** Question 458, the Hon. Ms M D Hassan Nahon.

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**Hon. Ms M D Hassan Nahon:** Did the Minister for Health, or indeed the Health Ministry, consult doctors or practitioners prior to and since its decision to enforce General Medical Council regulations by the second half of 2016?

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

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**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, I will answer this question with questions 459 to 468.

**Clerk:** Question 459, the Hon. Ms M D Hassan Nahon.

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**Hon. Ms M D Hassan Nahon:** What is the plan of action as regards the upcoming implementation of General Medical Council regulation vis-à-vis doctors permanently employed since before the law was passed, and what will happen to those doctors who do not wish to register?

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**Clerk:** Question 460, the Hon. Ms M D Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** Have Government considered and factored in the cost to re-educate doctors and send them out to retake courses in tertiary clinics and universities as part of the new General Medical Council framework?

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**Clerk:** Question 461, the Hon. Ms M D Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** Has Government made arrangements with British universities for the re-training of doctors as part of the new General Medical Council framework?

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**Clerk:** Question 462, the Hon. Ms M D Hassan Nahon.

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**Hon. Ms M D Hassan Nahon:** Before the new General Medical Council regulation is put in place, has Government ensured that a support body for doctors, like the BMA in the UK, be put in place in order to counterbalance an authority like the General Medical Council? What has been arranged in terms of support for doctors?

**Clerk:** Question 463, the Hon. Ms M D Hassan Nahon.

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**Hon. Ms M D Hassan Nahon:** Will we have a programme of continued revision and assessment to comply with the General Medical Council Standards that the Government will be setting doctors?

**Clerk:** Question 464, the Hon. Ms M D Hassan Nahon.

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**Hon. Ms M D Hassan Nahon:** Does Gibraltar have the infrastructure to be able to cope with this new regulatory standard that doctors will be forced to comply with?

**Clerk:** Question 465, the Hon. Ms M D Hassan Nahon.

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**Hon. Ms M D Hassan Nahon:** How does the new order of subscription to the General Medical Council tally with our doctors who are also working within the Spanish system?

**Clerk:** Question 466, the Hon. Ms M D Hassan Nahon.

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**Hon. Ms M D Hassan Nahon:** In connection with the new General Medical Council framework about to go live, has Government set a frequency for revalidation as is done in the UK, where there is a five-year plan? Will there be a similar revalidation timeline put in place for Gibraltar?

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**Clerk:** Question 467, the Hon. Ms M D Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** Who will be doing the peer review or appraisals when the General Medical Council Framework is implemented?

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**Clerk:** Question 468, the Hon. Ms M D Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** Who is going to be the responsible body and officer once the General Medical Council structure comes into place?

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**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, the Minister for Health and the Registration Board have been in extensive consultation with doctors since 2013. This included periodic e-mails and updates from the Medical Registration Board to registrants, open presentations for all doctors private and public, meetings with the Minister – myself – with doctors' representatives, regular meetings of the Revalidation Committee set up by me, regular meetings with private doctors and periodic meetings with the resumed Medical Advisory Committee of the GHA.

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All doctors have to obtain a licence from the General Medical Council, as this is essential to raising standards at all levels and to providing public confidence in the Health Services.

The General Medical Council has several procedures for doctors with different levels of achievement and help is available to assist doctors in selecting the route appropriate for them. Doctors who do not wish to register will be encouraged to do so, so that they do not lose the ability to practise.

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There is no requirement for doctors to be re-educated or to undertake courses in tertiary clinics and universities. The GMC only expects a doctor to possess the minimum undergraduate medical qualification. Any doctor, who can satisfy the GMC that he or she has either a recognised primary medical qualification or has achieved a level of competence equivalent to such a qualification will be granted a licence to practise.

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There is no requirement for doctors to be retrained under the framework. They have to show evidence of a recognised primary medical qualification or the basic level of competence equivalent to that of a newly qualified doctor.

The GMC is a statutory regulatory body in the UK. Gibraltar has its own statutory regulatory body, the Medical Registration Board, which works separately from the GMC but in partnership with it.

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The BMA is a trade union. Many Gibraltar doctors have joined other trade unions already operating in Gibraltar, such as Unite or GGCA. However, doctors are free to join the BMA should they so wish. There was a time, Mr Speaker, when they had a branch in Gibraltar, but that is no longer the case.

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The Medical Registration Board has been setting standards for doctors practising in Gibraltar from its inception in 1997 and it has largely applied the GMC Council standards for its purpose. Hence there should not be any significant change in the standards expected of doctors in Gibraltar, although, through the need for appraisal and revalidation, standards are expected to rise.

The main additional responsibility that doctors will have to undertake is the annual appraisal. The GHA has contracted with accredited appraisers to provide the appraisal services for doctors. It already has infrastructure that the GMC requires, like complaints procedures, clinical governance policy and the responsible officer system, while it is progressively building up other infrastructure such as clinical audit.

Doctors who wish to practise in Gibraltar must obtain a GMC Council licence irrespective of nationality. The European Union requires that doctors who work in multiple EEA countries should be regulated by at least their country of establishment, but they may be subject to regulation by all the countries in which they work.

Revalidation of doctors in Gibraltar will take place ordinarily every five years, as in the UK. For some doctors the first revalidation may occur sooner, for other doctors the responsible officer has the power to seek deferment.

In the case of GHA doctors, a contract has been in place for the past two years with Health Education Wessex to provide appraisals for all GHA doctors. Most private doctors have also set up similar appraisal agreements with Spire, which is a private medical organisation in the UK, or Wessex, the same one for the GHA uses, or other accredited providers.

In relation to other designated bodies, the Medical and Health Responsible Officer Rules 2014 created designated bodies under the schedule, and these included (a) the Gibraltar Health Authority, (b) Post graduate medical deaneries established in the UK, and (c) bodies which employ or contract with medical practitioners.

The Gibraltar Health Authority has appointed Mr Safwat Tosson as its responsible officer and he has been accepted by the GMC as a suitable person.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, can I have a couple of minutes because there were about 10 or 12 questions and I need to look over anything that the hon. Member may not have dealt with?

**Mr Speaker:** On one occasion today also we had a number of questions together ... *[Inaudible]* if hon. Members are agreeable, generally speaking it was a practice that I adopted previously, before the General Election, where such a huge number of questions are answered together, I could ask the answer ... *[Inaudible]* because I get here all the answers together. This would be made available at the end of the meeting. I think unless Government Ministers are not agreeable to the procedure ... , they were in the part, I think I should make that available, because I think it helps both sides, because sometimes listening to the answers to ... *[Inaudible]* questions, the questioner may not realise that he or she has received an answer until they see it in print.

I am sorry that I did not do so ... *[Inaudible]* Trevor Hammond ... *[Inaudible]* I would like to do it now and continue to adopt that practice. Okay?

**Hon. Dr J E Cortes:** Mr Speaker, let me just point out that there is a logic behind the joining together. As I explained in the Environment section, they were all related to the Environmental Action and Management Plan, and these are all related to the registration of doctors. It is a logical sequence that I have followed and there was no reason other than pooling all together, because one does flow into the other.

**Hon. Ms M D Hassan Nahon:** I completely understand that it is all one big package, but I now need to digest all the information and I cannot simply launch into supplementaries without digesting what the hon. Member has answered.

3100 **Hon. Dr J E Cortes:** Yes, Mr Speaker, I totally accept that. I just wanted, by way of explanation, to say that there was no malice in the –

**Mr Speaker:** No, it is a regular practice and I understand the Hon. Mr Elliott Phillips is already in a position to ask a supplementary. He can do so by all means.

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**Hon. E J Phillips:** I am grateful, Mr Speaker, and firstly I thank the hon. Lady for bringing this subject to Parliament. I think it is an interesting subject. It affects many doctors in our jurisdiction and I think the whole House should join us in saying they do a sterling job both in public and private practice.

3110 My question in particular addresses the question of non-EU doctors. The question of EU doctors I think was dealt with by the hon. Gentleman in respect of revalidation, but my question relates to the non-EU doctors and how the Government intends to deal with their revalidation.

3115 From my experience with those doctors who practise in Gibraltar, both in public and private, they have some very deep concerns and reservations about the regulation, and that relates mainly to their revalidation in Gibraltar. I would like confirmation from the Minister as to how they go about dealing with their revalidation and their recognition, because quite clearly many of the non-EU doctors who are practising, both in public and private, have done amazing work within the GHA and in their private practices, and I think we should be very careful when dealing with doctors who have had 30 years of unhindered practice in this jurisdiction and particularly, 3120 without any cause for complaint, that we should make sure that they are also catered for.

**A Member:** Hear, hear.

3125 **Hon. Dr J E Cortes:** Mr Speaker, absolutely. There are a handful of such doctors, not many, and there are ways in which the GMC can accept their revalidation, and I am, in fact – not just my team but myself personally – in discussion with the GMC to find a way through, and we believe that we have found a way because of the fact that they have been practising in Gibraltar for such a long time. The GMC has certain clauses which may be applicable here. I cannot go any further because we are still in discussions, but I am hopeful that by the time this now becomes a 3130 requirement, because I extended the period in order to allow persons like the doctors the hon. Member has mentioned, who are genuinely trying to register ... and there may be a doctor who decides he cannot be bothered for whatever reason, very very few, or may be concerned about their ability to reregister – and I do not know of any. Most of the doctors are absolutely working hard to revalidate and therefore we have extended the period to the end of the year and we are 3135 very close in our discussions with the GMC and I suspect this will be resolved, otherwise we will have to address the issue. But we are working to resolve it.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, how would you propose I put forward my supplementaries – one by one?

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**Mr Speaker:** As you wish.

3145 **Hon. Ms M D Hassan Nahon:** Okay. I noticed there was a supplementary in the *Gazette* a few days after I put my questions forward, and from what I understand in my limited legal knowledge as a lay person is that the doctors who have been hired before 2017 are in a different package to those who will be taken in after 2017. If that is the case, does that not, in effect, provide a two-tier system, which would raise questions of different standards and doctors

having different treatment in that sense? Because I believe this is a worry for the doctors at the moment.

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**Hon. Dr J E Cortes:** No, Mr Speaker, that is not the case. I think the hon. Member may be referring to something else, in that doctors who were registered before 2015 had a slightly different regime, but the amendment that was published last week ... and it was not as a result of this question – this is something we had to publish before July because the time was arriving, and it was largely in order to rectify what may have seemed unfair but, in order to take account of those doctors who were genuinely legitimately trying to get their paperwork and so on in order with the GMC ... So there is no difference as to whether they are registering now or registering later.

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The law will apply as from 1st January 2017, requiring doctors to be registered and licensed by the GMC. If their licence is not due for another two or three years they will be registered in Gibraltar and then they will have to revalidate at that time, but I do not think there is going to be that difficulty in the future.

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**Hon. Ms M D Hassan Nahon:** As a supplementary to Question 460, the hon. Member says that there is no requirement for doctors to be re-educated or undertake courses, but from my understanding, speaking to doctors who practise in the UK, it is the failing doctors who need to keep up with and take courses This is all part of the GMC framework. Do we not have a structure for these failing doctors as part of the infrastructure that you surely must have been preparing in order for this system to work in order for doctors to be put right, shall we say, in terms of training. How would you go about this?

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**Hon. Dr J E Cortes:** Well, no doctors have failed yet because we have not introduced the system yet, although because we have been able to get a responsible officer, under our law, accepted as a suitable person, which is a legal term under UK law, by the GMC, we have already revalidated and licensed doctors, so this is already happening.

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Failed doctors will have to be dealt with at the time. If they are within the Health Authority, then the Health Authority will take a view as to why they have failed, as to whether it is issues that should concern the employer in a negative way or should suggest to the employer that they assist the doctor in making good those failings.

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If they are in the private sector, then it would be the private employer who would have to assume that responsibility. I suspect this is the case in the UK.

**Hon. Ms M D Hassan Nahon:** But, Mr Speaker, when you embark on a system of clinical governance to improve standards across the board, surely there has to be an overall skeleton of how this is going to be achieved. I understand that we have not started yet with the doctors – we do not have failing doctors because the system has not technically gone live yet – but surely there has to be a plan of action for when these things start to happen, because the whole point is to keep the standards up. If we do not have a system whereby we have not yet spoken to universities in England in order to provide the training for the doctors who are failing, what is the point of embarking on this system for higher standards?

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**Hon. Dr J E Cortes:** Mr Speaker, this is all speculative but I am not going to not answer for that reason.

Doctors who fail would not be able to continue to practice until they have taken remedial steps. The remedial steps could be extremely broad and wide. If they require some kind of support or they deserve some kind of support, then that will have to be considered on its merits. It could be that doctors who fail – and I think it is highly unlikely that any will – may have to have other more negative steps taken, depending on the reasons for failure.

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I do not think we can see this as a negative. Until these regulations were introduced there was no system of checking on doctors. You had to rely on people maybe coming up with complaints and then referring it to the Medical Registration Board, perhaps referring it to the GMC. At least now we will be able to ensure that by annual appraisals and by regular revalidation these standards are maintained, and I think we should look at the positive – always being available to consider and discuss individual doctors who may, and I suspect there will be very few, who fail in their revalidation. The support would be given absolutely if they deserve it.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, I have no doubt that the support would be given, and in particular working with the hon. Member behind the scenes, always willing to help people, I can assure you that he is more than accommodating in his capacity as Minister for Health. But, in my humble opinion, I remain disappointed that the Government has embarked on a system where they have not encompassed every single aspect of what can happen and how they will deal with the remediation for that. But I will let it be and remain positive and hope that there will be a plan if and when that does happen.

Turning to a supplementary on Question 462, which refers to the BMA and learning that there used to be a BMA in Gibraltar, which I actually did not know about, the hon. Member, the Minister for Health tells me that doctors have joined different unions. The thing that also leaves me disappointed is that, as we know, the GMC came about largely as a result of the horrendous things that were done to patients by Harold Shipman. This was why the whole thing came about, and basically the General Medical Council is there to protect patients. But doctors themselves need their own union for protection and the BMA is the bespoke union for doctors, so my question was whether Government would look at bringing a support body or working directly with the BMA in the United Kingdom as a bespoke medical union in order to provide for the needs of doctors, which is a very technical profession and not a profession which can be generically be taken care of by a generic union, in order that doctors themselves feel protected and so they can feel that there is a remediation system in place for them by a bespoke union.

**Hon. Dr J E Cortes:** Mr Speaker, the BMA is an independent trade union that doctors can join. It is not for the Government or the Health Authority to decide what union the doctors wish to join.

There used to be a BMA in Gibraltar. It was still there when I left the GHA in my former incarnation in 1991; it was no longer there when I re-joined it as Chairman in 2011. The Government and the GHA cannot direct and would not dream of suggesting to its employees which union they should join. They are currently represented by Unite largely and some by GGCA. They are free to join the BMA, but this is something that would have to be at the instigation and initiative of the doctors and not of the Government or the Health Authority.

**Hon. Ms M D Hassan Nahon:** Does the hon. Member, the Minister for Health believe ... This is as a supplementary to Question 464, when I asked about infrastructure to cope with this new regulatory standard. Does he feel that doctors are feeling upbeat about this new system? From my understanding the morale is quite low and they do not feel ready to take on this new infrastructure.

**Hon. Dr J E Cortes:** It depends on who you talk to. The initiative was largely spearheaded by a group of doctors who were very concerned that if we did not enact laws in Gibraltar to allow revalidation while they were practising here, they would actually lose their licence to practise in the UK, which they considered important in some cases because they may want to do locum work in the UK or because they thought it was better for them on their CV and for their own good standing to have this licence. So this was supported by a large body of doctors.

There were other doctors who doubted that we would be able to pull this off and be able to get the GMC support in establishing them – I am glad to say that we did get GMC support – and

many of those have said, 'Well done, it is something that we did not think you would achieve but was achieved.' There are some doctors who still feel that perhaps this is not the system that is most appropriate, but I am convinced that it will do a lot to improve the medical standards in Gibraltar, and I am also convinced that as we roll the system out our doctors will feel ... as  
3255 happened in the UK, where there was a lot of debate for many years and now the general body of doctors actually accept that it is good for them and it is good for their patients.

**Hon. Ms M D Hassan Nahon:** In regard to the doctors who may not be the ones who are happy and supportive of this, does the hon. Gentleman worry of a possible exodus of the highly  
3260 qualified doctors or consultants who do not want to be submitted to this, and that if there is an exodus ...? I understand a few doctors or consultants have already resigned.

Trust me, I am not in any way rubbing my hands with glee. My interests are always for the good of this community, but given that some are feeling disenfranchised, does the Health Minister have plans to bring in more doctors so that we do not have a domino effect of  
3265 cancelled operations or chaos, shall we say, in the hospital?

**Hon. Dr J E Cortes:** Mr Speaker, I am not expecting an exodus – certainly not expecting an exodus of any doctor committed to improving standards. I am not aware of any doctor who has resigned specifically because they have not been able to register, and if doctors resign for  
3270 whatever reason, or retire for whatever reason, we will of course replace them.

**Hon. R M Clinton:** Mr Speaker, if I may, would it be a logical conclusion to come to, in terms of future recruitment policy of say the GHA, that he would make it a requirement that any applicants should be registered with the GMC in future?  
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**Hon. Dr J E Cortes:** Mr Speaker, that is already a requirement as a result of this legislation. So any new appointments would have to be registered. The only exception would be they would have to convince the board that they were registerable without any issues and the appointment would then be dependent on that.  
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**Hon. Ms M D Hassan Nahon:** Mr Speaker, from what I understand, the responsible officer would be Doctor Tosson, as the Minister for Health has said. Has Government thought out how to ensure that in a small place like Gibraltar with a small hospital, that whoever the responsible officer may be – in this case, Doctor Tosson – he maintains a firm level of impartiality in ensuring  
3285 that no doctor feels that any personal acrimony may lead to poor appraisals and poorer standards for them, and effectively a worse report?

**Hon. Dr J E Cortes:** Absolutely, Mr Speaker. Any indication that there was any abuse of position would be dealt with most seriously.  
3290

We also have a number of arrangements that are coming into place with regard to cases where, quite legitimately and for no negative reason, there may be a conflict between one particular responsible officer and perhaps a particular doctor. So we have arrangements coming into place with a number of UK bodies that we are linked with, so that we can use their responsible officer in order to be a backup to ours.  
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**Hon. Ms M D Hassan Nahon:** Going back to Question 459 and reading the response of the hon. Member, he says that doctors who do not wish to register will be encouraged to do so, so that they do not lose the ability to practice. This means that effectively some doctors who may insist in not wanting to join this body, this infrastructure, they will effectively lose their positions within the hospital. If that is the case, how long is the grace period until they have to pack up and leave, basically?  
3300

3305 **Hon. Dr J E Cortes:** Mr Speaker, doctors were given 18 months until July this year; they have been given an additional six months. This has been done because there are legitimate cases where there have been procedural issues. If that fails, then we will have to consider what action is taken, but as I said earlier in answer to the Hon. Mr Phillips, I am confident that with the progress that we are making with the GMC that will not be an issue, but I will have to address that when the time comes.

3310 **Hon. Ms M D Hassan Nahon:** One more question. I am sorry if I have missed it in all the answers that I have been given, but as from when this system goes live does this mean that the doctors who do have the six months' grace period, are they entitled to practise? How does it work exactly? Are they entitled to carry on, even if they are not with the GMC in the hospital?

3315 **Hon. Dr J E Cortes:** Yes, Mr Speaker, provided they are taking steps to register and they are not just deciding they do not want to – and I can tell you that all the cases I am aware of are taking steps to register – then they can carry on practising.

3320 Mr Speaker, they are all qualified medical professionals. We are going that extra mile to ensure an increase in standards, so it is not that anybody is at any particular risk. They are able to carry on practising until the end of the year because we feel that that is enough time for them to regularise the situation.

**Q469/2016**  
**St Bernard's Hospital –**  
**Number of surgeons**

**Clerk:** Question 469, the Hon. Ms M D Hassan Nahon.

3325 **Hon. Ms M D Hassan Nahon:** Within the last eight years, two separate reviews have concluded that St Bernard's Hospital was short on surgeons. This has not been listened to and we still have the same number of surgeons. Does the Minister for Health have any plans to adhere to these reviews as a matter of priority and increase the number of surgeons in the hospital?

3330 **Clerk:** Answer, the Hon. the Minister for Health, the Environment, Energy and Climate Change.

3335 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, this is not the case. The total number of surgeons in the past eight years has been: 2009, 15; 2010, 15; 2011, 16; 2012, 13; 2013, 16; 2014, 18; 2015, 19; 2016 reads 19 but in fact should read 20. Let me add that this is including all grades of surgeon from consultant through associate specialist to non-consultant hospital doctor.

3340 **Hon. Ms M D Hassan Nahon:** Mr Speaker, let me clarify: I was talking about surgeons, and if I have my information incorrect then I apologise but I want to make clear that I have been given information that there are two surgeons in the hospital, one locum and one regular. Can the Minister please confirm that this is in fact completely incorrect and we are talking about over 10, 12 numbers, as he says?

3345 **Hon. Dr J E Cortes:** Mr Speaker, I have included surgeons who are doctors who operate. That includes junior doctors, associate specialists, it includes gynaecologists, orthopaedic surgeons



and general surgeons, and the numbers ... and those are consultants. If we only look at consultants, the numbers have increased from seven to 12 from 2009 to the present.

3350 General surgeons: there are three consultant general surgeons and one associate specialist general surgeon. But the numbers of junior doctors have increased from I believe it was four to six, and they are the surgical team.

3355 We also use services on a sessional basis for particular specialities – for example, urology. We now have a urologist who does five sessions a week, which is half time, and I have not included that one. So the figures are there and I can put names to them – not here, obviously, but I could do that.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, I have the names of two doctors who have recently resigned and I would like to ask the hon. Member how the GHA is mitigating this loss, how they are keeping up with operations based on the fact that two general surgeons, I believe they are, 3360 have resigned; and does this effectively mean more outsourcing to Xanit? Is there a direct correlation between doctors who are resigning or leaving and the influx to Xanit?

**Hon. Dr J E Cortes:** That would be very hard to determine. I do not think so. These resignations are very recent: one is about a week old; the other one is a resignation/retirement, 3365 which is not effective until August and we have already started the recruitment process. So I do not think that any of those have resulted in cases referred to Xanit, but I would have to look case by case. Certainly one of them is not effective until August, so that would not be the case.

**Q470/2016**  
**St Bernard's Hospital –**  
**Bullying of junior doctors**

**Clerk:** Question 470, the Hon. Ms M D Hassan Nahon.

3370 **Hon. Ms M D Hassan Nahon:** Would the Minister for Health be willing to investigate the fact that various junior doctors in St Bernard's Hospital, despite feeling too scared to come forward about it, are feeling bullied by some in managerial or directorial positions?

3375 **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, let me first say – I made a note and then, because of all the issues we were dealing with ... I thank the hon. Lady for the favourable comments she made about me earlier. I do 3380 appreciate it and I will continue to co-operate with her in any way I can for the good of the people that we serve.

3385 Mr Speaker, any such allegation would of course be investigated without any cause for worry on the part of the complainants and I would encourage the hon. Lady to let them know that they can come and see me ... I am not saying tomorrow, because tomorrow we will be here but when next they have the opportunity, and I will more than willing on a confidential basis to take up any of their concerns.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, I will do my best, obviously, but I think there is a lot of fear, and on that basis, if I am not at liberty I will not be able, much as I would like to, to 3390 collaborate. But I urge the Minister to keep an eye open for the low morale that is resulting out

of this and that he should take my word that the information I come with in this House is true and I will do my best to try and furnish him with more information on this.

**Hon. D A Feetham:** Mr Speaker, it has to be said, in relation to this, that I have also received some complaints, and not only in relation to junior doctors but senior nursing staff, which I am looking at at the present moment in time. I do not know whether they are related or not, but certainly I am also prepared to sit down with the hon. Gentleman to make sure that this is panned out, because it is not in the interest of anybody to have low morale amongst either junior doctors or senior nursing staff.

**Hon. Dr J E Cortes:** Mr Speaker, I must comment here. I have no doubt that the hon. Lady is convinced that the information she is given is correct and she would not bring it here if she thought it was not. In the case, for example, of the number of surgeons, it has not been correct, but that is no reflection on her, Mr Speaker, but on the information.

But certainly anybody who feels that coming out with concerns cannot be done because of fear of some kind of retribution should absolutely have it clear that that is not the case, and I think the Members opposite know very well that I would deal with them in a proper manner because I would not tolerate such matters.

**Q471-472/2016**  
**Xanit Hospital –**  
**Transfer of patients by ambulance**

**Clerk:** Question 471, the Hon. Ms M D Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** Are we using our own ambulances and doctors or ambulances and doctors from Xanit when transferring a patient to Xanit Hospital in Spain?

**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 Question 472.

**Clerk:** Question 472, the Hon. Miss M D Hassan Nahon.

**Hon. Miss M D Hassan Nahon:** How much is it costing to transfer a patient to Xanit Hospital in Spain by ambulance?

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

**Hon. Dr J E Cortes:** Mr Speaker, the information on costs is commercially sensitive but I would be happy to supply it on a confidential basis.

A Xanit retrieval team is used when transferring critically ill patients to Xanit or other hospitals in Spain from St Bernard's Hospital. Local doctors are not used nor contracted to do so. The retrieval team and patient are normally transported by a GHA ambulance, but on occasions, although rare, subcontracted ambulances have been used.

3435 **Hon. Miss M D Hassan Nahon:** Mr Speaker, I would just like to make the hon. Member aware of the fact that I believe that some A&E doctors are feeling disenfranchised from this opportunity, which at the same time apparently costs more when using the Spanish alternative.

3440 **Hon. Dr J E Cortes:** Mr Speaker, A&E doctors should not feel that way because it would not be A&E doctors who transfer a critically ill patient; it would be an anaesthetist. (*Interjection by Ms M D Hassan Nahon*)

3445 The cost is for the crew. The anaesthetist service and the provision of the anaesthetist as such is not charged for separately. This was added because the GHA felt it exposed the community when we have a low number of anaesthetists present in the hospital, if one of them were to go on an ambulance to transfer a patient to Xanit and then we have got a couple of emergencies turning up.

3450 So an arrangement was made with Xanit as a result of the fact that clearly we have a relationship with them and they provide the anaesthetist without charging over the charge that was being charged for the crew. Therefore, I do not think that is correct. But our anaesthetists may not be aware and may be thinking that we are paying large amounts, which we in fact are not paying.

3455 **Hon. Ms M D Hassan Nahon:** I am sorry, I do not quite understand. Is the hon. Member saying that it is actually cheaper all round and logistically wiser and more viable to go with the Spanish option and not our own?

**Hon. Dr J E Cortes:** Mr Speaker, I am saying that it is not just cost. Sending an anaesthetist from St Bernard's to accompany a patient to Xanit is removing an anaesthetist who I would rather have here attending to possible emergencies.

3460 Therefore, in order not to delay, for example, a critically ill patient in transferring by having to call somebody in, for example – should they be available, which is not necessarily the case – and in order not to transfer a patient without an anaesthetist, an arrangement was made that for those critically ill patients, and it does not happen every day, Xanit supplies an anaesthetist to go with the patient.

3465 **Hon. D A Feetham:** Mr Speaker, in relation to Question 472, which was the question about the cost to transfer patients to Xanit in Spain by ambulance, and the hon. Gentleman has said that he is not prepared to provide that information, can he elaborate first of all – and I have got another supplementary, but can he elaborate why the Government cannot provide that information? The Government, for example, does not have to provide the information of the actual cost per ambulance; it may be able to provide a cost over a period of time in order to disguise any commercially sensitive information. That is one question.

3470 I will ask a second, if Mr Speaker does not mind, and therefore get it out of the way, so to speak. Is that cost of transferring patients to Xanit Hospital by ambulance subsumed within the £7.1 million that it is actually costing the Government of Gibraltar at the moment to use Xanit Hospital, which was the schedule that he provided to me when he answered a question. I would be very surprised if it was not, but I would like the hon. Gentleman to confirm that.

3480 **Hon. Dr J E Cortes:** Mr Speaker, I am not sure. I am not going to answer in any other way. The question that I previously answered with those schedules – and if we go through them perhaps we can identify that – was provided by the sponsored patients department based on their information.

3485 I am not absolutely sure, although I can find out, clearly, tomorrow or the day after, whether that is included there, because it is a different process and within the Civil Service public service accounting processes it may be a different head and maybe when that information was asked for it did not come from that head and that information is not there. I cannot answer that now.

On the question of why is it essentially commercially sensitive, it may be possible to pool figures but I took the question as a detailed cost for transfer. But there are other private entities in the area in the game and therefore publicly stating what we are paying to one particular entity when there are others I do not think is correct. But as I say, I am happy to share it on a confidential basis.

**Hon. D A Feetham:** Yes, Mr Speaker, but in my respectful view it is a perfectly reasonable question that the hon. Lady has asked, and if there is any problem with commercially sensitive information ... Well, she is not asking, as I understand it, for details of the contract and detailed prices. But, for example, the hon. Member can say it is costing the GHA x amount per month to send these people by ambulance, or per week or whatever, and I just wonder whether he is willing to provide that information and willing to write to me and also to the hon. Lady and provide the information, because that at the very least will provide us with some information in relation to what is an important question.

**Hon. Dr J E Cortes:** Mr Speaker, I said more than that. I said I would be willing to provide the information on a confidential basis. But as far as monthly figures, yes, I do not have an issue with that; I just did not want to give more specific details which could be used by other commercial entities also in the market of ambulances.

I would ask the hon. Lady or the hon. Gentleman, or both, either to write to me or to remind me tomorrow so that I can make sure that I do. I am sure that I will remember, but I do not want to be taken to task for not having provided information otherwise.

**Q473/2016**  
**Xanit –**  
**Monthly payment**

**Clerk:** Question 473, the Hon. Ms M D Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** How much is being paid by the GHA to Xanit month by month?

**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 am providing information since the execution of the contract in July 2013 in the handout.

**Answer to Q473/2016**

Financial Year	Total
2012/13	£1,639,638.11
2013/14	£3,468,875.52
2014/15	£4,681,302.93
2015/16	£7,125,429.41
2016/17 (as at 20th June 16)	£1,466.76

3520 **Hon. Dr J E Cortes:** Mr Speaker, this is unfortunately in annual figures which are similar to the ones that I have already given but totalled up. They may be from not exactly the same period but the figures will be more or less the same – not month by month, because we do not always get invoices on a monthly basis. Sometimes they are pooled together, sometimes they come at the end of a particular patient's treatment, so it would be an artificial figure.

3525 I have given the annual figures, which I hope will be the information more or less that you are interested in, which is very similar to information we have already discussed before. You will see the increase at the time that we discussed.

3530 **Hon. Ms M D Hassan Nahon:** Is the Minister satisfied with the fees in general that the Health Authority incurs in Xanit, or is it looking to bring home many of the treatments in Xanit in order to decrease the expenses that are resulting from Xanit and apply them to St Bernard's instead?

3535 **Hon. Dr J E Cortes:** Yes, of course, Mr Speaker. Repatriation is one of our main aims. At the moment, we are actively working on repatriating urology services so that some of the interventions that could not be done here before are being done, or will be done. As much as we can do here in Gibraltar we will do, and this is an ongoing process in which we are identifying things that we can do within our own resources.

3540 **Hon. R M Clinton:** Mr Speaker, if the Hon. Minister could advise ... We spoke earlier about the quality control over individual doctors. I was just wondering what kind of quality control does the GHA exercise over Xanit, and also, from a financial point of view, are there any processes in place or procedures to ensure that we are getting value for money and that we are not just being treated as a private patient to be exploited commercially?

3545 **Hon. Dr J E Cortes:** Mr Speaker, these are all concerns which I share, and it is my duty to be on top of these things. I think we can still do things better, but let me just say we are not treated as private patients because we have a negotiated rate with them which is not the standard private patients rate, so that is one thing.

3550 There are, I believe, six-weekly meetings of the GHA team with the Xanit team, usually in Gibraltar, sometimes in Xanit, and that goes through clinical, operational, billing, all those sorts of things. We have recently appointed one of our consultants as being the medical co-ordinator with Xanit to be able to improve the clinical work.

3555 So there are regular meetings and regular interactions and we are working on streamlining that and increasing the efficiency and the scrutiny of the work that we do. It is something that one has to be on top of all the time, but it is our duty to ensure that we get value for money and also clinical excellence.

3560 **Hon. D A Feetham:** Just following on from this question, he may not have the information in front of him but what is the difference in rate? He talked about rates. What is the difference in rate between a private care rate so to speak and the rate that the Government gives? What kind of a discount are we seeing that obviously is then reflective of the huge amounts of money that the Government is spending in relation to Xanit, which was £7.1 million last year?

3565 **Hon. Dr J E Cortes:** Mr Speaker, I do not have that information. (*Interjection by Hon. D A Feetham*) No, I do not have that information. The contract is now three years old, so it is not in my head at the moment.

I can say that we based the prices that we were seeking on NHS prices with a little bit of ... Obviously, we also need to consider the fact that if patients go to Xanit we do not incur on the travel and accommodation expenses and so on.

3570 That information is in a schedule and if I am asked for it, either in writing or whatever, I can provide that, but I do not have that information at hand at the moment.

**Hon. E J Phillips:** Does the Minister agree with me that the significant increase from 2012-13 up until 2015-16 should cause the Department for Health a degree of concern? On the basis of the huge amount of figures, the value that is being paid over to this particular hospital, is the Minister concerned about the increasing expense to the public purse in relation to this?

**Hon. Dr J E Cortes:** Interested. 'Concern' is a difficult word, because clearly I want to reduce costs but I want to maintain a service. This is why these regular meetings are taking place, why we have appointed a consultant to look at the clinical side and also to have a view at interpreting some of the things that are being done there and to look more closely at what can be done here. So this is constantly being done.

I would like to reduce our costs everywhere, provided we maintain the service. But remember what I said earlier: we do have more patients. The demand on healthcare has really grown in the last few years for all sorts of reasons, and also, as I sa, a new patient today will still be a patient – hopefully in the sense that they will survive whatever intervention – next year and the year after. So it is a cumulative thing and patients do have to go for review.

So it is something that I am keen to control and we are setting processes in place in order to keep a very close eye on this, but there is already quite a lot of work being done on this. It is something that is not just being ignored and filed away; it is something that is constantly being looked at.

**Hon. Ms M D Hassan Nahon:** Can I just ask: the figure of 2016-17, half a year, but £1,466 surely is not reflective or accurate – is there something that we should be expecting?

**Hon. Dr J E Cortes:** Mr Speaker, those are the figures that I have. It has raised my attention. I need to check whether there is a typographical error and I can check that tomorrow, or whether it is just that the payments have not been processed because the financial year started on 1st April, but I need to consult.

**Hon. Ms M D Hassan Nahon:** Can I also ask: perhaps the very steep spike between 2013 and 2015 could have something to do with ... if the hon. Member may agree ... Are more patients now being sent to Xanit and less to the UK? How do these decisions get made? I think that if we are looking at the Budget, we would have to put it all in a basket and see how expenditure is going in general. But is it because we are taking more away from the UK and allocating it more to Spain? And if so, how are these decisions being taken, why and how?

**Hon. Dr J E Cortes:** Yes, in part. I do not think we can get away from the fact – and I will provide the figures in my Budget speech – that we have a lot more sponsored patients than we had and the numbers increase. Therefore, no matter where they go the costs are going to go up, and we are trying to control that by repatriating. Chemotherapy is an example, and we are going to be reflecting, as you will see in the estimates next week, by trying to keep a control on the funding for sponsored patients because we want to do things differently. So there will be some redeployment from the UK to Spain, but overall there is an increase in the number of sponsored patients. That is one thing.

As far as the decisions go, the decisions could be practical in the sense that we need a hospital nearby urgently for something we cannot do here and therefore we send them to Xanit because they are an hour or two down the road. They can be clinical in the sense that the doctor feels that the treatment available there is the one the patient needs, or it can be patient choice. There are some patients who actually do not want to go to the UK because ... In fact, there have been some whose fear of flying keeps them from going to the UK. There are some who have a lot of relatives and they want to be close to them and therefore they would rather be in Xanit than in a centre in UK. So there are all sorts of different reasons why this could be. The decisions are mainly clinical, but there is an element of patient's choice in it.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, I know that my father always used to say that Gibraltar's national sport is gossip, so we cannot take everything we hear law, but there has been a lot of talk that there was some type of connection between a relative of the GHA and Xanit and some type of venture. There has been a lot of talk about that and that patients were sent to Xanit a lot as a result of some sort of joint venture. Can the Minister put us all at ease that there has been no such venture between any relative of the GHA leading to the spike of budget towards Xanit?

**Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, if I may, on points of order I think that it would be a very dangerous precedent if a Member opposite were to ask us a question on the basis of gossip, because as the hon. Lady very rightly says, in Gibraltar it is quite common to hear things said about people, about things which happen to have no fact or basis at all and are unsubstantiated.

In that respect, Mr Speaker, on a point of order I would say that it would be out of order to ask a question as to whether statements of private individuals are accurate. There is no way that the hon. Gentleman would be able to know if any private individual has made a statement which is accurate or not.

Also, Mr Speaker, a question should not be asked for an expression of opinion or on a hypothetical. I know that the hon. Lady asks in good faith, because if she hears something it may be important to ask it, but on those two Standing Orders alone it would be extremely dangerous if, on the basis of gossip, the Minister responsible were to be asked to provide an answer in this House.

**Mr Speaker:** The Hon. Minister is, of course, perfectly correct.

**Hon. Dr J E Cortes:** Mr Speaker, I am grateful to my colleague, but because the question was asked in good faith I can just say, without actually responding to the gossip specifically, that a contract with Xanit came about as a result of the need to formalise an ad hoc arrangement which was not working and was not safe, and had nothing to do with any relationships with anybody in GHA or anywhere else.

I have answered that because of the good faith and because of the fact that the hon. Member is relatively new to this House, but I thank my hon. and learned Friend for his intervention.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, I know it is not a question and I have been accused of making comments and not questions, but I just want to say I am grateful for your faith in my good faith, and also that because we live in a small village words do get around, and there is gossip but there is also the saying 'no smoke without a fire'. So trust me when I say I am giving the hon. Member the opportunity to put out some bad rumours that go about which shape the talk of the town in our little town, which end up becoming concerns. So thank you for that.

**Mr Speaker:** I think it is a day of records. I have never known any Minister to answer questions without interruption – well, with just a short comfort break. I have never known a Minister, in all the years that I have been in the House, to answer questions for so long. A great *tour de force*. I commend the Minister and I am going to give him the opportunity, therefore, to move the adjournment of the House until tomorrow.

**Hon. Dr J E Cortes:** Yes, Mr Speaker, I move that we adjourn the House until tomorrow morning at 10 o'clock.

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**Mr Speaker:** The House will adjourn until tomorrow morning at 10.00 a.m.

*The House adjourned at 8.11 p.m.*





# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**MORNING SESSION: 10.00 a.m. – 1.44 p.m.**

**Gibraltar, Thursday, 30th June 2016**

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# The Gibraltar Parliament

*The Parliament met at 10.00 a.m.*

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

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

## Questions for Oral Answer

### BUSINESS AND EMPLOYMENT

#### **Q277-278/2016** **Disability Allowance –** **Entitlement**

**Clerk:** Meeting of Parliament, Thursday, 30th June 2016.

We continue with answers to questions. We commence with Question 277, the Hon. L F Llamas.

5

**Hon. L F Llamas:** Mr Speaker, can the Government state who is involved in the decision making as to whether a person shall be entitled or not to a disability allowance?

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

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**Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, I will answer this question together with Question 278/2016.

**Clerk:** Question 278, the Hon. L F Llamas.

15

**Hon. L F Llamas:** Can the Government provide details of the number of persons with disability and consequently receiving a disability allowance, providing details of condition and whether the disability arose from birth or later?

20

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

25

**Hon. N F Costa:** Mr Speaker, the Director of Social Security makes a reasoned decision on whether a person shall be entitled or not to Disability Allowance, having regard to all the particulars of a case. A panel made up of health professionals assess applications for Disability Allowance and provide advice and recommendations to the Director of Social Security. The panel consists of health professionals made up as follows: a physician drawn from a number of possible specialties, a psychologist, a physiotherapist, an occupational therapist, a social worker, a speech and language therapist, a general practitioner, a mental health welfare officer and a lay person appointed by the Director.

30 I would like to explain, Mr Speaker, that since July 2015 Disability Allowance is no longer  
awarded on the basis of having a particular health condition or impairment, but on the impact of  
the health condition or impairment that this has on the person claiming Disability Allowance or  
on their carer's everyday life. It is not the role of the health professionals on the panel to  
35 consider diagnosis, but rather whether the impairment has a substantial and long-term adverse  
effect on his or her ability to carry out normal day-to-day activities. It may not always be  
possible, nor necessary, to categorise a condition as either physical or mental impairment, as the  
underlying cause of the impairment may be hard to establish. In many instances it is a  
combination of different conditions that is substantially impacting on the activities of daily living.  
It is the effects of these impairments that are being considered by the panel, rather than the  
40 underlying conditions themselves.

We are not able, Mr Speaker, to release information on the conditions of the persons in  
receipt of a disability allowance, as this is sensitive personal information and some individuals  
may be identifiable from the information being requested. Releasing the information would in  
any case contravene the Data Protection Act. As a result, it is immaterial whether or not a  
45 disability arises from birth.

The number of persons receiving Disability Allowance as at the end of May 2016 is 243.

**Hon. L F Llamas:** Thank you very much for that well-detailed answer; I am really appreciative  
of that.

50 Would the Minister be able to confirm whether the Director, in making the final decision,  
normally accepts the recommendations of the board, or are there times when he refuses  
recommendations made by that board?

**Hon. N F Costa:** Mr Speaker, if I may, it is actually a very good question, because there have  
55 been instances where an applicant has made an initial application which has been rejected,  
which then is brought to appeal by a different panel, which then also reject it, but the Director  
has been told by me on various occasions that even when the panel advises against the award of  
Disability Allowance she should not feel fettered by that and that she has an absolute discretion  
to exercise that discretion in favour of a person, even when the panel advises against it. But if  
60 memory serves me well, she has accepted the advice of the professionals on 100% of the  
occasions. I can check the exact figure, but I think it is 100%.

**Hon. T N Hammond:** Mr Speaker, just reference whether the disabilities arose from birth or  
later, I understand the Minister has already suggested that there may be data protection issues  
65 at stake here. However, I do not think it would be unreasonable to provide a figure on that basis  
and that it would be very difficult without going into any details of disability or anything on  
providing a figure for the numbers of people who receive Disability Allowance or who have  
received Disability Allowance from birth and those who have received Disability Allowance  
having developed a disability during their lives.

70  
**Hon. N F Costa:** Mr Speaker, if the panel would make a decision on whether to award the  
allowance on the basis of whether or not a person had the disability from birth, then I would  
agree with him that it would only be proper that I provide that information, but what I have just  
explained to the Hon. Mr Llamas is that the panel does not consider that particular condition.  
75 The panel considers whether the impairment or condition of the person has an impact on the  
daily living of the person. To put it another way, the things that he and I, I suspect, take for  
granted, like getting up in the morning, dressing oneself, showering, coming to work, walking  
and seeking jobs and so on ... those things which he and I take for granted may not be able to be  
carried out by a person who has a disability or some other impairment, and the panel considers  
80 whether that impairment affects a person's ability to get on with his or her life independently, as  
he and I do. Therefore, there is never an analysis on whether a person was born with a particular

condition from birth, so it is not part of the consideration. This is why I said that the award is not contingent on that condition. If it were, I would provide the details, but it is not, so it does not arise.

85

**Hon. T N Hammond:** In which case, would the Minister be willing to provide figures purely for those who have been awarded disability allowances by the panel?

90

**Hon. N F Costa:** Mr Speaker, I am not sure that I have understood the hon. Gentleman correctly, but my concluding sentence was that there are 243 people in receipt of the allowance. Was that what he was asking?

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**Hon. T N Hammond:** Possibly. That is 243 people who have been awarded the Disability Allowance by the panel?

**Hon. N F Costa:** Yes.

**Hon. T N Hammond:** I missed that point. Thank you.

**Q279/2016**  
**Registered unemployed –**  
**Quarterly average**

**Clerk:** Question 279, the Hon. E J Phillips.

100

**Hon. E J Phillips:** Can the Minister for Business and Employment provide this House with the quarterly average for registered unemployed?

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

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**Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, the quarterly average for the period ending March 2016 was 291.

110

**Hon. E J Phillips:** I am grateful for the response by the Minister for Business and Employment. Given that the figures that we were looking at during the General Election were about 164, and then at the last Parliament that we had here, in February I believe it was, the figure was 255 and now increasing to 291, I am perfectly aware of the attempts that have been made by the Minister in relation to reducing unemployment, but if he could explain also what other measures the Government are looking at in order to reduce unemployment ... and in particular I raise the question of apprenticeships, because I know that that was raised also in the context of his press releases regarding both those two initiatives that the Government has released – but particularly in relation to that. I understand that he is doing work in relation to getting unemployed ... and I think he has been very helpful to Mr Feetham I me in relation to a number of individuals who have sought employment recently.

115

120

**Hon. N F Costa:** Mr Speaker, first of all, in respect of apprenticeships, I would simply answer the hon. Gentleman by telling him that there are questions on the Order Paper in that respect. In –

**Hon. E J Phillips:** I am grateful to him for giving way, but that is one of the questions Mr Clarke, his assistant, I have asked him to check, because in the order there are no questions

125 on apprenticeship. There are four questions but they are not listed in the notice of questions. I have asked him to go and check to make sure that they do come up to ... I just preface that to caveat that point on apprenticeships, if they will be raised by Mr Bossano later.

**Hon. N F Costa:** Mr Speaker, the Hon. Minister Bossano has just told me that the questions the hon. Gentleman has given notice of do not specifically mention the question on apprenticeships – he asks about training and skills – but there are questions on the Order Paper in relation to training and skills, if I am not mistaken.

Mr Speaker, then to answer his second supplementary he asks – given that the quarterly figure in January was 291, I imagine the question was whether there is cause for concern, given that in August of last year the figure was 164. Well, in the first place, I think it should be said that the employment strategies of the Government are certainly working when last year we had the lowest ever recorded levels of unemployment. Last year, the quarterly averages were 255, as he rightly remembers, in the last quarter; 207 in the third quarter; 204 in the second quarter; but it was 282 in the first quarter; and on this occasion, this year, it is 291. So there is only a very small difference between one and the other.

Without wishing to steal my own thunder for the Budget address, I have to tell him that the employment strategies that the Hon. Minister Bossano and I are working on – and he makes particular mention of the press releases and press conferences I have held in respect of the approved contractors, again on which I am working with the Minister – I am happy to say that those are yielding fruit. Because the month of June closes today, I am unable to give him today the quarterly figures for the second quarter. I wish I had them with me, because they tell me, the Employment Service, that they already make good reading, but I am telling him now that I am confident that, given the focused strategy that we have implemented in calling in the approved contractors of the Government and asking them to please help us in recruiting persons who are on the unemployment list, the unemployment figures are indeed going down, there is an increased number of Gibraltarians in employment and I will very happily give him the hard numbers when we meet for the Budget session.

**Hon. E J Phillips:** I am grateful for that response, and not wishing to have the last word I will address most of the other questions that relate to training and skills to Minister Bossano. Thank you.

**Q280-283/2016**

**Gibraltar Joinery & Building Services Ltd –  
Vacancies; notices of terms of engagement; complaints; termination notices**

**Clerk:** Question 280, the Hon. E J Phillips.

**Hon. E J Phillips:** Can the Minister for Business and Employment confirm the total number of vacancies opened by the Employment Service in relation to employment opportunities with GJBS since 26th November 2015?

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

**Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, I will answer this question together with Questions 281, 282 and 283/2016.

**Clerk:** Question 281, the Hon. E J Phillips.

170 **Hon. E J Phillips:** Can the Minister for Business and Employment confirm the total number of notices of terms of engagement filed by GJBS since 26th November 2015?

**Clerk:** Question 282, the Hon. E J Phillips.

175 **Hon. E J Phillips:** Can the Minister for Business and Employment confirm the number of employment-related complaints received from current employees and former employees in relation to GJBS?

**Clerk:** Question 283, the Hon. E J Phillips.

180 **Hon. E J Phillips:** Can the Minister for Business and Employment confirm the total number of termination notices filed by GJBS each month to the present day as from 26th November 2015?

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

185 **Hon. N F Costa:** Mr Speaker, the information the hon. Gentleman requests in respect of vacancies, notices of terms of engagement and notices of termination is confidential by virtue of the Employment Regulations 1994.

In connection with any complaint received by GJBS, the hon. Member should note that I am not the Minister with responsibility for GJBS. In any event, Mr Speaker, please note that any  
190 complaint received by the Employment Service would be strictly confidential.

**Hon. E J Phillips:** Mr Speaker, just one supplementary question, hopefully, in relation to this matter. We receive numerous complaints by employees of GJBS, or former employees, in relation to their employment, and they often say to us, invariably – or most of the time – that  
195 they are approaching either your offices or Mr Bossano's offices in relation to it. I am sure Mr Bossano cannot answer now in relation to that point, but it would be helpful to identify the number of complaints so that we know what the Government is doing about that. Are they simply assisting GJBS employees or former employees get further employment, or are they assisting them in their dispute, or just turning them away and saying, 'Look, it's a private matter  
200 between you and GJBS,' and nothing further?

**Hon. N F Costa:** Mr Speaker, I have to tread carefully, because I have just said that the Employment Regulations impose a legal obligation – on employment officers who administer notices, terminations and vacancies – of confidentiality.  
205

But whereas the Standing Orders say that we should not deal in hypotheticals, with your indulgence perhaps you would allow me to deal in one hypothetical to say this. If any person, whether they work for GJBS or for any company in Gibraltar, were to come to me to complain of a particular company, my immediate reaction would be to refer him or her to the Labour Inspectorate of the Employment Services, but I would also make it very clear to them what the  
210 powers of the Labour Inspectorate are under our legislation and that they should seriously consider obtaining legal advice, because it may be that their only recourse is legal rather than administrative by way of a Labour Inspectorate investigation – hypothetically, should anyone come to my office to complain about anyone.

**Q284-285/2016**

**Bullying in the public service –  
Number of complaints received; action taken**

215 **Clerk:** Question 284, the Hon. E J Phillips.

**Hon. E J Phillips:** Can the Minister for Business and Employment confirm the number of complaints received by his Department in respect of bullying in the public service workplace?

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

**Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, I will answer this Question together with Question 285/2016.

225 **Clerk:** Question 285, the Hon. E J Phillips.

**Hon. E J Phillips:** Can the Minister for Business and Employment confirm what steps have been taken with respect to any bullying complaints received?

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

**Hon. N F Costa:** Mr Speaker, as the hon. Gentleman is aware, I am responsible for four departments, namely the Employment Service, the Department of Social Security, the Office of Fair Trading and the Royal Gibraltar Post Office. In any case, as I have just said in answer to a previous question, any complaint in respect of bullying received by any one of my departments would necessarily be strictly confidential.

Should any of my constitutional responsibilities, however, receive a complaint of bullying, I would immediately refer the matter to the Human Resources Department for their investigation and any necessary action. Once again, the Human Resources Department has confirmed to me that any such complaints and investigation by them would be strictly confidential.

**Hon. E J Phillips:** Mr Speaker, I am not asking for the confidential details of complaints. All I am asking for are numbers: would you now provide those numbers?

245 **Hon. N F Costa:** Mr Speaker, as I say, should any complaint come to any head of department of my four departments, or should any complaint indeed come to me, my immediate reaction would be to advise either the head of department or myself to refer the matter immediately to the Human Resources Department. It is not something that I would necessarily institute, investigate or take action on. It may be that, in the hypothetical example, somebody does  
250 complain to the Human Resources Department and there is an investigation. The Human Resources Department would necessarily have a recommendation to the head of department or to me, which we would have to implement.

**Mr Speaker:** We are dealing with two questions here, one of which is asking for statistical  
255 information, numbers – that is straightforward. The other one asks about steps to be taken. That is another matter, that steps to be taken can be deemed to be confidential. But I would say, myself, that where we are arriving at numbers, if the Human Resources Department has received four complaints, say, about bullying, that information surely cannot be confidential. It does not have to be.

260 **Hon. N F Costa:** Well, Mr Speaker, that is what I was advised. I personally –



265 **Mr Speaker:** Let me tell you that – as Chairman of the Public Services Commission, we deal with disciplinary matters – I am well versed on the subject. Again, giving information, steps, details, out of the question; but numbers ... Look, I think you should go back to the person who has given you the advice.

**Hon. N F Costa:** Yes, Mr Speaker, I am happy to do so.

270 **Mr Speaker:** And when you do, bring the advice here to the House.

**Hon. N F Costa:** Mr Speaker, we ... If –

275 **Mr Speaker:** Remember what I am saying: numbers.

**Hon. N F Costa:** Yes, but –

280 **Mr Speaker:** If Government, as an employer, receives complaints from a number of their employees, I submit to you that that information does not have to be confidential, covered by any piece of legislation that makes the numbers of complaints confidential. The details: of course you are not supposed to and you must not give any details.

285 **Hon. N F Costa:** Mr Speaker, with all due respect to the chair, if I were to tell any official that I will bring to this House his advice, my fear would be that they may not give me what, in their opinion, is the best advice, because they know that their advice will be ventilated in this House. I will most certainly take Mr Speaker's direction and I will go back –

**Mr Speaker:** Where?

290 **Hon. N F Costa:** – to the Human Resources Department manager and discuss the matter with him. But if I may, Mr Speaker, and with your indulgence, I will not tell him that I will air his advice in public, because then I will be prejudicing my ability to be able to carry out my constitutional functions.

295 **Mr Speaker:** Where the question is wrongly directed is in that you are asking the Minister for Business and Employment, and that is not his responsibility. He does not have responsibility for Government as an employer, it is the Human Resources Department, and therefore your question should be directed at Government, instead of asking the Minister: can the Government say what steps have been taken; can the Government say how many complaints have the Human Resources Department received in respect of bullying since the legislation was enacted? That is a perfectly legitimate question and you would be asking then someone like ... the Chief Minister presumably would make himself responsible for answering that. But you are directing your questions to the wrong person.

305 **Hon. N F Costa:** Mr Speaker, thank you for bringing up that matter. Certainly if he were to ask me a supplementary, one of the things that I would definitely have said was ... if he were to ask me in respect of bullying complaints before the industrial tribunal, that is certainly different because that is publicly noticed anyway.

310 **Mr Speaker:** The Minister for Employment has responsibility for employers in the private sector; he does not have responsibility for Government as an employer.

**Hon. E J Phillips:** The only other question, with the greatest respect, is if he received bullying complaints from his own Department. That is a perfectly plausible question to put to the Minister, of course.

I take the point from the Speaker and I will make sure it is framed better next time, but I would say this ... and I agree with Mr Speaker in relation to the number of complaints and I will put that question in the next session, and if that is not forthcoming I am sure Mr Speaker will have something more to say about it.

**Hon. R M Clinton:** Mr Speaker, regarding your comments just now, would it be a correct assumption to make that, really, to make things easier, we on the Opposition benches should always phrase our questions ... or address them to the Government in general, rather than a specific Minister?

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, if I may comment, in my view the Opposition asks questions of the Government and the Government designates who should answer it, really.

**Mr Speaker:** It is a learning process. It is not something that when you are on the Opposition ... It is a learning process for you. A Member of the Opposition asking a question cannot determine through the question who is going to answer it. The Government can decide. It is the role of the Government, the Chief Minister, to decide who is going to answer.

What you are able to do, to guide yourself, is to look very carefully at the portfolios of the Ministers, look very carefully at the responsibilities that they have, which are published in the *Gazette*, and that is very good guidance – you might get it wrong once or twice, but that is very good guidance – and when you are in doubt, instead of mentioning a Minister, ‘Can the Government say ...?’ and someone ought to answer.

**Hon. E J Phillips:** Mr Speaker, I think, with your leave, the previous question, in relation to unemployment figures, is a perfect example of where Mr Bossano, the Minister for Training and Skills, interconnects with Mr Costa’s ministry, and the difficulty with that point is that when both Ministers are announcing certain press releases ... One comes to mind from last year in relation to Gibtelecom, for example, where both of them were effectively on the stage announcing that apprenticeship, so it is very difficult to distinguish whether Mr Bossano or Mr Costa should be answering certain questions in relation to employment training skills, and therefore, quite rightly so, maybe address the question to the Government generally ... and up to the Government to allot the question to the relevant Minister. I am grateful.

## **SPORTS, CULTURE, HERITAGE AND YOUTH**

**Q286/2016**

**Marrache & Co –**

**Offers made for items with heritage and cultural value to Gibraltar**

**Clerk:** Question 286, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Hon. Minister for Heritage please advise whether an offer has been made to the Marrache & Co joint liquidators by Government for any of the items in the collection for sale; and, if so, how they have been selected?

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

**Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Mr Speaker, the collection in question contains items which, the Government was advised, should not be allowed to leave Gibraltar because of their heritage and cultural value to our community.

I can confirm that an offer was made to the joint liquidators of Marrache & Co for all items that had any relevance to Gibraltar, be they artworks, books, prints or documents. The offer was accepted by the liquidators. Due to adjustments required between the amounts due from the joint liquidators, the final nett amount of the offer is not yet determined. The gross offer was £200,000, which was just under the amount of the total offers received by the joint liquidators for parts of the collection related to Gibraltar.

A full statement will be made by the Government shortly on the items acquired and where they can be viewed by the public or where they will be stored and made available for researchers.

**Q287/2016**  
**Europa water tanks –**  
**Consent for demolition**

**Clerk:** Question 287, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Minister for Heritage please confirm that the Government will not allow the demolition of the Rosia ... sorry, the Europa tanks?

360

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

**Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** It wasn't the Rosia tanks – the Rosia tanks were destroyed by yourselves! (*Laughter*) And therefore the answer is the Government, after consultation with the Gibraltar Heritage Trust, will not consent as landlords to the destruction of the water tanks under the old Casino building in Europa Road.

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**Q288/2016**  
**Gibraltar Music Festival 2015 –**  
**Cost**

**Clerk:** Question 288, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Minister for Public Finance advise whether the 2015 Gibraltar Music Festival was over budget; and if so, by how much?

370

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

**Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Mr Speaker, a perfect example of the hon. Member asking the Minister for Public Finance – and I am not the Minister for Public Finance, but I am answering this question, so it just gives us an example of this.

375

The information requested is contained in the draft estimates of revenue and expenditure book, which the hon. Member knows is confidential until the Appropriation Bill is approved by this House. The hon. Member has a copy of this book with the information he requires. Once this happens, the information will be in the public domain for all to see.

380

**Hon. R M Clinton:** Mr Speaker, I fully recognise that the Estimates Book is entirely confidential and it will become a public domain document during the Appropriation Bill next week.

385 Obviously, because it is a confidential document, we are certainly not in a position to make public any figures from that document; but surely, when asked a specific question such as this one, and where the Government has figures available to it, it would be appropriate for Government to bring those figures into the public domain a week earlier.

390 **Mr Speaker:** No, it is not a question of whether they are a week earlier or not.

**Hon. S E Linares:** No, Mr Speaker –

395 **Mr Speaker:** These are papers that have been laid in the House. The estimates were given to hon. Members at a certain time on a confidential basis in order to enable them to prepare for the Budget debate.

Next week, you will be able to go to town on the matter, won't you? You have got the estimate; there is going to be a debate precisely on the estimates of expenditure. If you want to, you will be able to have a field day, if such is the case, but not today at Question Time.

400 **Hon. R M Clinton:** Mr Speaker, as you will fully appreciate, I have been after this sort of information since the very first session of this Parliament in January, and the Minister has said, 'The figures are not yet available; I do not have the figures. We will make an announcement in April.' April has come and gone and we have had no announcement. It just happens to be pure coincidence that the Budget is next week.

**Mr Speaker:** The information *is* in the estimates: you have them, I have them. I have seen what the figure is. You want to make it public: it will become public next week, but not today. It is very straightforward, and it is the way that this Parliament has been operating since 1950.

410 **Hon. R M Clinton:** Mr Speaker, respectfully, how much time shall I leave in between Budget sessions when I ask financial questions? Should I not ask a question a month before we get the estimate books, two months, three months, one week?

I know I have the estimates, but I am asking a very specific question, following up questions I have asked before: is he over or under budget? That is all I want to know.

420 **Hon. S E Linares:** Mr Speaker, it is a question of order as well. The hon. Member should not be asking questions which he has already got eye of anyway. He knows exactly what the figures are. Therefore, I stand to be corrected but you cannot ask a question of what you know the answer for. He *knows* the answer. The fact that he has been asking months and months, and I understand that he has been putting questions every month, and my answer is I cannot give him the answer because it is not finalised. Now it is finalised, he has got the figures, which are confidential, and he can come back next week when it is not confidential, because we have to go through the Appropriation Bill. Therefore, once we go through the Appropriation Bill, he can then use the figures, like Mr Speaker has rightly said.

**Hon. T N Hammond:** Mr Speaker, I think my hon. colleague raises an important point. Where we come to asking questions on issues of public finance, is there a line after which we are not permitted to seek answers – for instance, when we are issued the Estimates Book?

430 It needs to be borne in mind on this particular occasion, I think, that, for external factors – the matters of the Referendum – both sides of the House did agree to suspend this Parliament for a period of months, and therefore, obviously, my hon. colleague has not had an opportunity to come back on his previous questions on this issue, and it just so happens that the first

435 opportunity he has had to do so has occurred a week before the Budget session. But because this particular matter, rather than other matters that may be associated with the Appropriation Bill and the Estimates Book, has been asked previously and we have been promised answers previously, I am sure my hon. colleague – and I agree with him – felt it was appropriate to ask that question again.

440 **Mr Speaker:** The reality, of course, is that you are going to be able to deal with the matter on Monday.

445 From my understanding ... my experience of 16 years in Government is that where the Government expenditure is concerned, a figure can sometimes be put on an item in the estimates halfway through the year – the money has been spent and that is the end of the matter – but there are very many instances where invoices come in, bills have to be paid, and these are submitted on an ongoing basis. The end of the financial year is 31st March. The beginning of March may arrive and not all the invoices have been received, and therefore you cannot give a final figure as to what the outturn has been in respect of some item or other. In some cases you can, because it happened many months ago and that was the end of the matter: 450 a specific sum was spent on a specific matter, and that was it. But where you have ... In this case the Music Festival was a big do and very many people must have been involved in it. Billed invoices are submitted, the Treasury goes through them carefully, payments are made and eventually you get at a figure. That figure, the final outturn, is in the Estimates of Expenditure, because I have seen it. But it is confidential until next week – that is all. You know what it is and 455 you will be able to divulge it next week, and you will be able to debate the matter and hold the Government to account in respect of the figure. So your ability to hold the Government to account is not being curtailed by the fact that you cannot do it today.

460 **Hon. R M Clinton:** So, Mr Speaker, again just for our information and our benefit on the Opposition benches, would I be correct in saying then that the minute we receive the Estimates Book in April we will not be able to ask any questions at all in relation to any outturns?

465 **Mr Speaker:** No, I would not say that it is the case that you cannot ask any questions at all. What you cannot do is to ask for information which is there in the estimates; that is what you cannot do. There might be very many questions which are related. Look, the Estimates of Expenditure cover all Government activity. It does not mean that you cannot ask any questions on Government activity, but a specific item such as that one you cannot ask.

470 **Hon. T N Hammond:** One more question from me, then. Could I just ask the Hon. Minister when he had those finalised figures for the expenses of the Music Festival made available to him?

475 **Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, may I point out to the Members opposite: the figure in the Estimates Book is a forecast even at this stage. What we have is the amount for the whole Budget broken down that was approved a year ago, and then what is the estimate, and that estimate is revised several times until the book is printed. But even after it is printed it is still a forecast. If the hon. Members look at the column that says the final figure for 2014-15, (**Mr Speaker:** Outturn.) the final outturn, and they compare it with last year's forecast, they will find that there was a difference of a 480 couple of million.

**Hon. T N Hammond:** Of course, I appreciate the Minister's correction there and I do understand that point and the inaccuracy of the statement I made. However, the point remains: was it at the point of publication of the Estimates Book, or the draft that he would have seen, is

485 that the point at which the Minister became aware of the forecast outturn for the Gibraltar Music Festival, or was he aware of the forecast outturn at some point before that?

**Hon. S E Linares:** As soon as they are sent to the printers, it is the forecast outturn, i.e. an estimate of what is going to be spent up to the end of the year. If you look at the book, next year, before you print, you have the actual, exactly how much has been spent. So, at this stage, 490 there is a forecast up to the end of the year, but like Mr Speaker said, we are still receiving some invoices. Even last week, we received them. The book was printed and then we received invoices, or even revenue, whatever – it is still a moving thing.

495 **Hon. R M Clinton:** Mr Speaker, if may ask a question – not a financial question in relation to the Estimates Book, but in terms of the approval process for the Music Festival, was the Minister himself personally responsible for determining how much would be spent or was it a Cabinet collective decision?

500 **Hon. S E Linares:** Mr Speaker, it is a Parliament decision. It is in the Estimates Book ... by the Parliament in the Appropriation Bill last year. The Government can go over or under, but it is the Parliament that approves the Estimates Book ... last year ... there is a sum there and we might go over, but that is then a decision that governments take – sometimes it goes over, sometimes it goes under, but that is a decision of the Parliament.

505

**Hon. R M Clinton:** Mr Speaker, I appreciate if you want a retrospective approval of Parliament for any overspend, I guess dig deeper.

Who determines which music acts come to Gibraltar? Is it the Minister himself or somebody else?

510

**Hon. S E Linares:** Mr Speaker, the Music Festival is not ... I do not go and call agents and invite the superstars to my house. This is a production team, of which there was a tender process – and the hon. Member should know this; this is public knowledge – in which two companies in this case together bid. They then do the Music Festival and they get on with it. They do the 515 production, they do the lights, the sound, the procuring of the artists, the VIP, the VVIP – to which the hon. Member comes and is invited to. All these issues ... You must understand, I cannot be sitting in my office ... whether we get a fork-lifter to put the cranes on or not. This is a production team; these are specialised teams.

It is exactly the same as ... For example, we had, a couple of weeks ago or a week ago, 520 Calentita. That is another event. All these events are managed in a way, financially, by my Department. Of course there is a controlling officer who has to sign things, and the invoices go from the production team to the controlling officer. At the beginning of the year, they do the same as we do to the Parliament, which is they give me an estimate and they say, 'Right, okay, this year we are going to spend so much on artists,' and then it is up to us to say, 'Well, we have not got so much money,' or whatever. Or, you have enough money. So they bring me an 525 estimate, and then we agree the estimate and they get on with it. So it is not the Minister who decides. Sometimes I might influence them because I like a band and I say to them – *(Interjection)* Yes. And I say to them, 'Look, why don't you bring ...' Roger Hodgson was my choice – why, because I used to like Supertramp – and they actually acquired him, but it is not 530 that I am sitting in my office thinking, 'Oh, well, hold on, I am going to tell them to bring so and so.' *(Interjection and laughter)*

**Hon. R M Clinton:** Mr Speaker, thank you.

I thank the Minister for that – *(Interjection and laughter)* I have no talents in the music 535 department, I am afraid!

Mr Speaker, I thank the Minister for his explanation and clarifications. He did mention that there was a tender process for production teams and that there would be people who submit tenders. Can he confirm those were fixed-price tenders?

540 **Hon. S E Linares:** No, they were not. It was a tender to produce, and therefore one of the conditions of the tender was that they had to previously bring an estimate, but then it is the Government that decides whether that estimate is approved or not.

Therefore, what I am saying is that they got a four-year contract. In fact, this year is the last year of the current company, the company that are doing it, and it will go out to tender again;  
545 therefore, everybody can bid in. What we do now is that we ask them to give us estimates of how much they think, because when you bring it out to tender they have to say, 'Well, we can do it: expenditure, revenue,' – how much we can get it done for.

### TOURISM, HOUSING, EQUALITY AND SOCIAL SERVICES

#### Q366/2016

#### Tourists visiting Upper Rock – Details of travel

**Clerk:** Question 366/2016, the Hon. L F Llamas.

550 **Hon. L F Llamas:** In each financial year since 31st March 2012, please provide a monthly breakdown of tourists visiting the Upper Rock, detailing whether they are entering the Nature Reserve as a passenger of a public service vehicle, private vehicle or walking?

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

555 **Minister for Tourism, Housing, Equality and Social Services (Hon. S J Sacramento):** Mr Speaker, the information requested by the hon. Gentleman is detailed in the schedule that I will now hand over.

## ANSWER TO QUESTION 366/2016

11/12	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12
By Private vehicles	6135	4649	5690	9611	12,987	6889	5980	2789	2909	2337	3133	2947
By PSV	47,170	53,408	44,480	48,623	55,429	58,418	53,520	26,220	15,436	13,667	19,681	29,386
Walking	3197	2769	2418	3652	4445	3274	3735	2094	1854	1604	2331	2507
Other	22422	26022	27707	36530	48462	31804	28391	11072	10556	9323	8036	12250

  

12/13	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
By Private vehicles	6579	4822	5022	9709	10,832	5,841	5989	3094	2294	2238	2794	4265
By PSV	45,069	55,968	42,792	46,162	53,205	56,091	50,537	19,646	11,182	9,619	15,491	25,783
Walking	3810	3464	2496	3478	4533	3245	3117	1575	1343	1450	1643	2355
Other	22411	24728	24160	38356	48714	31354	24915	9675	8186	3757	7370	10541

  

13/14	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
By Private vehicles	4877	5110	5224	9624	5716	3356	3874	2124	2077	1939	2086	2561
By PSV	40,020	52,089	45,078	50,772	44,160	52,630	48,125	19,762	12,681	9,815	12,740	22,994
Walking	3613	3814	2890	4031	3681	2734	3227	2121	1747	1454	1846	2707
Other	18,839	25,170	23,367	39,549	35,522	24,196	23,970	11,827	7325	5260	7520	10,707

  

14/15	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
By Private vehicles	4671	4250	4,512	8844	10,018	5519	4596	2374	2405	3106	3159	2725
By PSV	44,504	50,061	44,283	50,160	49,293	61,559	52,499	22,079	13,091	10,587	17808	24,129
Walking	4523	3743	3062	4573	5346	3832	4650	2885	1992	2543	2785	2622
Other	26113	23972	25594	36760	45946	33051	29101	10222	9977	2538	3755	12209

  

15/16	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
By Private Vehicles	4766	4253	4934	8903	12,989	7344	5974	3429	3426	3014	4441	5429
By PSV	50,089	50,389	47,327	55,010	53,609	65,410	58,671	24,251	15,113	9514	17,992	32,347
Walking	5396	4019	3652	4083	6537	5123	5103	3764	2815	2243	3624	4835
Other	27363	26591	27673	37625	45437	34815	32194	11733	10797	6954	1905	17850

  

15/16	Apr-16	May-16
By Private Vehicles	527	0
By PSV	49,142	64,585
Walking	7246	7193
Other	27047	30,456

**Mr Speaker:** We go on with the next question, and then, if there are any supplementaries, I will allow you to ask them.



**Q367/2016**

**Upper Rock ban –**

**Exemption for disabled persons in foreign licensed vehicles**

**Clerk:** Question 367, the Hon. L F Llamas.

565

**Hon. L F Llamas:** Does Government have plans to exempt persons with disabilities travelling in foreign licensed vehicles from the Upper Rock ban?

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

570

**Minister for Tourism, Housing, Equality and Social Services (Hon. S J Sacramento):** Mr Speaker, the Government already has this procedure in place.

**Hon. L F Llamas:** Is the Minister able to tell me as from when this measure was implemented, please?

575

**Hon. S J Sacramento:** Mr Speaker, this measure was implemented when the new measures in the Upper Rock were implemented as to access to foreign registered vehicles within the Upper Rock. It may have been perhaps a bit confusing in the first couple of days, but it has certainly been implemented since then.

580

**Hon. L F Llamas:** The only reason why I am asking is because, as you know, I was asking in press releases and I actually visited and saw certain people with disabilities being turned away. This was well over a month after the new implementation on foreign licensed vehicles had taken place, so I cannot accept that it was a thing that was implemented as from 1st April. I believe this must have been considered and implemented later, but obviously I am not privy to what instructions you have given to the people who actually man the sites.

585

**Hon. S J Sacramento:** Mr Speaker, as I said, I think there may have been a bit of confusion initially, but certainly I was not aware of that situation, and on that basis I will make sure that instructions are circulated again to make sure it does not happen again, but certainly the policy is in place.

590

**Q368/2016**

**Gibraltar International Airport –**

**Departure lounge security**

**Clerk:** Question 368, the Hon. L F Llamas.

595

**Hon. L F Llamas:** Mr Speaker, does Government have plans to improve security traffic when entering the departures lounge at the Gibraltar International Airport, especially on Sundays?

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

600

**Minister for Tourism, Housing, Equality and Social Services (Hon. S J Sacramento):** Mr Speaker, HM Government of Gibraltar has already increased security personnel in order to cater for the expected increase in passengers at the Airport.

**Q369-370/2016**

**Care Agency –  
Agency workers**

**Clerk:** Question No. 369, the Hon. L F Llamas.

605

**Hon. L F Llamas:** Further to Question 148/2016, can the Government state the commencement date for the recruitment of agency workers currently working within each service provided by the Care Agency?

610

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

**Minister for Tourism, Housing, Equality and Social Services (Hon. S J Sacramento):** Mr Speaker, I will answer this question together with Question 370.

615

**Clerk:** Question 370, the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, when a recruitment agency worker, working within the Care Agency, for whatever reason, is unable to work certain days, what is the practice in replacing that worker?

620

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

**Hon. S J Sacramento:** Mr Speaker, there are no recruitment agency workers in the Care Agency.

625

**Hon. L F Llamas:** Does that mean that all the workers listed in Question 148 are no longer working within the Care Agency?

630

**Hon. S J Sacramento:** No, Mr Speaker, the workers listed in Question 148 are not recruitment agency workers.

**Q371/2016**

**Care Agency workers –  
Details of current posts**

**Clerk:** Question 371, the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, how many Care Agency employees are currently acting and since when, detailing posts individually by post?

635

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

**Minister for Tourism, Housing, Equality and Social Services (Hon. S J Sacramento):** Mr Speaker, there are 10 Care Agency employees currently acting in vacant posts. These have been acting since ... There are two since October 2011, one since February 2012, two since October 2012, one since March 2016, two from April 2016 and two from June 2016.

640

The posts that they are acting in are as follows: Senior Social Worker, Senior Care Worker, Deputy Manager, Executive Officer.

645 **Hon. L F Llamas:** Is the Minister able to provide the actual post and date coinciding with each, so I may tally them, please?

**Hon. S J Sacramento:** Mr Speaker, that is not the question that was put to me. If the hon. Gentleman wishes to put that question framed in that manner for that answer on the next  
650 occasion, then of course I am happy to do so.

**Q372-373/2016**

**Dr Giraldi Home –**

**Government and non-Government workers**

**Clerk:** Question 372, the Hon. L F Llamas.

**Hon. L F Llamas:** How many workers employed by Government, Government-owned companies, authorities and agencies are currently working in the Dr Giraldi Home?  
655

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

**Minister for Tourism, Housing, Equality and Social Services (Hon. S J Sacramento):** Mr Speaker, I will answer this question together with Question 373.  
660

**Clerk:** Question 373, the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, how many workers not employed by Government, Government-owned companies, authorities and agencies are currently working in the Dr Giraldi Home?  
665

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

**Hon. S J Sacramento:** Mr Speaker, the complement of staff at Dr Giraldi Home is as it appears  
670 in the Estimates Book of Revenue and Expenditure. Indeed, a figure was provided to the hon. Gentlemen in the last parliamentary session.

As explained previously, there are workers who are subcontracted from time to time to provide temporary cover or temporary additional resources. As explained previously, this is a fluid service and numbers fluctuate even on a daily basis, and temporary cover is used when  
675 necessary to cover or for temporary influx of work.

**Hon. L F Llamas:** So, in that case, the Minister is confirming then that the complement of staff as it is in the Estimates Book is covered by actual employees and not by subcontracted workers – yes?  
680

**Hon. S J Sacramento:** No, Mr Speaker, that is not the question that was asked and that is not the answer that I provided.

**Hon. L F Llamas:** Mr Speaker, I am finding it a little bit difficult to understand. The Minister is  
685 telling me that the complement of staff is as it is in the Estimates Book, but I did not ask for that; I asked how many workers employed by Government, Government companies and authorities and agencies are currently working. I am asking for a specific number, and, in the same way, I am asking for a specific number as to how many workers are not employed by Government or any other agency or authority, and I am not getting that answer from the answers I am given.

**Hon. S J Sacramento:** Mr Speaker, the reason is because this particular service – as I have said in the past, because I always get asked this question, pretty much in every session – is a very fluid service. It means that, as I have explained, we may use workers who are subcontracted from time to time on a temporary basis, either because we need to call them in or because there is a temporary influx of work.

Indeed, Mr Speaker, the situation was explained by my colleague, Minister Cortes, yesterday. Sometimes we may have people who call in sick. In a place like the Dr Giraldi Home it is not like having someone who is a receptionist who calls in sick on a particular day, which means that the filing does not get done. This is not what it is. In the case where someone calls in sick for a day, two days, perhaps long term, someone from an agency that we use to subcontract will be called in to cover that post. It means that on that particular day we have a temporary need for cover, but that worker may be there one day and may not be there the next, which is why, on every occasion, I always say that it is fluid, because it is not the practice – which is, I think, what the hon. Gentleman may be trying to insinuate – that complement posts are covered by workers who are not employees of the Care Agency.

As I have explained in the past, and in the same way that Minister Cortes explained yesterday, we use people for short-term temporary cover. Because it is short term, because it is temporary, it changes and it can change from day to day, which is why I always explain that it is a very fluid situation. I am therefore unable to give a concrete figure, because of the particular nature of this service.

Mr Speaker, on a particular day I may have a service user who may have a particular behavioural problem manifesting itself. It may be that on that day we need to call in extra support. It may be that for a day or two I need to call in a subcontracted worker to work alongside my people for two days, but then on the third day, if I no longer need it, then I no longer need them. That is why it is so fluid – it is because situations differ from day to day.

**Hon. L F Llamas:** Mr Speaker, I am asking for some guidance from you on this Question. Is it unreasonable for me to expect at least maybe end of month figures to be able to see what the trend is?

**Mr Speaker:** It would seem to me that in respect of workers employed by Government, Government-owned companies, authorities and agencies, these are not employed on a casual basis, these are not temporary. In respect of that, you are entitled to ask for the information that you are seeking – for the figures.

I think the Minister has answered the question indirectly by telling you to have a look at the Estimates Book because the information is there. She also says a figure – I do not know whether it is that specific one – was provided at the last parliamentary session.

But you certainly are entitled to ask and would expect to know how many workers the Government, its companies and agencies are employing.

**Hon. S J Sacramento:** Yes, Mr Speaker, and as you say, I referred to the figure that I provided in the February session of Parliament which, as you know, was less than six months ago. I could also have answered the question saying this figure was provided less than six months ago, but I am just referring to the last session of Parliament where I did provide the figure. It is not that I am not providing the figure, Mr Speaker; I provided it in February.

**Mr Speaker:** When we come to next week there is a general debate during the Second Reading of the Bill, and then the House resolves itself into committee, where we deal with each head of expenditure and each item, in fact. Then, when it comes to the appropriate head, you can ask and get the information that you require. Okay? There will be no difficulty in getting it then; but even so, you are being referred to the estimates, because the information is there.

**Hon. L F Llamas:** Sorry to keep on this point: the question in Question 372 is: how many workers employed by the Government, Government-owned companies, authorities or agencies are currently working in the Dr Giraldi Home? I think that figure, in particular, should be made available. If the number of workers is the same – (*Interjection*) I did not ask this question in February. If the number of workers is exactly the same as those in the Estimates Book, then that is all I need to know. I accept the second part of the question, but in relation to Question 372 I do believe I am due a number in order to confirm that the number of workers within the Dr Giraldi Home is exactly the same as what is in the Estimates Book.

**Hon. S J Sacramento:** Mr Speaker, I am quite surprised by this supplementary, given that it was the hon. Gentleman who asked me this question in February. In February I was asked the question of how many people worked in Social Services, broken down by Department. In February I answered the number of people who worked in Social Services, broken down by Department. My answer refers to the question in February, Mr Speaker. It was the hon. Gentlemen who asked me the same question in February – and it was answered in February.

**Mr Speaker:** So, are you saying that the information in respect of the Dr Giraldi Home is contained in that answer that you gave about the Department?

**Hon. S J Sacramento:** Yes, Mr Speaker. To clarify, question one: how many people work in the Dr Giraldi Home? Answer: I replied in February. Answer: it is in the Estimates Book and I gave you the figure in February.

Question two: what about people you subcontract? Answer: it is fluid and I am unable to give you a wide-ranging answer because it is so fluid that it is difficult to answer without a more specific question.

#### Q374-377/2016

#### Care Agency establishments – Residential and respite admissions policies

**Clerk:** Question 374, the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, what is the admissions policy for residential care under the Care Agency establishments?

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

**Minister for Tourism, Housing, Equality and Social Services (Hon. S J Sacramento):** Mr Speaker, I will answer this question together with Question 375.

**Clerk:** Question 375, the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, what is the admissions policy for respite care under the Care Agency establishments?

**Clerk:** Question No. 376, the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, are the admissions policies in respect of respite care and residential care applied equally across the various establishments?

**Clerk:** Question 377, the Hon. L F Llamas.

790 **Hon. L F Llamas:** Since December 2011, have there been any exceptions made to the admissions policy for respite and/or residential care at any of the Care Agency establishments?

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

795 **Hon. Miss S J Sacramento:** Mr Speaker, in answer to Questions 374 and 375, each area of service within the Care Agency has a different policy for residential care and respite services. This is because in Children's Services admissions are based on legislation and/or concerns for children following assessment, and in the Learning Disabilities Services admissions are based on the need of the service user and are subject to the eligibility criteria first.

800 In answer to Question 376, each area of service within the Care Agency has a different policy, which will depend on the need of the service user and area of service delivery, as explained in the previous question.

In answer to Question 377, the answer is no.

805 **Hon. L F Llamas:** Can the Minister expand on the policy criteria not covered by statute in the different establishments, please?

810 **Hon. Miss S J Sacramento:** Mr Speaker, in respect of children, while the statute provides a statutory obligation in particular circumstances, there may be other circumstances where the statutory obligations do not kick in, but if there is a referral, subject to assessment by the professionals, usually in these circumstances, in the absence of a statutory order, then with agreement with the parent, children will be admitted into care.

815 In relation to the other services – the Learning Disability Services for adults – that will be upon a general assessment of the needs of the person. The service is person-centred and therefore the needs of the person can be ... The person can come to the service for different reasons, by application or sometimes by referral, but it entirely depends on the individual.

#### Q378/2016

#### Care service companies – Plans for regulation

**Clerk:** Question 378, the Hon. L F Llamas.

820 **Hon. L F Llamas:** Mr Speaker, does the Government have any plans to regulate care service companies?

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

825 **Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):** Mr Speaker, the existing care service companies subcontracted by Government to provide services, insofar as this is the case, are regulated.

**Hon. L F Llamas:** Can the Minister enlighten me as to which body regulates them, please?

830 **Hon. Miss S J Sacramento:** Mr Speaker, they are regulated by the body which commissions the service. The organisations which are commissioning these services will be Government

Departments and they are regulated contractually, of course, to provide a specific level of care, but then there are also inspections – planned inspections and unannounced inspections – to ensure that the clinical standards required of them are met.

835

**Hon. L F Llamas:** So I assume these investigations and spot checks are done when the care is provided to Government services. Is this expanded to those who may contract these companies on a private basis?

840

**Hon. Miss S J Sacramento:** Mr Speaker, they are in effect the same companies and the reality is at present that the majority of the work undertaken by these companies is for Government as a client.

845

**Hon. R M Clinton:** Mr Speaker, if I may ask the hon. Lady, would I be correct in saying there is at present no external regulatory body – the same as, for example, the Financial Services Commission for anybody who wanted to provide financial services in Gibraltar – in terms of care provision? There is no licensing regime as there would be for financial services?

850

**Hon. Miss S J Sacramento:** No, there is not the same model in terms of financial services, but again the service is different and the size of the service is different.

855

Within the Government Departments that provide care there will be separate departments to monitor the care being given internally by the Government. Of course Government has its own standards and in relation to the care that we subcontract we ensure that the same standards are applied. So while the framework is not the same as having an independent statutory body as the Financial Services Commission, independent verification of those agencies to whom we subcontract is subject to our quality control, our quality assurance and our clinical standards.

860

**Hon. L F Llamas:** Does Government have plans to introduce an independent body like exists in the UK, the Care Quality Commission, for example?

865

**Hon. Miss S J Sacramento:** Mr Speaker, we had this same conversation, not to say debate, at the last session of Parliament. It is not something that is a manifesto commitment, but it is something that we can consider and at the appropriate time it may be that it is introduced. It is not something that is a manifesto commitment, so I cannot commit for it to be done in this parliamentary session. That is not saying that it will not be done, but it is something that will be considered, *is* being considered; but of course we have other priorities first. Having said that, it does not mean that entities are not regulated; they *are* regulated.

870

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** If I may assist, Mr Speaker, those persons who provide care who are registered nurses are obviously covered by the Nurses and Midwives Registration Board and their registration is covered, and there are some who are. That would apply in the private as well as in the public sector. If there was any behaviour that caused the registration to be put into doubt, this would be taken up by the Nurses Registration Board.

875

Nurses and carers are not registered at this point in time. As my hon. Friend has mentioned, it is not something that is a manifesto commitment, but we are in the process of renewing the Nurses and Midwives Registration Board and I think that it is quite possible that, in discussion with my colleague, we may look at ways in which some kind of system could be introduced to extend what has already happened for registered nurses to other levels of carers.

880

**Hon. T N Hammond:** Mr Speaker, if I may, because I do not have this clear in my head at all when we are talking about regulation or not. The Minister is describing that the industry is

885 regulated by the Government. In most of the regulated industries I have come across, including  
my own industry, the regulations are established in law and a regulatory body is set up to  
oversee that. That does not appear to be the case, although I stand to be corrected in this case.  
So it appears to me it is more of a contractual oversight that is being provided – a service is  
being contracted and the Government oversees that contract to ensure that services are being  
provided in accordance with that contract, but there is no regulation or regulatory body  
890 established in law. Is that correct?

**Hon. Miss S J Sacramento:** Yes, Mr Speaker, the question is exactly the same as the question  
which the Hon. Mr Clinton asked, and the answer is the same. I think I made it very clear that it  
is not an independent statutory organisation of someone who regulates independently, but that  
895 there is oversight provided by the Government, and at this stage, given the size of what we are  
doing, I am satisfied that there is control at this present time.

But, as I said and as my colleague Minister Cortes also said, it is something that is in the  
process of being reviewed as well.

**Hon. T N Hammond:** Absolutely, and I appreciate the clarification – it is precisely why I asked  
the question, because I think there is a distinction between regulation and contractual oversight.  
Certainly, the Minister gave the impression in her initial responses to my hon. colleague that the  
industry was regulated, but it seems that the industry is certainly not regulated in law, if I am  
correct, but it is some sort of contractual oversight that is provided by Government.

905 Thank you.

**Hon. Miss S J Sacramento:** Mr Speaker, I never said that it was regulated in law, but because  
something is not regulated in law does not mean that it is not regulated. I just wanted to make  
that point, Mr Speaker.

**Hon. Dr J E Cortes:** Mr Speaker, to further clarify my contribution, the Nurses and Midwives  
Board *is* a regulatory authority; it is independent of the politicians and it regulates not just  
registered nurses at staff nurse level but, something that does not happen in the UK, also at  
enrolled nurse level, and that is a totally independent regulatory authority.

**Hon. R M Clinton:** Mr Speaker, at the risk of raising a hypothetical question, but with the  
indulgence of the Speaker and the Minister for Health, would I be correct in saying, Minister,  
that I could tomorrow set up a care business incorporated, hire non-registered nurses and trade  
as a care home with no intervention from Government?

**Hon. Miss S J Sacramento:** Mr Speaker, I am quite surprised that the Minister for Health is  
being asked a supplementary question in my substantive question. The answer, Mr Speaker –

**Mr Speaker:** Which he does not have to answer!

**Hon. Miss S J Sacramento:** But, Mr Speaker, the answer is no. It is something that could have  
happened between 1996 and 2011, but it is not something that can happen now. Why? Well,  
the logical reason now is because there are certain factors that need to happen before  
something like that happens. The hon. Gentleman referred to a company being incorporated,  
930 and a company which is incorporated and needs to trade will require a business licence. When a  
business licence for something like that comes across the Office of Fair Trading they will make a  
referral to the appropriate bodies and therefore we will, as Government organisations, have an  
input in that regard.

So, Mr Speaker, we know what is happening, we know what organisations are ... This is  
935 Gibraltar; we know when a company is incorporated. If a company is going to advertise services



for a particular subject area for which we are responsible then we will find out and we will inspect, and the reality is that we know what companies there are.

940 **Hon. R M Clinton:** Mr Speaker, again with the indulgence of the hon. Lady, would I be correct in saying that the only stage at which setting up such a business would be picked up is when somebody applies for a trade licence – only at that stage? There are no other permissions that would need to be applied for?

945 **Hon. Miss S J Sacramento:** Mr Speaker, I think I said that that is an example of how Departments work together and I gave that as an example of when someone incorporates a company, which is the obvious initial stage and the precursor to what he just said.

950 'What if someone were to come and incorporate a company?' was the supplementary question, and the answer was as soon as someone incorporates a company the entity will be referred to the relevant bodies. Something which is new, I might add, Mr Speaker, because before the introduction of the Office of Fair Trading it was not a field that was regulated, because it may not have fallen within the remit of the trade licence; because services were provided as opposed to the sale of goods, and the provision of goods and services, as we may know, were not regulated before the introduction of the new legislation introduced by my colleague, Minister Costa.

#### Q379-380/2016

#### Housing medical and social category lists – Details of applicants

955 **Clerk:** Question 379, the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, can Government provide details of applicants on the housing medical list, including when the applicant was accepted onto the list, their current circumstances and the property required?

960 **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 380.

965 **Clerk:** Question 380, the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, can Government provide details of applicants on the housing social category list, including when the applicant was accepted onto the list, their current circumstances and the property required?

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

975 **Hon. Miss S J Sacramento:** Mr Speaker, there are 245 applicants on the medical lists and 99 applicants on the social lists who require flats between one and 5RKB. I am now handing the hon. Member a schedule with the dates of when they joined these lists.

**Answer to Questions 379 & 380/2016**

Dated Accepted on List	Social	Medical
1997		1
1998		1
1999		2
2000		1
2001		3
2005		4
2006	1	2
2007		1
2008	5	6
2009		2
2010	1	4
2011	1	20
2012	4	25
2013	9	30
2014	25	60
2015	29	50
2016	24	33

**Hon. L F Llamas:** Mr Speaker, pre-empting the schedule, are there any expected dates within the plans as to when these people may be able to obtain a property?

**Hon. Miss S J Sacramento:** Mr Speaker, in the absence of a crystal ball, what I can assure the hon. Gentleman is that a lot of the people who have been waiting on these particular lists will be alleviated in the coming months upon the allocation of the purpose-built flats for the elderly at Charles Bruzon House and at Seamaster Lodge.

**Hon. L F Llamas:** Mr Speaker, looking at the schedule, I asked for a list of current circumstances and the property required, and I am not getting this in this list. I am getting the date in which they were accepted, but I am not getting a breakdown of when each individual was accepted onto the list, the current circumstances and in what conditions they are currently living in, and the property they are required as has been recommended.

**Hon. Miss S J Sacramento:** Mr Speaker, the current circumstances can only be whether individuals find themselves on the medical list or on the social list. Beyond that, it is not information that I can provide. I cannot go through, or the Department cannot go through 245 people to see what each individual's circumstances are. That is the role of the Housing Allocation Committee. They are the ones who consider whether individuals find themselves in social circumstances or medical circumstances and are then categorised accordingly.

It is completely impossible and I think counterproductive, Mr Speaker. I am unable to give people's individual circumstances. They have been categorised either by being on the medical list or on the social list, and the question asks when they were accepted on these lists and the information is on the table.

**Hon. L F Llamas:** Mr Speaker, I fail to find, given the explanation ... and I accept that maybe I should phrase it 'what current property they are living in' instead of 'circumstances', I accept that, but I fail to see the property required – whether it is a one, two, three, four, 5RKB. I would think that information would have to be provided within the premise of this question.

**Mr Speaker:** May I say that it is very difficult to interpret a question, to know exactly what the hon. questioner is after, including when the applicant was accepted onto the list: is the hon. questioner after a specific individual, that details should be given as to when individuals appeared on the list, 200-and-something individuals; or is it of a general nature, as has been answered?

There is a question of confidentiality, questions of data protection arise, and these have to be taken into account by the Department when providing answers. In any case, the hon. questioner ... provide details – what sort of details is it that he is after, beyond what he has been given? It may not be entirely clear. It may be interpreted differently, but there are, in any case, limitations as to how much information can be given of an individual nature.

**Hon. Miss S J Sacramento:** Thank you, Mr Speaker.

**Mr Speaker:** That is how I understand it.

**Q381/2016**  
**Affordable housing flats –**  
**Allocation**

**Clerk:** Question 381, the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, have any of the affordable housing flats been allocated to persons not on the housing waiting list as at 9th December 2011 or in possession of a Government flat?

**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):** Yes, Mr Speaker.

**Hon. L F Llamas:** Is the Minister able to provide how many people have been allocated without being on the housing waiting list prior to 2011 or in possession of a Government flat?

**Hon. Miss S J Sacramento:** Mr Speaker, there are slightly over 300 individuals who were not on the waiting list before 9th December 2011.

**Hon. L F Llamas:** Is the Minister able to expand and confirm whether those 300 were on the housing waiting list after 2011; whether they formed part of the housing waiting list? It may be too much to ask at this stage, but I am just asking it in case.

**Hon. Miss S J Sacramento:** Yes, Mr Speaker, the majority of them were on the waiting list. Not all of them were on the waiting list before 9th December 2011, because not everybody who was on the waiting list before 9th December 2011 wanted to purchase affordable housing or could purchase affordable housing. The people were offered, but just because people have the opportunity to purchase affordable housing does not mean that they take advantage of that opportunity.

Of course, when we went through the list we went through the list in order of priority; therefore, the person who has been waiting the longest will have had the first opportunity, and as the Department worked its way through the list then they will have been offered to people who were on the list after 9th December 2011, if those who were on the waiting list before December 2011 were not interested in buying.

**Q382/2016**

**Government housing rent arrears –  
Agreements since January 2016**

**Clerk:** Question 382, the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, can the Government provide template copies of the agreements entered into since January 2016 in respect of housing arrears?

**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):** Yes, Mr Speaker, and it is also available online. I will now hand the hon. Member a copy.

Answer to Question 382/2016



**Housing Department**  
HM Government of Gibraltar

**OBLIGATION TO PAY RENT ARREARS**

**PAYMENT PLAN AGREEMENT**

(1) I/we .....  
of.....  
hereby acknowledge that I/we owe Her Majesty's Government of Gibraltar the sum of .....  
.....  
in respect of overdue Rent payable by me/us under the Tenancy Agreement.

(2) I/we undertake to pay this debt as follows:

(a) An initial instalment of £1000/£1,500

(b)

<b>Amount Arrears £</b>	<b>Period</b>	<b>Frequency</b>	<b>Monthly Repayment £</b>	<b>Final instalment £</b>
	Start:			
	End:			

(3) I/we understand that if I/we do not make the required payments of the overdue amounts in accordance with this plan, Points (a) and (b), legal proceedings for the recovery of the amount due may be instituted against me/us and I/we may be evicted from the premises.

(4) I/we further undertake that I will pay the current rent of [£ ]  
per month as and when due. By salary deduction/Pension deduction/standing order per month as and when due.

(5) The terms of this Payment Plan Agreement have been explained to me by a representative of HM Government of Gibraltar.

Tenant..... For HM Government of Gibraltar.....

Date: Tenant Code:

Tel No: (350) 20071976 Centrex 2451 Fax No: (350) 20048090 Centrex 2450

email: [HousingRentArrears@Gibraltar.Gov.gi](mailto:HousingRentArrears@Gibraltar.Gov.gi)

**Q383/2016**  
**Government housing –**  
**Rent arrears**

**Mr Speaker:** Next question.

1065 **Clerk:** Question 383, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Minister for Housing please advise the level of Government housing rent arrears at each of the following dates: 1st December 2015, 1st January 2016, 1st February 2016, 1st March 2016, 1st April 2016 and 1st May 2016?

1070

**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, since the answer to the last question on the level of arrears of rent, i.e. people who owe the Government in excess of three months' rent, the calculations at month end are as follows: 31st January, £5,446,720.31; 29th February, £5,453,570.02; 31st March, £5,452,435.25; 30th April, £5,621,667.01; 30th May, £5,478,819.73.

1075

1080 **Hon. R M Clinton:** Mr Speaker, would the hon. Lady be agreeable to giving us those numbers in writing for our convenience to analyse now?

**Hon. Miss S J Sacramento:** Mr Speaker, I am afraid, because it was short, I did not put it in table format, but I am happy to make a copy.

1085

**Hon. R M Clinton:** Mr Speaker, I thank the hon. Lady for the numbers.

Can I ask her, in terms of the rate of rent arrear collection, and further to her press release on 13th April in which she announced a reduction by £260,000, from £6 million to £5.7 million, which would be approximately an £87,000 recovery every month, whether that rate of collection is continuing and does she still feel that she will be able to collect £1 million by the end of the year?

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**Hon. Miss S J Sacramento:** Yes, Mr Speaker – though yes and no, because every month is different because of the individuals involved.

1095

We have, unfortunately, inherited a huge debt in relation to housing arrears and it is not something that is easy to deal with, particularly because we are dealing with a huge volume of people. We need to look at arrears in a different way and I will be providing further statistics next week at the Budget session of Parliament because I will have updated data by then. Because we are changing the IT systems, I do not have everything that I wanted to have had by today. That is one of the wider strategies that has been successful, Mr Speaker, because we have completely changed our IT systems to see how we recover.

1100

The important thing is that we are looking at the arrears in two different ways: it is about the arrears that already existed and recovering those; and it is about curtailing arrears from increasing going forward, and these statistics clearly show that they are not going up. For the last few years we have seen year on year, month on month, that the arrears have been increasing; we are now seeing a downward trend.

1105

The Department has seen already, in the last three months since we started the strategy in earnest, hundreds of people to explore methods of repayment. While they have been seeing people, some people have made a lump sum towards their existing arrears, but not everybody is in a position to do that, which is why the level of arrears can fluctuate from month to month.

1110 But the important thing is that we are working with people and securing the arrears from increasing going forward. So we have got a parallel strategy. One is about making sure that people who are in debt do not continue to be in debt, and we work with them in terms of the current payment and the payment going forward, and it is about sitting down with them and exploring repayment of their existing debt. Some people may have a debt of a few hundred  
1115 pounds, which is easy for them to pay off; some people have not paid rent in 20 years. Within that category of people there will be people who genuinely cannot afford to pay rent because of particular social circumstances and needs, in which case we work with them, and there are certain cases where people do not pay rent because they do not want to pay rent, and of course we work with them as well to ensure that they pay.

1120 So I cannot pre-empt. I think it is a bit artificial to review the recovery of rent on a monthly basis, because on a particular month we will be – because our strategy is phased – working with different groups of debtors and in a particular month we may deal with a big volume of people who owe smaller amounts and that month we will probably recover more; and then in another month when we send out letters to people who owe a particular sum which will be bigger, it is  
1125 probably unlikely that we will recover a lot in that month.

But the important thing is that there is a very clear strategy. It is in its early days; we only started it in January, but it is clearly already giving us results and I think that a better analysis of the whole arrears recovery project will be more accurate in six months' or nine months' time. We will see it at the end of the next financial year. We will have a clearer picture. At the moment  
1130 there is a huge impetus in getting letters out, in getting the message across to people that it is no longer acceptable not to pay rent because you do not want to. I think people have been left to believe that for too long.

I have to say that people are engaging. We have changed our billing system and people in arrears will have a red footnote at the bottom saying, 'You are in arrears, please contact the  
1135 Department.' People who do not contact the Department will receive a first letter; if they ignore the first letter, they will receive a second letter. And people are engaging. I think the whole system, for the last 20 years, people were afraid to tackle, and it sometimes becomes a bit of ostrich syndrome, bury your head in the sand, because it just gets bigger and bigger, and psychologically people may have thought it was insurmountable and could not be tackled. It has  
1140 been tackled and very effectively, I think, particularly because ... and I have to thank everybody in the Department: the strategy is very effective because they are sensitive to people's needs.

I always say it when I talk about arrears: there are two kinds of people who do not pay arrears. There are the people who do not pay arrears because they do not want to, because they would rather go off on a holiday, on a Caribbean cruise, and that is not acceptable. It is not  
1145 acceptable to other tenants of Government properties who pay their rent on time, it is not acceptable for people who have mortgages and pay them at the end of every month, and it is not acceptable to the taxpayer who is subsidising these flats, when people do not pay rent. The people who fall in that class, of course, are dealt with and of course we are sensitive to people who genuinely cannot pay rent.

1150 Mr Speaker, I would like to take this opportunity to thank the Department. They have seen hundreds and hundreds of people in the last couple of months.

Thank you, Mr Speaker.

**Hon. R M Clinton:** Mr Speaker, I thank the hon. Lady for her comprehensive answer. I, for  
1155 one, will always welcome positive action in safeguarding Government revenues and it is only just and equitable that everybody should pay their fair share. I am sure the principal auditor, in his report for the coming year, will equally echo that praise.

I have two questions, really, in terms of supplementaries. The first is in respect of the draft agreements, which I am grateful for: is my understanding of this agreement ...? And again the  
1160 learned Lady must bear with me because I am not a lawyer. Is it true that there is no ability to

enter into a payment plan agreement if you do not pay a lump sum? Again, I stand to be corrected.

And then, secondly, only yesterday I came across a member of the public who had been sent what looked to me like a standard letter saying, 'Please pay; if you do not pay we will take appropriate action.' This individual was one of the category which she just described as being one of the more needy in our community who probably would not be able to pay the amount in full, and I am just wondering what interaction ... or how it would all work between her Department, and whether her Department is responsible for the granting of rent relief, because these individuals are worried because they do not want to be evicted, they do not want to lose their homes, and it does cause them sleepless nights.

As you quite rightly said, people do react to these letters and I think they genuinely want to make a payment, but when you have somebody on welfare or on Income Support, where they are receiving a very low amount of money and then they get a bill saying, 'You need to pay x amount by whatever date or else', obviously they get worried. So I am just interested to see how these types of issues are dealt with.

And, while I am standing, it just occurred to me – at what stage would the Minister consider talking to the Ministry of Finance in terms of write-offs for any arrears which are obviously completely irrecoverable?

Thank you, Mr Speaker.

**Hon. Miss S J Sacramento:** Mr Speaker, I will deal with the three supplementary questions, but I would start off by saying that while of course we have the power to evict people for non-payment of rent, that is not something that is our priority and certainly not something that we would pursue lightly. And it would, of course, be a last resort – if appropriate and if necessary. Everybody has been given that assurance and I have given that assurance publicly before.

First and foremost, in relation to our new rent arrears payment plan, this is a working document, it is a live document, and, as I explained before, everybody who is in arrears is given the opportunity of a face-to-face meeting with a dedicated arrears section within the Department. People are met with individually and their circumstances are considered. It is not automatic that people need to make a lump sum and it would be ludicrous to say, 'Well, unless you pay a lump sum we are not going to enter into arrears agreement' if what we want to do is recover arrears. We work with people, we make it workable and we make it practical. But it is a very fluid situation because we need to make sure that it works. Clearly, if someone owes £15,000 we are not going to accept that they pay 3p a week. If someone has not paid rent in 20 years, then it is about time that they take responsibility for paying rent – subject to them being able to pay rent. There are some people who have not paid rent in 20 years and they cannot pay rent, and maybe they cannot pay rent for the rest of their lives but that is what a responsible government does in the prosperous community, in which we are. But those are the minority, I can assure you.

We spent towards the latter end of last year improving our databases and looking at our tenants, and we are working very closely with the Department of Employment and with the Department for Social Security to see who is in employment, and of course people who are in employment are being pursued first. People who are not in employment will be our last priority. When you have so many people owing money you have got to start somewhere, and we are not going to start with people who are on welfare benefits. Having said that, everybody who is in debt will have received the amended bill and will have received the new format, the new letters that we are generating.

You are referring to a standard letter. The tone of that letter ... The very first letter says, 'You are in arrears. Please contact the Department so that we can help you.' So actually the first letter is a very polite letter and a very helpful letter, inviting people to a meeting with an official at the Housing Department in order to assist them. If that letter is ignored, then there is a second letter, which is still a very nice and a very helpful letter because we are giving the

individual an appointment at a specific date and a specific time for them to come and meet someone in the Department. If they ignore that one, then there is a third letter, which is still helpful and is not as nice as the first letter and the second letter, but it is still a perfectly polite and a perfectly acceptable letter, and it is certainly not ... Of course there will be a paragraph that says, 'If you continue to ignore our letters we will take the appropriate action', but that is only in the third letter or in the fourth letter. But every single letter that tenants who are in debt receive, the impetus of the letter and the tone of the letter is, 'Please contact the Department: we will help you.'

So I would urge that we work together and people are directed to the Housing Department, where I have restructured the Department – at no additional cost; I have just had an emphasis in expanding ... just relocating people internally and having more people dedicated to recovering arrears.

And on the final point, on people who are entitled to rent relief, of course it is adjusted. We have been working with the arrears department within the Housing Department and we feed into the central arrears unit. We are working closely with every single relevant Department that exists within the Government in order to assist people. If someone comes to one of the arrears meetings and that person is entitled to welfare benefit and they have never applied for it at the Housing Department, then that calculation is adjusted, which is why sometimes the figures fluctuate. Because we are sending the letters, because people are coming to us, we now know that we need to adjust their rent and make it commensurate to ... If they are not in receipt of rent relief, then we adjust it and allocate the rent relief.

But there is one point that I need to make: when people are paid welfare benefits at the Department of Social Security, there is actually a part of the welfare benefit ... When you calculate the welfare benefit, part of that welfare benefit is for rent, so it is actually for rent. So, when welfare benefits are calculated, the commensurate apportion of rent is included there. So we are working closely with the Department of Social Security to have our systems talk to each other, because a lot of people who are on welfare benefits are telling us that they would prefer to have the apportion of rent deducted at source from Department to Department. But, again, every week, as we see more people and as things develop, we learn more things and we are just adjusting the systems that we have.

**Mr Speaker:** I will allow one final supplementary because we have been dealing with this ... It is an important matter, I realise, but we have been dealing with this for some time and we need to make progress. There is a substantial number of questions on the agenda paper and we really need to move on, but I will allow another supplementary.

Go on, ask your question.

**Hon. R M Clinton:** Thank you, Mr Speaker.

Just following on from the hon. Lady – again, I am very grateful for her explanations and we will pass on the procedure to anybody who does come to us asking for help. Just in terms of write-offs, does she have any sense (*Interjection* by Hon. Miss S J Sacramento) of any write-offs?

**Hon. Miss S J Sacramento:** Mr Speaker, I am sorry, there were so many supplementaries in that supplementary that I forgot the write-offs. In relation to these –

**Mr Speaker:** If hon. Members care to read the Rules, they will find out that they are not supposed to ask a whole lot of supplementaries at the same time. Have a look at the Rules about Question Time – I commend that to hon. Members. It is very easy to forget them, but it is my business to keep them very much in mind.



1260 **Hon. Miss S J Sacramento:** Mr Speaker, at the moment nothing has been written off, so the figures do not reflect any write-offs whatsoever. However, of course there will come the time when we will have to prepare particular cases for the financial secretary to consider for them to be written off. The reality is, Mr Speaker, because arrears of rent have not been pursued for the better part of 20 years, a lot of people who owe rent have passed away.

1265 **Hon. E J Phillips:** Mr Speaker, on the question of rent arrears, given that arrears rose from £3.7 million at the time that the learned Lady took office in 2011, to £6.1 million in December 2015, isn't it right that she should now correct the record in relation to her statement insofar as inheriting a problem that she referred to before?

1270 **Hon. Miss S J Sacramento:** Mr Speaker, while of course the rent arrears grew in the initial stage that we were in office – and I have already explained in this Parliament and publicly as to why – when we came into office we inherited all sorts of problems and our priority was first to build homes. That was our first priority and that was the priority of the previous Ministers for Housing.

1275 When I took office as Minister for Housing, because my colleagues – my predecessors Minister Balban and Minister Bruzon – had already dealt with the pressing matter of providing allocation for people, both by constructing affordable housing and the very quick turnover of empty flats which had been lying dormant for years, the priority that was left was the recovery of arrears, which I set about to do initially. But because the systems were incredibly archaic and  
1280 there was basically very little information to go on, the priority was of course the recovery of arrears but the whole infrastructure and the foundation to do that took me about a year.

We started in earnest in January and we are already seeing the fruits. So, as a matter of fact, yes, of course arrears increased in the first years that we were in office; but, Mr Speaker, we cannot ignore the fact that when we took office arrears were in the amount of £3 million. But  
1285 more to the point, when we left office in 1996 arrears were less than £1 million, and in the GSD's term in office, in 16 years it grew by 600%. So, if the hon. Gentleman wants me to acknowledge that arrears increased in our first term of office, it is a matter of fact that it did. But they cannot hide from the fact that while the GSD were in office – and did pretty little to control this; they were the ones who let it spiral out of control – it increased by 600%.

1290 **Mr Speaker:** Now you are beginning to debate, and at this juncture I am not going to allow it – we will have the debate next week.

**Q384/2016**  
**Public sector –**  
**Drugs-free workplace policy**

**Mr Speaker:** Next question.

**Clerk:** Question 384/2016, the Hon. E J Phillips.

1295 **Hon. E J Phillips:** Mr Speaker, can the Government confirm what progress it has made in respect to its commitment to introduce a drugs-free workplace policy throughout the public sector?

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

1300 **Minister for Tourism, Equality, Social Services and Housing (Hon. Miss S J Sacramento):** Mr Speaker, a draft policy has been prepared and at present is being considered internally, following which it will form part of a consultation with stakeholders, after which we will be in a position to make a definitive announcement.

1305 **Hon. E J Phillips:** I am very grateful for the response to that question. Would that consultation also go out to the trade unions?

**Hon. Miss S J Sacramento:** Yes, Mr Speaker. In fact, I have already been in touch with the trade unions on this matter. In fact, the initial discussions were with the trade unions.

## EDUCATION AND JUSTICE & INTERNATIONAL EXCHANGE OF INFORMATION

### Q395, 398-399, 403, 474/2016

#### New schools – Commencement and funding of works

1310 **Clerk:** We now move on to Question 395/2016, and this is a question by the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, when does the Government intend to commence works on a new St Martin's School?

1315 **Clerk:** Answer, the Hon. the Minister for Education and Justice.

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, I will answer this question together with Questions 398, 399, 403 and 474/2016.

1320 **Clerk:** Question 398/2016, the Hon. E J Phillips.

**Hon. E J Phillips:** Mr Speaker, can the Minister for Education confirm when works will start on all new five schools?

1325 **Clerk:** Question 399/2016, the Hon. E J Phillips.

**Hon. E J Phillips:** Mr Speaker, can the Minister for Education confirm how the Government intends to fund the building of the new Bishop Fitzgerald, Notre Dame, St Martin's, Bayside and St Anne's schools?

1330 **Clerk:** Question 403/2016, the Hon. R Clinton on behalf of the Hon. D A Feetham.

**Mr Speaker:** Perhaps I should explain to hon. Members, that the Hon. the Leader of the Opposition is unfortunately unable to attend due to family reasons.

**Hon. R M Clinton:** Thank you, Mr Speaker, our thoughts are with his grandmother. When does the Government intend to commence works on a new Bayside School?

1340 **Clerk:** Question 474/2016, the Hon. Ms M D Hassan Nahon.

**A Member:** They are all ganging up!

1345 **Hon. Ms M D Hassan Nahon:** When does the Minister for Education envisage bricks and mortar being laid for the new Bayside, Governor's Meadow, Bishop Fitzgerald and St Martin's schools?

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

1350 **Hon. G H Licudi:** Mr Speaker, work in relation to our manifesto commitments relating to St Martin's, Bishop Fitzgerald, Governor's Meadow, Bayside, St Anne's and Notre Dame has already commenced.

We are engaged in a consultation exercise with the head teachers and staff on the specific needs for each school. This is the same process that was carried out in relation to the new  
1355 St Bernard's schools which were started and completed during our previous term of office.

As hon. Members will understand, a significant amount of preparatory work is required before any bricks and mortar are actually laid. As with other manifesto commitments which have no specific completion dates, the Government has every intention of delivering on these commitments within this term of office.

1360 The Government expects that funding for these projects will be from the Improvement and Development Fund, as with other Government projects.

**Hon. Ms M D Hassan Nahon:** Is the Minister confident that he will fulfil his party's manifesto commitment for these five schools in only the three years that we have left to the next election?  
1365

**Hon. G H Licudi:** Mr Speaker, by my reckoning we should have more than three years before the next elections, but I have actually said so. I have said that the Government has every intention of fulfilling those manifesto commitments within this term of office.

1370 **Hon. E J Phillips:** Mr Speaker, just one supplementary question. The Minister talked about significant preparatory work that needs to be conducted before the laying of bricks and mortar. I was wondering whether any guidance could be given to this House in relation to what type of significant preparatory work needs to be undertaken. I know you are looking at going out to consultation, the physical infrastructure and everything else, teachers – but how long will that  
1375 actually take? The hon. Lady talked about three years left and I think it is a very short period of time in which to complete it; but insofar as the significant preparatory work, how long is that going to take before you actually start moving children around, thinking about the disruption that that will cause, and moving people into different buildings and laying bricks and mortar? Is there a plan?

1380 **Hon. G H Licudi:** Mr Speaker, it will take as long as it will need to take. As I have explained, there is a significant amount of work that needs to be carried out. We have already gone through this process in the previous term of office – we did it in relation to St Bernard's. We have to consult with the two headteachers and senior management staff of each school, relating  
1385 to the specific needs – identification of rooms, requirements, number of children – before the actual planning and design can be carried out.

In relation to St Bernard's, that process extended for a considerable amount of time: the actual building, I seem to recall, was in the order of something like 18 months.

We also had the same experience with the University project, and again a significant amount  
1390 of preparatory work was done, and that project, in terms of building itself, was completed in seven months. So, even though there was a short time available at the end, the project was successfully completed for inauguration and opening in September 2015 – as with the two new schools.

1395 There have already been meetings with senior management staff. The schools' senior management staff are also in the process of consulting other staff members in relation to the specific needs – all of that needs to be collated. We have a project manager actively working on this as we speak, so whenever that process is completed then the actual start of the construction, or whatever works need to be carried out, will be done.

1400 But as I have already indicated, we do envisage that that process which needs to be done, and needs to be done comprehensively and properly, in order for the construction phase to be done in the way that it has to be done ... and once all that is carried out, then we will begin construction with every intention, as I have indicated, of completing the projects and fulfilling our manifesto commitments within this term of office.

1405 **Hon. E J Phillips:** Just building on one of the points that the Minister made in relation to the schools, clearly in relation to the University and St Bernard's you were dealing, effectively, with a vacant building or a site on which to build up, in terms of the University. Insofar as Bayside is concerned, you have 1,000 students and the other schools will be occupied during the building works – we assume, certainly on this side of the House. Therefore, that will understandably take  
1410 much more time. The time in which works will have to be conducted would have to be outside school hours, so there is going to be potentially a very significant level of disruption to learning at all of these environments in which the new buildings will be constructed. It would be helpful if the Minister could give some indication as to the plan for the relocation of possibly over 1,000 students, and others in the other schools, at the time in which these will be built. What are the  
1415 contingency plans for moving people around Gibraltar?

**Hon. G H Licudi:** Mr Speaker, the point that the hon. Member makes is all the very reasons why we need to get this right – we need to plan properly for all of this and we need to get particularly the logistics right.

1420 We have already had discussion in this Parliament about those precise issues in relation to logistics surrounding Bayside, and all that is currently being planned. What I cannot answer is hypothetical questions as to how we might do it, because it might be done one particular way or it might be done another way.

1425 We are identifying the specific needs, we are planning how it is actually going to be done and we will do it, as we have fulfilled other manifesto commitments. We have a track record and we intend to keep to that track record.

**Hon. Ms M D Hassan Nahon:** Just a concern and a question, Mr Speaker. Will workers who will be going into the schools, especially from abroad, for all these constructions, who are going  
1430 to work on site, will they be having to undergo rigorous security checks, given the recent spate especially of strange men having to go to court recently with issues of children? To think that we are going to have many construction workers coming in the next few years into schools, could you give us a commitment that they will have to go through rigorous security checks?

1435 **Hon. G H Licudi:** Mr Speaker, the hon. Member does not know, because I have said we are still planning on how this is going to be done, whether construction workers are going to go into schools which are occupied, partly occupied, vacant – and therefore all of that needs to be built into the planning phase.

1440 My understanding is that any worker who works with children clearly has to be vetted. In terms of construction workers on a construction site it is not clear how that will work, but certainly whatever steps need to be taken to protect children which are reasonable, adequate and appropriate, will certainly be taken.

1445 **Hon. Ms M D Hassan Nahon:** Thank you, Mr Speaker. It was a genuine concern that I wanted to put through.

The other question I had was: with so many schools being built around the same time, isn't it an ideal time to have a health and safety officer for the Department of Education? Is this something that may come?

1450 **Hon. G H Licudi:** Mr Speaker, the Government already has health and safety inspectors and health and safety officers. There are persons who are specifically in charge of schools.

We are intending to recruit somebody specifically in relation to these works and in relation to maintenance programmes generally on schools, and that is something that we are currently actively looking at and working on.

1455

**Hon. Ms M D Hassan Nahon:** Just one last supplementary. Can I just ask for clarification whether the schools that are being built are they all aiming to be of the same high standard as St Bernard's school? Is that the type of standard that we should be expecting – not a refurb, but a proper rebuild and a high state-of-the-art standard for all the schools?

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**Hon. G H Licudi:** Well, we have certainly set the bar very high with the standard of St Bernard's schools, and there is no reason why a similar standard should not be adopted by other schools, whether it is a question of refurbishment or a question of new building. But certainly we intend to provide very adequate facilities for our children and our teachers. Let's not forget it is not just the children who attend schools; it is a working environment as well. That is what we have provided in St Bernard's schools and that is the way we intend to carry on.

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#### Q396-397/2016

#### Teaching English as a Foreign Language – Numbers qualified teachers and pupils requiring support

**Mr Speaker:** Next question.

**Clerk:** Question 396/2016, the Hon. E J Phillips.

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**Hon. E J Phillips:** Further to Question 222/2016, can the Minister for Education confirm the number of teachers engaged by the Department of Education who are qualified to teach English as a foreign language?

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

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**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, I will answer this question together with Question 397/2016.

**Clerk:** Question 397, the Hon. E J Phillips.

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**Hon. E J Phillips:** Mr Speaker, further to Question 222/2016, how many pupils across all schools require support from teachers qualified in teaching English as a foreign language?

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

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**Hon. G H Licudi:** Mr Speaker, the number of children requiring English as a foreign language support in schools currently stands at 112.

As explained in my answer to Question 222/2016, the Department of Education has one specialist teacher working at secondary level. This teacher works with small groups to support

1490 their learning and to improve their English skills. In the primary sector there are well-established strategies in place to support the needs of children whose first language is not English.

Schools support the needs of children with special needs support assistance, teacher-led language support groups and, where necessary, by withdrawing children from mainstream into smaller groups for targeted teaching. To further bolster this provision, the Gibraltar College will  
1495 provide training in teaching English as a foreign language for teachers interested in obtaining a qualification in this field.

**Hon. E J Phillips:** I am grateful for the response and it does surprise me that we do have only one qualified teacher to deal with the significant number of students, in my view, that require  
1500 assistance and support. But it is comforting to note, Mr Speaker, that the College will now offer courses so that people can train in this specialist area.

It would be helpful if the Minister could give a certain amount of information relating to that primary level of support that is received, because quite clearly the information that I get from the public at large in relation to this issue is that there is not enough support insofar as specialist  
1505 help from those who are qualified to teach English as a foreign language. As the Minister will appreciate, it is a highly specialised area and requires significant support, given that we have 112 students in our community who require specialist support of this nature.

Will the Government be looking at recruiting at secondary level a further number of teachers who are trained and qualified in respect of teaching English as a foreign language?

**Hon. G H Licudi:** Mr Speaker, the hon. Member expresses surprise that there is only one teacher at secondary level qualified and specialising in delivering this assistance in teaching English as a foreign language. I am not sure if it surprises the hon. Member that this is one more  
1510 than existed under the GSD. The GSD administration had zero! This was *our* initiative and this was fully explained in answer to Question 222/2016. I have *Hansard* here, (**A Member:** So do I.) and I can explain it. I explained at the time ... I am happy to read *Hansard*:

It did not exist ...

This is *Hansard*. The hon. Member says no, that it is not there. Well, it is there:

It did not exist before December 2011 and we took the opportunity in 2012 when the 47 extra teachers, when the extra complement of 47, was engaged, and there was one applicant who was not just a qualified teacher but has specialist qualifications in teaching English as a foreign language and we specifically employed that teacher as part of the 47 to be a peripatetic teacher in the secondary sector to provide the support which, as I said, did not exist before.

So that is there in Question 222, which was done this year and therefore within the last six months, but I am happy to repeat that for the hon. Member's assistance.

The hon. Member says there is a significant number of children – 112. Let's not forget we  
1520 have over 5,000 pupils in our schools and we have 17 schools. Therefore, on average – I am not going to go into the specifics of each school, but on average we have less than 10, and in some schools we have zero children who need support in English as a foreign language.

Do we want to provide more specialist support? Yes, of course. That is precisely why we have identified that the Gibraltar College should provide a course for teachers – and possibly even  
1525 learning support assistants who want to, because some learning support assistants are also used to provide support for these children ... for those who want to obtain a specific qualification in English as a Foreign Language to be able to do so, and I expect that everything will be in place for that course to start around October time.

But at the moment the resources that exist are those that we have put in place. And we have  
1530 put in – as I explained, again at length, as the hon. Member will see from *Hansard*, in Question 222 – the kind of support that is provided at primary level with the teachers getting involved, the teacher-led classes, the removal into smaller groups to provide specific help for those children.

And as I explained also when we looked at this a few months ago, ultimately it is for each school and for each headmaster to decide how they support the children who need supporting in their schools. They have the resources available to them. We decide policy, we make resources available to the schools; the schools utilise those resources in the best way that they can. Headmasters clearly have autonomy in relation to these matters. It is not for me to say to each school, 'Mr Head, you have to do this in this particular way.' They are the professionals, not us; we are just the policy makers. So we provide the resources, they decide how to use it, and precisely because we feel it would be useful to have additional teachers and professionals with these qualifications, we have decided to put in place a course leading to a recognised qualification in teaching English as a foreign language, which, as I have indicated, we expect to start in October of this year.

**Hon. E J Phillips:** Mr Speaker, without wishing to labour the point ... And I am not here to defend anyone's record in relation to how many teachers, whether GSD or GSLP; the past is the past. The position is this: you are in Government. You were in Government four years ago, you are in Government now. These are the questions I am putting to you in relation to teaching English as a foreign language, which is an important issue.

The issue is not about unqualified teachers. I very specifically made reference to the question of qualified teachers, and that was the purpose behind the question. The hon. Lady here asked the question in February in relation to provision and support of teaching English as a foreign language. I asked the question in relation to qualified, and I have the answer – which is that there is one individual who is qualified to teach English as a foreign language to those 112 students who are requiring support.

In any event, what I have from the public and from teachers I have spoken to is there is a lack of support in this area, and this is what I am bringing to Parliament. This is the question I am putting to him, and I am grateful to him for explaining to this House that there is a course now available, and I am glad that now the Government will fully support the teaching of English as a foreign language in respect of the teachers who may wish to take this qualification.

We could take this even further, Mr Speaker. We have an ideal opportunity in this jurisdiction, with the University of Gibraltar, to set up a specialist school in the teaching of English. We are on the cusp of North Africa and the European Union, which may still be our close neighbour in future –

**Mr Speaker:** Ask a question.

**Hon. E J Phillips:** – and therefore it is important that we focus on teaching English as a foreign language, and I am sure he will absolutely agree with me that we need to resource this fully.

**Hon. G H Licudi:** Mr Speaker, I do not accept for one minute that there is –

**Mr Speaker:** Has he asked you a question?

**Hon. G H Licudi:** He has asked the last one –

**Mr Speaker:** If you do not think that he has asked you a question I am not allowing any further information, because then it becomes a debate.

**Hon. G H Licudi:** Mr Speaker, I take it implicit in the hon. Member's intervention that the question is: is there a need for more specialisation and for a specialist school in Gibraltar in relation to teaching English as a foreign language? That is the thrust of what I heard the hon. Member to say.

1585 But he did say that he believes that there is a lack of support, and we do not accept that for a minute. We believe that there is adequate support, that the headteachers, as I have indicated, have the resources, which they can utilise in the way that they feel is appropriate. The hon. Member talks of one teacher for 112. I have indicated that we have got one specialist teacher in the secondary sector, where we have 20 pupils being supported in Bayside and 17 pupils being supported in Westside, so that is not great numbers which require more than the specialisation levels that we have at the moment.

1590 The hon. Member also says that it is an important issue. Yes, we agree that it is an important issue. That is why we decided to take the policy decision in December 2011 to do something about it.

1595 And the final point, Mr Speaker, in relation to the specialist school – of course Gibraltar is well placed where we are, with Iberia on one side and North Africa on the other. That is precisely why I made quite a lot, when we were announcing the plans for the University, to say that one of the things that we wanted to put together for the University was a language centre. The specific purpose of the language centre was not to support children in our schools in Gibraltar, because that is a different thing from catering for those who might want to come from abroad in relation to Spain, Africa or elsewhere, and therefore the language centre in the University which I announced was specifically to teach not just English as a foreign language but also teach English as a professional language to various forms of industries that require that level of specialisation. We have seen this. I have seen this work in Malta and I have seen, in various discussions I have had with other universities and other jurisdictions, the level of support, the level of demand there could be for this course. That is something that was intrusted to the University and is something that they need to look at and develop. That is something very different from the support that is required for the children attending our schools.

1600 We recognise that Gibraltar, as a multicultural society, as a society that welcomes people from abroad, as we have repeated even this week and we will continue to welcome people from abroad ... Sometimes children come to our schools without the level of English that other children have, and those children need to be supported. We are satisfied with the level of support that is provided at the moment. Do we intend to do more? Absolutely. That is why we are doing what we are doing in October.

#### Q400/2016

#### Anti-Corruption and Anti-Bribery Authority – Mothballing of Government commitment

1615 **Clerk:** Question 400, the Hon. E J Phillips

**Hon. E J Phillips:** Can the Government now confirm that they have mothballed their commitment to create an Anti-Corruption and Anti-Bribery Authority?

1620 **Clerk:** Answer, the Hon. the Minister for Education and Justice.

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, the Government's position was set out in our manifesto for the November 2015 elections. Although this is a public document and therefore the information is already available to the Opposition, I am happy to repeat what the manifesto says, and I quote:

In our last manifesto we were committed to the establishment of an independent Anti-Corruption and Anti-Bribery Authority with jurisdiction to investigate complaints starting in 1988. Following discussions with and on the recommendation of the RGP, the Government agreed with the RGP that the RGP itself would carry out the role of the anti-corruption authority which the Government intended to create.



As a result of those discussions and arrangements, the Government is satisfied that the RGP has the necessary expertise and resources and can work with the AG's chambers on the investigation and prosecution of all corruption allegations going back as far as may be necessary.

1625 **Hon. E J Phillips:** I am grateful to the learned Minister for setting that rationale out and repeating what the manifesto says in relation to the Anti-Corruption Authority, but it is right to say that in technical language you have abandoned this policy. Correct?

1630 **Hon. G H Licudi:** Absolutely not, Mr Speaker. We set out in our manifesto in 2015 what we had decided, what we had done, and we were elected on that ticket. And what we had done was engage with the professionals, engage in particular with the RGP, who had the necessary expertise, and acted on their recommendation; and therefore the role that we envisaged in a particular way is being carried out in another way on the recommendation of the professionals and having agreed that with the professionals. Therefore, we have not abandoned anything at all.

1635 **Hon. E J Phillips:** With respect, Mr Speaker, the Government intended to set up an Anti-Corruption Authority. Thereafter, it clearly consulted with the RGP and thought there was no need to have one because the service was already being delivered by the relevant authorities. That is clearly what happened, isn't it?

**Hon. G H Licudi:** Mr Speaker, the hon. Member seems to be happy to play with semantics rather than go to the substance. Look at what the substance is, what is it that we intended to do: to make sure that we had a body that was competent and specialised in dealing with this matter. What we said and what we have agreed is that the role of the Anti-Corruption Authority would be carried out by the RGP itself. That is what we intended to do, and that role, which we intended to do in a particular way, is now being done following the recommendation and agreement, and what is important is that the role is being done, not the label. The labels are irrelevant.

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1650 **Clerk:** Question 401, the Hon. E J Phillips.

**Hon. D A Feetham:** Mr Speaker, I apologise for my lateness this morning. I have been out of Parliament due to family reasons, but I have caught the answer the hon. Gentleman has provided to my hon. and learned Friend, Mr Phillips, and I do think it is an unsatisfactory answer. The only person, as far as I can see, who is playing with words and semantics is the Hon. the Minister, because the reality of the situation is that corruption is a crime and it has always been the responsibility of the RGP to investigate and to deal with it.

1655 In 2011, the GSLP Liberals promised an anti-corruption authority – in other words, something more than just the Police being involved in investigating and dealing with corruption – and now the hon. Gentleman comes to this House and he says to this House, 'Well, actually, it's exactly the same.' It cannot possibly be the same, Mr Speaker, and he must accept that actually what it is is a reeling back of their commitment in 2011 in relation to the Anti-Corruption Authority. There may be good reasons for that. It may well be that having looked at it in Government – and these things happen – for example, it was felt that it would be cost prohibitive, bearing in mind all the other manifesto commitments on the Government, or there may be other reasons. But what he cannot do – and I am asking is that not right – is come to this House and say the Police and the Anti-Corruption Authority are exactly the same. That really is not something that is believable, with respect to the Hon. the Minister for Justice.

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1670 **Mr Speaker:** Please be warned that I am not prepared to allow a debate on this issue. I hope that that is clear: I am not going to allow a debate on this issue. I am going to allow the Minister

to answer that supplementary which the Hon. the Leader of the Opposition has asked, out of respect for the fact that he was not able to be here, and that is it: we are going to move on.

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**Hon. G H Licudi:** Mr Speaker, the hon. Member asks about something which happened in 2011, and surely he has to understand that there has been something in between. There has been an election in November 2015 with a new manifesto in 2015 which explained exactly what we were doing and which clearly was satisfactory to the general public who voted us back in with a handsome majority.

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The hon. Member says there may be good reasons for a change of tack, the cost might be prohibitive. It had nothing to do with that. What it had to do with was that in 2011 we were not in Government; we had not engaged with the RGP at that point on these matters. Therefore, we gave a commitment that something needed to be done in this area, and after the 2011 elections we engaged specifically with the RGP on this issue, had discussions, and they made specific recommendations on how they would deal with this matter. We were entirely satisfied with the recommendations that we received from the RGP. There was no need to change what they were recommending that they would do in terms of the unit that would be looking at this matter and the resources that they would attribute to this.

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Therefore, it is not the case that nothing changed. Of course something changed. What changed is that we had a commitment, we engaged with the relevant authority, we engaged with the relevant professionals and they told us exactly how that needed to be done. That is what we agreed and that is what we did, and that is in place now and we are entirely satisfied that these are proper and satisfactory arrangements.

**Q401/2016**  
**Legal Aid Bill –**  
**Progress**

1695

**Clerk:** Question 401, the Hon. E J Phillips.

**Hon. E J Phillips:** Mr Speaker, can the Minister for Justice provide an update to Question 212/2016 on when the Legal Aid Bill will be brought before Parliament and whether the Government is still on track to implement the changes by the end of 2016?

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

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, as I explained in the answer to Question 212/2016, the legal aid system, which is what the question is about, has been reformed with new rates already published and commenced.

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I also explained that we had embarked on a process of consultation with the Bar Council on improvements to the legal assistance system. A consultation paper has been provided to the Bar Council and we are currently awaiting the Bar Council's feedback on this.

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I still expect a Bill to be brought to Parliament and the process of reform concluded before the end of 2016.

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**Hon. D A Feetham:** Mr Speaker, I rise because it is a subject close to my heart, because sadly it was an area that I spent quite a lot of time and effort attempting to reform. We got to the stage where we had a draft Bill. The Government has decided not to proceed with that, but it is obviously something that I identified was necessary.

In relation to legal assistance, can the Hon. the Minister for Justice indicate whether the Government is planning to rebalance? By rebalance I mean perhaps allowing certain areas to be funded by way of conditional fee agreements, for example, and concentrate on public funding just in relation to other areas. That is the route that, for example, the United Kingdom has gone down, although I do not invite the hon. Gentleman simply to copy the UK system, because there have been huge cuts in legal aid, as it is called in the United Kingdom. Certainly if he could give us a flavour of what it is that the Government is suggesting in that consultation process, it might be helpful.

It might also be helpful, if the hon. Gentleman agrees, if the Government has produced a white paper or a consultation paper that has been circulated, if that could also be provided to us so that we have time and we can also consider it and also provide any constructive input from the Opposition benches. That might also be useful, and indeed it might be useful for the Government itself.

**Hon. G H Licudi:** Mr Speaker, we are currently engaged, as I have said, in this consultation process with the Bar Council and I do not want to pre-empt what that consultation process is going to lead to. I would rather allow that to take its course.

The hon. Member mentions a white paper. This is not a white paper as such, this is not something that we had intended to bring out to general consultation, but I am happy, once we advance further with the consultation, to brief the hon. Members opposite on where we are going on this.

We have certainly looked at the position in the UK and there are some things that we may adopt in relation to the system in the UK. This will certainly not be a question of copying. The hon. Member suggests there have been cutbacks. There are quite a number of restrictions in relation to legal assistance in the UK on civil matters which we certainly would not adopt. For example, in relation to family cases I seem to recall very strict restrictions, and in fact legal assistance in family cases is excluded in the UK except in very specific circumstances where, I seem to recall, there is abuse of children or there is domestic violence.

**Hon. D A Feetham:** And personal injury.

**Hon. G H Licudi:** And personal injury as well is another area. So there is a whole list of exclusions in the UK and what we are doing is engaging with the Bar Council. Certainly, in relation to family, just to provide reassurance, we are not intending to go down, whatever the outcome of the consultation, the route of the UK, but these are the areas that are the subject of consultation with the Bar Council.

Let me just add that it is not that we have been side-tracked, and I hesitate to even use that word but we are actually engaged in a parallel process of consultation with the Bar Council, which is taking up a lot of our time and, I know, the Bar Council's time – in particular, the Chairman of the Bar Council, Keith Azopardi – and that is in relation to the regulation of the legal profession, something which we all feel, I believe, is necessary and something which we consider ought to be done as soon as possible. That is something that we are heavily engaged in with the Bar Council at the moment. There is in that regard a draft Legal Services Bill which we are looking at and there is a draft consultation paper which we are in the process of finalising with the Bar Council, and on that we do intend to go out to public consultation.

So, in the next few weeks we hope to have a final form of a draft Bill for consultation purposes and a final form of a paper which will simply be for consultation purposes and not necessarily be exactly what we will end up with at the end. So I expect in the next few weeks – and this is something that we have been very much engaged with in the last few months – we will have a draft consultation paper attaching a draft Legal Services Bill, which we will be able to put out for general consultation and it will be a revamping essentially, the introduction of the regulation of a profession, which simply does not exist at the moment except that it is self-

regulated through code of conduct and the Bar Council and the Disciplinary Committee, which is set up and regulated by the Chief Justice, essentially.

So this will be an important advance in relation to the legal profession – and when I talk of the legal profession I talk of the legal profession in the wide sense, not just relating to the lawyers, because we have people who do provide legal services such as law draftsmen, legal executives, and therefore all of those will be encompassed in this wide-ranging Legal Services Bill which we will be putting out in draft for consultation. I just mention that. And although I have used the word ‘side-tracked’ hesitatingly, I do not mean to say that we have put the other thing to one side, but this might explain why there is a little bit more of delay and not as much movement on the legal assistance side, because we do want to get this out of the way, we want to get the consultation paper out and then give a few months for public consultation on that issue.

**Hon. E J Phillips:** Mr Speaker, just one question relating to that. I know that there has been some delay in terms of looking at the regulation of the legal profession and allied legal services, and I understand that through my previous role; but insofar as funding is concerned – and the Leader of the Opposition talked about conditional fee agreements and looking at ways in which we can reduce, effectively, the impact on the Legal Assistance Fund and legal aid more generally – I think it is right to say, isn’t it, and I am sure the hon. Gentleman will agree with me, that we really need to start engendering much more pro bono activity within our jurisdiction.

If you look at the United Kingdom as an example, you have a Bar Pro Bono Unit headed up by the Rt. Hon. Lord Goldsmith and also the Free Representation Unit, both of which have an active role within the community in the United Kingdom, not only in relation to cases of personal injury, family law and anything else, but also in relation to commercial matters and civil litigation. I think it is right that, as part of a three-pronged approach to legal funding and the legal assistance that the hon. Gentleman talks about, we should be looking to supporting the legal profession in building a Bar Pro Bono Unit to offer assistance to those members of the community who may not necessarily be afforded legal assistance or legal aid in certain circumstances, but engendering that possibility of people in the profession working effectively in the Free Representation Unit of the Bar Pro Bono Unit that will assist members of our community moving forward. I think the Government would support that initiative; I am sure that he will agree with me in respect of that.

**Hon. G H Licudi:** Mr Speaker, we fully support the concept of pro bono activity in the legal services world. I happen to know, having been engaged in the profession and having worked with lots of professionals in a firm, that there is a lot of pro bono activity that is actually going on in this place. It may not be structured in the way that the hon. Member talks about, through either ... I remember in the UK there was a Free Representation Unit that was set up, normally known as FRU, or a Bar Pro Bono Unit itself. It is primarily for the Bar to organise such a unit, and the Government fully supports that unit.

But I also want to say that, in relation to legal assistance, certainly we agree that as much as possible needs to be done to explore and encourage alternative routes to funding, whether it is pro bono or conditional fee agreements, and that will clearly be one of the areas that those who need to decide whether to award legal assistance in the future will need to consider – whether there are alternative routes to funding available, and if there are alternative routes to funding, then clearly public funds should not be used because those alternative routes should be preferred. That is certainly something that is currently being explored with the Bar Council.

**Mr Speaker:** We need to have a short recess, hopefully a short recess of a few minutes, to try and adjust ... There is a problem with the recording system, so the House will have a short recess.

*The House recessed at 12.30 p.m. and resumed its sitting at 12.40 p.m.*

**Q402/2016**  
**Court and Tribunal Service –**  
**Consolidation of tribunals**

1820 **Clerk:** Question 402, the Hon. E J Phillips.

**Hon. E J Phillips:** Does the Minister for Justice agree that it makes sense from a cost and administrative perspective to bring all the tribunals within a combined Court and Tribunal Service?

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

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, the Government does not currently intend to bring all the tribunals within a combined Court and Tribunal Service.

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It is worth recalling that there are a number of tribunals set up under different statutes where the responsibility for those tribunals lies in different ministries. These are the Industrial Tribunal, the Medical Appeals Tribunal, the Mental Health Review Tribunal, the Housing Tribunal, the Income Tax Tribunal, the Development Appeals Tribunal, the Rent Tribunal and the Fire Brigade Disciplinary Tribunal.

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Given the diversity of these tribunals, the fact that they currently fall within different ministries and the fact that it would require a significant restructure of the Gibraltar Courts Service to bring all of these under their responsibility, the Government considers that at this stage it is neither necessary, appropriate or convenient to bring all of these within a combined Courts and Tribunal Service.

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**Hon. E J Phillips:** I am grateful for the response by the Minister and I am grateful to him for explaining the rationale behind their view that this is not a good idea. But, obviously, under the previous GSD Government there was significant investment into the structure of the Court Service, in terms of investment in people, Prison, new courts – if you will just bear with me, I will get to the point I am trying to make – and we believe that it is now time to invest insofar as the individual's interaction with the justice system. What we mean by that is that there should be an overarching Court and Tribunal Service that can service the community – one point of contact that individuals will have with a service, irrespective of whether it is a Rent Tribunal, Housing Tribunal or Industrial Tribunal, soon to be Employment Tribunal in respect of that particular matter, so that the administrative burden of all of that can be dealt with by a central unit.

1845

I understand that there are differences – for example, a claim form in the Employment Tribunal will be different from a complaint in the Housing Tribunal or Rent Tribunal – but there must be a way in which we can, in terms of the administrative burden, have the tribunal sitting in one place and sit it underneath the Justice Ministry.

1855

Is it the fact that the Minister has not given comprehensive thought to the whole restructuring of the Court and Tribunal Service, or is it just the view of the Government that it is unnecessary because of the reasons he has articulated before?

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**Hon. G H Licudi:** Mr Speaker, we take the view that not only is it not necessary, but we do not believe it would be cost effective to do that, and therefore it is something that we have considered. I note that the hon. Member, or the party opposite, may have a different view and

they might do things differently. We have looked at this and, for the reasons which I have set out in the answer, it is not our current intention to go down this route.

**ECONOMIC DEVELOPMENT, TELECOMMUNICATIONS & THE GSB**

**Q404-409 and 414-420/2016**

**Public finance –**

**Sinking Fund, Gross and Net Debt figures for public debt**

1865 **Clerk:** Question 404, the Hon. R M Clinton.

**Hon. R M Clinton:** Can the Minister for Public Finance please provide the total gross debt, aggregate debt after application of the sinking fund to gross debt, cash reserves and net debt figures for public debt for each of the following dates: 1st February 2016, 1st March 2016, 1st April 2016 and 1st May 2016?  
1870

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

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, I will answer this question together with Questions 405 to 409 and 414 to 420.  
1875

**Clerk:** Question 405, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, before I ask the question would it be possible for the Minister, in providing his answers, as yesterday, to give me his written answers to digest once he has answered?  
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**Hon. J J Bossano:** Mr Speaker, you know and he knows what my view is. If the hon. Member wants Written Answers he gets Written Answers, and if he wants Oral Answers he gets Oral Answers.  
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**Mr Speaker:** I was explaining yesterday that where a very large number of questions are answered together I have been adopting the practice of not waiting until the end of all the questions have been provided in order for them to be able to ... Because I thought, at the end, if they did not know what the answer to each question was, it would be even more time-consuming for them to ask supplementaries. So, if I make a proviso, if the Minister objects and if the Minister does not want the answers that he is going to give to Questions 404-409 and 415-420 immediately after he has answered those questions to be made available to the Hon. Member of the Opposition, I will not make it available.  
1890

1895 Is that how you stand?

**Hon. J J Bossano:** That is how I stand.

**Mr Speaker:** Very well, then.  
1900

**Hon. D A Feetham:** Mr Speaker, but in that kind of situation and –

**Mr Speaker:** No, bear in mind that before my time, before I became Speaker that was the practice. Before I became Speaker, the Hon. Members of the Opposition did not get the text of answers until all questions had been asked, and I took an initiative ... From time to time, I have  
1905

taken an initiative of making it available. Were you here yesterday when I was explaining what had happened? But I did make a proviso. I said 'provided the Minister has no objection'. If the Minister has an objection I will not do that, because there is no provision in the Rules for that – I am sorry.

1910

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

I understand Mr Speaker's position. I was here yesterday and I understood exactly what Mr Speaker said, but of course I was here as well during the last parliamentary term when Mr Speaker also made the point – I think it was to the Hon. the Father of the House – that it has never been the practice ... and I will be corrected if I am wrong, but Mr Speaker said it was *not* the practice when he was in Parliament, before becoming Mr Speaker, to have about 20 or 30 questions bunched up together and have 20 or 30 answers. Hence why Mr Speaker then adopted the practice of saying please could you provide the written answers, but of course it is up to them whether they provide the written answer.

But what I was going to say was this: bearing in mind that it has not been the practice to bunch 20 or 30 questions together – (**Hon. J J Bossano:** Sixty.) Sixty questions! Well, 60 questions – exactly. (*Interjection by Hon. J J Bossano*) Right, okay, 60 questions. Then, Mr Speaker, what I would ask – (*Interjection*) If the hon. Gentleman or Lady want me to sit down and give way, I will give way, but I would ask that in a situation where we are talking about quite technical information that has got to be digested, and of course we are not going to be provided with those written answers, if we request a recess of five minutes in order to digest it, then I think that Mr Speaker should agree to that, because otherwise it places us at a complete disadvantage.

You have got 20 questions on fairly technical matters, and I just focus on one of those questions which talks about ... My hon. Friend, Mr Clinton, in order to be helpful – because he could have split this up into several questions – is asking about cash reserves, he is asking about net debt, he is asking about gross debt. He could have asked it in separate questions but he has bunched it in one. Some of these questions actually contain, effectively, more than eliciting information in one area. So for that reason, if we feel that we need a recess of five minutes in order to analyse the answers, I would hope – I am not going to suggest *expect*, but *hope* – that Mr Speaker provides us that indulgence and injects an element of fairness into the proceedings. And I must add to it the caveat my hon. Friend, Mr Llamas, has quite rightly pointed out – assuming that we are provided with the answers to the questions! (*Laughter*)

**Mr Speaker:** Hon. Members will have to take careful notes when the Hon. Minister answers a question, and then we will see what they are able to do. Without the careful notes they will not be able to ask many supplementaries.

Let us see whether we can move on; otherwise, I will recess the House until three this afternoon for Chief Minister's Questions. We are carrying on at three, when it will be Chief Minister's Questions, so we do not have a lot of time. We either try to make a bit of progress now or we pack it up and we carry on with the question to the Hon. Minister, Mr Bossano, after the Chief Minister.

**Deputy Chief Minister (Hon. J J Garcia):** Mr Speaker, if I may, the Chief Minister is engaged with issues which we all know have been happening over the last few days and we may not be able to have the Chief Minister answering the questions at 3 p.m., but if we recess for just two minutes we will be able to clarify the position and get back to the House.

**Hon. D A Feetham:** Mr Speaker, may I suggest an alternative course of action, which is that we just continue –

**Mr Speaker:** Yes, let's continue.

**Hon. D A Feetham:** – and then we will be told whether the Chief Minister can answer questions.

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**Mr Speaker:** Right, let's continue.  
So, the next question is 405.

**Clerk:** Question 405, the Hon. R M Clinton.

1965

**Hon. R M Clinton:** Mr Speaker, can the Minister for Public Finance please advise the total liquid reserves figure and its constituents, namely: Consolidated Fund, Improvement and Development Fund, Government Owned Companies, deposits, contingencies and other funds for each of the following dates: 1st December 2015, 1st January 2016, 1st February 2016, 1st March 2016, 1st April 2016 and 1st May 2016?

1970

**Clerk:** Question 406, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Minister for Public Finance please advise how total liquid reserves are invested or held, giving details of all bank or savings accounts and cash held for each of the following dates: 1st December 2015, 1st January 2016, 1st February 2016, 1st March 2016, 1st April 2016 and 1st May 2016?

1975

**Clerk:** Question 407, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Minister for Public Finance please advise the amounts of total deposits of the Gibraltar Savings Bank, and further broken down by debentures, on-call investment accounts, ordinary deposits and bonds for each of the following dates: 1st February 2016, 1st March 2016, 1st April 2016 and 1st May 2016?

1980

**Clerk:** Question 408, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Minister for the Savings Bank please provide the monetary amount for early discretionary debenture redemptions by the Financial Secretary and a general description as to the reasons for these and the magnitude of penalty, if any, charged for each of the following months: 1st November 2015, 1st December 2015, 1st January 2016, 1st February 2016, 1st March 2016, 1st April 2016 and 1st May 2016?

1985

**Clerk:** Question 409, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Minister for Public Finance please advise the balance on the General Sinking Fund on 31st March 2016 and provide details, dates and descriptions of individual movements on the Fund since inception, being 22nd November 2012 to 31st March 2016?

1995

**Clerk:** Question 414, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Minister for Public Finance please confirm that all debentures issued by the Gibraltar Government are held by the Gibraltar Savings Bank and how is the interest rate determined and by whom?

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**Clerk:** Question 415, the Hon. R M Clinton.



2010 **Hon. R M Clinton:** Mr Speaker, can the Minister for the Savings Bank please advise how much money has been spent on the refurbishment of 323 Main Street and by whom? Is it the intention that the Savings Bank should still occupy these premises, and if not, who?

**Clerk:** Question 416, the Hon. R M Clinton.

2015 **Hon. R M Clinton:** Mr Speaker, can the Minister for the Savings Bank please advise how much money has been spent in developing a debit card for the Savings Bank and has this project been terminated?

**Clerk:** Question 417, the Hon. R M Clinton.

2020

**Hon. R M Clinton:** Mr Speaker, can the Minister for the Savings Bank please advise what services Crown Agents Bank provides to the Savings Bank and for what fees?

**Clerk:** Question 418, the Hon. R M Clinton.

2025

**Hon. R M Clinton:** Mr Speaker, can the Minister for the Savings Bank please explain how it is that the 7,500 ordinary B class Gibtelecom shares owned by the Savings Bank and purchased from Telecom Slovakia or Slovenije are not registered in its name at Companies House, nor is such ownership reflected in the company's financial statements?

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**Clerk:** Question 419, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Minister for Public Finance please advise if the external audit of Credit Finance Company Ltd has been started or completed?

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**Clerk:** Question 420, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Minister for Public Finance please advise if GSBA Ltd has appointed an external auditor?

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

2045 **Mr Speaker:** Before the Hon. Minister replies, due to the Chief Minister's commitments at the moment we are going to return this afternoon at five, not at three but at five. That means we are going to carry on now for about another half hour or so at the most. Okay?

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, Questions 404 to 406 will be dealt with in the Chief Minister's speech on moving the Appropriation Bill.

2050

Savings Bank deposits were:

February	£942,772,246
Debentures	£747,854,948
Investment Account	£50,769,117
Ordinary Deposits	£85,319,977
Bonds	£58,828,204

March	£956,627,993
Debentures	£754,501,081
Investment Account	£57,249,554
Ordinary Deposits	£84,915,005
Bonds	£59,962,353
April	£987,049,412
Debentures	£762,926,630
Investment Account	£82,245,112
Ordinary Deposits	£85,089,735
Bonds	£56,787,935
May	£1,140,005,147
Debentures	£769,701,772
Investment Account	£228,065,711
Ordinary Deposits	£84,955,082
Bonds	£57,282,582

The amount of early debenture redemptions, by month, is as follows: £366,500; £429,300; £134,200; £962,600; £756,400; £1,106,800; £265,900. That is for the months that he has asked.

2055 The penalty is the difference between the rate of interest paid on the debenture and the interest payable on ordinary accounts. This penalty is not applied where the reason for early redemption is to purchase property in Gibraltar or on the death of the holder.

The balance of the Sinking Fund was £1.73 million on 31st March. I am not prepared to provide any further details on the movement of the Sinking Fund.

2060 Government debentures continue to be held by the Savings Bank and the rate of interest is agreed with the Government.

£216,221 has been spent on the refurbishment of 323 Main Street by the I & D Fund, and a final decision has not yet been taken on its use.

2065 The net cost of developing the debit card with Visa, which has been discontinued, is estimated to be under £1,000.

The fees of the Crown Agents for the management of the funds invested in securities quoted on the London Stock Exchange are 20 basis points on the first £200 million, 10 basis points on the balance and 0.02% per annum custody fees.

2070 The shareholding in Gibtelecom, as is the case with many of the assets held for the credit of the Savings Bank Fund, is that the legal interest in these investments is held by the Government while the beneficial interest is held by the Savings Bank Fund. This is the case with the legal interest in the specific case of Gibtelecom.

The external audit of Credit Finance Company has started.

In the case of GSBA, the external auditor has not yet been appointed.

2075

**Hon. R M Clinton:** Mr Speaker, I am grateful for the answers to those questions.

If I may start perhaps in reverse order, in respect of the Gibtelecom shares I would be grateful if the Hon. Minister would explain the difference between the holding of shares in Gibtelecom and the holding of preference shares in Credit Finance Company Ltd or indeed the ordinary shares of GSBA Ltd, in which the registered owner of those shares is clearly shown in Companies House as being the Savings Bank.

2080

**Hon. J J Bossano:** Well, the difference is the difference that he knows that exists: that one is in the name of the Government and the other one is not.

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**Hon. R M Clinton:** Mr Speaker, the Hon. Minister will be fully aware of the need for entities such as banks to have legal title to assets which are showing on their balance sheet. I find it surprising that the shares in Gibtelecom are not in the name of the Savings Bank. Perhaps the Minister could advise whether a declaration of trust has been signed in favour of the Savings Bank by the Government, and also perhaps he might like to comment on the Gibtelecom's financial statements that describe the Government as being the 100% owner of those shares, when in fact, as we know, it is 50% by the Government and 50% by the Savings Bank.

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**Hon. J J Bossano:** Mr Speaker, I thought that the hon. Member had discovered before the election that his misconceptions about the bank had been cleared when he made a statement to the effect that the Government and the Opposition agreed that what actually happens is that people put their money in the Savings Bank as an institution and then that money is given to the Government to put in a special fund. I imagine that there is no other bank, including the Gibraltar International Bank, that does that, so I think what other banks do, that do not operate as a savings bank, is completely irrelevant in terms of his subsidiary.

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Certain rules apply to banks that do not apply to the Savings Bank because, as he said before the election in something that he either wrote in the *Chronicle* or put on Facebook, it is not a credit institution and the rules of credit institutions do not apply.

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**Hon. R M Clinton:** Mr Speaker, at the risk of incurring your wrath, regardless of whether it is a credit institution or not, it is a basic tenant that you should have an asset registered in your name, and, if it is not registered in your name, at least a declaration of trust saying that you own it. Otherwise, on paper there is nothing to say that the Savings Bank owns those shares – and we are talking about investments of about £37-odd million, from my memory.

2110

Does the Minister not agree that at least some paperwork should be put in place showing that the Savings Bank is the true owner of 50% of those shares?

2115

**Hon. J J Bossano:** Presumably what the hon. Member is complaining of is how it is shown on the balance sheet of Gibtel, because, as far as I am concerned, everything – that is the assets of the Savings Bank, of which I give him a list every time he asks for one – is held in a special fund and is governed by the rules that are applied to special funds in the legislation, which is the Public Finance Control and Audit Ordinance. It is those rules that matter and not the rules that may or may not apply to banks with which he is familiar, having been a banker – and I am not.

2120

**Hon. R M Clinton:** Mr Speaker, we still seem to be unable to agree. Perhaps if I can make it simpler: would the Minister not agree that any assets that are presumably owned by the Savings Bank should have legal title in some way or form registered with the name 'Savings Bank' next to them?

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**Hon. J J Bossano:** No, Mr Speaker, I do not agree with him. If I thought I needed his advice instead of the advice of the officials and the civil servants who operate the system, then I would be asking for his advice, but I do not ask for it and I do not agree with the advice that he has given me, because I am perfectly satisfied with the advice I am getting.

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**Hon. R M Clinton:** Mr Speaker, so then I take it that the current form of registration of the shares of Gibtelecom are upon the advice of, I presume, the Financial Secretary?

**Hon. J J Bossano:** Well, he can make whatever assumptions he wants to make, but I am not here to confirm or deny his assumptions. I am here to provide answers to questions about

2135 information about what we are doing, and I have given him the information as it is. He does not have to like it and he does not have to think that it is right, but I do not have to agree with him.

**Hon. D A Feetham:** Mr Speaker, if I may ask him a less technical but a political question: doesn't the answer that the hon. Gentleman has just provided to my hon. Friend, Mr Clinton, confirm the essence and central discourse of the Opposition over the last three years, which is that the Government is using the Gibraltar Savings Bank as its own piggy bank? Because the reality of what he is saying is that here you have the Gibraltar Savings Bank that has actually purchased this particular asset, and rather than appear in the name of the Gibraltar Savings Bank it appears in the name of the Government.

2145 In other words, you are blurring the ownership between the Gibraltar Savings Bank and the Government, because the Opposition is absolutely right when we have said over the last three years that the debts that are being incurred by the Gibraltar Savings Bank and the usage of that money in the Gibraltar Savings Bank is effectively a form of off-balance-sheet borrowing by the Government. The Gibraltar Savings Bank is just being used as a piggy bank by the Government, 2150 and does it not follow from the answers that the hon. Gentleman has provided us that that is the case and therefore the Opposition's discourse over the last three years have been entirely vindicated in this exchange with the Hon. Mr Clinton? *(Banging on desks)*

**Hon. J J Bossano:** Well, Mr Speaker, it may suit him to say so and he may even believe it. I 2155 hope he does not believe it, because it would demonstrate an incredible level of ignorance, so I hope that it suits him. But, given that his neighbours banged on the table when he said it, at least some of them must believe it.

If he believed what he has just said, he would be saying that in fact the entire level of deposits of £1.1 billion is public debt. Now, if that is what he wants to believe and that is what 2160 he wants to say, then that is fine. All I can tell him is that I hope he has been satisfied by the figures that I have given him as to how the Savings Bank is performing – that notwithstanding that they have spent three years trying to persuade people not to put their money in the Savings Bank by questioning whether it was a solid institution and by saying that it is being used to fund the Government, the reality of it is that, as I have just told him, in the months since February, in 2165 the questions that he has just asked me, I have shown that the Savings Bank went from £942 million in the first month to £956 million in the second month, £14 million up in one month, and that increase has carried on, and that in the last figure that I gave him for the last month we have got a situation where the Savings Bank now has the confidence of the people to the degree that it is £1.140 billion. That is £1,140,000,000, is the level of the Savings Bank, which 2170 constitutes an increase of almost £200 million between February and May. And if the hon. Member believes that we have spent £200 million on Government projects in that period and that it is public debt, well good luck to him – I do not think anybody else will.

**Hon. D A Feetham:** But, Mr Speaker, how can he possibly justify, in the light of the fact that 2175 he has spent three years saying to the people of Gibraltar and telling me and telling the Opposition that the Gibraltar Savings Bank is one thing and the Government of Gibraltar is another, the debts of the Government of Gibraltar which appear in the estimates are the debts of the Government to Gibraltar, debentures of the Savings Bank are a debt of the Gibraltar Savings Bank ... if now we see from this exchange that the Gibraltar Savings Bank has purchased 2180 shares in this particular company, taking over the shares from the Slovenian company, and the Gibraltar Savings Bank puts it in the name of the Gibraltar Government, not in the Gibraltar Savings Bank?

Does he not agree that it drives a coach and horses through his own analysis, and therefore supports our analysis that the reality here is that what has been going on over the last three 2185 years is that the Government, in order to avoid going over and above the legal borrowing limits – because he really could not borrow as much because he was effectively spending too much

2190 money and could not borrow that because of the legal borrowing limits – is basically using the debentures in the Gibraltar Savings Bank in order to pay for Government expenditure? At the very least he must agree with me that it drives a coach and horses through his own analysis, which is that both are separate; because otherwise, Mr Speaker, the shares in this particular company would have appeared in the name of the Gibraltar Savings Bank and not in the name of the Government.

2195 **Hon. J J Bossano:** I do not agree with the Hon. Member at all, in anything that he has said. Let us analyse the argument, Mr Speaker, that he is asking me to agree to. He is asking me to agree that because the shares bought from Slovenije were legally registered by the Gibtel company in the name of the Government and the beneficial ownership is shown on the balance sheet of Gibtel, that transaction shows that all the money deposited in the Savings Bank – £1.1 billion deposited in the Savings Bank – he now claims is a debt, but not a debt of the Savings Bank but a debt of the Government. The answer is no, I do not believe that the £37 million paid from the Savings Bank Fund for Slovenije is evidence that that £37 million has driven a coach and horses through the £1.1 billion and converted it into public debt. But if that is what he wants to believe and he wants to use it as an attempt to scare people about the solidity of the Savings Bank or about the solidity of the finances of the Government and make out that even without 2205 Brexit we are on the point of economic collapse, good luck to him – and good luck to him at the next election if he carries on saying that, because it will finish then where he is now.

**Hon. R M Clinton:** Mr Speaker, if I can come back to the original point, my question to him now is – perhaps he may choose not to answer it – as a director of the Savings Bank, a director of Gibtelecom, whether he believes his financial disclosure is correct in saying that the 100%-owner of Gibtelecom shares is the Gibraltar Government?

2215 **Hon. J J Bossano:** Mr Speaker, there are people paid and employed who are professionally qualified to do the things which the hon. Member thinks are not being done correctly, and I have full confidence that they know the job that they are doing and that therefore there is nothing wrong either in the balance sheet and the accounts of Gibtelecom or in the paper that I give him, which shows that those investments are in the Gibraltar Savings Bank *Fund* – because it is a special fund of the Government and that special fund of the Government, just like there are other special funds ... There are special funds, for example, for other things where the money in 2220 there is not available to the Government. The only money from the Savings Bank Fund that is available to the Government is the money that results from the Government selling debentures to the Savings Bank – that is all. If he does not understand that, then clearly none of the information that I am giving him is having much effect.

2225 **Hon. R M Clinton:** Mr Speaker, this will be my final intervention on this point. Given that he, presumably, in this House accepts, and obviously he has in all statements made clear that the beneficial owner of those 7,500 shares is the Savings Bank and not the Government of Gibraltar, how are the voting rights of those shares exercised and by whom?

2230 **Hon. J J Bossano:** Well, I think in the time that they have been held since Slovenije the shareholders have not had an occasion to vote, but in the board of directors of the Savings Bank the Ministers who are there ... I am one of the directors, but clearly, since I am also politically responsible for the Savings Bank I do not have to wear two different hats. If I have one opinion as director of a company and I have on the same subject, as the person politically responsible for 2235 the Savings Bank, I will not contradict myself. He does not have to worry about that.

**Hon. D A Feetham:** Mr Speaker, just in relation to this exchange, when we talk about the Savings Bank being the beneficial owner, my understanding of the answers that the hon.

Gentleman provided earlier is that not only are these shares in the name of the Government and not the Gibraltar Savings Bank, but there is no declaration of trust – it does not exist in favour of the Gibraltar Savings Bank – so how do we get to the position where the Gibraltar Savings Bank is the beneficiary of these particular shares? Or is the Government’s position that, irrespective of whether they were purchased with the money from the Gibraltar Savings Bank, these shares belong to the Government and that is it, that is the position?

**Hon. J J Bossano:** Mr Speaker, the Hon. Member knows that that is not the position, because the position is that in the accounts of the Savings Bank Fund, audited by the Principal Auditor, those shares are shown there as an asset of that special fund. The auditor has not questioned it, the Financial Secretary has not questioned it and nobody else has questioned it except the hon. Members opposite. Now, it may be they are not happy with the way it has been done. As far as I am concerned, this is the way that the people who are employed to do the job have done the transaction and I am satisfied that they know their job, they know what they are doing and they have nothing that is wrong.

**Hon. R M Clinton:** Of course, Mr Speaker, if they *have* done something, whether inadvertently, right or wrong ... if they have done something wrong, the implication is that the Government owes the Savings Bank £37 million in return for those shares. That is the only implication. I will leave it in the hands of the Principal Auditor and, as you say, the officials whose job it is to get this right.

**Hon. J J Bossano:** No, Mr Speaker, I regret to say that even simple arithmetic seems to be beyond the reach of the Member opposite, because if indeed the Government owed that money, then that money would have to appear twice – once on the estimates of the Government as a debt to the Savings Bank and once in the special fund – and there is only one entry. When he gets the audited accounts, he will find that it only appears once. If he was right, there would have to be an in and an out, and there is not.

**Hon. R M Clinton:** Mr Speaker, with the indulgence of yourself and the Members, I would ask that the hon. Member opposite at least grant me the benefit of being able to do some basic maths. *(Laughter)* All I am saying is that if the Savings Bank does not own those shares, effectively the assets shown as being £37 million would instead be shown as a debt from the Government, i.e. another form of debenture that is owed to the Savings Bank. It is as simple as that. Again, as I said, I will leave it to the public officials whose job it is to get this right.

**Hon. J J Bossano:** And I am saying, Mr Speaker, that what he is saying is that it should appear twice, once in the Savings Bank Fund and secondly as an amount of money which the Government owed, which would not be public debt but which would presumably have to appear somewhere as a minus in the Consolidated Fund. I am telling him that is not the case, that he is wrong, that it appears only once, and I have explained to him the explanation that has been provided for the answer to this question by the people who provide the technical element: that it is registered legally in the name of the Government but for the benefit of the Savings Bank special fund. That is the answer that I have given him in the original question.

He thinks that it is wrong that it should have been done like that. Well, I do not think that it is wrong, because that is the way that the experts employed by the Government have done it and I believe and I trust their expertise. Maybe, if he was the one employed to do it, he would have done it in a different way.

**Hon. R M Clinton:** Mr Speaker, I think we have exhausted that argument, but again I would beg the Minister opposite to grant me at least the benefit of the doubt when it comes to double-entry bookkeeping.

If I can move on, talking about double-entry bookkeeping, the movements on the Sinking Fund, which the Hon. Minister seems to be so reluctant to give me, may I have the presumption of asking why that is the case?

2295 **Hon. J J Bossano:** Yes, Mr Speaker, because I am prepared to give the Hon. Member the level of information that gives him what it is on a specific date, but not the movements in and out. I think the more information he gets, the more information he wants to have and it is a never-ending exercise.

I do not know why he proposes there should be a Public Accounts Committee. I think he behaves as if he was a one-man Public Accounts Committee all by himself!

2300

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

**Hon. R M Clinton:** Well, Mr Speaker, I can only take that as a compliment. **(A Member:** Exactly!)

2305

Would the Hon. Minister perhaps clarify for my benefit ...? In fact, he did give me movements on the Savings Bank account I think at the January sitting of Parliament. It was £15 million in and £15 million out, which obviously made me none the wiser. May I ask him perhaps just one question. Because I was perhaps slightly confused, if I can use that word, in that the level of gross debt at the time did not decrease even though there had been a movement, may I ask him are the monies in the Sinking Fund being used for purposes other than the repayment of capital?

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**Hon. J J Bossano:** Mr Speaker, I answered that when he asked me the same question the last time. I said it is the servicing of the debt, which can include the interest.

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**Hon. R M Clinton:** Mr Speaker, going back to Questions 404, 405 and 406, which, if my memory serves me right, the Hon. Minister said that the Chief Minister would be dealing with in his Budget speech, will I get assurances from the Minister opposite that I will get that data and information in the format I have requested?

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**Hon. J J Bossano:** Well, no, Mr Speaker, since it is not my speech I cannot commit myself to editing the Chief Minister's speech to suit the hon. Member opposite, much as I like him.

**Hon. R M Clinton:** Well, the feeling is mutual, but he will appreciate, of course, by effectively passing the question to the Chief Minister and then disclaiming responsibility for the Chief Minister's speech, it means I do not get an answer to my question, Mr Speaker.

2325

**Hon. D A Feetham:** Mr Speaker, this is a very serious point. We have asked, or the hon. Gentleman has asked, for figures of gross debt and cash reserves – and really it is cash reserves and net debt that are important in this context – for 1st February 2016, 1st March, 1st April and 1st May, and the answer has been that the Chief Minister will deal with it in his Budget speech.

2330

Now, of course, if that is the position, unsatisfactory as it is, because the question ought to be answered, certainly I will deal with it on the hoof when the Chief Minister provides us with that information during the course of his speech, because I have got an idea in my mind what it will show. But what he cannot do is give us the answer saying that the Chief Minister is going to deal with it in his Budget speech and then, rightly, when my hon. Friend stands up and says, 'Are you sure that is going to be the position?' because then at the very least we will get a measure of comfort, he says, 'No, I cannot bind the Chief Minister.' Well, then, what he is doing is depriving the public and he is depriving the Opposition of what is important information and information that he knows is needed, and that is why he does not provide that information that is needed in relation to a proper debate in the Budget – because this will show the movement of cash reserves before 31st March and after 31st March, and one of the things that we suspect we will

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2340

see when we look at those figures is essentially an increase in cash reserves in the run up to 31st March and a decrease in cash reserves thereafter. In other words, the tightening or the closing of the cash tap, if I can call it that, prior to 31st March that leads to a healthier figure on the Budget and then an opening again of the cash tap after 31st March.

Mr Speaker, if the hon. Gentleman is not willing to provide that information, then the inference that we will draw is that that is precisely what is happening. Does the Hon. the Father of the House not agree with that analysis? And I know what the answer is going to be.  
*(Interjection and laughter)*

**Hon. J J Bossano:** That is not right. I do not agree, but I can understand where he is coming from, because of course that is what they did for 15 years, so I am not surprised that he is speculating that we will be doing that.

I think he will have to wait to see what the answer is when the answer comes. All I am saying to the hon. Member is if I was going to be providing the information and I did not want to give him an answer, I would tell him, 'No, I am not giving you the answer,' because that is the way I function and the Hon. Member knows that. But since it is somebody else's speech, what I cannot tell him is how it is going to be dealt with in that speech. Clearly, all I can tell him is that the matter will be dealt with.

**Hon. R M Clinton:** Mr Speaker, I appreciate the Minister's candour on this, but perhaps if I can address myself to you, Mr Speaker: what are the Rules of the House where we have tabled questions and the answer is that the answer will be in somebody else's speech? Surely that cannot be right.

**Mr Speaker:** Ministers are responsible for answering questions in the manner they decide. One would expect the Hon. Minister to know, to have consulted the Chief Minister before inserting this sentence in the answer, and if that were to be the case then he should be taking the Minister at his word. But he has pressed him further and, knowing as I know the Hon. Mr Bossano from 1972, I am not surprised at the attitude that he has adopted. I cannot be more helpful than that.

**Hon. D A Feetham:** Mr Speaker, may I just say this, that yes, of course, the Ministers answer questions, Ministers have to make themselves responsible for answers that they give to the House, and if a Minister, in an answer to the House, says the answer is going to be in a speech provided by somebody else, that is fine. It is not satisfactory from our point of view, because it is not – this is information that the Government habitually provides, that I have been asking for four years and the hon. Gentleman has been asking since he became responsible for public finances on this side of the House – but when pressed with the logical question, 'Is it going to be provided by the Chief Minister?' the Hon. the Father of the House says, 'Well, I do not know; I did not write his speech.' That was the answer. That is what has caused these exchanges.

**Mr Speaker:** I understand that.

**Hon. D A Feetham:** Therefore, what we have on record is two contradictory answers. The Hon. the Father of the House can say – and we will criticise him in the House and outside the House – 'I am not prepared to provide you with the information because I am not going to help you write your Budget speech,' because this is what it is about, Mr Speaker. We know what it is about: 'I am not going to help you write your Budget speech, I am not going to provide you with an answer.' Well, fine, but if he says it is going to appear in the speech of the Hon. the Chief Minister, then we would expect to see it in the speech of the Hon. Chief Minister on Monday morning and then we will reply – and that is what this is about.



2395 I am still not clear whether it is appearing in the speech or whether it is not, and it is really simply a question of the Hon. the Father of the House saying, 'I am sorry, but I am simply not going to help you write your own Budget speeches.'

2400 **Hon. J J Bossano:** On the contrary, I am quite happy to help him write his Budget speeches if he wants me to – we can get together and I will write it for him. It will be full of praise for the Government, obviously, by the time I have finished with it, but if that is what he wants he can get that.

2405 That is not what has happened, Mr Speaker. I have said that it will be dealt with in the Chief Minister's speech and I was asked, 'Will it be dealt with in the way that I have asked the question?' and I said, 'I cannot commit myself to telling you that it will be done in the way that you have asked the question because it is not going to be my speech.' That is the nature of the exchange that has taken place and that is the position.

**Hon. R M Clinton:** Yes, Mr Speaker. Again, with your indulgence, as you will appreciate, there were quite a few questions bunched together.

2410 If I may turn back to the Savings Bank and the questions I asked about 323 Main Street and the debit card, would the Minister please give us an indication of how he sees the development of the Gibraltar Savings Bank in the future?

2415 **Hon. J J Bossano:** Well, we live in very uncertain times and therefore, whereas I would have given him a clear answer a week ago, I cannot say that the turmoil that we are seeing everywhere is not going to be affecting us in the Savings Bank, for a very simple reason: there is no indication at all that people have been worried about putting money in the Savings Bank to date because of anything that is happening, nor has there been any occasion at all of people wanting to withdraw it, but it is obvious that if several trillion pounds of the value of shares have  
2420 been wiped out in a few days and if it is put down to the uncertainty created by a situation which is going to be prolonged, then we could get situations where, not because people do not trust the Savings Bank but because they have lost a lot of money somewhere else, they may have either less money to put in or need to take money out.

The bank does not stand in the way of people who come back and say, 'I want to redeem my debentures early.' What we do is we say, 'Well, look, you can have the money put in and you can take it out any time you want and we will pay you 1%.' If you put it in there for five years and you say, 'Look, I need the money out because I have been wiped out because of something that has happened with my other investments,' we tend to be sympathetic, but frankly what we cannot do is have somebody who has got money tied up for five years but can take it out any  
2430 time he wants and still get his 5%. That is not going to happen. Therefore, the system is that, as I explained in the question – unless it is for property in Gibraltar, namely the money is being taken out of the Savings Bank but it is still going into the Gibraltar economy, or when somebody passes away and automatically the people who are entitled to the estate will be able to get it without penalty – the penalty is that the rate is 1% and you can take it out any time, and the other one is  
2435 5% and you keep it there for five years, or 3% if you keep it for three. Then, when we pay back, we deduct the difference that has been paid in the time that it has been there.

There is at the moment no indication of that, but it is very early days. We may be facing a situation where the uncertainty carries on long, and the longer it takes the worse it is for the whole of the western economic system, and we cannot be totally immune from that.

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**Hon. R M Clinton:** Mr Speaker, I thank the Hon. Minister for his analysis, which I agree with entirely, but really the thrust of my question was about the services at the Savings Bank rather than numbers in terms of deposit growth, about any expansion of services and perhaps how he may or may not see that interacting with the International Bank.

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**Mr Speaker:** That does not arise from – (**Hon. R M Clinton:** No?) No. You are widening the ambit well beyond the purview of the question.

**Hon. D A Feetham:** Mr Speaker, may I?

**Mr Speaker:** Yes.

**Hon. D A Feetham:** Mr Speaker, arising out of the answer that he has just given, because he has touched upon very important matters, but also arising out of the questions that have been asked about public debt and cash reserves, does he not agree with me that actually now is a time – and I am asking him not only because he has responsibility for these areas but he has more experience than anybody else in this House about these matters – for reflection and consolidation and that really it is a time to take stock and to consolidate and perhaps even take a different view that political parties, us included, may have taken at the last General Election, because it really is important to take on board the fact that we live in a very, very uncertain world, the pound plummeting, shares plummeting, and that Gibraltar cannot hermetically seal itself from any of those developments and ... I do not really want to go into detail in relation to this, but he knows where I am coming from in relation to what he has just said about the Gibraltar Savings Bank ... and that therefore it is a time for consolidation, for pause, and really perhaps a different way of doing things for the next year, year and a half, as we move forward, and that is important to Gibraltar and important as we look towards the future?

**Hon. J J Bossano:** I happen to think this is the most serious thing that has happened since the 1930s because the effects are not just in the UK or in Gibraltar or even in the EU; this is a global impact and the level of a global impact is unlikely, in my judgement, to be corrected any time soon.

We were supposed to be just coming out of a recession that started in 2008. The timing could not be worse. We have to be responsible about taking decisions in the context of uncertainty. That is my view and it is a view that I will express both publicly and privately in the Government.

**Hon. D A Feetham:** Indeed, I expect he would agree with me that in actual fact ... and he knows that for all our differences a lot of the positions that I have personally been taking over the last four years, as I see it, have also been positions that I have taken straight out of the hon. Gentleman's books, and I hope that, even if it is only privately, he recognises that.

Perhaps it is also the time to be not only consolidating and reflecting but perhaps also moving back 20 years to the philosophy that the hon. Gentleman espoused during the early 1990s, which was based on rainy fund and basically trying to save for that potential rainy day, because I think that is important in what is a very uncertain world, which we all hope that we will be able to sail through.

I think the Hon. the Chief Minister yesterday put it quite well in a speech that he gave to the Small Business Federation when he said that the United Kingdom is the equivalent of the *USS Nimitz*, the largest aircraft carrier in the world, and we are small and we are the equivalent of a cork, and a cork may get wet but it does not sink. I hope that that analogy proves true, but certainly we would expect that little cork to face as little difficulty as possible, and in doing so I think that it is important that we move towards a position where we start building that rainy day fund just in case we face difficulties in the future.

**Hon. J J Bossano:** I think the forthcoming debate that we are going to have on the Budget is in the context that it is a Budget that was prepared before any of this happened.

Certainly, the Ministry for Economic Development, which I am responsible for, is the one that has got to deliver the money to do the things that we need to do.

2500      The projections that we made, I explained in the election campaign, were in my judgement conservative projections which we expected to surpass. That expectation cannot be there until the picture is clearer, so we will be doing well if we actually are able to deliver what we set out to deliver, but it will be more difficult now to surpass it. There is no question about that.

**Mr Speaker:** The House will now recess until five this afternoon.

*The House recessed at 1.44 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**AFTERNOON SESSION: 5.00 p.m. – 7.43 p.m.**

**Gibraltar, Thursday, 30th June 2016**

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# The Gibraltar Parliament

*The Parliament resumed at 5.00 p.m.*

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

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

## Questions for Oral Answer

**CHIEF MINISTER**

**Q432/2016**

**Gibraltar Visa Waiver Cards –  
Recipient details**

**Clerk:** We continue with questions to the Chief Minister.  
Question 432, the Hon. L F Llamas.

5       **Hon. L F Llamas:** Mr Speaker, can the Government provide details of Gibraltar Visa Waiver Cards issued by the CSRO since 31st December 2011, disclosing the date and nationality of recipient?

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

10       **Chief Minister (Hon. F R Picardo):** Mr Speaker, Her Majesty's Government of Gibraltar amended the Immigration, Asylum and Refugee Act in March 2013 to enable Moroccan nationals to hold multiple-entry Schengen visas to enter Gibraltar for 21 days without the need for a separate visa.

15       The Immigration, Asylum and Refugee Act was further amended in October 2013 to extend these visa waiver arrangements to Chinese, Mongolian, Indian and Russian nationals who hold multiple-entry Schengen visas, so they can also enter Gibraltar for 21 days without the need for a separate visa.

20       Furthermore, Her Majesty's Government of Gibraltar has administratively relaxed the visa requirements for all visa-requiring nationals who hold UK multiple-entry visas valid for six months or more, UK biometric residence permits valid for six months or more and EU-issued family permits valid for 12 months or more. Her Majesty's Government has also agreed to waive the visa requirements for cruise passengers. The waivers are all listed in the website of the Government of Gibraltar and the Civil Status and Registration Office – Visas and Immigration.

25       I now hand over three appendices which I will be referring to in the context of the rest of this answer. I will just wait for the hon. Member to get the handout.

Mr Speaker, the Civil Status and Registration Office has issued 1,030 visa waiver cards since 31st December 2011. The cards were issued to Moroccan pensioners to enable them to enter Gibraltar to collect their old age pensions locally and to the Moroccan wives and minor children

30 of residents to enable them to visit their respective families without the need for visas. Those are detailed in Appendix 1 which the hon. Gentleman has just received from me.

The issuance of the cards was discontinued in April 2014. The cards were replaced with a visa waiver stamp affixed to the Moroccan passports. The Civil Status and Registration Office issued 753 visa waiver stamps to the same category of persons, i.e. Moroccan pensioners and Moroccan wives and children of residents. And that, Mr Speaker, is detailed in Appendix 2 which the hon. Gentleman has from me.

In January 2015 the stamps were replaced with visa waiver vignettes. These vignettes were issued to all visa-requiring nationals who are either residing in Gibraltar, frontier workers, non-resident pensioners or family visitors. Appendix 3 lists the vignettes issued to persons under the same category shown in Appendices 1 and 2 and the hon. Gentleman now has that information.

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**APPENDIX 1**

Details of Visa Waiver Cards issued since 31 December 2011  
By Date and Nationality

Date	General Visitors	Pensioners	Total Per Day
19/01/2012	1		1
24/01/2012	2		2
22/02/2012	2		2
03/04/2012	1		1
12/04/2012	2		2
13/04/2012	3		3
23/04/2012	1		1
24/04/2012	1		1
02/05/2012	2		2
03/05/2012		1	1
04/05/2012		2	2
08/05/2012		3	3
09/05/2012		2	2
11/05/2012	1	3	4
14/05/2012		3	3
15/05/2012		4	4
21/05/2012	4	1	5
21/05/2012		1	1
23/05/2012		3	3
24/05/2012		3	3
26/05/2012		2	2
28/05/2012		2	2
29/05/2012	1		1
30/05/2012	1	3	4
05/06/2012		1	1
07/06/2012		3	3
14/06/2012		1	1
20/06/2012		11	11
21/06/2012		1	1
26/06/2012		12	12
28/06/2012	34	3	37
29/06/2012	6		6
02/07/2012	3		3
03/07/2012	11	8	19
04/07/2012	1	4	5
05/07/2012	6		6
06/07/2012	4		4
09/07/2012		1	1
10/07/2012	11	2	13
11/07/2012	3	7	10
12/07/2012	1		1
16/07/2012	11	1	12
17/07/2012	2	3	5
18/07/2012	2	2	4
19/07/2012	8	1	9
20/07/2012	2	1	3
23/07/2012	2		2
24/07/2012	2	1	3
25/07/2012	3		3
30/07/2012		2	2
31/07/2012	2	1	3
Total c/f	136	99	235

Date	General Visitors	Pensioners	Total Per Day
Total b/f	136	99	235
01/08/2012	9		9
03/08/2012	5	1	6
06/08/2012		1	1
07/08/2012	9	3	12
09/08/2012	1	1	2
13/08/2012	2	1	3
14/08/2012	3	1	4
17/08/2012	1	2	3
21/08/2012	1		1
22/08/2012	2		2
29/08/2012		2	2
31/08/2012	1		1
03/09/2012	1	5	6
04/09/2012	4	3	7
05/09/2012	2	3	5
07/09/2012	3	8	11
12/09/2012		3	3
13/09/2012	3	4	7
14/09/2012	1	2	3
17/09/2012	1		1
18/09/2012		1	1
20/09/2012		2	2
21/09/2012	2		2
25/09/2012		1	1
26/09/2012		3	3
27/09/2012		1	1
02/10/2012		4	4
05/10/2012	3	2	5
15/10/2012	1	11	12
16/10/2012	3		3
17/10/2012	2	2	4
24/10/2012	2	3	5
25/10/2012	2		2
26/10/2012	1		1
30/10/2012	1		1
02/11/2012	1		1
07/11/2012	1	1	2
12/11/2012	1		1
12/11/2012		3	3
14/11/2012		5	5
16/11/2012		2	2
22/11/2012		4	4
23/11/2012	3		3
26/11/2012	1	1	2
29/11/2012	2	3	5
30/11/2012	1	2	3
04/12/2012	2	2	4
05/12/2012		3	3
06/12/2012		2	2
07/12/2012	1		1
Total c/f	215	197	412



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Details of Visa Waiver Cards issued since 31 December 2011  
By Date and Nationality

Date	General Visitors	Pensioners	Total Per Day
Total b/f	215	197	412
11/12/2012		1	1
13/12/2012		1	1
14/12/2012		5	5
18/12/2012	2	1	3
19/12/2012		1	1
20/12/2012	1	2	3
21/12/2012	1		1
02/01/2013		4	4
07/01/2013	2	5	7
09/01/2013	4	4	8
14/01/2013	2	1	3
16/01/2013		2	2
17/01/2013	1	2	3
24/01/2013		4	4
25/01/2013	1		1
29/01/2013	4	1	5
01/02/2013	4	1	5
04/02/2013		2	2
05/02/2013	5		5
08/02/2013	1		1
11/02/2013	3		3
12/02/2013	2		2
14/02/2013		1	1
15/02/2013		1	1
21/02/2013	1	5	6
25/02/2013	3		3
01/03/2013		2	2
04/03/2013	3		3
06/03/2013		5	5
07/03/2013		1	1
14/03/2013	3		3
18/03/2013	3	5	8
19/03/2013		5	5
20/03/2013	2	3	5
25/03/2013	4	2	6
26/03/2013	3	1	4
27/03/2013	1	2	3
28/03/2013	1		1
03/04/2013	1	3	4
05/04/2013	6	2	8
08/04/2013	1		1
09/04/2013	3		3
10/04/2013	7	2	9
11/04/2013		1	1
15/04/2013	2		2
17/04/2013	4		4
18/04/2013	4	2	6
22/04/2013		4	4
24/04/2013	1		1
30/04/2013		3	3
Total c/f	301	284	585

Date	General Visitors	Pensioners	Total Per Day
Total b/f	301	284	585
02/05/2013	2	1	3
06/05/2013	2	6	8
08/05/2013		3	3
09/05/2013		4	4
10/05/2013	3		3
13/05/2013		3	3
15/05/2013		3	3
16/05/2013		1	1
21/05/2013	3	1	4
23/05/2013	1	3	4
27/05/2013	1		1
03/06/2013	3	3	6
04/06/2013	1	7	8
06/06/2013	4	1	5
07/06/2013		4	4
10/06/2013	1	7	8
11/06/2013		1	1
19/06/2013	2	1	3
20/06/2013	3	1	4
25/06/2013	9	1	10
26/06/2013	4	1	5
01/07/2013	3		3
02/07/2013	7	4	11
03/07/2013	1	6	7
04/07/2013	6	1	7
05/07/2013	1		1
10/07/2013		4	4
12/07/2013	11		11
15/07/2013	4		4
16/07/2013	3	3	6
17/07/2013	4		4
18/07/2013	5		5
23/07/2013	3	1	4
24/07/2013		2	2
26/07/2013	3		3
30/07/2013	2	2	4
31/07/2013	7		7
05/08/2013	1	1	2
06/08/2013	2	1	3
13/08/2013		1	1
15/08/2013	5		5
18/08/2013		1	1
21/08/2013	7	5	12
22/08/2013	4		4
27/08/2013	2		2
29/08/2013	9	5	14
30/08/2013	3		3
04/09/2013	3	2	5
05/09/2013	9		9
11/09/2013	9	3	12
Total c/f	454	378	832

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Details of Visa Waiver Cards issued since 31 December 2011

By Date and Nationality

Date	General Visitors	Pensioners	Total Per Day
Total b/f	454	378	832
16/09/2013		2	2
17/09/2013	1		1
18/09/2013	10	3	13
19/09/2013		1	1
20/09/2013		2	2
21/09/2013	1	5	6
24/09/2013	2		2
30/09/2013		3	3
01/10/2013	3	3	6
04/10/2013		1	1
10/10/2013	6	7	13
23/10/2013		4	4
04/11/2013		8	8
07/11/2013	1		1
12/11/2013	2	1	3
16/11/2013		3	3
21/11/2013		2	2
26/11/2013		4	4
29/11/2013		2	2
04/12/2013	5	3	8
10/12/2013	5	3	8
14/12/2013	1	1	2
16/12/2013		3	3
17/12/2013	2		2
18/12/2013	1	2	3
09/01/2014	1	8	9
13/01/2014	4	3	7
15/01/2014	5		5
16/01/2014		3	3
20/01/2014	1		1
23/01/2014		2	2
24/01/2014	1		1
28/01/2014		1	1
29/01/2014	1	1	2
04/02/2014	1		1
05/02/2014		1	1
06/02/2014	2		2
07/02/2014	1		1
10/02/2014		1	1
13/02/2014	1		1
19/02/2014		2	2
26/02/2014	1	3	4
03/03/2014		1	1
06/03/2014		4	4
18/03/2014	1	5	6
21/03/2014	4		4
31/03/2014	4	7	11
01/04/2014	2	2	4
08/04/2014	1	2	3
12/04/2014		2	2
Total c/f	525	489	1014

Date	General Visitors	Pensioners	Total Per Day
Total b/f	525	489	1014
17/04/2014		2	2
24/04/2014	2	7	9
12/05/2014		5	5
Total	527	503	1030

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**APPENDIX 2**

Details of Visa Waiver Stamps issued since 31 December 2011  
By Date and Nationality

Date	General Visitors	Pensioners	Total Per Day
14/03/2014	1		1
10/04/2014	1		1
14/04/2014	1		1
16/04/2014	2		2
22/04/2014	2		2
23/04/2014	1		1
24/04/2014		5	5
25/04/2014		4	4
02/05/2014	2		2
03/05/2014	3		3
05/05/2014	1		1
06/05/2014	1		1
07/05/2014	4		4
08/05/2014	4		4
11/05/2014	1		1
12/05/2014	7		7
15/05/2014	2	5	7
16/05/2014	1	13	14
19/05/2014	1		1
20/05/2014		4	4
21/05/2014	2		2
22/05/2014	1		1
26/05/2014	2		2
27/05/2014	4		4
28/05/2014	1	5	6
29/05/2014	2		2
30/05/2014	2	1	3
01/06/2014	1		1
02/06/2014	2	5	7
03/06/2014	1		1
04/06/2014	2	3	5
05/06/2014	2		2
06/06/2014	2		2
09/06/2014	5		5
10/06/2014	4	5	9
11/06/2014	3		3
12/06/2014	3		3
13/06/2014	4	1	5
16/06/2014	2		2
17/06/2014	7		7
19/06/2014	1		1
20/06/2014	24	2	26
21/06/2014		1	1
22/06/2014		1	1
23/06/2014	50		50
24/06/2014	28		28
25/06/2014	8	3	11
26/06/2014	3		3
27/06/2014	7		7
28/06/2014	1		1
29/06/2014		1	1
Total c/f	209	59	268

Date	General Visitors	Pensioners	Total Per Day
Total b/f	209	59	268
30/06/2014	5	1	6
01/07/2014	21		21
02/07/2014	6		6
03/07/2014	6	1	7
04/07/2014	6		6
05/07/2014		3	3
07/07/2014	8	3	11
08/07/2014	10		10
09/07/2014	8	1	9
10/07/2014	4		4
11/07/2014	6		6
13/07/2014	1		1
14/07/2014	9		9
15/07/2014	4	1	5
16/07/2014	7	1	8
17/07/2014	7		7
18/07/2014	7	1	8
21/07/2014	3	1	4
22/07/2014	8		8
23/07/2014	4		4
24/07/2014	1	1	2
25/07/2014	3		3
28/07/2014		1	1
29/07/2014	1		1
31/07/2014	2	2	4
01/08/2014	1		1
03/08/2014	3		3
04/08/2014	3		3
05/08/2014	10		10
06/08/2014	3	2	5
07/08/2014	1		1
08/08/2014	1	1	2
11/08/2014	1	1	2
12/08/2014	1	2	3
13/08/2014		1	1
18/08/2014		2	2
19/08/2014	1	1	2
21/08/2014		3	3
26/08/2014	1		1
27/08/2014	2		2
01/09/2014		1	1
02/09/2014	3	1	4
03/09/2014	1		1
04/09/2014		4	4
05/09/2014	6	1	7
06/09/2014		1	1
08/09/2014	1	1	2
09/09/2014	1	4	5
11/09/2014	1		1
12/09/2014	1	3	4
Total c/f	388	105	493

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Details of Visa Waiver Stamps issued since 31 December 2011  
By Date and Nationality

Date	General Visitors	Pensioners	Total Per Day
Total b/f	388	105	493
14/09/2014		2	2
15/09/2014		3	3
16/09/2014	2		2
17/09/2014		6	6
18/09/2014		1	1
19/09/2014	3	2	5
22/09/2014	1		1
23/09/2014	1		1
24/09/2014	4	1	5
25/09/2014	4		4
29/09/2014	1		1
30/09/2014	1	1	2
03/10/2014	1	1	2
06/10/2014		1	1
09/10/2014	1		1
14/10/2014	1	1	2
15/10/2014	1		1
16/10/2014		7	7
17/10/2014	5		5
19/10/2014	1	2	3
20/10/2014	1		1
21/10/2014		1	1
22/10/2014		4	4
23/10/2014		2	2
24/10/2014	1		1
27/10/2014		2	2
29/10/2014		1	1
03/11/2014	3		3
04/11/2014	4		4
06/11/2014		4	4
07/11/2014		1	1
08/11/2014		1	1
10/11/2014	1		1
11/11/2014	1		1
12/11/2014	1	1	2
13/11/2014	1	1	2
14/11/2014		1	1
16/11/2014		2	2
17/11/2014		1	1
19/11/2014		1	1
20/11/2014		1	1
21/11/2014	1		1
24/11/2014	1		1
25/11/2014	1	5	6
27/11/2014		1	1
28/11/2014	1	2	3
30/11/2014	1		1
01/12/2014	4	1	5
02/12/2014	3		3
03/12/2014	1		1
Total c/f	441	166	607

Date	General Visitors	Pensioners	Total Per Day
Total b/f	441	166	607
05/12/2014	1		1
06/12/2014	1	1	2
07/12/2014		1	1
08/12/2014		1	1
10/12/2014	2		2
11/12/2014	2	4	6
12/12/2014	4	1	5
14/12/2014	1		1
15/12/2014	4	1	5
16/12/2014		2	2
17/12/2014	1		1
18/12/2014	5	2	7
19/12/2014	2		2
21/12/2014		2	2
23/12/2014	1		1
01/01/2015	1		1
05/01/2015		2	2
06/01/2015	5	3	8
07/01/2015	2		2
09/01/2015	3	6	9
10/01/2015	1		1
12/01/2015	2		2
13/01/2015	4		4
14/01/2015		1	1
15/01/2015		1	1
16/01/2015		1	1
19/01/2015	1	1	2
20/01/2015	7	4	11
21/01/2015	3	1	4
22/01/2015	7		7
23/01/2015		1	1
25/01/2015	1		1
27/01/2015	4	1	5
30/01/2015	2		2
02/02/2015		2	2
03/02/2015	2		2
05/02/2015	5		5
06/02/2015	1		1
09/02/2015	3	1	4
10/02/2015	1	2	3
11/02/2015	1		1
12/02/2015		2	2
16/02/2015	1	1	2
17/02/2015		5	5
18/02/2015	1		1
19/02/2015	1	1	2
20/02/2015		2	2
22/02/2015	1		1
23/02/2015		1	1
24/02/2015	2		2
Total c/f	527	220	747

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Details of Visa Waiver Stamps issued since 31 December 2011  
By Date and Nationality

Date	General Visitors	Pensioners	Total Per Day
Total b/f	527	220	747
25/02/2015	3		3
26/02/2015	1		1
22/03/2015	1		1
20/11/2015		1	1
Total	532	221	753

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**APPENDIX 3**

Details of Visa Waiver Vignettes issued since 31 December 2011  
By Date and Nationality

Date	General Visitors	Pensioners	Total Per Day	Nationality	Date	General Visitors	Pensioners	Total Per Day	Nationality
12/01/2015	1		1		Total b/f	75	49	124	
25/01/2015	1		1		20/05/2015	1	2	3	
28/01/2015	1		1	1 Filipino	21/05/2015	1	2	3	1 Panamanian
25/02/2015	1		1		26/05/2015	1	1	2	
02/03/2015	3		3	1 Chinese + 1 Indian	28/05/2015	1	5	6	
03/03/2015	1		1		29/05/2015	5		5	1 Ukrainian
04/03/2015	2	1	3		01/06/2015		2	2	
05/03/2015		2	2		02/06/2015	5	1	6	
06/03/2015	3	4	7		03/06/2015	3	4	7	
11/03/2015	1		1		04/06/2015		3	3	
12/03/2015		2	2		05/06/2015	3	3	6	
13/03/2015		2	2		08/06/2015	1		1	
16/03/2015	1	1	2		09/06/2015	1	1	2	
17/03/2015	1		1		10/06/2015	4	4	8	
18/03/2015	1	4	5		11/06/2015	3	1	4	
20/03/2015	3		3		12/06/2015	2	1	3	
24/03/2015	1	2	3		15/06/2015	2		2	
26/03/2015	2	1	3		16/06/2015	4	2	6	
27/03/2015	5	1	6		17/06/2015	10	1	11	
30/03/2015	1	1	2		18/06/2015	4		4	
31/03/2015	3		3	1 Serbian	19/06/2015	13	1	14	
01/04/2015	3	1	4		20/06/2015	1		1	
02/04/2015	1		1		22/06/2015	5		5	
08/04/2015	1		1		23/06/2015	1		1	
10/04/2015		2	2		24/06/2015	10		10	
14/04/2015		1	1		25/06/2015	7	1	8	1 Filipino
15/04/2015		5	5		26/06/2015	2		2	
16/04/2015	2	1	3	1 South African	29/06/2015	14	2	16	
17/04/2015	2		2	1 Indian	30/06/2015	5	2	7	1 Ukrainian
20/04/2015	1	1	2		01/07/2015		1	1	
21/04/2015	2		2		02/07/2015	4		4	
22/04/2015	1		1	1 Ukrainian	03/07/2015	11	1	12	
23/04/2015	3	2	5		06/07/2015	5		5	
24/04/2015	3		3		08/07/2015	4		4	
28/04/2015	1	1	2	1 Thai	09/07/2015	4	1	5	
30/04/2015	5		5	2 South Africans + 1 Thai	10/07/2015	3		3	
04/05/2015	2	1	3		12/07/2015	1		1	
05/05/2015	1		1		13/07/2015	6		6	
06/05/2015	2	5	7		14/07/2015	1		1	
07/05/2015	2	1	3	1 South African	15/07/2015	12		12	
08/05/2015	1		1		16/07/2015	2		2	
10/05/2015		1	1		20/07/2015	4		4	
11/05/2015	1		1		22/07/2015	4	1	5	
12/05/2015	3	3	6		23/07/2015	1	1	2	
13/05/2015	3		3		24/07/2015	2		2	
14/05/2015		1	1		27/07/2015	15	2	17	
15/05/2015	1		1		28/07/2015	7		7	
19/05/2015	2	2	4		29/07/2015	5	1	6	
Total c/f	75	49	124		Total c/f	275	96	371	

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Details of Visa Waiver Vignettes issued since 31 December 2011  
By Date and Nationality

Date	General Visitors	Pensioners	Total Per Day	Nationality	Date	General Visitors	Pensioners	Total Per Day	Nationality
Total b/f	275	96	371		Total b/f	338	162	500	
30/07/2015	2		2		22/10/2015	1	1	2	
31/07/2015	2		2		23/10/2015	2	2	4	
01/08/2015	5		5		27/10/2015	1	2	3	
03/08/2015	5	1	6		29/10/2015	1		1	
04/08/2015	2		2		01/11/2015		3	3	
05/08/2015	2	1	3		02/11/2015	1		1	
06/08/2015	1	1	2		03/11/2015		1	1	
07/08/2015	1		1		04/11/2015		2	2	
10/08/2015	2	6	8		05/11/2015	2		2	
11/08/2015	5	1	6		09/11/2015	3		3	
12/08/2015	5	2	7		10/11/2015	2	2	4	
13/08/2015	1		1		11/11/2015	1	1	2	
14/08/2015	2		2		12/11/2015		1	1	
16/08/2015	1		1		16/11/2015	1	2	3	
17/08/2015		1	1		17/11/2015	2		2	
18/08/2015	2	2	4		18/11/2015	2	3	5	
19/08/2015	1	1	2		20/11/2015		1	1	
20/08/2015	2	1	3		24/11/2015	2	1	3	
21/08/2015		1	1		26/11/2015	8	2	10	
23/08/2015		1	1		27/11/2015		1	1	
25/08/2015	2	1	3		30/11/2015	1	2	3	
28/08/2015		1	1		01/12/2015	1	1	2	
31/08/2015	1		1		02/12/2015	2	3	5	
03/09/2015	1		1		03/12/2015	2	1	3	
04/09/2015		1	1		04/12/2015	1	1	2	
06/09/2015	2		2		05/12/2015		1	1	
08/09/2015	2		2		07/12/2015	3	2	5	
09/09/2015		1	1		08/12/2015		3	3	
10/09/2015	1		1		09/12/2015	3		3	
14/09/2015		1	1		10/12/2015	3		3	
15/09/2015	2	2	4		11/12/2015	3		3	
17/09/2015	2	5	7	1 Ukranian	14/12/2015	1	2	3	
18/09/2015		6	6		15/12/2015	4	10	14	
23/09/2015		3	3		17/12/2015	1	1	2	
25/09/2015		1	1		18/12/2015	2		2	
26/09/2015	1		1		21/12/2015	1	1	2	
28/09/2015		2	2		22/12/2015	2	2	4	
30/09/2015		1	1		23/12/2015	4		4	2 Indian
01/10/2015	1	1	2		05/01/2016	1		1	
04/10/2015	2		2		06/01/2016		3	3	
05/10/2015	1	3	4		07/01/2016	1	1	2	
06/10/2015		3	3		08/01/2016	1		1	
07/10/2015		2	2		11/01/2016	2		2	
08/10/2015		3	3		12/01/2016		7	7	
09/10/2015	1		1		14/01/2016	2	1	3	
15/10/2015	1		1		15/01/2016		2	2	
16/10/2015		1	1		19/01/2016	4	1	5	
19/10/2015	1	5	6		20/01/2016	9	2	11	1 Dominican
20/10/2015	1	1	2		21/01/2016	2		2	
21/10/2015		3	3		24/01/2016	2		2	
Total c/f	338	162	500		Total c/f	425	234	659	

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Details of Visa Waiver Vignettes issued since 31 December 2011  
By Date and Nationality

Date	General Visitors	Pensioners	Total Per Day	Nationality	Date	General Visitors	Pensioners	Total Per Day	Nationality
Total b/f	425	234	659		Total b/f	480	315	795	
26/01/2016	1		1		11/05/2016	2	1	3	
27/01/2016	1		1		12/05/2016		1	1	
28/01/2016	2		2		16/05/2016		1	1	
29/01/2016	2		2		17/05/2016		4	4	
01/02/2016	1	3	4		20/05/2016	2	4	6	
03/02/2016	5	1	6		23/05/2016	2	2	4	
05/02/2016		1	1		26/05/2016	2		2	1 Ukranian
10/02/2016	2	2	4		27/05/2016	1		1	
11/02/2016	1		1		31/05/2016	1	3	4	
12/02/2016		2	2		01/06/2016		3	3	
15/02/2016		2	2		02/06/2016	1		1	
17/02/2016	1	8	9		03/06/2016	4	1	5	
18/02/2016		1	1		06/06/2016		1	1	
22/02/2016	1		1		07/06/2016	1	1	2	
24/02/2016	1		1		09/06/2016	1		1	
25/02/2016		1	1		10/06/2016	1	1	2	
01/03/2016	3	4	7		14/06/2016		1	1	
02/03/2016	1	1	2		15/06/2016	1	4	5	
03/03/2016		1	1		16/06/2016		1	1	
04/03/2016	2	2	4		17/06/2016	1	1	2	1 Filipino
07/03/2016		4	4		20/06/2016	4		4	
08/03/2016		1	1		Total	504	345	849	
09/03/2016	1		1						
16/03/2016	4	6	10						
17/03/2016		3	3						
18/03/2016	1	1	2						
21/03/2016	2	1	3						
22/03/2016	3	1	4						
23/03/2016	1	2	3						
24/03/2016	1		1						
29/03/2016		5	5						
30/03/2016		1	1						
05/04/2016	2	2	4	1 Fijian					
06/04/2016	2	1	3						
11/04/2016	1	1	2						
12/04/2016	2		2						
13/04/2016	1	1	2						
18/04/2016	1	2	3						
19/04/2016	1	2	3						
21/04/2016		2	2						
22/04/2016	2	1	3						
26/04/2016	2	3	5	1 Filipino					
27/04/2016	1	2	3						
29/04/2016		1	1						
03/05/2016		4	4						
04/05/2016	2	2	4						
05/05/2016	1		1						
06/05/2016		1	1						
09/05/2016		1	1						
10/05/2016		1	1						
Total c/f	480	315	795						

**Q433/2016**  
**Gibraltar Music Festival 2015 –**  
**Donation to charity**

**Clerk:** Question 433, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Chief Minister advise if the Government has made a decision to donate the Gibraltar Music Festival 2015 wrist band money of sterling £23,250.67 to charity?  
45

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I think the hon. Gentleman has read the *Chronicle*!  
50

The hon. Member opposite will be pleased to know that the money was donated to Calpe House at their charity event on Saturday, 26th June at the luxury five star Sunborn Hotel.

**Hon. R M Clinton:** Mr Speaker, I am gratified for the Chief Minister's answer. It is a shame about the 67p but, hey, who is counting?  
55

**Q434/2016**  
**Naval Ground coach and car park –**  
**Increase in cost**

**Clerk:** Question 434, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, further to Question 253/2016 can the Minister for Public Finance explain why the cost of the coach and car park has increased by £3.8 million from £17.5 million stated in the GSLP/Liberal election manifesto to £21.3 million in answer to Question 253/2016?  
60

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, the £21.3 million refers to the estimated cost of the coach and car park.  
65

Gibraltar Car Parks Limited, however, will acquire the coach and car park for a net cost of around £15 million, in fact less than the amount we thought it was going to be, after taking into account the sales value of the private car parking spaces.

**Q435/2016**  
**Project and development updates –**  
**Bluewater, Coaling Island and Rooke development**

**Clerk:** Question 435, the Hon. R M Clinton.  
70

**Hon. R M Clinton:** Mr Speaker, can the Chief Minister please provide Parliament with an update in respect of the Bluewater Project, Coaling Island development and reclamation project



and proposed Rooke development and any premiums received, due or contractually agreed but not yet due?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, negotiation on these projects are currently ongoing and are at an advanced stage. Details will be provided once the contracts have been finalised.

**Hon. R M Clinton:** Mr Speaker, if I may ask the Chief Minister, when he says negotiations, would I be correct in assuming that will be for all three developments?

**Hon. Chief Minister:** Yes, Mr Speaker.

**Hon. R M Clinton:** Mr Speaker, if I may finally ask the Chief Minister: has any premium in respect of land deals been received in the last day or so, or at least in the last six months?

**Hon. Chief Minister:** Mr Speaker, many premiums in respect of land sales will have been received in the last six months.

**Hon. R M Clinton:** Chief Minister, specifically in respect of these projects?

**Hon. Chief Minister:** Well, Mr Speaker, I do not feel comfortable dealing with the detail of that question today but I am going to feel very comfortable dealing with it when I come back to present the Budget.

The hon. Gentleman has the estimates for next year which will show him already as he will no doubt have poured over them, some of the details of what has and has not been received in the last six months, and we will go through the detail of that during the context of the debate to be had next week.

**Q436-437/2016**  
**Personal or Corporate Tax Refunds –**  
**Monies paid or due**

**Clerk:** Question 436, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Minister for Public Finance please advise how much money has been paid out in April and May 2016 in respect of personal or corporate tax refunds and to which year of assessments do they relate?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer with Question 437.

**Clerk:** Question 437, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Minister for Public Finance please advise how much money is due to taxpayers in respect of refunds for completed assessments prior to 31st March 2016 that are currently pending issue?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, a total of £1.53 million has been paid in tax refunds during the months of April and May 2016. There is an analysis of the refunds paid in the year of assessment that they relate to in the sheet that I have been given, broken down between individuals and corporate. I will not read them out I will just ask one of the clerks to make a copy of this front page and let him have it.

Mr Speaker, also in relation to Question 437, as at 31st March 2016 the total due to taxpayers in respect of refunds for completed assessments not yet issued, was as follows: in respect of Individuals £19.55 million, and in respect of Corporate £10.61 million.

**Individuals**

Year of Assessment	April 2016 £	May 2016 £
Up to		
2009/2010	107,139	1,089,844
2010/2011	49,052	33,521
2011/2012	15,181	15,664
2012/2013	5,115	10,881
2013/2014	10,153	24,647
2014/2015	31,510	68,744
2015/2016	6,789	4,097

**Q438/2016**

**Dog section in HM Customs –  
Plans for reintroduction**

**Clerk:** Question 438, the Hon. E J Phillips.

**Hon. E J Phillips:** Mr Speaker, are there plans to reintroduce a dog section in HM Customs?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, as I think I have repeatedly already said, a dedicated Customs dog section will be introduced as the restructure takes shape to adjust to developing operational needs.

The final structure as agreed with the Government is still not in place as we are awaiting final accommodation relocations to be agreed.

The dog section will be manned by one Executive Customs Officer and two Customs Officers. A senior Customs Officer (Operations) will have overall day to day responsibility for the unit.

Provision has been made in this year's Estimates of Expenditure, as the hon. Gentleman will know, to deal with certain aspects of this which we will debate in greater detail during the course of next week.

**Q439/2016**  
**The Fishing Report –**  
**Extension of BGTW**

145 **Clerk:** Question 439, the Hon. T N Hammond.

**Hon. T N Hammond:** Mr Speaker, the report 'The Management of Marine Living Resources in the Waters around Gibraltar' otherwise known as the Fishing Report, commissioned by  
150 Government and published in December 2012, recommends that consideration be given to the extension of BGTW to 12 miles.

Has Government considered this and what conclusions have they drawn?

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

155 **Chief Minister (Hon. F R Picardo):** Mr Speaker, as the Government has previously announced, we are pursuing with the United Kingdom the extension of BGTW as recommended in the report referred to in the hon. Gentleman's question.

**Q440-447/2016**  
**Civil Service, Public service –**  
**Details**

**Clerk:** Question 440, the Hon. D A Feetham.

160 **Hon. D A Feetham:** Mr Speaker, are there any non-civil service secondments within the Department of the Environment?

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

165 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer this question together with Questions 441 to 447.

**Clerk:** Question 441, the Hon. D A Feetham.

170 **Hon. D A Feetham:** How many employees in the public sector are currently waitlisted for promotion, detailing the grade they have been found suitable to, and since when?

**Clerk:** Question 442, the Hon. D A Feetham.

175 **Hon. D A Feetham:** In each financial year since 31st March 2012, how many people have been recruited into the public sector, Government-owned companies, agencies and/or authorities without advertising the vacancy to the general public?

180 **Clerk:** Question 443, the Hon. D A Feetham.

**Hon. D A Feetham:** Can the Government state which employees in the public sector, Government-owned companies, authorities and/or agencies are currently temporarily promoted, detailing acting post, date temporarily promoted and Department?

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

**Hon. D A Feetham:** Can the Government state which Heads of Department are currently being substituted and why?

190 **Clerk:** Question 445, the Hon. D A Feetham.

**Hon. D A Feetham:** Can the Government disclose the allowances given to union conveners detailing the name of the convener, the value of the allowance and the union they represent?

195 **Clerk:** Question 446, the Hon. D A Feetham.

**Hon. D A Feetham:** In each financial year since 31st March 2012, how many people have been promoted in the public sector, Government-owned companies, agencies and/or authorities without advertising or circulating a bulletin in this respect?

200 **Clerk:** Question 447, the Hon. D A Feetham.

**Hon. D A Feetham:** Further to Question 267/2016, can Government provide an updated list, together with additional information such as grade, post and Department for each vacant post?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, there are currently two non-civil servants seconded within the Department of the Environment.

210 I will now hand the hon. Member a schedule with the information requested for Questions 441 to 447, Mr Speaker; but I will highlight to him that in respect of 442, 443, 445, 446 and 447 the answer that he is going to be given is that it has not been possible to provide the answer in the time available.

215 I expect to be able to provide the answer if the same question is asked for the next sitting, as a compilation of data should by then be ready.

ANSWER TO QUESTION 447/2016

Answer to Question 441/2016

Civil Service

Grade	Number of Waitlisted Officers	Wait list With Effect From
Higher Executive Officer	9	26/03/2015
Executive Officer	8	30/09/2015
Sub Officer (Operations)	1	04/12/2015
Leading Firefighter	1	06/04/2016
Fire Control Operator	1	06/04/2016
Driving & Vehicle Examiner	1	30/03/2016
Prison Officer (Trades)	1	04/12/2015
Qualified Teacher	59	20/07/2015

Agencies, Authorities & Government Owned Companies

Department / Grade	Number of Waitlisted Officers	Wait list With Effect From
Air Field Rescue Service - Leading Firefighter	1	01/10/2015
Boarders & Coastguard Agency - SBCO	4	06/03/2016

Answer to Question 444/2016

GRADE/ DEPARTMENT	REASON
Senior Officer - Director of Social Security	Government currently looking into the possibility of restructuring the department
Senior Officer - Director of Employment	Government currently looking into the possibility of restructuring the department
Senior Officer - Head of Civil Status & Registration Office	Recruitment to commence shortly
Senior Officer - Human Resources Manager	Recruitment process currently ongoing
Senior Officer - Principal Housing Officer	Recruitment to commence shortly
Senior Officer - Commissioner of Income Tax	Recruitment to commence shortly (Present incumbent due to retire in October 2016)

**Hon. D A Feetham:** Mr Speaker, rather than ask the question, because obviously I have asked it at this session – 442, 443, 445 and 447. Will the Hon. the Chief Minister undertake for the civil servants within his Department to provide me with the answer in writing and that will satisfy me at the end of the day, as long as I have the information?

What I do not want to do is come back next session and basically ask the same questions when that can be dealt with just by writing to me and providing me with the information.

**Hon. Chief Minister:** Well, Mr Speaker, I am loath to undertake to do that.

The Hon. the former Chief Minister always used to say to me that he was loath to undertake to do things because an undertaking means something to him and to me because we are lawyers, and the hon. my predecessor used to say that it is very easy for things to slip under the net and then I have undertaken to do something and I will not be able to achieve the effect of the undertaking.

In particular now, Mr Speaker, I am loath to give an undertaking but what I will tell him is, that if he writes to me then I will certainly get them to respond with the information when it is ready in the context of my seeing the information and being able to provide it.

I am not asking him to put the question again next time for any reason other than because I know that by next time it will be ready, but if it is ready before then and he writes to prompt the answer to be provided then I am happy for it to be sent to him in time for him to then base questions next time on the answer, rather than to have to ask the question again.

**Hon. D A Feetham:** Mr Speaker, I understand that there may be some of these questions where I am asking for numbers that go back to 2012.

There is a reason for that because I want to undertake an analysis of the period from March 2012 until obviously now, that because the hon. Gentleman may have been in the UK perhaps taking senior civil servants with him – I do not know, there may be a reason, I understand that.

Rather than have a situation where I will write to him, I will just simply refile the same questions and hopefully by next time round he can provide me with the answers.

But for example, 445 which is a question that is not statistical in nature, it is a question that asks: can the Government disclose the allowances given to union conveners, detailing the name of the convener, the value of the allowance and the union they represent. I mean, that is not difficult information for the Government to collate and to provide.

I wonder why the Hon. the Chief Minister is not in a position to provide that information which, as I say, I distinguish from the other statistical information where I am asking the Government to provide statistics going back to 31st March 2012?

255 **Hon. Chief Minister:** Mr Speaker, for a simple reason because that is a question which is statistical in nature; and I will tell him why.

First of all he is not going to get the names of people from me across the floor of the House – that he can be absolutely certain of because it is our practice not to do so. There are data protection rules and we are not going to be providing names; and I am surprised he is asking for names, which suggests to me there is a small ‘p’ political reason why he is seeking the information in that way.

And when I say ‘small p’ I mean of course petty, because if he is asking for the names of people and he wants to know what that person earns or has as an allowance, it cannot be for any macro-political reason that he is seeking the information.

265 This is information which requires the collation of data from salaries, it requires collation against posts, etc. and it has not been possible to give me the information in the way that I am able to hand it over. That is the answer he was given and it is exactly the same whether it relates to his questions for his stated analysis in respect of the period since 2011 or for this one. I must tell him that I am doing the same analysis, although I think we are going to reach starkly different conclusions.

270 But given that I had one ear to what was happening in the House this morning and another to the many things that are happening elsewhere at the moment, and I heard this morning that we were being encouraged by some to take more people in the public sector; and I imagine it is because he wants to tell us that we have not taken *enough* people into the public sector that he is doing the analysis.

**Hon. D A Feetham:** Mr Speaker, yes, the hon. Gentleman and I are not going to agree in relation to the analysis that at the end of the day emerges. Who is right and who is wrong will obviously be settled once and for all over the next three years and we will see who is right and who is wrong about the debate that we have been having over the last three years.

280 But yes, absolutely right, the questions that I do ask *are* political in nature; that is what I am doing here. I am asking political questions and there is a political purpose behind the questions that I ask. It is not petty, it is political and that is what I am here to do.

Now, Mr Speaker, obviously I am not going to be able to move the hon. Gentleman, I am just going to have to re-ask the question. But let me ask this by way of a supplementary: how many conveners are there to which this question would apply?

**Hon. Chief Minister:** Mr Speaker, I assume the hon. Gentleman’s reference to three years is until the next general election which is due in three and a half years. I just wish my mind was where his is, thinking about general elections and what we are going to do then.

290 My mind is on the problems that Gibraltar has today and navigating a serious course through it, which enables our community to reach the next general election in a way that we can listen to all the arguments that he wants to put – and give him all the air time he wants to have to tell us about all of these conclusions that he is going to reach.

295 For now, if he does not mind, I am just going to concentrate on the matters at hand and rely on the fact that if he determines that people are deciding who is right and who is wrong at general elections, then less than seven months ago they certainly decided that we were emphatically right about the arguments that were being put.

300 And, Mr Speaker, if I had the information about the conveners etc. I would be close to being able to give him the information that he wants. I do not have it in a way that is reliable and I am not able to give it to him.

**Clerk:** Question 448.

305 **Hon. E J Reyes:** May I?

**Mr Speaker:** Yes?

310 **Hon. E J Reyes:** Thank you, Mr Speaker, may I ask the Chief Minister, in the answer he provided for Question 441, which was worded 'public sector employees currently waitlisted for promotion', he lists 59 qualified teachers.

What grade is it that they are waiting to be promoted, because there are obviously many grades above that and it could either be a deputy headship or an allowance or ... Perhaps he can enlighten me a bit further what he means by that?

315

**Hon. Chief Minister:** Well, Mr Speaker, the question sounds right, there must be different levels at which people are qualified to promote, but I do not have the information with me, and neither have I seen anything to suggest that the information has been provided because I do not think it is something that ... well it does actually arise from the question, the hon. Gentleman is right, it arises from the question.

320 If he writes to me asking about those 59 I will get people to do a breakdown of the 59 identifying what it is that they are becoming eligible for.

**Q448/2016**  
**Ombudsman System –**  
**Plans for reform**

**Clerk:** Question 448, the Hon. D A Feetham.

325 **Hon. D A Feetham:** Mr Speaker, does the Government intend to reform the Ombudsman system?

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

330 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the Government does not currently intend to reform the Ombudsman system.

**Q449-450/2016**  
**Immigration Asylum and Refugee Act –**  
**Sex discrimination**

**Clerk:** Question 449, the Hon. D A Feetham.

335 **Hon. D A Feetham:** Mr Speaker, does the Government accept that Section 15 of the Immigration Asylum and Refugee Act discriminates against Gibraltarian men and homosexual women?

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

340 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer together with Question 450.

**Clerk:** Question 450, the Hon. D A Feetham.

345 **Hon. D A Feetham:** Mr Speaker, does the Government accept that Sections 16, 26 and 27 of the Immigration Asylum and Refugee Act discriminates against Gibraltar men?

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

350 **Hon. Chief Minister:** Mr Speaker, the Government does not provide legal opinions in answers to questions in this House.

If the hon. Member has any concerns relating to any issue of any particular case, I invite him to write to me so that I might assist him in resolving it.

The Government is already, in any event, working on a new Immigration Act.

355 **Hon. D A Feetham:** Yes, Mr Speaker, it is something I have raised in the past. Without mentioning names I did raise a particular matter across the floor of the House and the Hon. the Chief Minister said that it was being dealt with and the matter is still pending. But I do not want to look at specifics, I just want to concentrate on generalities and the Act itself.

360 I note that the Hon. the Chief Minister says that the Act is going to be reformed but let me read, for the purposes of the House, so they understand what this particular section says.

It is the 'Rights of residence of men married to Gibraltar women or civil partners', and it says this in section 15:

Subject to the provisions of this section, a man who is married to a Gibraltar woman or has a Gibraltar civil partner shall have the right to a permit of residence if his wife is living in Gibraltar.

365 In other words, if you are a woman married to a Gibraltar man you do not have the same right and so there is, in my view, a discrimination against Gibraltar men; and indeed there is a discrimination as well in relation to Gibraltar men.

If one then looks at section 16:

The child under the age of eighteen of a Gibraltar woman shall have a right to reside within Gibraltar if his mother resides within Gibraltar and he is residing with her.

Again, there is a discrimination against Gibraltar men inherent in these sections.

And then if we go to sections 26 and 27, section 26 says:

The Governor ...

370 And, in my view, it must mean the Governor on advice and it must be in right of the Government of Gibraltar because this is an area that would be within the competence of the Government of Gibraltar. But it says:

The Governor may, in his absolute discretion, grant a certificate of permanent residence to the child of a Gibraltar woman or any person who is the civil partner of a Gibraltar person notwithstanding that such a child is not entitled to a certificate of permanent residence under section 25.

And then section 27 says –

The Governor may, in his absolute discretion, grant a certificate of permanent residence to any man who is or has been married to a Gibraltar woman.

375 So there is inherent in these four sections, a discrimination against a Gibraltar man. It is a discrimination that does not exist in relation to a Gibraltar woman but actually does not exist in relation to somebody who is homosexual who is in a civil partnership – and that cannot possibly be right. We are effectively discriminating against a Gibraltar man that is married to a foreign woman, or a Gibraltar man that has a child with a non-EU foreign woman. It cannot be right.



I would urge on the Government that when it undertakes this reform of the Immigration Act, that it deals with this particular issue and I would ask the Hon. the Chief Minister for his view and for an assurance that the Government of Gibraltar is going to end what is a quite blatant discrimination against Gibraltarian men.

**Hon. Chief Minister:** Mr Speaker, the Government has already said that it is producing a new Immigration Act. But certainly the sort of discriminations that the hon. Gentleman is talking about are not discriminations that are tolerated by my Government.

When things are brought to our attention we demonstrate that we deal with them, although it is the case also sometimes that some people want to go beyond what the law deals with, even if the law were gender neutral. Some people ask for things which are prohibited both to Gibraltarian men and Gibraltarian women if their partners are to be with them, or their spouses are to be with them, or their children are to be with them.

But be that as it may, Mr Speaker, any discrimination is an odious discrimination. And in Gibraltar we have a number of ways in which we deal with that, not just by the Opposition having to urge the Government to resolve things, although this Government has self-urged itself to do so and it is for that reason already in the process of a new Immigration Act.

We have something called the Interpretation and General Clauses Act and we have something called the Constitution.

Now, Mr Speaker, this odious discrimination I am told, having now had a chance to peruse the matter, comes from 1962. If it is such an odious discrimination – one which I had occasion to raise when I was on that side of the House in respect of the odious discrimination that was then ongoing – I am surprised that when he was Minister for Justice with *responsibility* for our laws, he did not resolve it, or that he did not even take another sort of measure.

I have now been Chief Minister for five years and set in train the process of amending the Immigration Act about four years ago, although it is a very complex Act to amend and it is taking a very long time indeed to produce the amendments.

But if I could just help him with perhaps something that could be of assistance in terms of the analysis of odious discriminations Mr Speaker, clause 7 of the Interpretation and General Clauses Act says this:

In any Act, unless the contrary intention appears, -

(a) words importing the masculine gender include females; and

(b) words in the singular include the plural, and words in the plural include the singular.

Now, Mr Speaker, hon. Members might note that in relation to numbers, the Interpretation and General Clauses Act requires us to treat the singular as the plural and the plural as the singular. But it strikes me that there is an odious discrimination in the Interpretation and General Clauses Act, which only requires us to treat the masculine genders including the feminine, but not the feminine to be inclusive in the masculine.

But of course, Mr Speaker, there is a principal and overriding enactment; and that principal and overriding enactment is not the Interpretation and General Clauses Act but the Constitution. And I am going to assume that a former Minister for Justice – who is not Mr Licudi, but is a *former* Minister for Justice, of which there could only then be two ... that the former glorious, greatest Chief Minister of all time in the opinion of some, or himself, would not have felt the need to act against such an odious discrimination which was so obvious that it would have jumped out of the page – in particular, given that I was raising it from those benches.

We have in our principal and overriding enactment, and in Clause 14 of the Constitution, a clear protection from discrimination on the grounds of race, etc.; and the 'etc.' means that when any interpretation is to be done of any Act – including in my respectful submission, the Interpretation and General Clauses Act, let alone the Immigration Act – there should be no discrimination on the grounds of sex, Mr Speaker.

Now, in our interpretation at the time that there were negotiations for the Constitution, the Constitution should have gone on to say ... 'or sexual orientation'. But as the hon. Gentleman knows, we did not have the support of that side of the House when it was on this side of the House, and believed different things, in order to come back with the principal and overriding enactment from the United Kingdom that provided for that. But at least we got sex.

So, Mr Speaker, in my view any odious discrimination in respect of sex, if it still exists somewhere in our laws from 1962 – but in a way that was not dealt with appropriately before, or has not yet been dealt with appropriately – is one to be dealt with in keeping with the provisions of Section 14 of the Constitution in what is known as the 'blue pencil test' that not just judges can use, but also Administrators.

And whenever these matters are brought to my attention they are dealt with in that way. So the hon. Gentleman can rest assured that even if the Immigration Act is not yet fixed, we will not tolerate these odious discriminations because the law so requires.

**Hon. D A Feetham:** Well, Mr Speaker, I am extremely grateful for that analysis because, in actual fact it happens to be in respect of the Constitution – and I will deal with some other points in a moment. But it happens to be in respect of the Constitution, my own analysis to public servants in respect of two cases that I am representing where the civil servants in question are taking a quite different view to the Hon. the Chief Minister.

So all that I will do in my next letter, is just simply refer to *Hansard* and say, 'But the Chief Minister does not agree with your interpretation; this has got to be interpreted in the light of the Constitution', because quite rightly when this particular section discriminates against a Gibraltarian man, that is absolutely wrong because it is a discrimination on grounds of sex. And it is also, Mr Speaker, actually interfering with that person's right to family life, one that the Hon. the Chief Minister did not mention during the course of his intervention.

But, Mr Speaker, during the constitutional talks, and the reason why the Constitution was not amended to include sexual orientation as well as sex – and he must know this – is because there is a case from the European Court of Human Rights that already interprets sex as including sexual orientation. So it did not need amendment and that was the point that both the former Chief Minister and greatest Gibraltarian of his time, made at the time, and it was the point that I also made.

And also, Mr Speaker, of course this is something that dates back to 1962, I accept that; but the Hon. the Chief Minister must also know that it was his own Government that amended this in order to include rights to homosexual women in this particular case to have the same rights as women who have more rights than men – and yet the Government did not amend it to end the discrimination against Gibraltarian men.

And I do not want to say that and, believe me, I am not saying that because I want to really criticise the Government; this is not about criticism, these are genuine questions, not about criticisms of the Government, but just simply to ask for assurances from the Government so that I can then go back to my constituents and I can say, 'Well, look, it is well in hand.' Because if it is not well in hand then of course what I intended to do was to present a Private Member's Bill, a Private Member's Motion beforehand, in order to amend the legislation to end the discrimination.

And finally – and I am grateful for the indulgence of the hon. the Speaker in relation to this, because I know that I have probably exceeded the bounds of what is acceptable, and I apologise in my intervention – but can the Hon. the Chief Minister provide me with a timeframe in relation to which this particular Act is going to be reformed, so that again I can go back to two people in particular who are concerned about this and feel discriminated about this, so that I can say, 'Well, look, it is well in hand and it is probably going to be dealt with by x date'?

**Hon. Chief Minister:** Well, Mr Speaker, I am grateful that the hon. Gentleman has said that what he is trying to do is not criticise the Government but I am not surprised at that because,

given that there is nothing to criticise the Government about, it would be a fool's errand to try and do so.

480 Mr Speaker, the hon. Gentleman has said that he is writing about two cases to civil servants. I wonder whether he will let us know whether he is writing in his capacity as a legal practitioner in which case it is absolutely appropriate for him to write to whoever he likes. But if he is writing as a Member of this House, then I would suggest to him that what he needs to do is write to me, because I am the Minister with this responsibility, and if he writes to me he may find that by  
485 going to the policy maker he gets a clearer position as to the policy.

It is not unusual that a policy is sometimes not clear to some people, especially when you have had changes in Departments and we have had recently a change in the Department which is the CSRO.

490 Mr Speaker, he referred to the right to family life. I did not refer to that but I actually take a different view, because I have dealt with a lot of these cases in Opposition and I have dealt with a lot of these cases in Government, and I think the clue here is that he is dealing with two and I have dealt with many hundreds of them. The reason he is dealing with two, and not with many hundreds of them, is because most of them have been resolved.

495 They have been resolved because I do not consider this just as an interference with family life; this is an interference with a person's ability to love and there is nothing more sacred than somebody's ability to love. And if somebody has fallen in love with someone and is in a marriage or a civil partnership with them, or is in a common law partnership where that may be appropriate, or if somebody has a child with someone then, if the State in Gibraltar should be standing in the way of them being able to come here or somehow seeks to apply an external test  
500 to that, it is in my view wholly inappropriate.

Now, he will bear with me whilst I tell him that that is the situation we inherited. We inherited a situation where the former Chief Minister – the greatest Gibraltarian now, apparently, of *his* time rather than of *all* time, this keeps changing at least in the opinion of some – tried to determine whether marriages were real or sham, *himself*. So there was an objective  
505 criteria – the Caruana, test if we can call it that – which was, 'Have you been married for three years? When did the marriage occur? Let me see photographs of the individuals.'

Because this is what I was told I needed to do, to determine whether the partnerships or the relationships looked like they may be real – or was this somebody in Gibraltar being duped by somebody who wanted simply to come to Gibraltar? Well, I do not consider that is a test that I  
510 should be involved in, because if somebody has fallen in love with me then people can fall in love with anybody, whatever they look like; and I do not think it is right that there should be a test of whether one Gibraltarian's love is stronger than another Gibraltarian's love, just because they may have fallen in love with somebody from beyond our shores.

And, Mr Speaker, the amendments that were required were the amendments that were made because our laws – because of the failure to come back from the United Kingdom with a provision as to sexual orientation in our Constitution – actually required that amendment ... and I am going to come back to the issue that he dealt with before. They *required* that amendment and that is why the amendments we did make were the amendments which were required.

You see, Mr Speaker, the case that the hon. Gentleman refers to – the Austrian case – is a case which deals with there being an inclusive reference to sexual orientation in the word 'sex'  
520 *in communities where that is appropriate*. And what the hon. Gentleman is forgetting is that he was sitting here close to the former Chief Minister – greatest Gibraltarian of his time and of all time, depending on who he is trying to curry favour with in a particular week – and said from *here*, that in Gibraltar he thought that test was not passed, and if anybody thought it was they  
525 could go to the Supreme Court and test it. That is exactly what the hon. the former Chief Minister said.

So, Mr Speaker, it was wrong not to include sexual orientation as a ground for discrimination explicitly in our Constitution; it was wrong, Mr Speaker, to apply an objective test which the Hon. the former Chief Minister was the person who was responsible for applying; and it was

wrong to interfere in people's right to love those people who they wanted to love and were in relationships with.

We have fixed that, we have gone beyond and are dealing with matters relating to sexual orientation, we have made specific amendments and where there does not need to be specific amendments the policy is that you blue pencil the words to include both the masculine and the feminine and *vice versa*.

And I cannot give him a timeframe in relation to which we will bring in a new Immigration Act because at the moment I am finding it difficult to give a timeframe for anything. But it will be brought as soon as possible.

In relation to the two cases he is dealing with, I think it would be better for him instead of waiting for *Hansard* which is now produced very quickly indeed compared to the six months we used to have to wait, to just write to me and I will make sure people understand what the policy is from the policy maker himself.

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

**Hon. Ms M D Hassan Nahon:** Can I, sorry -

**Hon. D A Feetham:** I will give way to the hon. Lady, this is going to be my last supplementary.

Mr Speaker, the former Chief Minister of Gibraltar, Sir Peter Caruana, may have or may not have taken a particular view on these particular issues. But actually, my own record stands comparable to the record of anyone in this Parliament in standing up for the rights of minorities and for the rights of gay people, and in defence of sexual orientation and the right to express and the like, in relation to sexual orientation.

May I remind the Hon. the Chief Minister, that it was *me* that presented a Private Member's Bill in order to equalise the age of consent for homosexuals with heterosexuals, by bringing the age of consent for homosexuals from 18 to 16, an age that had been at 18 for over a hundred years – well, no, I beg your pardon, it had been at 16 for heterosexuals for over a hundred years, but it had been unlawful to be homosexual for many, many years and then it was set at 18.

The Hon. the Chief Minister, who was not the Leader of the Opposition at the time as far as I recall, together with everybody on the Opposition side, voted against it. Now they may have had their own reasons (*Interjection*) and yes, the Hon. the Chief Minister at the time, Sir Peter Caruana, voted against it as well and we were in a minority on my side – but it is a matter of pride to me that I stood in a minority of four – four Mr Speaker, in this House. Four for on my side, six against on my side and everybody on the Opposition, including the Hon. the Chief Minister, voting for something as basic as the equalisation of the age of consent.

So, Mr Speaker, I quite frankly will not accept lessons on sexual orientation and defence of the rights of gay people from the Hon. the Chief Minister. And *every single time* that I have been called upon in order to express my own views of Government measures to advance the rights of minorities, again I have not been found wanting. And again, in relation – may I remind the Hon. the Chief Minister – to the Government's plans for gay marriage, I said at the beginning of this year that although a free vote would be given to everybody on this side of the House because it was not GSD policy, it was a matter of conscience. That is the policy of the GSD – allowing people to vote their conscience in these matters – my hon. Colleagues had indicated to me that they were all going to be supporting that particular measure.

And, Mr Speaker, it really is a matter of regret for me that, on something like this on sections 15, 16, 26 and 27, where all that the Hon. the Chief Minister really had to say is, 'It is in hand, we will deal with it' that it has developed into this kind of exchange. And I urge upon the Hon. the Chief Minister -

**Mr Speaker:** I could not agree more. (*Laughter*)

It is a matter for regret and it is a matter for regret for me to tell the Chief Minister and the Leader of the Opposition who today, and in the last few days, have been involved in matters of earth-shattering importance for Gibraltar, that you should allow yourselves to get down to this level.

585 **Hon. Chief Minister:** But, Mr Speaker –

**Mr Speaker:** For me, it is a matter of shame to hear you *here*, getting down to this level on two questions –

590 **Hon. Chief Minister:** Mr Speaker, with respect –

**Mr Speaker:** On two questions when all that the Leader of the Opposition needed to do was to ask, ‘Will the Government consider amending section such and such, and section such and such?’

595 That is all. (*Interjection by Hon. D A Feetham.*)

No, that is not what you asked, you asked for a legal opinion, you asked for an opinion which is not in the rules, because the rules do not accept that, and I let it go, but you asked for an opinion and the rules are clear (*Interjection Hon. D A Feetham*) when you should have asked

600 ‘Will the Government consider bringing amending legislation to such and such?’  
And half an hour ago you might have got an answer, ‘Yes, the Government will look at this.’ And that would have been the end of the matter.

605 **Hon. D A Feetham:** No, Mr Speaker, I do not accept that that would be the end of the matter – with respect to him. I do not accept that.

**Mr Speaker:** Both of you go on and on and on. Do you not realise what you are doing? You are once again engaging in the Punch and Judy show and I tell you that as an independent person; and if you do not like what I am telling you, well *you know what you have to do*.

610 But honestly you are getting out of hand. The answers to questions could not be longer; and the Rules, you are not having any account to the Rules whatsoever.

You introduce whatever you think you ought to introduce into supplementaries and the answers go on and on and on, and we get a debate again and again and again.

I am very sorry but I sit here for very many hours; you people are able to go in and out, and I sit here for very many hours – and it is tiresome to hear this Punch and Judy show.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, I do not know if it is the right time but I wanted to ask a supplementary. (*Laughter and interjections*) I am also an independent here, by the way.

620 I wanted to say that I have no doubt that the hon. Member, the Chief Minister, believes what he has been saying about love and equality and everything, but it did remind me that if that is the case – which I have no reason not to believe – why is the Government dragging their feet on the issue of equal marriage; and why are we going round in circles with consultations or the possibility of a referendum and different things?

625 Why is it not an easy step to take if you are so convinced on the value of this fundamental right of equality?

**Hon. Chief Minister:** Well, Mr Speaker, I note what you said in relation to the earlier exchanges. Well, as a politician in this House I come to give answers; I give answers and when my record is attacked I respond in respect of my record.

630 Mr Speaker, dealing with the issues that the Hon. the Leader of the Opposition raised, he can say what he likes; and in fact he was allowed to speak for about ten minutes on his record in

respect of these matters. He knows, although he has mischaracterised what happened, that we did not vote against his Private Member's Bill, we abstained – so he got that wrong, Mr Speaker.

635 But he wanted to use our votes in order to get through this House a measure that in our view, as we expressed it, was a matter that – (*Interjection by Hon. D A Feetham*) no, it should come as a Government Bill. (*Interjection by Mr Speaker*) No, Mr Speaker, as a Government Bill and not something that should have come as a Private Member's Bill, Mr Speaker. (*Interjection by Hon. D A Feetham*) Yes, we abstained on the Act, that is what mattered.

640 Mr Speaker, the issue for us is a simple one. I have expressed the position of the Government, and I do not think that anybody could suggest that we are anything other than entirely consistent with our approach against discrimination. But if in the process of giving those answers you think that I have been less than short and sharp, Mr Speaker, then I shall bear that in mind of course, because Mr Speaker's guidance is always important to us on this side of the House.

645 But I am reminded, Mr Speaker, of the fact that watching Prime Minister's Questions every week, as I do – and even watching other questions which are not so high profile – questions, Mr Speaker, tend to last less than thirty seconds to a minute, whilst questions in this House tend to last sometimes up to five or ten minutes.

650 So Mr Speaker should not be surprised if answers then last ten minutes. But I would urge Mr Speaker to rightly pursue the rules of the House, as he suggests that we should.

**Mr Speaker:** The Hon. the Chief Minister will agree with me that for three and a half years I have been commending to Members, particularly Members of the Opposition, that questions should be short, sharp and to the point.

655 That is my view, that is my philosophy that is how it should be.

**Hon. Chief Minister:** Yes, Mr Speaker, absolutely.

660 **Mr Speaker:** And sometimes the subject is important and I am liberal – but not in all cases, for heaven's sake!

665 **Hon. Chief Minister:** But, Mr Speaker, if I may say so, you are absolutely right and you have been saying that for three and a half years to the Opposition. The Opposition have ignored you for three and a half years, Mr Speaker, (*Interjections and banging on desks*) and I think it is absolutely right that you should pursue that.

670 But, Mr Speaker, if I may say so, here the rule offends the practice. Every question is long in the supplementary, Mr Speaker. There may be some reasons why in particular areas some questions should be long, Mr Speaker, but here every question is long; and the supplementaries that I have been subjected to by the hon. Member have been long speeches about his record which I do not think are in any way relevant to the issue that we were dealing with.

675 Mr Speaker, if I may deal with the hon. Lady, whose questions I answer for the first time today since she is an independent Member, I recognise that she is sitting in a chair which has the history of being the chair that propels independent Members to greater things. I hope it does not propel her too quickly otherwise she might be propelling me out of where I am. But it was the chair occupied by Peter Montegriffo, by Peter Caruana – and by Joe Bossano for many years, before achieving the many things that he achieved. So she may be sitting on a rocket to greatness, Mr Speaker.

680 If I may say so, she is wrong, however, to suggest that we are doing anything (*Interjection*) that is contrary to the commitments we have entered into in respect of equal marriage, because our commitment in our manifesto could not have been clearer. It was to conduct a consultation to make an announcement in June.

Now, we all I think were expecting to be able to do that until in February a man who has now resigned as Prime Minister, decided to call a referendum which did not go quite the way any of

us expected; and I may have to beg the indulgence of the whole community, as we may need an extra week or two beyond June in order to be able to make our announcement.

But I think we are doing *exactly* what we committed ourselves to do and we are doing it in *exactly* – except for that particular extension necessary – in the timetable we agreed to do it; and I hope that, depending on the result, we may be able to count on the full support of the hon. Lady for the Bills that we may bring to this House as a result of that consultation.

She has already seen what we have published in terms of the consultation that was already a piece of law which people have been giving us their feedback on.

But it will be entirely the fault of the Government if we need an extra two weeks as a result of not having had June as we thought we might have had it, when we were designing the timetable we were dealing with.

**Mr Speaker:** Before we proceed, I am going to read out two short Rules:

A supplementary question must not introduce matter not included in the original question.

A question must not be made a pretext for debate.

Next question.

**Q451/2016**

**Tax Debtors –**

**Name and shame publication**

**Clerk:** Question 451, the Hon. Member D A Feetham.

**Hon. D A Feetham:** Yes, Mr Speaker, certainly we accept your ruling and if you think that for whatever reason myself and the Chief Minister – certainly on this side I speak only for myself – have overstepped the mark, my apologies and we move on.

What has happened to the name and shame publication of tax debtors which was being prepared during the last year's budget?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, the Income Tax Act requires that defaulting taxpayers be notified in writing of the Commissioner's intention to publish details of their failure to comply with their statutory obligations.

This administrative process in itself often yields positive results in the form of the taxpayer establishing contact with the Tax Office with a view to regularising their position.

On the expiration of the 30-day notice period, a number of taxpayers on the June 2015 'Name and Shame' list responded positively to the Commissioner's notification and actively engaged with the Tax Office in order to redress their default.

As a result of this favourable response the list was not published.

The Tax Office is currently in the process of formally notifying current defaulting taxpayers and it is the Commissioner's intention to publish their details if they do not respond positively.

**Hon. D A Feetham:** Mr Speaker, I am grateful.

As I understand it, what the Hon. the Chief Minister is saying is that relevant tax debtors were actually notified. Can he give a date, more or less, as to when these tax debtors were actually notified so I can have an idea of how long it has actually taken for matters to get to the stage that we are now?

**Hon. Chief Minister:** No, Mr Speaker, I do not have that information with me. It does not arise from the question.

**Q452/2016**  
**Failure to file Annual Returns –**  
**Enforcement action taken**

**Clerk:** Question 452, the Hon. D A Feetham.

730 **Hon. D A Feetham:** Mr Speaker, what enforcement action is being taken under the Companies Act against companies who fail to file annual returns accounts with Companies House?

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

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**Chief Minister (Hon. F R Picardo)** Mr Speaker, the filing fee of an annual return for the current year is £75. The fees for lodging late annual returns are as follows: late in the first year, £105; late in second year, £135; late in the third year, £165; late after three years; £195 each.

The filing fee for accounts is £15.

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If it is a late filing of more than 12 months, but not more than 24 months after the end of the financial period for which they relate it is £65. If it is late more than 24 months after the end of the financial period to which they relate, it is £115.

A company that is not up to date with its statutory filing obligations will not be issued with a Certificate of Good Standing. A Certificate of Good Standing is heavily relied on for most business transactions.

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The Registrar has the power, pursuant to section 411 of the Companies Act, to strike off companies who have not filed annual returns in three years. Companies House is running monthly strike-offs to this effect.

Furthermore Companies House is exercising its discretion quarterly, pursuant to section 412 of the Companies Act and where there is a reasonable cause to believe that the company is not carrying on business or is not in operation because it has not filed a single document in the last three years, by sending a registered letter by post to the company enquiring whether the company is carrying on business or is not in operation and stating that, if an answer is not received to the letter within one month from the date on which the letter was sent, a notice will be published in *The Gazette* with a view to striking the name of the company off the register.

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**Hon. D A Feetham:** Mr Speaker, does this apply to Government-owned companies too?

**Hon. Chief Minister:** It is a specific question and I need notice of it to be able to reply.

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**Hon. D A Feetham:** Mr Speaker, of course, the reason I am asking this particular question is because there are Government-owned companies. Certainly Credit Finance, until very recently – well, in fact, the answer that the Hon. the Father of the House gave this morning was that accounts were being prepared in relation to Credit Finance.

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I think I asked the particular question in relation to Gibraltar Investment Holdings Limited, and in relation to Gibraltar Investment Holdings Limited there has also been a late filing for some time as well.

That is the reason I am asking and obviously I will bring the question back to the House so that I can have an answer here in relation to that, because it is obviously in the interests of everybody that Government-owned companies also comply, if it is the requirement that they

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comply; and, if it is not the requirement, then I believe there ought to be something that requires Government-owned companies to also comply with these rules.

**Hon. Chief Minister:** Mr Speaker, you see, again he has just got up and given a speech and you have not stopped him. Therefore I am going to reply to the speech because he has made allegations in the context of that speech which suggests that the Government somehow is failing to deal with its responsibilities in respect of its companies.

Mr Speaker, all I would do is to say that if that is the case then he was a Member of a Government that had been defaulting for some time because the GSD did not file accounts in respect of the Government companies in the time that they were in office.

And, Mr Speaker, perhaps it is that they have now taken the attitude as he took earlier in relation to the issue of sexuality, that they are not here to defend anyone's record, the past is the past – something which I heard verbatim this morning from Mr Phillips in relation to another matter.

**Q453/2016**  
**Capital projects –**  
**Expenditure since 2012**

**Clerk:** Question 453, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, what is the amount that (a) the Government; (b) Government-owned companies; (c) authorities; (d) agencies has spent on capital projects from 31st March 2012 to 31st March 2016?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, the expenditure on capital projects by the Government, authorities and agencies is reflected fully in the Improvement and Development Fund as shown in the published estimates.

The capital projects which are funded through the Government-owned companies are not included in the published estimates. These include projects which are partly funded from the sale of assets such as the 50/50 Home Ownership properties and the various car parking facilities.

This information has never been provided by any Government in this House and in order to be accurate could not, in any event, be prepared in the time available.

**Hon. D A Feetham:** Just in relation to the last part of the answer where the Hon. the Chief Minister has said it has never been provided before, and it could not be provided in the time available. Is this another question that the Hon. the Chief Minister is prepared to answer if I ask it next time round?

**Hon. Chief Minister:** Mr Speaker, well, I will have to look at the logic that they applied when they did not answer those questions before making a determination.

**Hon. D A Feetham:** Well, Mr Speaker, and at risk of Mr Speaker accusing us of 'Punch and Judy', *(Interjection by Mr Speaker)* Mr Speaker, the Hon. the Chief Minister spent 16 years while he was in this House – since 2003 so it was not 16 years – but certainly criticising the practice of the GSD Government.

Now can I urge upon him and will he accept perhaps a different way of doing things and not just simply looking back and looking at the GSD and using that almost as the political smoke screen for just continuing to do things, that he will just simply do the right thing, be open, transparent and provide the information?

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**Hon. Chief Minister:** Well, Mr Speaker, there are many answers to that question. First of all, the GSD spent many years in opposition saying that the GSLP should publish the accounts of the companies, promptly to become elected in 1996 and not publish the accounts of the companies.

At least if he looks at everything I said whilst I was in Opposition, I never said that the Government should publish accounts of the Government companies, because that had been the practice that had been established by the GSLP of which he was a member at the time, as he sometimes wishes to remind us or sometimes wishes *not* to remind us. I don't know – this morning it looked as if he had been; sometimes it looks as he has never been, I do not know, Mr Speaker. I do not know how he turned up at executive meetings and they allowed him in, because sometimes it seems he was never a member.

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And in any event, it was not just the practice of the GSLP; it was the practice of all Governments when there were Government companies. In fact there was one before the GSLP and its accounts were also not published as far as I understand it. So, Mr Speaker, it happens to be the practice that has built up. He has asked me a question as to whether I will change the practice of Governments for the past 25 years and I have said to him I will have to look at the logic that they used when they were elected and they decided not to publish companies. I have not told him I will not; I have said I will look at their logic.

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**Hon. D A Feetham:** This question does not relate to the accounts of Government-owned companies. It seeks how much has been spent in capital projects *inter alia* – amongst other things – Government-owned companies, so just so that the Chief Minister is aware of the focus of my question.

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And of course in 1996 I was not here in Gibraltar, I only came back in 2000. So all those statements that the Hon. the Chief Minister delights in making about how I campaigned for the GSLP in 1996, at least it is not factually accurate, so he should be factually accurate.

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**Mr Speaker:** Next question.

**Hon. Chief Minister:** No, Mr Speaker, again he has not asked a question and you have not stopped him from doing so and therefore I feel compelled that I have to answer the statements that are put out into the public domain, otherwise it would be a gross unfairness, Mr Speaker, that somebody is allowed to break the Rules of the House as the hon. Gentleman has done during Question Time, get up and make a statement and that I am not able to reply to him.

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Mr Speaker, I did not say that the hon. Gentleman campaigned for the GSLP in 1996. He is hearing things now. Mr Speaker, what I said was that he defended those things because when he was back in 2000 he was defending the record of the GSLP before 1996 – or is it that he is telling us that he was never a member of the GSLP?

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Look, Mr Speaker, that is frankly irrelevant. What is clear is that he supported the party and was a member of it that did not publish accounts of companies and then he was a member of a party and he was in fact a Minister in a Government that did not publish accounts of Government companies, and he thought that was the right thing to do.

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Today he is asking me to reveal a part of the accounts of a Government company and I have not said I will not. I have said I will go back and look at the logic they used to decide whether or not to publish the accounts, and therefore the information that he is asking for, and I will make a determination, Mr Speaker.

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**Mr Speaker;** Question 454.

**Q454/2016**  
**Government contracts –**  
**Details of allocations valued over £20,000**

**Clerk:** Question 454, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Government please provide details of persons and companies who since 31st March 2012 have been awarded contracts for goods or services by direct allocation, worth in excess of £20,000?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, in order to be able to answer the question, the Hon. Member will need to provide a period in respect of the sum in question. Is it a total of £20,000 since 31st March 2012 or is it £20,000 per year. With that detail it might be possible to provide an answer, although it might not be possible in five days.

**Hon. D A Feetham:** Mr Speaker, I am afraid that the Hon. the Chief Minister is playing games now in relation to –

**Mr Speaker:** There was no need for that last comment. Next question.

**Hon. D A Feetham:** Mr Speaker, I have not –

**Mr Speaker:** You are playing more games.

**Hon. D A Feetham:** Mr Speaker, may I ask a supplementary. It is up to you, if you do not want me to ask a supplementary question I will sit down.

**Mr Speaker:** What I do not want you to do is to introduce unnecessary comments. Go on, ask the supplementary. Direct and to the point.

**Hon. D A Feetham:** Mr Speaker, the Hon. the Chief Minister has said that I have not defined the question correctly. That is what he has said. The question is perfectly clear: 'what contracts for goods or services by direct allocation, worth in excess of £20,000' – each contract for goods or services worth in excess of £20,000. It is perfectly clear, that is the answer.

Now if that is information that he does not have, well he should say so but the question is a perfectly clear question. And, Mr Speaker, may I add that now this is the fifth or sixth question that the Hon. the Chief Minister has not answered during the course of this afternoon.

**Hon. Chief Minister:** Mr Speaker, I do not think the hon. Gentleman has worked it out, so I will assist him in understanding his own question.

In effect, the hon. Gentleman is asking us with whom, without going through the tender process, we have spent either – let me see – £138 a week since 31st March or £555 a month since 31st March 2012 or £6,600 a year, because that is the sort of spend that could be caught by this question, if it is a total of £20,000 in the 36 – well in fact it is more – months since 31st March.

Mr Speaker, that is a trawl through every item of expenditure that the Government makes where we might be buying from a grocery store ham, pears and potatoes for different places and we may have spent more than £20,000 in the period and it may have been done by direct allocation. Because nobody might have asked the question, 'Shall I go to Morrison's or Eroski or

Tesco or somewhere else?’ They may have just spent that and I am not able therefore to give him a reliable answer.

Does he mean £20,000 a year or does he mean £20,000 in toto or does he mean £20,000 a month? If he gives us that timeframe then I will be able to answer. I think I recall I gave him that indication the last time that he put a question in this way, so that he understood why it was that we cannot answer it.

It may be, Mr Speaker, that it is the fifth or the sixth question that I have not answered, most of them – in fact, all of them I think – because it is impossible to provide the answer in the time provided.

If the hon. Gentleman casts such a wide net that he is going to have the Civil Service simply looking for data and trying to compile it in five days, he needs to understand that half of the time that we were in the process of dealing with his questions, we were actually in the middle of the Referendum campaign.

**Hon. D A Feetham:** Mr Speaker, I am afraid that really what the Hon. the Chief Minister is saying does not stack up. This is a question that asks for contracts that have been awarded for goods or service by direct allocation, worth in excess of £20,000 – a *contract* worth in excess of £20,000. Nothing to do with groceries, nothing to do with any other pettiness. Any reasonable reader of this particular question would know exactly what it is that I am asking.

But anyway, look, let us assume that the answer is given in good faith, and that the Hon. the Chief Minister did not understand the question. I am asking him for each contract that has been awarded by direct allocation in excess of £20,000 – a contract in excess of £20,000. That is what I am asking.

Now, if the Hon. the Chief Minister does not have the information, I will re-ask the question. But does he now understand the question?

**Hon. Chief Minister:** Mr Speaker, not because I did not understand the question, but because of how it is phrased. But of course if he is going to think that it is unreasonable to interpret it in that way, I shall communicate his views as to reasonableness to the people who provided me with the proposed answer once they had read it carefully – the senior civil servants and the others who looked at the question and determined what it was that I was putting to him.

So, Mr Speaker, he does not need to worry, I understand his questions and I understand even where they are coming from, and he does not need to worry about my assuming his good faith in putting questions because I know exactly what faith he is coming from. He has now clarified that he is now talking about total contracts and not cumulative amounts which may exceed that.

So it may be that I am able to give him the answer sooner than he expects. He can write to me if he likes and I can try and provide it.

#### Q455/2016

#### Government consultants – Names and remuneration

**Clerk:** Question 455, the Hon. D A Feetham.

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**Hon D A Feetham:** Mr Speaker, I hope that when I next ask the questions for the next session of Parliament that Mr Speaker obviously does not invoke the six-month rule –

**Mr Speaker:** In respect of those I would not.

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**Hon D A Feetham:** I appreciate that, Mr Speaker.

Mr Speaker, please provide details of names and remuneration of all consultants currently engaged by Government, Government-owned companies, authorities or agencies whose disclosure will not damage the national interest?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, it has not been possible to provide the answer in the time available.

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I expect to be able to provide the answer if the same question is asked for the next sitting as the compilation of data should then be ready.

And I, Mr Speaker, will not be referring you to the rule on six months where I have made the invitation and the hon. Gentleman will be pleased to know this is the last question I will be answering in that way.

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**Hon. D A Feetham:** Well, Mr Speaker, I am grateful to the Hon. the Chief Minister but of course the person that deals with the implementation and upholding the Rules of this House is Mr Speaker, not the Leader of the House, the Chief Minister.

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**Mr Speaker:** I have already set a precedent in respect of one or two questions at the last meeting and that is the attitude that I will continue to adopt. There is no problem.

**Hon. Chief Minister:** Yes, Mr Speaker, and we will adopt that attitude as well when we think it is appropriate, although if we think that it is not appropriate then we will simply say that we are not giving the answer because we are entitled to do that when we think it is outside the Rules as well.

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#### Q475/2016

#### NASUWT –

#### Social partnership agreement with Government

**Clerk:** Question 475, the Hon. Ms M D Hassan Nahon.

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**Hon. Ms M D Hassan Nahon:** Over a year ago, the Government and the National Association of Schoolmasters Union of Women Teachers (NASUWT) signed a social partnership agreement. Has anything tangible been achieved so far?

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

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**Chief Minister (Hon. F R Picardo):** Mr Speaker, I had made a note to say all those things about that chair now, but given that I have said them already, I am not going to repeat myself.

Mr Speaker, the Department of Education and the NASUWT meet much more frequently since the signing of the Social Partnership Agreement over a year ago.

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The partnership brings together representatives from NASUWT, the Department of Education, the Government's Human Resources Department and a representative from No. 6 Convent Place.

The partnership is working closely on a range of issues such as a more robust and practical grievance procedure for teachers, a code of conduct for teachers and a survey of all the teaching staff aimed at sounding out views and opinions of how to improve the service.

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**Hon. Ms M D Hassan Nahon:** From what I understand, there have been about three or four meetings since the agreement was signed in May, which means about four meetings in 14 months.

1010 And from what I understand as well, there was a motion passed at the last AGM where the Association instructed its Executive to end this agreement if it considers that little or no progress is made on the many outstanding issues.

1015 Would the hon. Gentleman, the Chief Minister say that perhaps this motion was passed in a lack of faith in the partnership, that the GTA is safeguarding itself in view of the lack of interest in this partnership or that perhaps they do not feel there has been any tangible progress and that is why they had to pass this motion?

**Hon. Chief Minister:** Well, Mr Speaker, I was going to say that the hon. Lady will see from what I have said that there is a resounding improvement in the progress that is being made in respect of issues with the GTA and the NASUWT and the office of the Minister of Industrial Relations, which is why No. 6 Convent Place is mentioned there because I am the Minister for Industrial Relations.

1020 There is a lot of work underway. It is not work that can be done very quickly if it is going to be done properly and it is not work that is done in the forum that the social partnership established. It is work that emanates from the forum that the social partnership established.

1025 But I heard about the motion at the AGM, I think her answer is in the reality that the GTA has chosen not to end the social partnership agreement because they obviously think there is something positive coming out of it, they are obviously happy that the work is being undertaken that is coming out of it.

1030 I do not know how to answer the questions that the hon. Lady has put to me because she has asked me what I think they think and it is impossible for me to know what somebody else thinks. Although in some instances in this House, I have a good indication of where people are trying to go.

1035 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I am glad that the hon. Gentleman is so optimistic about why this motion was passed and I appreciate his own positive view on it.

1040 But I come as a concerned Member in the sense that it seems to me that if such a young, recent motion that was passed needed a new clause to say that it could be broken at any time, to me it does not seem as optimistic, and I would urge the Chief Minister to perhaps reconnect with them or perhaps he can even enlighten me whether the Minister meets regularly himself, perhaps the Minister for Education and whether they can connect a little bit more and see what their needs are so that these motions do not need to be passed.

1045 **Hon. Chief Minister:** Well, Mr Speaker, I do not know that there was actually a question in there, more than a comment, but I will try and deal with it on the basis of the enlightenment and hope that the feminine includes the masculine and the masculine includes the feminine for the purpose of the application of the Rules henceforth.

1050 But, Mr Speaker, I do not keep the diary for the Hon. the Minister for Education but I am sure that he meets regularly with the people that he has to meet and that the Director meets very often with the members of the GTA and the NASUWT that they need to meet.

1055 The social partnership was entered into at the request of the GTA and they have communicated to me how pleased they are with how it is working. You do not need a clause in a motion to say that you can bring an agreement to an end because it is not that sort of agreement that is a contract. It is really a social partnership between us and can be brought to an end by either side at any time. But from what I detect from perhaps other agents in education generally who might not be seeking to undo good work simply for reasons that might be unrelated to education, those who are in the process of working with us, not just in the fora

that the partnership creates but in the working groups that are doing the work that the partnership wants done, they are very happy with the work that is being done.

1060 It is not just about meeting; it is about meeting to get things done and setting up processes for getting things done. The social partnership has already given rise to that. I have given the hon. Lady an indication of what is already being done. That that work is taking shorter or longer is a matter that is not in my hands. It is in the hands actually of the people at the coal face who are doing it at the pace that they consider is appropriate and I would be loath to interfere with that.

1065 Look, sometimes in politics we want to run things on the basis of strict timetables, we want things done quickly. There might even be an electoral timetable that is relevant to some of us. To people at the coal face, other more real and substantial things matter more and we have to allow them to do the work that they are doing.

**Q476-478/2016**

**Tragedies and atrocities –**

**Flags at half mast and lighting as public tributes**

1070 **Clerk:** Question 476, the Hon. Ms M D Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** Can Government explain what the protocol and criteria are for flying our flags half-mast after a tragedy or atrocity?

1075 **Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer together with Question 477 and 478.

1080 **Clerk:** Question 477, the Hon. Ms M D Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** Can Government explain what the protocol and criteria are for lighting up the Moorish Castle when paying tributes to tragedies or atrocities?

1085 **Clerk:** Question 478, the Hon. Ms M D Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** Can Government give details of what the cost is of lighting the Moorish Castle in colours whenever a tribute is paid?

1090 **Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, if she will allow me to say we do not ever pay tribute to tragedies or atrocities, we pay it to their victims. *(Interjection by Ms M D Hassan Nahon)* Well yes, indeed, but never to tragedies or atrocities, always to the victims.

1095 Mr Speaker, the rules adopted in respect of flags are those set out by the UK Department of Culture, Media and Sport and I hand over a copy for the hon. Lady of those rules.

1100 In addition these rules are supplemented by ad hoc decisions in other cases. She will see it is not a very good printout but I am sure that this is available on their website if she has difficulty reading it. These are quite strict rules about when things have to happen, but you can also have things happen like flags flying at half-mast which are not within those rules which are designed for specific cases.

1105 Mr Speaker, it is the Office of the Chief Minister that requests the Gibraltar Electricity Authority to light up the Moorish Castle in the appropriate manner depending on the matter being paid tribute to. It is also the case that some charity organisations contact the Gibraltar Electricity Authority directly when they wish to light up the Moorish Castle in a particular colour for a particular period of time. These requests are referred to the Office of the Chief Minister from the Gibraltar Electricity Authority.

1110 The LED lighting system to the Moorish Castle allows for its colour to be changed, therefore there is no, or very little cost to the Government when this is done. If, however, an image is to be projected onto the Moorish Castle façade the cost is in order of €2,500 for the first night and €775 per night thereafter. That has gone up 10% in the last week.

1115 Mr Speaker, I have got with me if she is interested and I can just let her have a copy rather than read it out if she prefers, as the information is given to me in case it comes out in supplementaries, the cost of the relevant occasions when the castle has been lit up in a particular way or flag. I am quite happy to let her have that instead of just reading it out to her, if she wants it.



## **RULES FOR HOISTING FLAGS ON GOVERNMENT BUILDINGS**

**The Following Regulations are Circulated by  
Her Majesty's Command  
to the Government Offices Concerned**

### **How the Union flag shown be flown**

The broader diagonal white stripe should be at the top left hand side of the flag nearest the flagpole.

### **Dates on which flags are to be flown**

The dates named on the accompanying Schedule.

The Department for Culture, Media and Sport will inform you of any other occasions where Her Majesty has given a special command.

### **Provincial buildings**

The Schedule applies to Provincial as well as to London Buildings (please see notes 1 and 4). Where it has been the practice to fly the flag daily, as in the case of some Custom Houses, this may continue.

### **Occasions on which flags are to be flown at half mast (Half mast means the flag is flown two-thirds up between the top and bottom of the flagstaff)**

- (a) From the announcement of the death up to the funeral of the Sovereign, except on Proclamation Day, when they are hoisted right up from 11 am to sunset.
- (b) The funerals of members of the Royal Family, subject to special commands from Her Majesty in each case.
- (c) The funerals of foreign Rulers, subject to special commands from Her Majesty in each case.
- (d) The funerals of Prime Ministers and Ex-Prime Ministers of the United Kingdom, subject to special commands from Her Majesty in each case.
- (e) The Department for Culture, Media and Sport will inform you of any other occasions where Her Majesty has given a special command.

### **Rules when days for flying coincide with days for flying flags at half mast**

#### **To be flown**

- (a) although a member of the Royal Family, or a near relative of the Royal Family, may be lying dead, unless special commands are received from Her Majesty to the contrary;
- (b) although it may be the day of the funeral of a Foreign Ruler.

If the body of a very distinguished subject is lying at a Government Office the flag may fly at half-mast on that office until the body has left (provided it is a day on which the flag would fly, and then the flag is to be hoisted right up. On all other Public Buildings the flag will fly as usual.

Department for Culture, Media and Sport, Buildings, Architecture and Historic Environment Division, 2-4 Cockspur Street, London SW1Y 5DH. Telephone: 020 7211 6940 Facsimile: 020 7211 6961



**Hon. Ms M D Hassan Nahon:** Mr Speaker, if I can just draw some observations and explain it as a question, why I have been asking these questions.

1120 For example I noticed that when the late Bernard Linares passed away, the flags were not flown at half mast, yet when the late Solomon Seruya passed away, they were – two gentlemen who had been Government Ministers which made me wonder whether there was a protocol or procedural body of people who decided or kept a watch out for these things, as I think these small details can be quite important really.

1125 And also, the Chief Minister has kindly explained in the main why and when the flags go half mast but has not really explained the decisions as such for the castle. What constitutes a tragedy? For example I was made to believe that we were only looking at Europe and then of course the horrendous events that happened in Orlando would have been justified but there had been a terrorist attack in Tel A Viv three days before which we never heard of. Turkey two  
1130 days ago, we have not had the castle lit, so ‘where do you draw the line?’ is what I am asking.

**Mr Speaker:** Let the Chief Minister answer.

**Hon. Ms M D Hassan Nahon:** Okay, thank you. Oh and just one more thing.

1135

**Mr Speaker:** It was ‘Where do you draw the line?’

**Hon. Ms M D Hassan Nahon:** Just to remind that unfortunately last week on the day of the Referendum, many landmarks across Europe were actually lit up in the Union Jack and it is a  
1140 shame that we did not think of lighting up the castle then.

**Hon. Chief Minister:** Well, Mr Speaker, I think it is a very good idea, we should do it every night frankly, especially the way that some people think that the only way we are going to display flags here is by flying them, perhaps they might realise just how serious we are about  
1145 keeping the Union Jack if they can see from a distance that it is going to be displayed in a much more prominent way here for many years to come – indeed, Mr Speaker, forever.

Mr Speaker, let me just try and distil from what she said, the number of questions that are in there. The first one was related to Bernard Linares and Solomon Seruya. I cannot remember that we did not fly at half-mast for Bernard Linares. Certainly it is something that should have been  
1150 done if it was not, but I cannot remember that we did not. Usually we do and sometimes it may not be known. The hon. Lady is insisting that is the case but absent a record that we did not, I would suggest to her that maybe we did.

There are different rules, Mr Speaker, that I am not fully aware of but in some instances you are told that you fly it at half-mast on the day that you find something out and then you go full  
1155 mast again and then you go half-mast on the day of the funeral. In Gibraltar, Mr Speaker, that is usually one day and then the next or sometimes even the same day, whilst in the United Kingdom for example, there may be a death one day with a funeral to follow three or four weeks later and that is why the rules are like that.

The hon. Lady will know that there was a ceremony which all Ministers attended on the death of Bernard Linares. We were all very touched by that passing. Bernard was not just a  
1160 Member of this House, he was a great Gibraltarian, he was a friend, he was a teacher to many of us and we all felt his passing. *(Interjection by Ms M D Hassan Nahon)* And, Mr Speaker, sometimes there is a human aspect here. Flying flags at half-mast is something that really matters to the family sometimes, because it shows the affection and respect that the  
1165 community has had for a person.

Although you do not only show it in that way but that is the traditional way to show it and sometimes it is just somebody phoning up and getting it done. It is very difficult to ensure that the machinery of Government is fully aware of these things and acts as it should. A Chief

Minister may be doing something else and finds out too late. A Chief Minister may be involved in other matters and may just at a human level also, not realise that it has to be done, right?

1170

And the Protocol Office in No. 6 is usually very good at these things and usually does not miss a trick, but very often contact with the family is what leads to this being done.

In the case of Mr Seruya, I do recall myself that I was contacted by a prominent member of our society who informed me of the death and suggested that we should fly at half mast. I spoke to Mr Seruya's daughters and I spoke to the family of the late Solomon Seruya and asked them whether they would agree that we should fly at half-mast and we did.

1175

So when we do not, it is usually – if I am allowed to say this in the way that it is intended, and it is something that is often put to us by the Foreign and Commonwealth Office when they fail to do things – it is usually cock up, not conspiracy. I would point to the fact that all of the Government attended the funeral of Bernard Linares and demonstrated our sympathy with the family and I think we said things which demonstrated that. And we have done it in other instances and perhaps we have failed to do it not just for him and for others, for which I am truly, truly sorry.

1180

Mr Speaker, dealing then with the issue of the procedure for the lighting of the castle. Mr Speaker, the expression 'it comes to the Office of the Chief Minister' is intended to convey that somebody makes a request to the Chief Minister, the Chief Minister considers it and then in his or her discretion will determine whether or not to do it. When those requests come in, we consider them and try and accommodate them where appropriate.

1185

The hon. Lady has referred to some international incidents that have given rise to the lighting of our castle in one way and some that have not. Usually we have done it when other countries have established that they are doing it and so it comes to me and I am told, 'All of Europe is lighting up a landmark in this particular colour in order to remember this or that' and I say, 'Well look, if we can do it, let us get it done and if we can announce it in time, confirm it to me quickly so that we can get it out into the media and social media so that people can see.'

1190

She has referred to a number of incidents which are in my view as deserving of the community realising the importance of what is happening, thank God beyond our shores and not here, some of the other instances that have been put to us and we have therefore determined should result in the castle being lit in a particular way or in a particular colour or in a particular flag.

1195

**Hon. Ms M D Hassan Nahon:** Mr Speaker, if I may, I just want to clarify that the examples of the two gentlemen who passed away, I want to make it very clear that they would have both been just as deserving. I was just using them both as ex-Government Ministers, paralleling them, not suggesting that either one was more or less deserving than the other, but just trying to call for a consistency across the board.

1200

Thank you.

1205

**Hon. Chief Minister:** Again, Mr Speaker, I think that is a statement not a question and the masculine and the feminine should all be included in the application of the Rules.

But, Mr Speaker, the fact is that I think there is such a set of criteria but that does not mean that we do not sometimes get it wrong. I thank the hon. Lady for pointing this out because I shall write to the family of Bernard Linares and express my regret that it appears from what you are saying, that the flags were not flown at half-mast at the time although I will check with Protocol first, to ensure that they –

1210

**Hon. Ms M D Hassan Nahon:** I am a bit of an elephant: my memory serves me.

1215

**Hon. Chief Minister:** But as I say to her, it maybe that it was flown at half-mast on one day and not on another.

1220 I will find out because I am sure that a record is kept and if it is the case that it was not, I shall write with regret to the family to express my sincere apologies for that.

**Hon. E J Reyes:** Yes, Mr Speaker, may I just ask nicely, because there is no capital *P* or small *p* involved in it.

1225 I noticed from one of the members of staff from Parliament that the Chief Minister as part of his answer to the hon. Lady passed on a bit of paper with some information and yet I do not think that, certainly not the colleagues on my side of the House, we have not got sight of that. It could be something that is either relevant and one could have asked something on it now or even for future purpose.

1230 Could I simply ask the Chief Minister could he please if not now at the end of the session just make sure that the Clerk has a copy and we can have it or if it is attached – I am asking if this is going to form part and parcel of the official answer that will come out in *Hansard*. So therefore I could be asking something in a few months' time and the Chief Minister will say I refer to the answer given to question such and such and it was not given to us. It was just given to the Lady who exercised her right not to be aligned any more to this party.

**Hon. Chief Minister:** Well, Mr Speaker, you have to be careful in politics never to be generous. What I gave the hon. Lady was a public document but I thought I should give it to her because it set out the criteria. As I said it is the Department of Culture, Media and Sports rules which are on their website.

1240 Mr Speaker, I must say that today I have handed out a number of handouts to Members on the other side. When I have handed them out I have handed them to the person asking the question. In some instances therefore, the hon. Lady, because she is no longer aligned in a party political sense with them, will not have it. So if I were to make sure that I give every Member every handout I would find myself with 17 handouts all the time.

1245 Now I understand something was said this morning in relation to that or there has been a suggestion that we should do that. Today with the handouts if I had made 17 copies I would have come with an indictment that John Cortes would be prosecuting in respect of my failure to look out for trees.

1250 But I do have an extra copy and if the hon. Gentleman wants it I can let him have it. I assume it is specifically referred to in the answer and therefore it will form part of the *Hansard*.

**Hon. E J Reyes:** The Chief Minister is perfectly right. In fact that is why I tried to clarify, can I at least have an assurance it will form ... I do not need to have a copy now, if it will form part of the answer when it comes out on *Hansard*.

1255 But again the Chief Minister has now clarified that it is available from a website and perhaps a simple reference to the website means that at least one has access. But I needed to know what exactly the website is he was referring to.

1260 **Hon. Chief Minister:** Well, Mr Speaker I do not detect a question there and hon. Members are supposed, if we are going to follow the Rules, to get up and ask short and sharp questions. But I am handing him a copy, he will have it, Mr Speaker. In any event, given his military background and his military bearing he probably knows the Rules better than I do.

1265 **Hon. R M Clinton:** Mr Speaker, I am grateful to the Chief Minister for his answers to the questions from the hon. Lady. Since we are on the subject of protocol and I hope he will consider this question entirely in good faith, and that is when there is a moment of national grief or a moment when we want to show our collective solidarity in respect of a tragedy, I have noticed that there is a tendency to have one minute's silence outside Convent Place.

1270 I just wondered if the Chief Minister would consider inviting Parliament to attend those occasions with the Government when they occur.

Thank you.

1275 **Hon. Chief Minister:** Well, Mr Speaker, people go to the bottom of their place of work. At the moment, No. 6 Convent Place is my place of work and I have no desire to invite him to come and work there with me, at least whilst he maintains the attitude that he seems to maintain in respect of public finance these days.

1280 But on a more serious note, Mr Speaker, look, these are public minutes of silence and the practice everywhere is that you simply go out of your place of work and you exercise that minute's silence.

1285 In the United Kingdom, for example, Members of Parliament will observe it in Parliament or outside Parliament. Different Ministers will observe it outside different Government Departments. In the instances where we have stood together, it has usually been on a Monday and we have been in Cabinet and therefore we have all been there and have come out together to observe that minute's silence there.

1290 But you know No. 6 Convent Place, the area outside it is public and he should feel free to come and join us there whenever he wishes. I would not pretend to prevent him from doing so, at least in the public areas or to come here outside Parliament and to stand with his colleagues outside Parliament to observe the minute if he thinks that is appropriate, Mr Speaker.

**Hon. R M Clinton:** Mr Speaker, I thank the Chief Minister for that. I would only ask that we be given notice of when these occasions occur.

1295 **Hon. Chief Minister:** Mr Speaker, I am afraid I am not going to agree to give him notice of these things, other than the public notice that is given, because the last thing I need on my plate is to remember to give him a notice of when there is going to be a minute's silence or a two-minute silence or anything else.

Mr Speaker, these things are public and the rest of the public seems to be able to determine when to hold their peace, although I note that Members opposite sometimes do not.

## ECONOMIC DEVELOPMENT, TELECOMMUNICATIONS & THE GSB

Q407/2016

### Gibraltar Savings Bank deposits – Supplementary question

1300

**Clerk:** We now return to questions to the Hon. the Minister for Economic Development, Telecommunications and the GSB.

1305 **Mr Speaker:** I understand that the Hon. Roy Clinton has a supplementary question that he would have liked to have asked before we broke up at lunchtime.

**Hon. R M Clinton:** Thank you, Mr Speaker, for that. Bear with me while I find it.

1310 Mr Speaker, would the Hon. Minister – just returning back to his answer to Question 407/2016 he kindly gave a breakdown of the Savings Bank deposits broken down by debentures, on call investment accounts, ordinary deposits and bonds for various dates, I could not help but notice the increase in all on-call investment accounts from about £15 million in February to £228 million in May, which more or less accounts for the bulk of increase in deposits from £942 million to £1.1 million in May.

1315 I was wondering if the Minister would be in a position to either give some indication as to the reasons for the increase other than obviously being a deposit, where that money comes from, the Government or any Government companies or agencies?

1320 **Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, I thought he knew already that the investment accounts are all public money. I mean, does he not read the estimates, it says it there.

**Hon. R M Clinton:** Mr Speaker, I am grateful for the clarification. Thank you.

**Q410/2016**  
**Sale and leaseback finance agreements –**  
**Details**

1325 **Clerk:** Question 410, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Minister for Public Finance please provide details of all sale and leaseback finance agreements in place, providing details of counterparty, balance remaining, asset 'sold' and maturity date for all Government departments, agencies, authorities and companies?

1330 **Clerk:** Answer, the Hon. the Minister for Economic Development, Telecommunications and the GSB.

1335 **Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, the GSD administration entered into such arrangements in respect of the hospital building and a number of car parks.

The rental period for the hospital building ends in January 2023 and the car parks in March 2034, at which point the properties revert to the Government.

1340 There is no remaining balance as these are not loans which are being repaid, but leases in respect of which rent is paid to the Royal Bank of Scotland who is the owner of the properties.

**Q411-412/2016**  
**Barclays and NatWest loan facilities –**  
**Maturity dates**

**Clerk:** Question 411, the Hon. R M Clinton.

1345 **Hon. R M Clinton:** Mr Speaker, can the Minister for Public Finance please advise the current maturity dates for the Barclays loan facilities of £100 million and £50 million respectively and has Barclays given any notice of non-renewal on maturity?

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

1350 **Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, I will answer this question with Question 412.

**Clerk:** Question 412, the Hon. R M Clinton.

1355

**Hon. R M Clinton:** Mr Speaker, can the Minister for Public Finance please advise the current maturity date for the NatWest loan facility of £50 million and has NatWest given any notice of non-renewal on maturity?

1360

**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, the Barclays loan has a maturity date of 10th January 2019 and 29th June 2020.

1365

The NatWest loan has a maturity date of 31st March 2020.

Neither bank has given notice of non-renewal on maturity and the Government knows of no reason why the banks would wish to give Gibraltar any such notice of non-renewal. In fact, Government has no difficulty in renewing these facilities and has done so recently when the last maturity took place.

#### Q413/2016

#### Interest rate swaps –

#### Details

1370

**Clerk:** Question 413, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Minister for Public Finance please provide details of any interest swaps in place, including notional amounts, counter party, maturity, fixed payer, floating payer rates and the latest mark to market available on any interest rate swaps held?

1375

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

1380

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, the arrangements entered into by the GSD are as follows:

Counterparty Government: Barclays – £100 million; maturity 10/10/2019; the effective rate is 4.875%; the mark to market is £12,915,741. That is the £100 million one.

1385

The £50 million one has a maturity date of 29th June 2020; an interest rate of 4.969%; and a mark to market is £5,580,254.

The Counter Party for the car parks is GCP Investments Ltd, with Barclays. The amount is £16,925,000; the maturity is 22nd December 2025. The rate is 4.07% and the mark to market is £9,590,110.

1390

**Hon. R M Clinton:** Mr Speaker, just to clarify for the sake of the other Members of the House, would the Minister confirm that the mark to market effectively is a negative mark to market in favour of the bank as opposed to in favour of the Government?

**Hon. J J Bossano:** That would be the amount we would have to pay to break the swap at present. It can change if the variable interest changed direction.

1395

**Hon. R M Clinton:** Thank you.

Mr Speaker, has the Hon. Minister – and this may be a contentious question – considered whether these interest rate swaps were mis-sold at the time?

1400 **Hon. J J Bossano:** I think in fact the Department took legal advice on that point, as I remember it, and the advice we got was that we would not have a sufficiently strong case to invest money in fighting it.

1405 **Hon. R M Clinton:** Mr Speaker, one final supplementary in this, coming back to the use of the sinking fund, would the interest payments for this be going through the sinking fund in terms of additional amounts being paid in support of servicing loans?

1410 **Hon. J J Bossano:** *[Inaudible]* I will say it again! The sinking fund can only do one of two things: either repay or pay interest. It has got to be one or the other. It cannot be used for anything else.

**Q421/2016**

**Gibraltar Home Loans Company Ltd –  
Loans and mortgages granted**

**Clerk:** Question 421, the Hon. R M Clinton.

1415 **Hon. R M Clinton:** Mr Speaker, can the Minister for Public Finance advise if the Gibraltar Home Loans Company Ltd has granted any loans or mortgages to date?

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

1420 **Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Yes, Mr Speaker.

1425 **Hon. R M Clinton:** Mr Speaker, I am grateful to the Hon. Minister for the answer. Can he give the House an indication of the total value of these loans and has the company now been given a credit licence, or a money-lending licence?

1430 **Hon. J J Bossano:** Well, I cannot confirm that they have got a money-lending licence because I have not asked whether they have, but I doubt very much that they would be lending without a licence. So I would be very surprised if they did not have it but I cannot tell him that I know that they have it because I have not asked.

I can tell him that there is only one loan and obviously I am not going to give him information on that one loan because that could identify ... I mean it is only one person. If there were 20 loans then I would be able to give a global figure but there is only one loan.

1435 **Hon. R M Clinton:** Mr Speaker, thank you.

Would the Hon. Minister advise the House as to how one goes about getting a loan from the Gibraltar Home Loans Company Ltd?

1440 **Hon. J J Bossano:** I think he asked that before in a previous supplementary and I think I gave the answer.

1445 But anyway, the Home Loans Company is run by the same people from the Finance Department. So normally we would not have anybody approach us unless they had a specific problem in getting it from normal commercial channels. As I explained to the hon. Member at the beginning, this has not been created in order to enter the mortgage market in competition with existing lenders. This is there in order to ensure that if there are specific reasons why

somebody is not able to obtain a loan and we feel that we can provide the facility, because we want to encourage home ownership, then this is what it is there for. At the moment there has only been one case.

1450 **Hon. R M Clinton:** Thank you.

Just one final question on this, can the Minister confirm or can he advise whether the loans that are given for properties ... would the criteria be exclusively for Government developments or would they be allowable for private home ownership in any other part of Gibraltar?

I presume this is in relation to residential properties in Gibraltar.

1455

**Hon. J J Bossano:** The Government is committed to encouraging home ownership. After all, it was the GSLP in 1988 that raised the percentage of the population from 6% to 30% that were home owners.

1460 The one applicant we had was for one of the Government 50/50 homes in the new developments. We will look at the merits of any case because we do not want people who we think could be given the opportunity to become a home owner but may for a particular reason, whether it is that the bank has exhausted its quota or whatever, and we feel that it is a safe loan clearly, otherwise we would not give it, we want to be able to be there to help.

1465 But it is obvious that the market is able to provide ... At the beginning when we set this up, it was when people were expressing doubts whether there would be enough lenders in the market for the 50/50s that were coming on and we did not want anybody not to be able to buy (a) because we wanted to encourage home ownership; (b) because look if they do not buy they finish up wanting to rent.

1470 So the answer to his question is we do not discount, but if somebody comes forward, it is looked at on its merits.

**Q422/2016**  
**LED lighting –**  
**Joint venture details**

**Clerk:** Question 422, the Hon. R M Clinton.

1475 **Hon. R M Clinton:** Mr Speaker, can the Minister for Inward Investment please provide this House with details of the 20% joint venture in LED lighting, including the amount of money to be invested, by whom and the name of the Chinese partner and joint venture entity?

1480 **Clerk:** Answer, the Hon. the Minister for Economic Development, Telecommunication and the GSB.

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** No, Mr Speaker.

1485 **Hon. R M Clinton:** Mr Speaker, as the Minister will be aware, he actually made a public statement in relation to this joint venture. I am just a bit surprised that he is not willing to share the details with this House.

Is there anything at all that he can share with us?

1490 **Hon. J J Bossano:** Well, I can share with him that there is something called Brexit that has happened. I do not know whether he thinks that has got any relevance! But the parties that are



partners have not yet concluded what was being discussed. Whether it happens or not, I am not 100% certain now.

**Q423-425/2016**  
**New technologies –**  
**Skills and training**

**Clerk:** Question 423, the Hon. E J Phillips.

1495

**Hon. E J Phillips:** Mr Speaker, does the Minister for ... apologies, I have got 'Business and Employment'. This was directed originally at my hon. Friend, Mr Costa.

Does the Minister agree that we need to acquire better understanding of the skills required by the new technologies and direct training in that area?

1500

**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 with Questions 424 and 425.

1505

**Clerk:** Question 424, the Hon. E J Phillips.

**Hon. E J Phillips:** Mr Speaker, does the Minister agree that in relation to technical knowledge, there is a need to acquire new skills to meet the demand?

1510

**Clerk:** Question 425, the Hon. E J Phillips.

**Hon. E J Phillips:** Does the Minister agree that the training and provision of those skills is essential to ensuring the continued success of our economy?

1515

**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 the hon. Member knows, I am responsible for supporting the acquisition of skills in the context of the relevance to Gibraltar's economic development.

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As the hon. Member also knows, the policy of the Government since 2012 has been to provide financial support for training leading to employment. This has been done by identifying the areas of the labour market where a skills deficit existed in 2011 as reflected by the share of jobs held by resident workers, in particular Gibraltarians.

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The hon. Member has previously claimed that there is a huge demand from employers in Gibraltar for taking on apprentices and although he was good enough to undertake to tell those employers that he had knowledge of, to contact the Ministry for Economic Development to pursue their requirements, no employer has done so to date. I cannot therefore agree with the three things he is asking for agreement on.

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Quite apart from the policy issue, I have to tell him that the way that he has drafted the questions makes no sense at all, though it is not for me to tell him how he should do it.

Question 425 asks whether I agree that the provision of 'those skills', not identified, is essential to ensuring the continued success of our economy. I do not know what are the set of skills he fails to identify, but I assume they exist. I note that according to him there is a deficit of

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these skills and they are essential to ensuring the continued success of the economy. I would be very interested to know what these skills are and how he has been able to determine that they are essential to the success of the economy.

1540        However, if the skills in his third question are the skills in his first and second question, then in his first question he admits that he needs to acquire a better understanding of the skills required by the new technologies. I am not sure either what the new technologies are that he has in mind. Nor am I sure what is the level of his ignorance of the skills required by the new technologies.

1545        However, whatever the shortfall in his understanding, I put it to him that the 'we' in the question can only refer to his colleagues on the Opposition benches, since he is in no position to judge whether we on this side know as little as he does about the skills required in what he calls the new technologies.

1550        As regards his other question, he claims that in relation to technical knowledge, there is a need to acquire new skills to meet the demand and he asks if I agree with him. Well, if he can tell me what the new skills are that are not in existence for which there is an unsatisfied demand, then I will investigate it and if I find there is a demand for such new skills, and that the acquisition of the new skills will assist economic growth, and that there are employers currently requiring such new skills, then I will look at the feasibility of making provision for meeting that demand.

1555        Obviously it requires being more specific than the hon. Member simply saying that the skill is new.

1560        **Hon. E J Phillips:** I am grateful for that response and I am clearly going to have to get used to the Hon. the Father of the House's responses to questions which are designed specifically to elicit a positive and constructive response from Mr Bossano, but I do not believe that he has answered that specific question.

1565        But what I would say, Mr Speaker, is that he has referred to three things. He said that my question makes (1) no sense at all; (2) that it does not identify any skills; and (3) it displays my level of ignorance. Now I would like to remind the Minister opposite of the statement he made –

**Mr Speaker:** You do not remind him, you ask him and from now on I am going to be strict. I warn hon. Members, I am going to begin to get strict.

1570        **Hon. E J Phillips:** I am grateful.

1575        **Mr Speaker:** You do not remind him, you ask him. You had an introduction to your supplementary which I have allowed you. Now you proceed to ask a supplementary question and make it short, sharp and to the point.

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

How does the Minister reconcile those three statements that I have just referred him to, to the following statement?

When it comes to technical knowledge, there is the need to acquire the necessary skills to meet the new challenges and that is essentially to ensure the continued success of Gibraltar's economy.

He added that:

The company has been a key foundation of that economy as communication in today's world plays such an important role.

1580 So effectively the three criticisms that the Minister has pointed out in relation to my questions are effectively stemming from his own statement that he made in relation to the Gibtelecom apprentices that he made on 2nd July 2015.

I would appreciate if the Hon. Minister can reconcile those statements.

1585 **Hon. J J Bossano:** Mr Speaker, his first question says 'we need to acquire a better understanding of the skills required by new technology', and he asked me whether I agree with that. My response is, if he says 'we' need to acquire a better understanding, he must be saying *he* needs to acquire a better understanding because he does not know how much my understanding is. He is certainly not entitled to assume that my understanding is as little as his, but he is clearly stating that his understanding is deficient because he needs to acquire a better understanding.

1590 If I make a statement about the nature of Gibtelecom, I do not extrapolate from what is required in Gibtelecom – which is very specific and a very narrow field – to what is required for the success of the rest of the economy. The skills in the rest of the economy are one thing and the skills in Gibtelecom are a very narrow set of skills.

1595 In fact I can tell the hon. Member that if it is about the skills in the Gibtelecom, what we have done, which regrettably has not produced a result, is that Gibtelecom has offered people who are going to university in the United Kingdom, a bursary of £1,000 over and above the Government scholarship and they have no takers.

1600 What we have in Gibtelecom is a problem in that because the economy does not have a diversity of telecoms companies and you have got a dominant provider, the range of potential people with new skills have got to either acquire them in that one company or have got to be imported from outside.

1605 This is not the case in the rest of the economy. In the rest of the economy there is a situation where there is a lot of competition with a lot of other people. For example there is a range of skills that are required in the gaming companies which employ 3,000 people and which is very significant for the economy, as opposed to the 150 employed in Gibtel.

1610 So I think he was wrong to assume that the analysis that I made in respect of the requirements of Gibtel could in fact be transposed as an analysis of what is required by the whole of the economy and therefore, if he had indicated that he was addressing the issue of the requirements in the field of telephony or the new technologies being used in respect of the business that Gibtel is in, then he would have got a different answer. But he is asking me questions that can only be interpreted as a reference to skills which are new in relation to the whole of the economy without identifying where it is and that is why I am telling him that if he identifies what he means which he has now done, then of course I do not agree with anything that he is saying which is quoting me in respect of Gibtelecom, is capable of being transposed to other activities in Gibraltar which are completely different from Gibtelecom.

1620 **Hon. E J Phillips:** Mr Speaker, that is a long answer but I will try and distil it into one question and I will be short and sharp about it.

I asked in Question 423, does he agree that we need to acquire a better understanding of the skills? In the statement he says 'when it comes to technical knowledge, there is a need to acquire the necessary skills to meet the new challenges' –

1625 **Mr Speaker:** I am sorry, I must interrupt. The Hon. Minister has given you an answer, a long answer. You are entitled to ask supplementary questions arising from that answer.

What you are not entitled to do is to debate with him.

**Hon. D A Feetham:** He is not debating.

**Mr Speaker:** You are not entitled to debate. You are entitled to have a short introduction if you like, a short preamble but you ask a supplementary question.

We are at Question Time. We are not at debating time. I have given the hon. Members some time, a few meetings, I have been liberal with them hoping, but today things have got out of hand completely.

Therefore, I have got to be less liberal and remind hon. Members that they are here to ask questions.

I cannot control the length of the Minister's answer. I can only tell the Minister that the longer the answer, the more likely you are to be able to ask supplementaries based on that answer, but that is a matter for them and the Rules do not say anything about the length of answers. They do not. But the Rules do say a great deal about questions and supplementary questions.

Now, he has given a reasonably long answer. You are entitled to ask a supplementary arising from that but it has got to be a question.

**Hon. D A Feetham:** Mr Speaker, but you did not allow him to ask the question. But, Mr Speaker, I do not want to – and I hope that Mr Speaker allows me just to make this point – I do not want to engage in any controversy with Mr Speaker or anything like that.

But, Mr Speaker, I do have 23 years of interpreting rules and appearing in front of tribunals and people who adjudicate based on rules and when you have a situation where an answer is a very long answer, often there are political points that are made; at times there is political invective.

I would urge upon Mr Speaker that in those circumstances, despite the fact that there is nothing that forces the Minister to keep it short, but when it is a long answer and also when there are political points, that Mr Speaker shows a little bit of discretion on our side because it becomes more difficult for us. I mean the short and sharp question is easier said than done.

Having said that, I accept that I myself this morning – and I think that also the Chief Minister, I have to say that – perhaps we overstepped the mark. But I do not think that Mr Phillips has overstepped the mark.

**Mr Speaker:** I am grateful to the Hon. the Leader of the Opposition and because the Hon. the Leader of the Opposition usually is dealing with matters which are of a wider political perspective, I do allow and over the years I have.

Here we are dealing with a subject which is not so political. It is a question of training, new technologies and so on. Therefore I think it should be possible to keep the supplementary questions much narrower. The difficulty ... and therefore the fact that the Hon. Mr Bossano then gives a fairly lengthy reply means that the hon. questioner is entitled arising from that, to ask perhaps more than one supplementary. Perhaps a number of supplementaries and I will allow him to do that.

But what I am trying to enjoin upon him is this: please, no matter how many supplementaries you wish to ask which are relevant, I will allow. Ask a supplementary question. Do not make a statement. Try to ask a supplementary.

The Hon. Mr Phillips.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, if I might be allowed to make an intervention because I have been listening to what has been said in relation to this matter.

Mr Speaker, we have had a view expressed by you as to what the leeway you are giving etc. is and the hon. Gentleman has said 'the Hon. Chief Minister went on and I went on'.

Well, Mr Speaker, I go on because I am dealing with the things that are put to me. If I am asked a short and sharp question, I will give a short and sharp reply. But the fact that matters are political or less political is not a reason why questions should be longer or shorter. Maybe we could have more short questions so that we can deal with each question, rather than –

**Mr Speaker:** This is what I would like to see.

1685 **Hon. Chief Minister:** – a very long question which is then couched in terms which are  
partisan which gives rise to answers which have to be partisan. Because what is not fair, and  
what the Government would find it difficult to tolerate, is that questions are put in a very  
partisan way with a partisan sting and the Government is supposed to stand up and not deal  
1690 with it. And that, Mr Speaker, would be unfair to the community because they would only be  
hearing one side being allowed to put that. But if we exercise discipline on each other –

**Mr Speaker:** If I may, that is what I have been trying to achieve without a great deal of  
success.

1695 Hon. Members, particularly those who have been here for some time, cannot say that when  
it comes to a debate, I do not allow all the leeway in the world. I am very liberal in the  
application because I believe in debating.

But I must confess that I have not succeeded with the previous Members of the Opposition of  
the House or the present, I am not succeeding although I did for the first two or three meetings  
soft pedal, hoping that they would and individually I have been enjoining upon them the need to  
1700 ask questions, and not to ask a number of questions together, to ask a single question and follow  
up supplementary.

I am sure that they bring material, when you ask a question you have a number of  
supplementaries which you are hoping to ask, well get on with them but do not have a speech as  
an introduction to a supplementary question. That is what I would like to achieve.

1705 **Hon. D A Feetham:** Mr Speaker, I listened to what Mr Speaker has to say but I am afraid that I  
cannot accept criticism of the Opposition and a white wash of the Government. (*Interjection by  
Mr Speaker*) But, Mr Speaker, may I say from my part and I hear what the Chief Minister has to  
say and he may not accept this from me because he may think that every time that I say  
1710 something, there are reds under the carpet or blues, whatever he may think.

But Mr Speaker, the question on sections 15, 16 and 26 which was really what sparked this  
off, the immigration, there was no inherent criticism of the Government. I was not criticising the  
Government in relation to those questions!

1715 It started with a – (*Interjection by Mr Speaker*) No, Mr Speaker, I just wanted to make that  
point because I think it is important that sometimes there is no criticism on our side, genuinely  
on that particular occasion – and there may be 90% of others that maybe different – but on that  
particular question there was no desire actually for me to criticise the Government.

But of course, the way that I see it, if then the answer is political and answers trawling back  
to GSD years, etc. then of course there is a reaction on my side.

1720 But certainly, Mr Speaker, I will attempt to obviously do everything to make Mr Speaker's life  
as easy as possible and we will all take Mr Speaker's guidance on board.

**Mr Speaker:** I am grateful.

1725 **Hon. Chief Minister:** I am grateful, Mr Speaker, and we all must, Mr Speaker. But what I want  
to get across to hon. Members, because we are just going to find ourselves here again if we do  
not do this properly and I want us to do this properly.

1730 If there is a long question with partisan aspects and partisan stings to it, what they are going  
to get back from the Government is a long answer dealing with all the issues they raise with  
partisan stings back.

Now, Mr Speaker, if I may also say so, with the greatest of respect and I think in this respect I  
will speak for the Leader of the Opposition and myself, I think you have been a tad unfair on us  
today to say that we are forgetting the moment in which Gibraltar finds itself, simply because  
we are having a discussion about the Immigration Act.

1735 We are very conscious of the fact that Gibraltar is where it is today and I am here, Mr Speaker, to answer questions because life will go on, Mr Speaker, and this parliamentary democracy must work. And it must also work if I may say so, subject to your discretion which you have always exercised absolutely appropriately in the view of the Government, with an element of sting and party politics, because we have a confrontational system of Government and Opposition which all of us, even you, Mr Speaker, when you have been here, think is the best way to ensure that we test each other's policies and each other's arguments to the best of our ability.

1745 And I think all of us, Mr Speaker, yourself included, the Leader of the Opposition and I are very conscious of where Gibraltar is, what the moment is and the need to ensure that we deal with those issues. And I undertake to you, Mr Speaker, on behalf of the Government and I am sure on behalf of all Members, the Leader of the Opposition included, that you will best see that in the way that we will deal with the Budget debate this year because the Budget debate this year is not going to simply be an opportunity to also deal with the political points, as we probably rightly do in a year before a general election, as we probably rightly do at normal time, but this is going to have to be a very serious debate with none of that and you have our undertaking, Mr Speaker, that we will deal with it in that way and that we have approached questions in that way as well.

1755 **Mr Speaker:** I am very grateful, as the Hon. Chief Minister and Members know, I do not pretend that I always get it right. I do not have the monopoly of the truth and I do make mistakes because I am only human. But I am concerned to see that the House proceeds – approximately 200 questions is a very large number of questions and we are spending very many hours here. It is our job but we ought to do it as expeditiously as possible.

1760 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman may, just on behalf of both of us, I think that we are conscious of the fact that one of the people who works most in the context of a session, is actually the Speaker, the Clerk and the Officers of the House because you have to sit through the 200-odd questions, not just the ones that you may or may not be dealing with and you have to do so without a comfort break and without another break that we can enjoy.

1765 So I think it is also absolutely right to convey the gratitude of all Members and the whole community, for the work that you do. And, Mr Speaker, certainly in the view of the Government and I am sure also in the view of the Opposition, if you do not get it right nine out of ten times, it is because you get it right ten out of ten of times. I did not by my remarks want to suggest the contrary, although I think it is important for the community not to think that the Leader of the Opposition and the Chief Minister have for one moment forgotten the moment in which we are.

1775 **Hon. D A Feetham:** Mr Speaker, and that I think is a fair analysis. I mean I associate myself with certainly the last statement that the hon. Gentleman has made and also I think Mr Speaker, that perhaps it was a tad unfair of Mr Speaker, to characterise it in that way, because there is not a moment that actually goes by that the Chief Minister, I am sure, and myself, were not actually focussing on this particular moment of where we are, where we need to go and where we will be.

1780 And, Mr Speaker, actually this session this afternoon has demonstrated to people out there that our democracy continues and that it is, as far as Government and Opposition, business as usual as far as that part of the democratic equation is concerned, and that is important. And in a democracy there is going to be cut and thrust.

1785 The hon. Gentleman is going to make comments that I am not going to agree with, he is going to make comments in the reverse and, Mr Speaker, the reality is that it is *precisely* in a moment such as this – precisely when we are facing what we are facing at the moment – that we have got to demonstrate to people out there and to the outside world that we have a vibrant democracy and it is business as usual as far as democracy is concerned.

That I think is important and it does not demonstrate in any way shape or form that either the Chief Minister or myself have forgotten the moment in which we live. I can assure the community out there that not a moment goes by that the Chief Minister, I am sure, and certainly for my part and my colleagues as well, that we are not focusing on what is a very, very important moment and moments for the people of Gibraltar and this community.

**Mr Speaker:** Let us not deprive the Hon. Mr Phillips of his supplementaries.

**Hon. E J Phillips:** Thank you, Mr Speaker, just one supplementary question in relation to Questions 423, 424 and 425. The very simple question I asked before and hopefully it will be allowed this time, was that in relation to his answers to those three questions, how does the Minister reconcile those answers with respect to the statement he made at the Gibtelecom apprenticeship scheme announcing the apprenticeships? Bearing in mind, of course, that when he referred to apprenticeships he referred to it in this way: 'when it comes to technical knowledge there is a need to acquire the necessary skills to meet the new challenges.' Widely interpreted rather than the narrow interpretation that he offered before.

So I just want to know how he reconciles his statement to the public with the answers he gave to those three questions.

I am grateful, Mr Speaker.

**Hon. J J Bossano:** Well, Mr Speaker, I cannot ask the hon. Member questions; he can ask me. But it is very peculiar that he wants me to explain how I reconcile answers to questions which he did not address to me in the first place about something that I said but addressed to my colleagues.

So he asks the Minister for Business and Employment to give a view on things which it turns out are a quotation taken from something that I said in a different context about a specific industry. Now, I have answered it because I thought he had put the question to the Minister in error, not thinking that I was responsible for training and therefore I have reminded him that I am responsible for economic development and I am responsible for training and I am responsible for the provision of skills.

But of course, if what he wanted was for me to expand on what I said to the people who are training in Gibtelecom, then he should have identified in his question that the technology that he was referring to was the skills required in the field of telecommunications and I would have been happy to deal with it.

But if the hon. Member put a question which says 'do I agree that we in Gibraltar need to acquire a better understanding', or we in the Opposition or we in both sides of the House – I do not know who the 'we' is – 'need to acquire a better understanding of the skills required by the new technologies'. Which new technologies? Nothing in these three questions allows me to produce a factual answer based on information, because the hon. Member deliberately chose to leave out where he was drawing the terminology from.

Now that he has told me, I have already answered the question. The answer to the first question is that what we have done to encourage direct training in the area is that the company that has the need for the skills has told people who go to university, 'We will give you £1,000 a year on top of the Government scholarship in order to encourage you to enter this field.' This was advertised in the *Chronicle* and regrettably out of the 900-odd people that we have studying in the UK, nobody was interested in taking up the offer.

So if he had asked about Gibtelecom, that is the answer I would have given him. He has chosen to put three questions to which my response is not in providing him with information and facts to the questions but in asking him to elaborate on what is the information he is looking for.

He says do I agree that the training and the provision of those skills, which I do not know what they are, are essential in the continued success of our economy? Well look, Gibtel is the

1840 backbone of the economy, to the extent that our economy requires that we should have  
broadband, that we should be at the forefront of the new technology because the speed with  
which we process information in cyberspace is a crucial element in the globalisation of the world  
which increasingly relies ... In whatever industry you are in, whether it is banking, or gaming or e-  
commerce or e-Government, the technology of telecommunications is vital.

1845 If he had said to me, 'do I agree that acquiring skills in telecommunication is essential for the  
continued success of the economy?' the answer is yes, but he is not identifying what he had in  
mind. And given that he did not address it to me but addressed it to my colleague, how does he  
expect me to connect a question to my colleague with something that I said in a meeting with  
Gibtel when I was addressing the people who had just qualified with a level of training which is  
not the level of training we are talking about here, but a level of training for the routine jobs of  
1850 cabling and so on in the industry.

So it is not that I did not want to give him the information. It is that he put his question in a  
way that makes it impossible to answer without him giving me more information. I am happy to  
look at any area if he is specific about telling me what the area is that he has in mind.

1855 In telecommunications, it is absolutely true that we have to be at the forefront. In fact I have  
just come back from participating in a Commonwealth ministers' conference on  
telecommunications, as a result of which we will be taking up membership of international  
organisations and be more involved so that we can be up to date with exactly what is happening  
in the rest of the world and what the competition is up to.

**Q426/2016**

**Government-approved contractors –  
List**

1860 **Clerk:** Question 426, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Government please provide a list of approved  
contractors?

1865 **Clerk:** Answer, the Hon. the Minister for Economic Development, Telecommunications and  
the GSB.

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):**  
Yes, Mr Speaker, I will pass the list over to the Member now. (*Interjections*)



Answer to Question 426 of 2016

Company	Type of Work Provided
501 Construction	General Construction
A C Rock Construction	General Construction
A L Woodworks	Specialist - Carpentry
A&C Fitters Ltd	Specialist - Flooring/small refurbishments, partitions
A&M Scaffolding & Cradles Ltd	Specialist - Scaffolding
A. Abecasis Gonzalez Ltd	Specialist: Building Material Supplier
ABC Services	Cleaning
Ablío Rodrigues	General Construction; Specialist - Electrical
Accoria Services Co Ltd	General Construction
Ace Plumbing	General Construction; Specialist - Plumbing
Adelon Limited	General Construction
Admiral Security	Security
AJ Surfacing Ltd	Specialist: Surfacing, Roadworks, Paving; including Green Construction Paving Systems; Trenchworks and Road Marking
AJEC Ltd	Specialist: Installation and maintenance of portable generators and consequential interior decoration
AJR Window Works	Specialist - Window Manufacturer
AK General Builders Ltd	General Construction
Alizarin Ventures Ltd	General Construction
AMCO Gibraltar Ltd	General Construction; Specialist - Asphaltting works; Building Material Supplier; Plant & Equipment Supplier (Hire)
Andy Holdings Ltd	General Construction
Apli (Gibraltar) Ltd	Specialists: Architects and Engineers
Aqua Solutions Ltd	Specialist - Supply of water bottles, Water Cooler machine rental
AS Vending Ltd	Specialist - Water Filtration
ASJ Builder Company Ltd	General Construction
Atlas Building Merchants Ltd	Building Material Supplier
Aureliano Marciano	Specialist: Painting / Decorating
Avanti Construction and Maintenance Ltd	General Construction
Babytel Ltd	Specialist: Telecommunications and Electricity
Base Maintenance Services	General Construction; Specialist - Refurbishments
Basílio Guerreiro Rosa	General Construction
Bedam Electrical Contractors Ltd	Specialist - Electrical
Bexhill Holdings Ltd	Pool Maintenance
Bravo Recruitment Services Ltd	Specialist: Recruitment Agency

Bright Co Ltd	General Construction; Specialist - New Build Works, Internal & External surface finishes
Brotons	General Construction
Cano Monumental	General construction, Stone Mason; Building Material Supplier
Captura Holdings Ltd	Specialist: Drain and Sewer Cleaner
Casais (Gibraltar) Ltd	General Construction
Ceprano Ltd	General Construction
Charles Anes Ltd	Specialist - Stonework; Building Material Supplier
Charnwood Furniture Factory Ltd	Specialist - Manufacturing of Furniture
Charnwood Jetsweep Limited	Specialist - Road & General Cleaning
CIAP	General Construction; Specialist - Glazing; Building Material Supplier
CK Transport Ltd	Building Material Supplier; Plant & Equipment Supplier (Hire & Sales); Transport Contractor; Labour Contractor
Clearview Windows	Specialist - Window/Office Cleaning
Cocoon Exterior Works Limited	Building and Construction
Colorworks Design Limited	Specialist - Signage
Concrete Pumping & Aggregates Ltd	Specialist: Concrete Pumping
Construcciones Alhaurin Ltd	Specialist: General Construction
Construções BT (Gibraltar) Ltd	Specialist: Labour Hire
CRJN Construction	General Construction
D & D Consulting Ltd	Specialist: Selling Equipment
D and D Services Ltd	Construction & Refurbishment, General Maintenance, Pest Control and Importation and Exportation of related goods
DesElec Ltd	Specialist - Electrical
Detectives & Security	Security
E.W.M.S	Specialist - Disposal of Hazardous and Non-Hazardous Waste
Elite Plumbing & Boiler Services	Specialist: Plumbing and Boilers
Endash Ltd	Labour Contractor
Environmental Support Services	Cleaning
Ernest Lopez & Sons	General Construction, Specialist - Interior modifications to buildings and homes
Eulogio Cruz Building Contractor	General Construction
Europort (International) Holdings Limited	
Ferrer (UK) Ltd	General Construction
Fill-A-Skip	Plant & Equipment Supplier (Hire)
Fire Security	Security
First Gib Scaffolders Co. Ltd	Specialist - Scaffolding
G&G General Construction	General Construction
Gebomsa (Gibraltar) Concrete Pumping Services Ltd	Specialist: Concrete Pumping

Genco Holdings Ltd	General Construction; Specialist - Electrical Installation; Building Material Supplier
General Lifts Ltd	Specialist - Lift Maintenance, design & installation
Gent Fire Security Limited T/A G4S (Gibraltar)	Specialist - All types of Alarm Systems; Plant & Equipment Supplier (Sales)
Gestion Y Logistica Laborales Ltd	Labour Contractor
Gibral Flora Ltd	Landscaping - Interior/Exterior
Gibraltar Roofing Company Ltd	Specialist - Roofing & Property Maintenance
GibXperience Ltd	Specialist: Tourism & Leisure Consultant
Green Resources Limited	Specialist - Solar Energy
Greenarc	Specialist - Landscaping/Horticultural
H&M Security Services Ltd	Specialist - Security Provider
Hercules Office Solutions Ltd	Specialist - Interior Works , Walls & Ceiling
Hire-U-Shop	Building Material Supplier; Plant & Equipment Supplier (Hire & Sales)
HSE Consulting Limited	General Construction; Specialist - Asbestos/Waste Removal, Demolitions
IEN (Gibraltar) Ltd	Specialist: Electrical, Mechanical and Public Health
Independent Air Conditioning Limited	Specialist - A/C
Ingemetal Limited	Building & construction
Inline Framing Ltd	General Construction; Specialist - CFS & Structural Steel, Drywall construction; Labour Contractor
Interbuild	Building Material Supplier; Plant & Equipment Supplier (Hire & Sales)
Itek Limited	Specialist - windows/doors/bathrooms/kitchens/ floors
J & J General Construction Ltd	General Construction
J B Construction Ltd	General Construction
J Balban Electrical Contractors Ltd	Specialist: Electrical Company
J I Construction Ltd	General Construction
J S Buildings Ltd	General Builders
Jamena Properties Ltd	Specialist: Impermeable Specialists
J-Cool	Specialist - Air Conditioning Installation + Maintenance
Jebel Tarik Security	Security
JFM Shine	Cleaning
Joaquim Pacheco Da Cruz	Specialist: Maintenance
Kaysam General Construction Ltd	General Construction + Specialist: Aluminium
Key Way Construction Ltd	General Construction

Koala Holdings Ltd	General Construction; Specialist - Waterproofing, Restorations, Conservations
LC Groundworks	General Construction; Labour Contractor
Leamington Ltd	Specialist: Carpentry
Leed Transport	Specialist - Demolitions, Roadworks
Liberty General Construction Ltd	General Construction
Light Industrial Activities Ltd	Specialist - Aluminium & Steel Contractors
Lights Construction	General Construction
M F Balloqui & Sons Ltd	Specialist: Upholstery, Carpets and Aluminium
M.J. Lancley Ltd	Specialist - Plastering, Painting, Tiling
MacMillan Ltd	General Construction
Marr & Co. Ltd	Specialist - Water proofing, Fire proofing, Road marking, General Painting; Building Material Supplier
MC & LS Ltd	Specialist: Gardening and Landscaping
McBa	Specialist: Interior and Exterior, Painting & Decorating
McConstruction	Specialist: Roofing and Refurbishment
Mediterranean Cleaning Services	Cleaning
Mediterranean Opportunities Ltd	General Construction
Mesbahi Carpentry	General Construction
Monteverde & Sons Ltd.	Specialist - Demolitions; Building Material Supplier; Plant & Equipment Supplier (Hire);
Multi Service Maintenance Ltd	Specialist: General Building Maintenance
N and S Services Ltd	Specialist: Interior Decorator
Nebig Construction Limited	Building Material Supplier
Noble Construction Ltd	General Construction; Specialist: Confined Spaces
NP General Builders	Specialist: Painting / Decorating and Drylining
Number One Property Maintenance Ltd	General Construction; Specialist
O to O Ltd	Specialist: E-Commerce Sales LED Lighting
Omega Property Maintenance	General Construction
On The Level Ltd	Labour Contractor
One Hundred & One Ltd	Specialist - Kitchens, floors, roofing etc; Building Material Supplier; Plant & Equipment Supplier (Sales)
OSG Blands	Security
Pascoe Holdings Ltd	Specialist - Furniture Fitters
People Skillz Limited	General Construction; Labour Contractor
Platinum Home and Office Property Maintenance Ltd	General Construction; Specialist Contractor: Roofing
Popay Procurement Ltd	Specialist: Building Material Supplier
Portman Limited	Building Material Supplier; Plant & Equipment Supplier (Hire & Sales); Transport Contractor
Premier Scaffolding Services (Gibraltar) Ltd	Specialist: Scaffolding Hire

Prestige Builders	General Construction
Pro Homes Construction Limited	General Construction
Profield Contractors Ltd	General Construction
Property Repairs Ltd	General Construction
Proseal Construction Limited	General Construction
R & J Refrigeration Ltd	Specialist: Refrigeration and Air Conditioning
R F Services Ltd	Building & Construction
Rhino Construction Ltd	General Construction
Ribeiro Decorations and Construction	General Construction
Robvia	Plant & Equipment Supplier (Hire); Transport Contractor
Rock Domestic Appliances	Sales of Commercial & Domestic Appliances
S & K Recruitment	Specialist: Recruitment Agency
Sarah Jane Construction Co Ltd	General Construction
Securitek Ltd	Security
Selina Ltd	Specialist - Fabrication & Welding
Sharrock Shand	General Construction
Silmat Engineering Ltd	Specialist: Plumbing
Site Trading Ltd	General Construction; Labour Contractor
Skybridge Ltd	Specialist: Asbestos Management
Sofycom Ltd	Specialist: Fitting Fire Alarm Equipment
Sotopool (Gibraltar) Ltd	Specialist: Swimming Pool & Architectures / Heritage Works
Sototechnic Limited	Specialist: Air Conditioning, Solar Panels, Water Heaters & Electricity
Southern Lighting Gibraltar	Construction and Data Management Company
Southern Point Roofing Ltd	Specialist - local Roofing
Star Electrical Ltd	Specialist - Motor Rewinds, Electrical
Sunlight Aluminium & PVC Ltd	Specialist: Aluminium PVC and Glass
Swift Eagle Construction & Maintenance Services Ltd	Specialist: Window Installer & Labour Contractor
Tarik Ship Agents & Bunkering Services Ltd	General Construction; Specialist - Marine; Building Material Supplier; Plant & Equipment Supplier (Sales & Hire); Transport Contractor
Techtrolec Limited	Specialist - Electrical & Air Con installation & maintenance; Plant & Equipment Supplier (Sales)
Tecniplac Ltd	Specialist: Interior and Exterior Siping and Plastering
Top Choice Appliances	Specialist: Building Material Supplier
Total Facade Industries (Gib) Ltd	Specialist - Windows, doors, walls, steel products, facades of buildings
Trafalgar Cleaning Services	Cleaning Services
Transformations Ltd	General Construction

Triangle Engineering	Specialist - Structural Steel fabrication & Erection, Roofing, Rain Water Systems, Grit Blasting, Flooring
Trotters Buidling Construction	General Construction
Vanadium Ltd	Specialist: Pladur & Dryvit
Viero (Gibraltar) Ltd	General Construction
W & N Works Company Ltd	General Construction; Specialist - Painting, Plumbing, Electrical
Wastage Product Ltd	Specialist - Sewage Waste & Waste Oil Disposal; Plant & Equipment Supplier (Sales)
Weld-It (Gibraltar) Limited	Specialist - Steelworks (Inc. Repairs)
Western Isles Ltd	Specialist - Welding, Fabricator & Erector of Steel Structures
Wilkie	General Construction
Workforce	General Construction; Labour Contractor
XL Scaffolding Limited	Specialist - Scaffolding
Zambrano (Gibraltar) Ltd	Specialist: Foundations and Structural
Zardoya Otis (Gibraltar) Ltd	Specialist: Lift Company

**Q427/2016**

**Government workers—  
Increase in numbers since 2011**

1870

**Clerk:** Question 427, the Hon. D A Feetham.

**Hon. D A Feetham:** My surprise at the generosity got the better of me, Mr Speaker!

1875 By how many people have the public service, Government-owned companies, authorities and agencies, increased from 31st December 2011 to 31st March 2016?

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

1880

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, since the answer to Question 253/2015, the increase in the number of employees to March 2016 has been: Civil Service, 147; agencies, authorities and companies, 23.

1885 **Hon. D A Feetham:** Mr Speaker, he has given a figure for Civil Service and then he has given a figure for agencies and authorities. Does the second figure include also Government-owned companies?

**Hon. J J Bossano:** Mr Speaker, I am sorry if I did not mention it. It is agencies, authorities and companies, yes.

1890

**DEPUTY CHIEF MINISTER**

**Q428/2016**

**Former King George V Hospital –  
Expressions of interest**

**Clerk:** Question 428, the Hon. L F Llamas.

1895 **Hon. L F Llamas:** Mr Speaker, can Government disclose details in relation to the expressions of interest received in connection with the former King George V Hospital and whether it has decided to pursue any of them?

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

1900 **Deputy Chief Minister (Hon. Dr J J Garcia):** Yes, Mr Speaker, the Government received 13 submissions in respect of the former King George V Hospital and is now in discussion with one of those entities.

1905 **Hon. L F Llamas:** Mr Speaker, is the Hon. Minister able to disclose what the project will be or give an inkling as to what the purpose will be for that site?

**Hon. Dr J J Garcia:** Mr Speaker, I would rather not at this stage because obviously the discussions are ongoing and it may well be that this does not materialise and we have to move on to another interested party.

1910 But I do know that they will be going to Planning soon with their proposal so obviously it will become public at that stage.

**Q429/2016**

**The Mount –  
Expressions of interest**

**Clerk:** Question 429, the Hon. L F Llamas.

1915 **Hon. L F Llamas:** Mr Speaker, can the Government disclose details in relation to the expressions of interest received in connection with The Mount and whether it has decided to pursue any of them?

1920 **Clerk:** Answer, the Hon. the Deputy Chief Minister.

**Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, the Government received five submissions in respect of The Mount and has yet to determine how to proceed.

**Q430/2016**

**Old Central Police Station at Irish Town –  
Government plans**

1925 **Clerk:** Question 430, the Hon. E J Phillips.

**Hon. E J Phillips:** Mr Speaker, can the Minister provide an update as to what the Government's plans are for the old Central Police Station at Irish Town?

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

1930

**Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, the plans are for the property to be refurbished and converted into a business and cultural centre.

1935

**Hon. E J Reyes:** Mr Speaker, may I briefly, he has mentioned business and then cultural. The cultural side, does he intend it to be sort of run by a totally 100% private entities or in conjunction with the existing procedures and agencies that the Ministry for Culture is using nowadays?

1940

**Hon. Dr J J Garcia:** Yes, Mr Speaker, the hon. Member will recall that this went out to expressions of interest as well. There were a number of interested parties. There were six interested parties.

The Government is pursuing discussions with one that is interested in having a combined business area at the top and a cultural area at the bottom which would somehow be connected with the history of the Royal Gibraltar Police.

**Q431/2016**  
**Gibraltar London Office—**  
**Plans for Head**

1945

**Clerk:** Question 431, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, who is currently heading the Gibraltar London office and is this person expected to remain or be replaced?

1950

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

**Deputy Chief Minister (Hon. Dr J J Garcia):** Yes, Mr Speaker, the London office is currently headed by Mr Albert Poggio who will retire as from today, 30th June 2016.

1955

I think the question has been overtaken by events.

**Hon. D A Feetham:** Yes, Mr Speaker. I am grateful for that.

1960

Can the Government explain the reason why there appears to have been a change in direction? I recall that we have had exchanges in Parliament about the Gibraltar London Office and it was indicated at some stage during the course of last year that the person who currently heads the Hong Kong Office was the person originally intended to head the London Office as well. Can the Government explain its change in thinking in that regard?

1965

**Hon. Dr J J Garcia:** Mr Speaker, yes. I will be giving a more detailed explanation obviously during the course of the Budget next week.

But briefly, I think the Government felt that Jason Cruz was doing a very good job in Hong Kong and preferred he continue doing the job that was happening and that he was carrying out for the Government over there, and that we would deal with the London office in a different way.



1970 The Chief Minister's special representative, Dominique Searle, was already there in the London office doing some of this work so it seemed logical that he should do the representation work as well as the work of being Director of Gibraltar House.

1975 **Hon. D A Feetham:** Mr Speaker, may I take this opportunity, because I have not had an opportunity publicly to congratulate and to thank Albert Poggio on his retirement and also thank him for the work that he has done on behalf of Gibraltar for many, many years.

**Chief Minister (Hon. F R Picardo):** Mr Speaker –

1980 **Mr Speaker:** Before the Chief Minister rises, since I have not got with me the answers to the questions to the Hon. Mr Paul Balban, I take it that those are not going to be answered as he is unable to be present.

1985 **Hon. Chief Minister:** Mr Speaker, I still want to deal with what the hon. Gentleman said before we move on.

1990 Mr Speaker, yesterday – no, Tuesday – in the Westminster Parliament was a time of great flux there for all the reasons that we all know, but it was also an opportunity for the Government to reflect on the work that Albert Poggio has done at a reception that was held at the Speaker's apartment there, Mr Speaker – one of the plushest areas of the Palace of Westminster, where we were able to organise a reception which was attended by many, and I gave an indication of that yesterday in my Statement to the House.

1995 Mr Speaker, I had an opportunity then of reflecting on the fantastic work that Albert Poggio has done. I have done so before when I spoke in this House in support of Albert Poggio's Gibraltar Medallion of Honour which this Government moved. It was absolutely appropriate that he should have the Medallion of Honour. It is absolutely appropriate that the Government should now reflect on the work that he has done and thank him, not just for the work that he has done but also for agreeing to continue to work with us in this time that is upon us, because he is going to continue to work with us in terms of some of the political work that he does although he is not going to run Gibraltar House.

2000 Mr Speaker, at a time when Joe Bossano called upon him in 1988, Albert Poggio was there to act on the requests of the then Chief Minister to pick up the opportunities that the London Office might present. As he explained it to us, he did it in the first years for Joe Bossano, he did it in following years for Peter Caruana and he has done it now for almost five years for me, as Chief Minister and in all of those years he has been steadfastly loyal to Gibraltar and he has been one of the most important instruments at our disposal in influencing decision makers in London.

2005 You should hear, Mr Speaker, Lindsay Hoyle talking about how he is referred to as an ambassador by everybody in the United Kingdom, and some of the stories that he regaled us with at the event last week.

2010 Mr Speaker, I think it is appropriate that there should also be an opportunity in Gibraltar to thank Albert Poggio for the work that he has done and the Government, with Albert, is organising such an event so that also not just the people he has worked with in London but the people he has served in Gibraltar have the opportunity of thanking him for the sterling work that he has done in the past, almost 28 years already and no doubt see the work that he is going to continue doing.

2015 It is my pleasure therefore to say that the Government recognises, endorses and thanks Albert for the work that he has done, not least as I said at the time of the Gibraltar Medallion of Honour, the work that he did at the time of the Joint Sovereignty Referendum. He is one of the people who was influential in changing minds in the United Kingdom in Parliament so that we had a strong parliamentary lobby and in working with those who were then in administration and everybody else who put their shoulder to the wheel to stop the joint sovereignty and he deserves huge recognition for that. *(Banging on desks)*

2020

**Procedural**

**Mr Speaker:** I think I should acquaint the new Members as to what the procedural rules are in respect of questions which remain unanswered.

2025 **Chief Minister (Hon. F R Picardo):** Well, Mr Speaker, perhaps I can give you an indication of what I intend to do.

I intend to now adjourn, Mr Speaker, to Tuesday at 11.00 a.m. Hon. Members will know that I intended to adjourn until Monday at 10.00 a.m. for the Budget but unfortunately, because of the intervening travel and so much of what is happening at the moment, it will not be possible for me to be ready by Monday.

2030 As I told Members, I do not want to change the date of the Budget because we must progress. This is business as usual to a very great extent, but I am going to need an extra 24 hours to just ensure that I have all the data that the hon. Members will want me to be dealing with in the course of my speech.

2035 I will then suspend Standing Orders to be able to continue with Government Bills and the first Bill will be the Appropriation Bill and in that way, Mr Speaker, unless you want to indicate otherwise, it may be that Mr Balban is able to deal with his questions later on in this sitting. So there will be no need to deal with questions in any other way.

2040 **Mr Speaker:** Rule 16(2) provides that if any question remains unanswered when the Parliament adjourns on the last day of a meeting, and this is where the problem arises, today is not the last day of a meeting. The last day of the meeting will be sometime in the future. Then if it remains unanswered, a written answer shall be sent to the Member who put the question but there is a proviso.

2045 Provided that where the question has been set down for oral answer, the Member who put the question may, within three days, exclusive of Saturday, Sunday or Public Holidays, next after the adjournment of the Parliament require in writing that the question be postponed to a day at the next meeting of the Parliament.

2050 Now I do not know whether it is the intention of the Government that the Hon. Mr Balban should answer those questions at some time in the future.

**Hon. Chief Minister:** Yes.

2055 **Mr Speaker:** If it is, then we wait until then.

**Hon. Chief Minister:** That is why I am going to ... We are still in Questions, but I am going to suspend Standing Orders on Tuesday to deal with Government Bills and then come back to Questions and finish Questions.

2060 **Mr Speaker:** Okay, so otherwise it would be for the Hon. Mr Hammond and the Hon. Mr Llamas to decide what they want to do. Do they want a written answer or postpone them to the next meeting? But if the Hon. Mr Balban is going to be here at some time to deal with the questions, it does not arise, okay.

2065 **Hon. T N Hammond:** Thank you, Mr Speaker, and thanks to the Hon. the Chief Minister. Certainly I would prefer to be able to ask the questions orally and the Chief Minister has suggested that that will be possible, or may be possible, so I am more than happy to accept what he has decided in this case.

2070 **Hon. Chief Minister:** Thank you, Mr Speaker.

In that case I now move that the House do now adjourn to Tuesday at 11.00 a.m. I think that will be 5th July at 11.00 a.m. At that stage it is my intention to suspend Standing Orders and move immediately to deal with the Government's Appropriation Bill.

2075 **Mr Speaker:** The House will now adjourn to Tuesday, 5th July at 11.00 in the morning to deal with the Budget session.

*The House adjourned at 7.43 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**MORNING SESSION: 11.11 a.m. – 1.58 p.m.**

**Gibraltar, Tuesday, 5th July 2016**

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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*]

## SUSPENSION OF STANDING ORDERS

### Standing Order 7(1) suspended to proceed with Government Bills

**Clerk:** Meeting of Parliament, Tuesday, 5th July.

Suspension of Standing Orders, the Hon. the Chief Minister.

- 5      **Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to move under Standing Order 7(3) to suspend Standing Order 7(1) in order to proceed with Government Bills.

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

## Order of the Day

### GOVERNMENT BILLS

#### FIRST AND SECOND READING

#### Appropriation Bill 2016 – First Reading approved

- 10      **Clerk:** A Bill for an Act to appropriate sums of money to the service of the year ending on 31st March 2017. The Hon. the Chief Minister.

- 15      **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that the Bill for an Act to appropriate sums of money to the service of the year ending on 31st March 2017 be read a first time.

- 20      **Mr Speaker:** I now put the question which is that a Bill for an Act to appropriate sums of money to the service of the year ending on 31st March 2017 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Appropriation Act 2016.

**Appropriation Bill 2016 –  
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.

25 Mr Speaker, this is my fifth budget address as Chief Minister. It is in fact my first budget address after our re-election to Government in November with great popular support, and I now have the honour to present the Government's revenue and expenditure estimates for the financial year ending 31st March 2017.

30 During the course of this address, I will also report to the House on the Government's revenue and expenditure out-turn for the financial year ended 31st March 2016, which was the fourth full year of a Socialist Liberal administration since we took office in December 2011.

Mr Speaker, as has been traditional since the first GSLP administration in 1988, when Joe Bossano was the first Chief Minister to get up and deliver a Budget, this budget address will, of course, not just be my report to the House on the public finances of our nation and the state of the economy generally, but also a review of the myriad issues affecting our economic and political outlook as a nation. In fact, I have no doubt, Mr Speaker, that this is the most important budget session of this House for a generation.

Mr Speaker, as has been the case with all my Government's previous budgets, this budget is designed with prudence in mind, to support our working families above all else, to support our youth and our students and to provide support to our senior citizens and our disabled, as well as being a budget to stimulate new business and to continue to make Gibraltar the most attractive commercial environment in the Mediterranean. At this time, it is also, of course, a budget of caution, a budget infected by necessary pause and reflection.

And the fact is, Mr Speaker, that my Government has been hugely successful in the past four years in the management of our economy and in providing a continued level of prosperity to all sectors of our community. During our last term of office Gibraltar has experienced average economic growth of over 10% per annum. The Government has had record levels of annual recurrent budget surpluses. There has also been a significant increase in our employment levels and the Government has delivered an overall reduction in the cost of doing business in Gibraltar.

50 The Government has provided support for our working families with income tax levels already being abolished for those with income levels below £11,000. We have given back to the lowest paid in our community by not taxing them at all. There has been a significant reduction in income tax across the board for all taxpayers and many of our working families have benefitted from an increase in the national minimum wage of over 15% during our first term of office. A GSLP government introduced the minimum wage in 1988 for the first time. And now a GSLP/Liberal administration has continued the work of raising the minimum remuneration payable in our society in order to spread the wealth towards those most deserving.

Our public servants have also benefited, with public sector pay increasing annually by well over inflation in the whole of the first four years we have been in Government, although in the United Kingdom with whom our public sector enjoy 'parity', salaries have been frozen or subject to increases of just 1%. That means that public sector salaries have increased by 14.3% over the past four years, whilst at the same time inflation has risen by 5.65%. That is a record of investment in the human capital of the public sector which this GSLP/Liberal administration is proud, despite the criticisms we have received from inside and outside this House to have delivered.

Our senior citizens have shared in our nation's economic success with annual increases in old age pensions and in respect of the minimum income guarantee. Also, in order to provide our pensioners with the peace of mind that their dependents are well catered for, the Government took the decision to reintroduce the Widows and Orphans Pensions Scheme. The relevant Bill is pending reading in this House later in this session.

Pensioners have also been able to continue to enjoy above market interest rates on their savings with the continued availability of high interest monthly income Government guaranteed pensioner debentures, issued by the Gibraltar Savings Bank. Mr Speaker, it is no minor boast to say that Gibraltar's pensioners, even the worst off, are undoubtedly better off than pensioners in most of the rest of Europe, and this should be something that people here should not take for granted. Even in respect of the Household Cost Allowance, paid not by the Government, but by the independent charity Community Care, the Government's donation of the recurrent surpluses to them in the past four years has insulated them from any concern they might have had of their ability to pay the allowance in leaner years. We have backed our pensioners by insulating them from market forces also, and thereby eliminating the worry of diminishing returns on their savings. In this respect, the spread in relation of the interest rates offered by the Savings Bank has got wider as Bank of England interest rates have gown down further and further.

Mr Speaker, support for our youth has included increased levels of scholarship grants for all our university students, an increase in the number of teachers in our schools, and increased levels of investment in school infrastructure. We have also invested in our hugely successful Future Job Strategy which has taken so many out of unemployment and given them worthwhile, meaningful jobs. We have worked to give more to our youth today, for they will be the custodians of our tomorrow.

And we have invested in our community and nation as a whole in infrastructure and in the fabric of our tangible assets. Mr Speaker, we have developed new leisure areas which have been designed also to tangentially deliver huge potential business benefits. One such area is the Small Boats Marina which is also a fantastic superyacht berth, in the centre of our city, and which is already attracting new business to Gibraltar which produces berthing fees as well as increased bunkering and other spending from these luxury vessels. The fact is that this new National Infrastructure Asset also produces a magnificent leisure facility for 700 long abandoned small boat owners to the whole of the community's gain.

As is the investment we have made in the refurbishment and cladding of our ageing housing stock and which has made the value of those previously depreciating assets grow magnificently and for reasons I will explore later, to the benefit of the whole of our nation, not just the people living in those estates.

There have also been significant increases in income tax allowances for our disabled as well as reductions in import duties on goods used by our disabled community. Because we believe in helping the disabled, not just with handouts, but also with incentives and we have grown 'in work' allowances which had been frozen for years.

We have been criticised for spending money, Mr Speaker, but I am proud to have spent on our civil servants and public servants. It is right to tax the lowest paid less. I am proud to have spent to help our pensioners and our disabled. And it is right to have raised the minimum wage as we have. And I am proud to have invested in our youth. Those who criticise our spending must also conversely and perversely be saying that they would not have spent on our civil servants or reduced taxation for the less well paid, that they would not have raised the minimum wage or helped our pensioners and our disabled as we have and that they would not have invested in our youth as we have.

But as has been the case since we arrived in Government, Mr Speaker, this is a budget first and foremost for workers and for entrepreneurs, for those who put out their hands to work and not to take, for they are the engines on which our economy prospers and thrives and they are the ones we will most fuel now.

In corporate terms this will be a budget designed to encourage business, in particular those who might set up or establish themselves in Gibraltar after today. And it is a budget also, of course, to continue to improve our public services and to deliver sustainable growth in our economy.

Mr Speaker, in short, this budget reflects my Government's ongoing commitment and mission to improve the quality of life and standard of living of all our citizens whilst carefully calibrating our response to the seismic events of the last 10 days.

125 This year, in particular, I will have a chance today to update the House on the continuing developments arising in the aftermath of the decision of British people in the Referendum on continued membership of the European Union.

In fact, this year, perhaps more than ever, this will be very much more than just a speech on the Second Reading of the Appropriation Bill, but a wholesale review of this state of our nation.

130 Indeed, Mr Speaker, I sincerely believe this is probably the most challenging budget at least since the financial crisis of 2008.

As Mr Bossano said himself, at the recent Question Time in this House, the Brexit decision could unleash economic effects not seen since the 1930s. This is clearly a material and adverse change to the circumstances that we face as a nation and presents a situation that we will broach with caution, prudence and continued investment in the right areas.

135 With that in mind, I will also, of course, during the closing aspects of my address, outline the budget measures that the Government will introduce further to our manifesto commitments, in response to the recent turmoil we have witnessed in the financial markets, in preparation for the potential for a withdrawal of the United Kingdom from the European Union and in order to continue to address the social and business needs of our community.

140 Mr Speaker, before I launch into the substance of my address, I want to thank the Clerk of the House and his staff for the huge amount of work they have undertaken since the last budget debate.

In that time we have held a General Election, which of course meant that the House had to engage in finalising the new Register of Electors and the organisation of the Election. Shortly  
145 after that process was over, without time to pause for breath, we embarked on the work for Gibraltar's inclusion in the European Union Referendum, which has required a new register to be compiled by the House based on different eligibility rules. If I may say so, one silver lining of the past weeks has been to see how the Clerk has done Gibraltar proud in the organisation and delivery of the Referendum. We have flawlessly formed part of the vote in the United Kingdom.  
150 By being the first to declare our resounding verdict of 96% in favour of remaining in the European Union, we were able to highlight the strength of feeling in Gibraltar to the whole of the United Kingdom, to Europe and to the world.

I extend my hearty congratulations, and no doubt those of all Members, to all the staff of the House, and to those who were seconded to it, to assist the Clerk in his capacity as the Counting  
155 or Returning Officer for Gibraltar.

Mr Speaker, my congratulations, however, do not extend to the rest of the British people, who I believe have made a historic error of judgement in voting to leave the European Union, although I sincerely hope that, if Brexit proceeds, they will prove me wrong.

160 Pathology, Mr Speaker, is not my strong suit, and I do not think that there is any great value in carrying out a post-mortem of the result. In fact, political commentators are doing that already round the clock in narrating to us the soap opera that the Westminster Village has descended into in the past two weeks. But it is important to make an assessment of the current situation and to try to make sense of what has come to pass and why.

165 Mr Speaker, the result of the vote in England and Wales seems to have been driven not by an understanding of the European Union and a desire to leave it. More likely, Mr Speaker, it was driven by ignorance of the truth about the European Union, by a desire to vote against the UK's establishment and government, for reasons unrelated to the European Union, and, perhaps more importantly, based on claims which were exaggerations of the truth coupled with absolute untruths.

170 As I told those gathered for the annual dinner of the Federation of Small Businesses, I believe that the United Kingdom was sold Brexit on a false prospectus. I believe that many of those who argued to leave lied to the British public. And I believe that their exaggerations and hyperbole



are now coming back to haunt them as they stare into the vacuum that are their plans for the future.

175 Mr Speaker, perhaps there was also exaggeration in some parts of the campaign in the United Kingdom on the side of Remain. I do not accept for one minute that this was the case in Gibraltar. But it is clear to me that the false Brexit prospectus, if it were the prospectus for a financial product regulated by the Financial Services Commission or the Financial Conduct Authority in the United Kingdom, would have led to prosecutions today.

180 It is not an exaggeration to say that the United Kingdom has never faced such an absence of leadership as it faces today and that, of course, can have repercussions for us in Gibraltar. The Dutch Prime Minister, Mark Rutte, said last week that Britain is in chaos after the Brexit vote. In words which will sting all of us who have long seen the United Kingdom as a bastion of stability in an unstable world, Mr Rutte said, and I quote:

185 England has collapsed politically, monetarily, constitutionally and economically.

Mr Speaker, who could have imagined those words uttered about our beloved United Kingdom, or at least England, two weeks ago.

190 The Governor of the Bank of England, Mark Carney, has warned that the United Kingdom is suffering 'economic post-traumatic stress' and has said that the Bank of England will:

... take whatever action is needed to support growth.

Headlines in the *Financial Times* include a piece by Philip Stephens titled, 'Britain is starting to imitate Greece'. This was unthinkable two weeks ago.

195 And this is a contagion which will not be limited to the United Kingdom. The European Central Bank Chief, Mario Draghi, told the leaders that the impact of Brexit could shave a cumulative 0.3 to 0.5 percentage points off growth in the Eurozone economies over the next three years.

200 Hon. Members, like all the public in Gibraltar, will be closely following developments in the United Kingdom. In both the main parties at Westminster, developments seem to be proceeding at a faster pace than even social media and the 24-hour news cycle can manage. Could it be, Mr Speaker, that human action has, for once, even overtaken the speed at which electronic communications can stay abreast of developments?

205 I will not be commenting at all on the party political activity at Westminster, riveting though it may be for those of us with an unhealthy interest in politics. But I will say this: I do wish for the United Kingdom, as soon as possible, strong and determined leadership in both principle parties. This is a time for leadership in a determined direction.

210 In Gibraltar, Mr Speaker, there *is* strong leadership and we are united as a community and as a political class. We have spoken as clearly as ever in the result of the Referendum. The people of Gibraltar have expressed their desire to remain part of the European Union and the Single Market with the same fervent desire as we have previously and repeatedly expressed our desire to remain British.

215 There are many permutations that may eventually provide the mechanism for us to enjoy the type of relationship which the people of Gibraltar wish to have with the EU. I have no doubt that the United Kingdom will seek to be a facilitator of any such arrangements as we may wish and which we may be able to negotiate in. I also believe that we have strong allies in the UK, in both the Remain and Leave camps, who will wish to help Gibraltar through this period.

220 The fact is that we also have a common purpose with those of other nations and regions in the United Kingdom who have voted to remain in the EU. Hon. Members are aware of the progress of those discussions. I expect to be in a position to confidentially brief them again shortly on developments and will, of course, make such timely public statements in this House and outside it as may be appropriate.

There are other developments in hand, of course. What I want to stress to the whole nation, Mr Speaker, is that the final shape of what will be our membership or association with the European Union is not yet clear. The future shape of government in Westminster, the spontaneous and huge demonstrations in favour of remaining in the EU and the demographic analysis of the vote suggest that each day the majority moves more and more in favour of Remain, and this means it would be foolish to think that the future is discernible in any analytically reliable way. It cannot be clear until many legal and political issues have been determined.

One issue which is becoming prominent is whether a notice under Article 50 of the Lisbon Treaty can be given by a Prime Minister in exercise of the royal prerogative or if a vote of the House of Commons is required to trigger such a notice, which would undo the European Communities Act 1972. A legal action appears to have commenced already in this respect.

Mr Speaker, we cannot therefore at this stage commit to any recast post Brexit political or economic model until there is greater clarity. The leadership election in the Conservative Party presents so many permutations on its own that there are many options and alternatives to play for. Already we can see the beginning of economic policy for post-Brexit Britain taking shape. The Chancellor, George Osborne says that the United Kingdom is open for business in his *FT* piece yesterday, targeting a low rate of 15% for UK corporation tax. One might be forgiven for seeing in that approach much of what we have already been positioning: that is to say, low tax, best practice, agility in the context of a very competitive business environment guaranteed by the rule of law and the flexibility of the common law. We are well placed on that road map and can adapt well to it if it progresses.

The *Sunday Times* is not far off in its proposed blue print for Britain. That analysis of the:

... profound implications for Britain's political and business establishment.

Suggests that the UK has:

... entered a different world, with new challenges, but also new opportunities

Where it is essential to respond robustly to the challenges and seize the opportunities. That proposal suggests a 10% corporate rate of tax should be fixed as part of an 'Enterprise Agenda' for Britain with a scheme to reward private firms for getting young people into work, which is not too dissimilar to the Future Job Strategy. These proposed models are interesting in being so close to our own current economic model and we must watch to ensure that we remain competitive as against the United Kingdom itself.

What is absolutely certain is that in order to emerge politically stronger and economically more competitive out of this process we need to keep both united and very alert to all possible permutations facing us. We need to consider, plan and act in a way that ensures that we are not mere travellers in the process that is under way. We must be able to influence and shape our future now as a proud nation that has come of age and not as a colony or overseas territory of a metropolis that is told what is good for it and has to lump it.

After meeting the Minister for Europe last week I have now received the British Government's assurances in writing that we will be 'fully involved' in the process that is getting underway in the UK, and I have no doubt that we will be working in partnership with colleagues in London, leveraging of the relationship we have already invested in and built, in finding the best possible way forward for Gibraltar.

I also have no doubt that the European Union will welcome the fact that the people of Gibraltar voted so overwhelmingly to remain in the EU and the Single Market. I have no doubt either that the most magnificent weapon in my arsenal today is that huge show of support for the pro-EU option on the ballot paper two weeks ago.

The fact is, Mr Speaker, that Gibraltar has spoken clearly and with one voice, that we are not ready to say goodbye to Europe. We are not ready to leave Europe behind and we are not ready to turn our backs on the Single Market. We remain a cosmopolitan, Mediterranean business hub that is happily multi-faceted, multicultural and multi-ethnic. We are a people who are not only open to immigration; we are positively open and reliant upon it given that almost half of the working population of our nation commutes in every single day. All of those EU workers amongst us who were welcome before 23rd June, remain welcome today, and they will remain welcome tomorrow. They are a huge and tremendously valued part of our success.

And, Mr Speaker, we are definitely not ready to see Gibraltar lose the benefits it can leverage as an efficient and commercially attractive gateway to Europe. And this is not just an issue for us, but also, of course, for those who surround us and who support us with their labour and are part of our success.

As the recent report by the Chamber of Commerce reflected, direct, registered cross frontier workers can amount to over 12,000 of which 7,000 are Spaniards. Gibraltar imports almost £350m, around €420m Euros, a year from the Campo, securing thousands of additional jobs in the region. And we contribute almost 25% of the Campo's GDP, amounting to almost £847 million, or over €1bn.

I have met already with the Mayor of La Linea, Juan Franco, and with the Spanish Unions *Comisiones Obreras* and *UGT* as they are concerned about the effect that the Brexit decision could potentially have on their members who are employed in Gibraltar or in industries in the region that are reliant on Gibraltar. I have been happy to confirm to them that the Government of Gibraltar will not create any obstacles to the free movement of workers coming across the frontier. We are entirely clear about that.

But what I have also told them, Mr Speaker, is that if the price of continued access to the EU or the Single Market or the price of free movement is joint sovereignty with Spain, or indeed any other Spanish sovereignty price, then the people of Gibraltar will not pay it. **(Two Members: Hear, hear.)** It must therefore be clear to the world that the threat to the cross frontier Spanish workforce is not being made by Gibraltar, by the United Kingdom or by the European Union. The only threat to cross frontier workers comes from the current Spanish administration. It must be clear to everyone it is in this way that the current Spanish administration are the only ones who are creating uncertainty for frontier workers.

As ever, with our Spanish counterparts, we must hope for the best and prepare for the worst. The Government's view is that EU nationals are entitled to expect from Spain and hold Spain to a practical, workable and 21st century approach. We cannot make it easy for Spain to act in an unconscionable manner on the basis that only EU treaties create rights or indeed demand a civilised and sensible arrangement between neighbours. It will not be lost on hon. Members that we enjoyed the free passage of people, including workers, and free trade for many years before a now long deceased, and not missed dictator, first imposed conditions and then closed the frontier in 1969. We must surely not be expected to accept as Spain's default position the regime suffered under Western Europe's last post-war dictator.

I therefore call on all in our community to meet this challenge with our usual resolve and also with a renewed commitment to promoting, serving and working for Gibraltar.

More than ever before, this is a time to believe in ourselves, a time to trust the political leadership of this community, which will reach out to work with the whole nation. A time not to fear the unknown, but to seize the opportunity to shape our future in our own fashion.

For many years Gibraltar plc has given and all have taken. It is now also a time for us to give back more than we take. It is time to build on the solid foundations we have laid by our prudent investment in our nation. It is time to further solidify our already strong foundations even more.

Unity in the months, and perhaps years, ahead does not only mean trying to align and agree our political priorities. It also means all of us working together to develop and grow our economy. We provide services to an international clientele. Every interaction with our clients, investors and visitors is an opportunity and a responsibility. We can and must make all the

difference. In that respect, the public service will be hugely important. Every civil servant, every public servant must be alive to the need to ensure that Gibraltar is now seen as more efficient than other places, an easy jurisdiction in which to do business. No one can say or think it is acceptable to simply take the 'computer says no' attitude to the public ever again. We have no easy ride from here on. We have to be ready to do more, to go further, to work harder, to be more efficient and to wield greater influence than ever in building our common future in order to ensure we stay relevant, competitive and growing.

The Civil Service has never let Gibraltar down before, I am sure it will not do so now and it will be ready to meet the challenge that will come as we send out the message that we are open for business as usual, we are open for business with Europe and we are open for business with the world.

Mr Speaker, in this respect, hon. Members will be pleased to hear that the state of private sector projects in Gibraltar remains healthy, despite the Brexit result. We are about to see the finalisation of negotiations for the commencement of major new reclamation projects in the area of Coaling Island. Land reclamation needs to continue now, perhaps more than ever, so that we can ensure that businesses can have their workers based here and not dependant on the ability to commute easily into Gibraltar. A number of projects to allow for gaming and financial services workers to be housed in Gibraltar on new 'key worker housing' terms have been proposed to the Government and are under active consideration. Our community needs to understand that we need to build more and build higher in order to house those that we need to have in Gibraltar if we are going to maintain our standard of living for future generations.

And in that context, Mr Speaker, we are continuing our negotiations in respect of the plot at Rooke, which we expect will be handed over very shortly to the Government by the MoD. I expect to hold meetings with the preferred bidder in respect of that exciting potential development in September. Negotiations in respect of the Eastside project are also continuing, unaffected by the Brexit result, but hampered by complex discussion and engineering concerns. And new projects are being considered and proposed on which I would expect to make announcements soon and which will bolster economic activity in coming financial years. World Trade Centre, Ocean Spa Plaza, Midtown One and Two are already under way. The new Kings Wharf development of £60m and Eurocity are about to get underway and are also confirmed, despite Brexit, amongst others soon to be announced.

Mr Speaker, the Government has already done considerable work to attract businesses to Gibraltar that are not dependent on our access to the EU. More details of these businesses will emerge as further progress is made on the relevant projects being undertaken. In this respect, the work we have done in the United States and in the Far East, in particular via Jason Cruz in Hong Kong, is now expected to become even more relevant. The Gibraltar-US AmCham and the Gibraltar-Israel Chamber of Commerce are clearly even more welcome than they ever were before.

In order to make Gibraltar even more attractive for private sector investment, I have asked the Minister for Financial Services to reconvene the working group that reported on the proposed new mechanisms for Category 2 status and to also urgently progress the work being undertaken on HEPPS 2. Mr Speaker, it is worth noting that Monaco, to which we are so often compared, and is such a success, is not in the EU.

The competitive tender process for onshore storage of bunkers will continue unaffected by the Brexit result, as the parties that have tendered have expressed their desire to continue in the process despite the Referendum. This will be hugely beneficial for the future of our bunkering industry and will be alongside the potential for expanding LNG bunkering in the Bay.

In the insurance industry, a leading practitioner in the sector has written that:

Brexit does not represent doom and gloom for the Gibraltar insurance industry. Far from it. It simply means that the sector needs to partially reposition itself.

In respect of online gaming, a number of companies have already confirmed continued support and commitment to the jurisdiction for the long term and are voting with their leases to demonstrate it. William Hill, Lottoland and others have already made clear statements of continued commitment to the jurisdiction. The Minister with responsibility for this sector will no doubt say more in the course of his address.

But one specific example was the statement from Ed Ware, the CEO of 32Red Plc who said this week, and this is a quote that, '32Red was born and bred in Gibraltar and it is very much business as usual. We have a strong relationship with Gibraltar on many fronts and we are heartened that the jurisdiction shows every sign of continuing to progress and develop despite the surprise result in the UK. Gibraltar is a centre of excellence for gaming and we remain committed to working towards another 14 years of great success here.' Mr Speaker, this is language that the whole House will be happy to hear and I thank Mr Ware for those heartfelt words.

Mr Speaker, our economic performance is an important part of what makes us attractive to international businesses. It is therefore important that we should now undertake a substantive analysis of our economy and public finances by carrying out a detailed understanding of Gibraltar's economic performance in the past financial year ending on 31st March 2016.

Indeed, without anyone being in any way triumphalist, I am sure that all hon. Members and the whole Community will be pleased, reassured and heartened by the excellent performance of the Gibraltar economy in the past 12 months of the financial year 2015-16, although this positive performance does not ameliorate the potential challenges that Europe and the world will no doubt face in the coming 24 months and for which we will have to prepare.

Mr Speaker, inflation in Gibraltar averaged at 0.3% in 2015 compared to 1.8% in 2014. Annual inflation stood at 0.4% in April 2016, up from 0.1% in January, an average of 0.3% for the first two quarters.

The largest contribution to the slowdown in the rate of inflation in April 2015 came from static or falling prices in respect of food, alcoholic drinks, tobacco, fuel prices and slower price rises in clothing and footwear. The Government's Statistics Office reports that these were partially offset by upward contributions from other travel and transport, services and housing.

Gibraltar's rate of inflation has averaged at 0.25% in 2016, lower than the same period in 2015, that averaged at 0.5%. Weak inflation has been caused by low fuel prices from downward inflationary pressures in the UK and Spain from which we import most of our non-fuel commercial goods.

The rate of inflation was predicted by our Statistics Office to rise during the second half of 2016, following the increase in global oil prices that have nearly doubled since hitting 13-year lows earlier in 2016. This may, however, now not materialise as a result of the impact of the result of the EU Referendum which may produce effects that stifle growth generally and in particular in the areas which I have outlined and have already slowed and may now not pick up as expected. The falling value of the pound may nonetheless compensate if wholesale imports sourced in euros or dollars, or other foreign currency, makes them more expensive to consumers at the point of retail.

Mr Speaker, I turn now to an analysis of the Gross Domestic Product and of average National Incomes. The final GDP estimate for 2013-14 is now confirmed at £1.48 billion. That represents a growth in nominal terms of 12.3% or £161.56 million and in real terms of 10.3% over the previous year's final GDP estimate of £1.32 billion. The GDP preliminary estimate for 2014-15 is confirmed at £1.64 billion. This provides an increase of 10.7% in nominal terms, or £158.93 million and by 10.6% in real terms over the previous financial year.

Hon. Members will recall that, happily, this exceeded our own initial estimates of where Gibraltar's GDP would be in 2014-15, as we had anticipated that the GDP of Gibraltar would have reached £1.65 billion only a year later in financial year 2015-16. Mr Speaker, that means that in the four financial years from 2011-12 to 2014-15 the gross domestic product of our nation rose by 49% from £1.1 billion to £1.64 billion. I think, Mr Speaker, that everyone in our

Community and our cross frontier workers should be congratulated for having achieved that remarkable growth.

Yet, it is important to now factor in also the growth that we have seen in the financial year since then as the preliminary GDP forecast for 2015-16 is now estimated to be £1.77 billion. This, Mr Speaker, is an increase of 8.0% in nominal terms, or £130.85 million, and 7.5% in real terms compared to the previous year. If I may say so, Mr Speaker, it is exactly in keeping with the estimates we made at the time of the General Election, as we once again predicted the growth we anticipated was possible.

In terms of the period since 2011-12, Mr Speaker, the cumulative growth achieved from a final GDP estimate then of £1.1 billion to the preliminary GDP forecast now in 2015-16, is of an absolutely remarkable 61% for those five financial years.

Mr Speaker, the nation deserves to congratulate itself for having achieved this really quite unprecedented growth in the period. The average increase in GDP in the period is 12.2% per year, which really demonstrates just how effectively we have been able to channel the energy, the enthusiasm and the work of this community in this five-year period. (**A Member:** Hear, hear.) (*Banging on desks*)

Mr Speaker, the Government is now working to a target that would see increases in GDP to at least £2.4 billion by the end of March 2020. This represents a continued average annual growth of around 7.5%, and is the basis of the program on which we have been elected.

Mr Speaker, despite the Brexit vote in the Referendum, we are confident that this rate of GDP growth continues to be, today, entirely achievable and we will work to deliver that level of growth in the coming months and years.

Whilst analysing GDP, Mr Speaker, the division of GDP on a per capita basis of an economy is often used as an indicator of the average standard of living of individuals in that country. As a result, the growth in the overall size of the economy is therefore often seen as indicating an increase in the average standard of living. As I have said before in earlier speeches, my own view is that these measures are not entirely scientific because of the differing methodologies and fluctuating exchange rates on which they are based. Nonetheless, they are the measures that the rest of the world relies on.

Nominal GDP per capita in 2014-15 was £50,941. The latest forecast for 2015-16 estimates a nominal GDP per capita growth of 7.9% to £54,979. On the IMF GDP per capita rankings, the UK features in 28th position with a GDP per capita of \$41,159 and Spain in 36th position with a GDP per capita of \$34,819.

Gibraltar's GDP per capita for 2015-16 is forecast at \$90,165, placing Gibraltar in 4th position, down one, in the table. Third place has been taken by a new entrant, the Macao Special Administrative Region of China, which is new to the list at the 3rd position with a GDP per capita of \$98,135. That places us, Mr Speaker, even in 4th position, ahead of Singapore on \$85,253, Switzerland, Hong Kong, the UK and Spain.

As if to demonstrate how fluctuating and thereby potentially meaningless a calculation this is, the figures would of course have varied wildly depending on what day, indeed what hour, of the last two weeks one might have carried out the calculation because of the steep fluctuations in the value of sterling against the dollar. The important aspect of this exercise is really only to appreciate that Gibraltar's economy is estimated to have grown in real terms by 7.5% in 2015-16, with average earnings going up by 7.9%. This growth places us ahead of other small countries including Malta, Luxembourg, Singapore and Hong Kong.

Mr Speaker, the level of Aggregate Public Debt as at 31st March 2016 was marginally lower than last year at £446 million and the level of Cash Reserves ended the financial year at around £100 million. This reflects Net Public Debt at £345 million or 19% of GDP.

Mr Speaker, we had expected that the Net Public Debt would be down already to 19% of GDP at £314 million. The delay in finalising the negotiations in respect of the sales of land which would produce large premia have meant that the net debt has not been reduced by these sums. We are nonetheless confident, both that the negotiations for the relevant development projects

will be finalised – and I will be saying more in that respect later. We are also very confident indeed that we will be able to hit the debt targets set out in our manifesto so that Net Debt will be £300 million by the end of the financial year 2019-20, which will by then be 12.5% of GDP, at £2.4 billion.

Gross Public Debt remained unchanged and the reduced level of Aggregate Public Debt reflects the balance held by the General Sinking Fund. Mr Speaker, Liquid Reserves held by the Government ended the year marginally higher than the Cash Reserves. As is the established practice, a full breakdown of these Liquid Reserves and details of where these reserves are invested will be provided as part of the Annual Accounts of the Government, once these have been audited by the Principal Auditor.

Mr Speaker, given that at the same time as GDP has grown, the public debt has fallen, the Gibraltar Public Debt to GDP ratio has fallen in aggregate terms by 2.1% from 27.3% in 2014-15 to 25.2% in 2015-16, according to the GDP forecast.

In net terms, Public Debt represents 19.5% of GDP in 2015-16, a decrease of 3.4 percentage points compared to 2014-15, when it stood at 22.9%. These ratios continue at a considerably lower rate than those of the UK and most other European countries. According to figures provided by Eurostat, the United Kingdom has a debt to GDP ratio of 89.2%. The lowest figure for the UK, in recent memory, was 31% in the early 90s. Germany has a rate of 71.2%, with its lowest figure of 54% coming from the days when the process of German reunification was starting. For the Euro area as a whole the ratio is 90% and for our neighbour, Spain, the rate is 99.2%, well below the Greek 175% and the Japanese, hellish, 292%.

But, Mr Speaker, although we are doing remarkably well in respect of the ratio of GDP to debt, we are not complacent in this respect, and we are aiming to ensure that we hit our own target of £300m of net debt on a GDP of £2.4 billion, a ratio of 12.5%, by the end of the financial year 2019-20.

As we are faced by the uncertainty of the Brexit decision in the EU Referendum we must be more cautious in spending, more prudent in saving and more astute in achieving this reduced ratio, something which we are as committed to doing today as we were when we fought the General Election in November.

Our overall borrowing is relatively low, even if we were to include the borrowing by Government-owned companies, which, as hon. Members know, is not and has never been deemed to be part of the Public Debt. This is so because borrowing by Government-owned companies is serviced directly from the income accruing to these companies and is secured against income generating assets held by those companies, and not against the Consolidated Fund or the general revenues of the Government and has been the case under successive Administrations.

Mr Speaker, the Government nonetheless remains committed to reducing its debt servicing costs and it is fully engaged in restructuring its borrowing in order to take advantage of the historically low levels of market interest rates. In this respect, and as part of ongoing management of the Public Debt, opportunities to extend the maturity profile of the Public Debt are also being actively looked into by the Ministry of Finance.

Mr Speaker, hon. Members will see that the estimated surplus for this financial year, as set out in the estimates book, was £18 million. That estimate was, of course, as ever, a conservative assessment of what we believed was achievable.

I am delighted to announce to the House and to the nation that during the last financial year 2015-16, we have once again exceeded our estimate for the fourth consecutive year and achieved a recurrent budget surplus which is among the highest ever on record, at £38.8 million. (A Member: Hear, hear.) (Banging on desks)

I am surprised they are not pleased, Mr Speaker! This is more than double the originally estimated surplus for the year and produces the *third highest surplus* in our nation's history. In addition, Mr Speaker, it is worth noting that the surplus of £38.8 million is declared *after* the deduction of £25 million to fund the Government companies, something which was not done by

the previous administration which preferred to accumulate losses in the companies. We moved away from that way of doing things in our first financial year in office and have consistently deducted £25 million to fund company losses in each year since our first election *and* declared record surpluses. In this instance, for the sake of comparison of like with like, I should clarify that if we were declaring the surplus in the same manner as the former administration, which Members of the party opposite represent, we would have been declaring today, Mr Speaker, a surplus of £63.8 million, which would be the highest on record for our nation. But we continue to believe it is more prudent and appropriate, as we set out to do from the minute we were elected in 2011, to make the deduction in order to fund company losses, as I have stated.

Mr Speaker, this year's surplus arises from Government revenue during the last financial year exceeding the original budget by around £22 million.

As a reflection of the continuing growth in our economy, Income Tax receipts were up by around £5 million and Company Tax receipts were up by over £20 million.

The House will be pleased to note, that despite suggestions to the contrary in some quarters, departmental expenditure during the year, on the other hand, has been contained by the Government and ended this financial year broadly in line with the original budget.

Mr Speaker, I want to congratulate all controlling officers for their financial management in respect of these returns, although some departments where cost is demand led, have exceeded their budgets for that reason. Indeed, this result was no doubt greatly aided by the measures introduced by the Government to control unnecessary expenditure being incurred in the final quarter of the financial year.

Mr Speaker, moving on now to Community Care: as in previous budgets and in line with our manifesto commitment to help Gibraltar Community Care Trust build up its reserves so that it can become totally independent of Government grants, I am delighted to inform the House that a further sum of £20 million has been earmarked by the Government this year as a contribution to the charity. This contribution will be paid out from the Government's recurrent surplus for the year. Community Care no longer needs the whole of the Government surplus and for that reason we are fixing the amount to be donated to the charity to half of this year's record breaking amount.

By the donation of this amount, Community Care will be on track to have reserves of £230m by 2019-20, as we were committed it should have.

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 £590 million. This represents an increase in revenue of over £30 million, or 5.5% over the previous year's Estimate, but is nonetheless a conservative budget going forward. The overall recurrent expenditure budget for the year is £570 million, which reflects a modest increase of around 5% over the 2015-16 Budget.

Mr Speaker, this would represent expenditure at 32% of GDP. The similar comparator for the United Kingdom, Spain and Germany would be in the region of 43% or 44%, France is at 57% and the Euro area as a whole at 48%.

Mr Speaker, the Government is therefore conservatively projecting a recurrent budget surplus for this financial year of around £20 million. This year we continue to think it is right to project conservatively for such a surplus, rather than over estimate and find we are unable to meet the target. In these times, prudence will prevail in making this estimate, as it has in every other year since our election.

Mr Speaker, during the last financial year 2015-16, the Government invested around £99 million on capital projects funded from the Improvement and Development Fund. Around £18 million was invested on Works and Equipment and a further £81 million was invested in specific capital projects. This includes an investment of £12.2 million to complete the new 700 Berth Small Boats Marina; the provision of equity funding of £15.9 million for the Gibraltar International Bank and £6.7 million of equity funding for the University of Gibraltar. All of these are excellent projects that have added greatly to our growth as a nation.



Mr Speaker, there were also further capital projects funded through the Government-owned companies. These include the construction of over 1,000 new affordable and rental homes and the construction of car parking facilities in numerous locations around Gibraltar.

585 Mr Speaker, the expenditure budget of the Improvement and Development Fund for the current financial year 2016-17 is reduced by a third to a more modest £61 million approximately in this year's Estimate book.

The capital investment in Works and Equipment is estimated at around £20 million and the provision for investments in other Government projects amounts to £41 million.

590 This sum includes further equity funding of £3.2 million for the University of Gibraltar; an investment of £4.9 million in our Roads and Parking Projects; over £11 million for the relocation of a larger number of MoD estates as agreed by the former administration, in order to enable the continued release by the MoD of further land and properties for use by our community; £3.1 million for completion of the conversion and refurbishment works of the Old Naval Hospital; £1.3 million for infrastructure works required for the new Power Station; £1.9 million for  
595 infrastructure works for new Housing Projects; £1.2 million to complete the St Bernard's Catering Facility; £1.2 million for general improvements to housing estates; and further provision to complete other ongoing capital projects. Nominal amounts are provided in respect of some of the more exciting projects and developments we would like to see materialise but which are still undergoing the detailed planning stages.

600 All of these, Mr Speaker, are important investments in our future.

The Government will nonetheless be keeping a close watch on expenditure and on political developments and will, if necessary, have to make the decision to rein expenditure in further and not incur costs on new projects, if the circumstances so require.

605 Mr Speaker, I am delighted to report to the House that the reserves of the Gibraltar Savings Bank have continued to grow and that these reserves stood at £25.8 million at the close of the last financial year. The reserves of the bank are estimated to grow further to reach over £30 million by the end of the current financial year.

610 This is one of the 'kitties' available to the Government – and I do not mean cats, Mr Speaker – at any time and is a fund that has grown consistently since we were elected from zero just over four years ago. It remains on track to reach £70 million by 2019-20

Indeed, this is one of the rainy day funds that have accumulated and which the Government has access to and which we can pay ourselves as a dividend, should we require it.

615 Mr Speaker, as we set out extensively in our programme for Government at the time of the General Election, we are well on track to have rebuilt the rainy day funds which had been reduced to zero by 2011, when we were elected, to £300m by 2019-20. This is a process on which we did not start today. It is a process on which we embarked the minute after we were elected in 2011, and it was absolutely right that we should have done so. We are being proved right for having followed that course.

620 The current political circumstances entirely vindicate the view we have taken since we were elected, that we should build up these reserves. Already a total of almost £150 million have been put in rainy day funds in the past four years, Gibraltar now has, Mr Speaker, the largest rainy day fund in its history at its disposal.

625 Given the circumstances in which we find ourselves, I am sure, Mr Speaker, that the whole of the House and the whole of the community will be very happy indeed that our repeated prudence and our consistent caution in how we have calibrated our spending – despite criticisms to the contrary – has produced this magnificent rainy day fund, or sovereign wealth fund to put it in another way, in the sum of £150 million, well on target to reach the £300 million envisaged in our programme for Government in November.

630 Mr Speaker, the Savings Bank continues to provide an excellent range of savings products for our community, as indeed it has done since it was established over 130 years ago. The Deposit Base of the Savings Bank has now grown to over £1 billion and keeps growing by a considerable amount each month. In fact, despite what some might describe as some attempts to discredit

our administration of the affairs of the Bank, we have seen it grow consistently and in defiance of the attempt to tarnish it. The Savings Bank is now more robust than ever, stronger than ever and with greater reserves than ever. This is really to the credit of the work of Joe Bossano, who has demonstrated that he is by far the safest pair of hands for the growth of this institution, having built it up in the late 80's and having now done so again in, if I may say so, magnificent fashion. I know that Mr Bossano loves having praise heaped on him, Mr Speaker.

To have grown an institution like the Savings Bank as Joe has, and having laid such extraordinarily strong foundations for it, stands us in good stead in these times of uncertainty and vindicates the manner in which the Savings Bank has been managed in the time since our election five years ago. The strength of the Savings Bank today is a huge asset for Gibraltar, and I want to specifically single out the way in which Joe Bossano has doggedly and despite repeated criticism stuck to his plan to strengthen the Bank.

The Gibraltar Savings Bank will continue to provide savings products to serve our community and will continue to offer special rates of interest to our pensioners under the expert stewardship, not just of the Minister with responsibility of the Savings Bank, Joe Bossano, but also that of the Financial Secretary. In this respect, Mr Speaker, hon. Members will have heard the Governor of the Bank of England, Mr Mark Carney, say last week that he anticipates that interest rates will be cut again, probably in July and probably also again in August, which will be very bad news indeed for savers everywhere else. We have maintained the product for pensioners which will maintain their standard of living. The Savings Bank is also working on improving the other services it offers to savers by making use of the latest available developments in banking technologies.

The Savings Bank now, Mr Speaker, as we all know, complements the services that are being provided to the community by the Gibraltar International Bank, which includes a full range of retail banking services, in mortgage finance to prospective home-owners and commercial lending to our local businesses.

In its first advertorial slogan to the community the bank said it was going to be, 'Working to deliver your banking needs'. Hon. Members will agree with me that thanks to the hard work of the people who set up the bank in the most adverse of circumstances, the whole community can now see that this is in fact true and the community is availing itself of the services and products delivered by the Gibraltar International Bank.

The Bank opened for business, believe it or not, as recently as May last year, Mr Speaker, and in that short period of a year and two months since then the bank has successfully managed the transition left by the departure of Barclays Bank from the marketplace with little or no fuss. It has already been dealing daily with account openings, online banking services, loans and of course, mortgages. Indeed, I am informed that since the bank opened it has increased its deposit base on a month-by-month basis, also at the same time as the Savings Bank has done so. As at the 30th June the deposit base of the bank, in just over one year, stood at £244 million, that is to say, Mr Speaker, just shy of a quarter of a billion pounds sterling and way above the expected figure. This really is, Mr Speaker, a true reflection of how the community has embraced the Gibraltar International Bank and vested its confidence in it and is actively supporting it. The Bank's lending book has also been growing steadily over the months and now stands at £43 million. Overall, the bank has in excess of 7,000 accounts already opened in its books.

In summary, Mr Speaker, the Gibraltar International Bank today stands firmly as an established retail bank which is servicing the banking needs of our community and is becoming one of the important banks to go to in Gibraltar. And all of it run, as we insisted it would be, on an entirely independent and commercial basis (**A Member:** Hear, hear) (*Banging on desks*) by experienced and highly committed professionals at all levels and with an independent board of directors, also, exactly as we promised.

Mr Speaker, regardless of what side of the House hon. Members sit on, they will no doubt want to welcome the success that the Gibraltar International Bank has become. Can I ask that everyone here reflect now on the very hard work indeed that has been done by the independent

board, by the executive directors and by each and every member of the staff of the Bank in the process of setting it up and establishing it as they have, and making it the success that it is.

Mr Speaker, I will commence now on the process of dealing with the different departments that I have the honour of continuing to have responsibility for after the General Election: as hon. Members are aware, a Public Sector Human Resources business support unit has been formed to assist all government agencies, authorities and government owned companies, and it is based at Number 6 Convent Place. The new department has brought a commercial approach to non-Civil Service Human Resources, looking at efficiencies and new working practices to improve delivery of service.

It has also introduced a best practice approach to the disciplinary process focusing on restoring efficiency there also. The core of all industrial relations now emanates from this department which works directly to me in respect of my responsibility for industrial relations. We have been able to form an experienced team which is well respected by all our stakeholders and works well with all of them. The department is still in a developmental stage and once fully functional I expect it will bring a high end service to employees and our customers. I am also delighted to be able to inform the House that this new service has been welcomed by all three trade unions.

Mr Speaker, I now turn to my responsibilities for broadcasting. I am pleased to report that GBC's progress continues, with the feedback received suggesting that Radio Gibraltar remains a firm favourite with listeners. Viewers are increasingly enjoying programmes on television, and the national broadcaster's online and social media platforms are followed in their thousands. This is evidently due to the sheer hard work and commitment of the 80 or so broadcasting professionals now employed by GBC, who thanks to this Government's investment over the past four years, are able to deliver the programming and services that Gibraltar wants.

It is a necessary investment so that our small nation can pride itself in having its own independent radio and television services with the highest editorial integrity, and that is able to reflect our unique character, in the face of hundreds of radio stations and television channels that are available now locally.

The past four years have been all about improving the service that GBC provides. Programming is now a far cry from what GBC TV, in particular, offered viewers before then. GBC's CEO, Gerard Teuma, informs me that the road has been tough but this has now pretty much levelled out, with the efforts now dedicated to maintaining and wherever possible improving further, the quality of local productions and imported programmes.

Mr Speaker, television is an expensive business, nonetheless, but GBC's management is ensuring that all available resources are maximised to deliver the best value for money possible.

TV shows such as the recent 'Our Neanderthals' on the research being carried out at Gorham's Cave, and 'Inspired by Genoa' that is currently in production to air in the autumn, and which will trace Gibraltar's Italian ancestry, are just two of the many local programmes that would only be produced by a local channel.

And Mr Speaker, can I say that I am particularly looking forward to that programme, given that my ancestors come from Genoa.

This is GBC's remit, and they are delivering. The number of local series and specials produced this past year are simply too many to mention, but have been largely well received, not least to say the coverage of the election and the Referendum.

Mr Speaker, I am also glad to report that GBC has acquired 'affordable' rights to screen all of the FIFA World Cup Qualifier matches as an official host broadcaster. The live broadcast of these matches begins in early September. I am proud that our national broadcaster is able to cover the matches featuring our national football team. Evidence with these two elements, Mr Speaker, for anyone who may suggest otherwise, that the Rock is very much a nation in its own right.

I must also mention the GBC Open Day, which last Christmas raised a record-busting £146,000! I pay tribute to the trustees and the Corporation's employees who are involved in the

730 charity, not only for the special programming, but also for bringing the community together for such a worthy cause, which is The Rock's largest collective fundraising effort.

Mr Speaker, broadcasting is a sizeable area of employment locally, with 80 persons employed directly by GBC, that also provides opportunities to independent media companies. Careers in the media are exciting and rewarding and I am pleased that the Government's funding of GBC  
735 allows people to fulfil their ambitions in this sector, whilst providing valued services to our community. Increasingly, our own media professionals are also broadening their horizons by working closely with international broadcasters, such was the partnership between GBC and the BBC for coverage of the Referendum.

This resulted in both broadcasters benefiting from each other's locations and areas of  
740 expertise in what was a complicated results programme for all media involved – and in allowing Gibraltar's declaration to be carried not just by Sky and ITV who were here, but also by the BBC which is the main broadcaster in the United Kingdom. I was very proud to see that the *Newswatch Results Special* of Friday evening was subsequently shown on *BBC Parliament*, providing exposure nationwide in the United Kingdom for the Gibraltar point of view – although  
745 I can say, Mr Speaker, that I was a little surprised having BBC Parliament in the background at Gibraltar House in London whilst we were at meetings to see the GBC Newswatch logo come up and I did not have to do a double take. I have heard about reverse takeovers but I never expected that the GBC would be taking over the BBC.

Investment in technology needs to continue, and this year the Corporation has replaced its  
750 studio and field production cameras, which will allow the HD high picture quality to be maintained. Radio studios were also refurbished with some equipment upgraded. The focus in the new financial year is on the replacement of the current and ageing TV studio lighting grid with much more environmentally-friendly LED lights, as well as the upgrading of the station's satellite transmission facilities.

Mr Speaker, there is generally a good story to tell about GBC, but the truth is that our  
755 national broadcaster continues to operate from a location that is simply not fit for purpose. For this reason, and in keeping with our electoral pledge, GBC's relocation needs to happen soon and in a manner that will finally provide GBC with a decent working environment that includes the necessary infrastructure and allows our national broadcaster to deliver the best possible  
760 television and radio for our citizens.

This should also provide the vehicle for GBC to diversify and capitalise on commercial opportunities that should in turn reduce its reliance on a public subsidy. I am sure that with their proven determination GBC's professionals will make the most of any new opportunities that come their way, to the mutual benefit to its employees and Gibraltar as a whole.

765 I now turn, Mr Speaker, to my responsibilities for Customs.

The complement of HM Customs following the review is now complete with the final recruit training class concluding in December 2015. We have now employed sixty five additional officers over the last two years and, taking into consideration retirements during this period, a total of 79 new officers have joined the department since 2015. This has led to the creation of a new  
770 'Controls' section at the Commercial Gate, four self-contained operational shifts deployed subject to operational requirements, a 24/7 Marine Unit, a revamped Flexible Anti-Smuggling Team and increases in training, administration and IT officers.

Mr Speaker, it is interesting that in relation to Customs, in fact, there is now much to declare!

Honourable Members will be pleased to note that these increases in human resources have  
775 led to additional detections across all sections in both the traffic of illicit goods and evasion of duty. During the last year we have relocated or provided temporary office and working facilities for the Controls Section and Outfield and are working closely with the Collector on other relocations including that of the whole of Customs House, the Training, EPU and the Drug Detector Dog Section.

780 As Members of this House are aware, I am in the process of taking direct responsibility for drugs policy to ensure Gibraltar's 'drug problem' is dealt with directly from the heart of

Government. To this end, resources have been developed within Customs to have a dedicated team working primarily on tackling drug imports. During this year, marine and shift crews have detected and seized almost half a tonne of cannabis and a number of RHIBS have also been seized.

Mr Speaker, I expect to say more about my ministerial work in relation to this area of responsibility in the near future.

One of the other areas tackled by HM Customs is the illicit trade in tobacco products. In October 2015, HM Customs signed a Memorandum of Understanding with Philip Morris International, the world's leading international tobacco company which establishes a framework for co-operation to combat illicit trade in tobacco. A result of that collaboration with PMI is the testing of its 'Codentify' system, which is an electronic application to combine authentication, verification and track and trace cigarettes.

Customs is presently working closely with the United Nations Conference on Trade and Development to develop systems to test the effectiveness of 'Codentify' to identify counterfeits and the supply chain of cigarettes.

A portakabin has now been sited – as members of the community will have seen – at Eastern Beach Road as a staging point for officers on high visibility patrols in that area of the frontier fence and beach.

The Collector of Customs has also signed a Memorandum of Understanding to open a United Nations Conference of Trade and Development Gibraltar Centre of Excellence which will be housed within the University of Gibraltar and which will provide specialist training programmes for high-level international governmental and private sector officials on Customs-related matters.

Members of the House can imagine, Mr Speaker, that this was not without its attempts at thwarting.

The Centre is expected to be fully operational in August and a number of high level workshops have already been arranged for the autumn.

A stopover by UK Border Force cutters in September on their return from operations in the Mediterranean presented an opportunity for the UK Border Force Officers to undertake training exercises, share experiences and best practice, and to meet informally with their counterparts in HM Customs Gibraltar. This has resulted in further training and secondment opportunities with Border Force both in UK and in Gibraltar.

In May of this year the Collector of Customs, John Rodriguez, was elected into the European Association of Airport and Seaport Police's Executive Committee – something for Gibraltar to be truly proud of – a forum where international experts share their experiences and best practices with regards to the challenges of international collaboration in the changing world of border and port security.

The event, attended by over 60 law enforcement and security professionals from across Europe, focused on aviation and maritime security, with sessions that discussed current threats and opportunities to disrupt criminal and terrorist activities.

During the course of the past year I have attended three passing out parades – the first in many years – and was impressed with the level of professionalism and knowledge of the new recruits and all ranks present, and it was an honour to share such an occasion with their friends, colleagues and families.

Our Customs Officers, Mr Speaker, like the officers of all our law enforcement agencies, are a credit to our community. They demonstrate that we invest and are committed to tackling the trade in drugs and other illicit goods in a real and meaningful manner. They are excellent ambassadors for Gibraltar and I am indeed proud to have ministerial responsibility for their sterling work.

Mr Speaker I now turn to my responsibilities as Chairman of the Borders and Coastguard Agency, where we have made major improvements since we came to office in 2011. More recently, as promised in our 2015 election manifesto, we have now fully integrated the Highway

Enforcement Officers into the Agency, providing additional manpower required to meet the challenges of the increased workload. We have also employed a large number of additional female officers to ensure the Agency is suitably balanced to carry out the gender-specific work it does, and to remain compliant with the Civil Aviation Authority and Department for Transport standards and requirements.

Mr Speaker, the officers at the Borders and Coastguard Agency go through extensive training in a range of disciplines and responsibilities. They are multifunctional and can react according to the risk and requirements that they face.

This last year has been a very successful year for the Agency whose efforts have been recognised internationally by BORDERPOL – the international border security, immigration and traveller management organisation – for its outstanding vision, dedication and commitment to progressive border security, traveller and migration management.

The Gibraltar Agency was presented with the Excellence in Border Management award at the BORDERPOL World Congress in The Hague in December 2015. This award not only recognises the Agency's efforts but, more importantly, provides us with international exposure placing us amongst countries such as Singapore, whose Immigration and Checkpoints Authority were the recipients, before us, in 2014.

In addition to this accolade, Mr Speaker, the Chief Executive has been elected to form part of BORDERPOL's Common Council, which is set up to oversee strategic operational programmes, and provide a platform to inspect global border security, migration and traveller management issues.

Mr Speaker with over 12 million people coming into Gibraltar every year, and the increase in flights and cruise liner visits, the Agency continues, particularly at the land frontier, to face the ever increasing challenge of maintaining a fluid but secure border. This Government is pleased to have invested not only in additional human resources, but also in the latest available technology in passport scanners, advanced passenger information systems, and CCTV and facial recognition cameras; all of which have enabled the Agency to work closely with the UK Borderforce, Her Majesty's Government's Home Office in the UK and INTERPOL in developing a very successful border targeting operation.

Together with the magnificent men and women of the Royal Gibraltar Police and the other emergency and essential services, the Agency is very much at the forefront of our fight against terrorism, working hard to ensure that those who we would rather not see in Gibraltar, because of the fear they could carry out criminal acts and do harm, are indeed kept out – and this as a result, unsurprisingly, refused entry over the last year to over 35,000 people ... more than the population of Gibraltar.

Mr Speaker, it is impossible to ignore the migration crisis in south east Europe and Greece in particular. We are lucky enough to enjoy relative safety here in Gibraltar, but as the EU tightens its borders in the eastern Mediterranean we cannot overlook the fact that migration routes may well shift along the North West African coast towards Morocco and thus closer to us; and indeed the challenges that may bring.

The increased security posture has placed considerable strain on all of our security services, and the Agency's men and women continue to work tirelessly to ensure Gibraltar can combat the increased numbers of organised criminals attempting to travel illegally, particularly to UK, via Gibraltar. The Agency works on the premise of 'an open but secure border', and works with colleagues at the RGP, UK Borderforce and Spain's *Policía Nacional* and indeed INTERPOL, to achieve this.

It also works particularly closely with Her Majesty's Government Home Office Risk and Liaison Overseas Network in the United Kingdom, which co-ordinates immigration intelligence work overseas and shares intelligence, to provide that 'outer cordon' which aims to stop illegal immigration and those we would rather not see in Gibraltar getting to our borders.

Working with this Home Office overseas network has led to the successful disruption of organised immigration crime and trafficking operations with the interception of a number of

885 organised criminal human trafficking rings trying to get Albanian, Chinese and Iraqi nationals illegally into the UK through Gibraltar.

Mr Speaker, the Agency strives to ensure Gibraltar is not seen as a soft underbelly for illegal access to UK, and in addition to its entry checks at the border, regularly carries out random exit checks at the airport. But it faces, as does the wider law enforcement community around the world, ever increasing challenges as criminals improve their resources in counterfeiting and  
890 adapting stolen original travel documents in their attempts to travel undetected.

Mr Speaker, the Agency has worked very hard to become the focal point for a more centralised immigration service in Gibraltar, and the Immigration, Asylum and Refugee Act, currently under review, will reflect this. It aspires and is working hard to ensure its operation is very much intelligence-led, and continues to set for itself increasingly demanding and  
895 challenging objectives. It remains focussed to working in partnership with other Government departments and Law Enforcement Agencies, both locally and abroad, and to exchanging information and intelligence of mutual interest, to provide solutions and improve the overall level of immigration service Gibraltar provides.

One of their objectives this year is to focus on working closely with the ship agents to facilitate and improve the migration process of the 20,000 or so ships' crews that transit through Gibraltar each year. The Agency is committed to professionalism and as such is always looking at ways in which to improve itself and the service it provides, whether it be seeking changes to policy or legislation; the professional development of individuals; collective training or indeed its  
900 social media presence.

The management team together with my office have worked hard to establish a solid administrative structure and continue working closely with the unions to explore ways in which we can best develop the Agency's future.

I am happy to say that we are in the final stages of ratifying the changes requested by the unions which will see further improvements to the Collective Agreement.  
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Finally, Mr Speaker I want to publicly thank the men and women of the Borders and Coastguard Agency for the invaluable work they do as, despite making gains for Gibraltar, their work is often difficult to measure and communicate and it all too often goes unnoticed.

As regards the Civil Status & Registration Office, I can report that it has been a challenging but productive year; a year which has seen the retirement of the Head of the Department and the resulting staffing adjustments which are still ongoing. On this note, I should like to thank officers from other departments, including the Human Resources Department, No 6 Convent Place and the Borders & Coastguards Agency, for their support and assistance to the CSRO.  
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In line with the practice established since the Gibraltar GSLP/Liberal Alliance came into office four and a half years ago, we are proud to have conducted the granting of British Overseas Territories Citizenship. At long last we have been able to do justice to past sacrifices made by long-term non-EEA nationals to the benefit of our community.  
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However, by far the greatest challenge this year has been the complete overhaul of our local Identity and Civilian Registration Cards. A decision was taken early in our first term of office to work towards the replacement of our former ID cards, as had already been done with our driving licences, in order to enhance security features while at the same time pave the way for greater e-government transactions.  
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A massive logistical exercise was embarked upon, not without its teething problems, but thanks to the efforts and contribution from our staff at the CSRO, as well as other officers and summer students, the inevitable technical difficulties encountered are being addressed with support from our internal ITLD Department and the specialist consultants engaged to design and produce the cards. Already, Mr Speaker, approximately 39,000 cards have been issued. In the year ahead, the exercise will be seen to completion.  
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During the last 12 months, the Government Income Tax Office has continued its programme aimed at improving the assessment and collection of taxes in Gibraltar, which is such an important part of our revenue. In this regard, the amendments to the Income Tax Act 2010  
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introduced in the last financial year have made the legislation clearer and more robust. In relation to all aspects of taxpayer assessments, the Income Tax Office is carrying on with the implementation of measures addressing delay issues in a positive manner.

940 The corporate tax yield in the financial year 2015-16 has reached a record high of £109,374,117. This represents a significant increase of approximately 23% over the Government's corporate tax yield in the 2014-15 financial year.

In respect of tax arrears, the Government's Income Tax Office continued its very effective strategy of close, dynamic and direct communication with employers to ensure compliance with  
945 our tax laws. A culture of compliance is being nurtured and encouraged amongst the general body of taxpayers by this strategy. The fruits of these efforts are evident from the improved yield in the arrears recovered by the Government. In particular, the Income Tax Office takes a very stringent approach on employers that do not comply with their tax paying obligations.

As part of the next stages in this strategy, the Commissioner's objective is to publish a 'Name and Shame' list in the Gibraltar Government Gazette setting out the names of those employers  
950 that have defaulted on their PAYE payments. Furthermore, new provisions have been introduced in the Income Tax Act 2010 in the last financial year empowering the Commissioner, by also extending his legal authority, to publish details of self-employed individuals and companies in the Gibraltar Gazette who fail to meet their obligations.

955 The programme of improvements continues steadily and is an evolutionary process without losing sight of the clear objective to achieve a streamlined, accessible and user-friendly service to all taxpayers in Gibraltar. The changes to Counter hours providing a continuous uninterrupted service from 8.30 am to 3.00 pm has been a resounding and unqualified success as much in the Income Tax Office as in the wider Civil Service. I want to congratulate all public servants for this.

960 In tandem, the implementation of the Income Tax Office's new webpage including user friendly portals forming part of the wider e-Government platform has seen very positive and favourable feedback from users. The ongoing modernisation of systems within the Income Tax Office has upgraded the administrative efficiency of the back office resulting in significant reduction in the time spent re-filing and accessing files. The ultimate objective for the Income  
965 Tax Office is to phase in the scanning and digitisation of all taxpayers' files and records. The improved systems on the payment of tax via debit cards has proved a popular choice with taxpayers and the banking facilities through which refunds are directly credited to taxpayers bank accounts avoids the hassle and inconvenience associated with cashing cheques.

The multi-faceted approach to make taxation easier to understand and the awareness of  
970 taxpayers' obligations has seen various successful initiatives. Presentations and attendance at seminars aimed at the business sector have contributed to the success of the outreach programme. In particular, the advertisement of important tax reminders in the local press has contributed to the success in achieving greater compliance across the entire spectrum of taxpayers.

975 The Income Tax Office has also maintained a dedicated approach in the discharge of its duties and functions for the purposes of exchange of information. In compliance with the obligations required by the EU, under EU directives and under the OECD obligations, they have ensured that these obligations are met competently and consistently and on time. The Income Tax Office has deployed its resources in relation to the ever-increasing demands placed on it by international  
980 tax compliance and major inroads are being made.

The amendments to the Income Tax Act 2010 introduced in the last financial year include the obligation for all companies registered in Gibraltar to file a full and complete return of their income. In order to facilitate the registration of such a significant number of companies, the Income Tax Office has introduced a 'fast-track' system which allows for the bulk registration of  
985 all Gibraltar-registered companies that were not previously registered with the Income Tax Office.

The Income Tax Office has in fact, embarked on this process and in doing so has maintained close liaison with the finance centre industry. Forming part of the Government's package of



information technology initiatives, the ITO is working closely with the Information, Technology & Logistics Department to enable companies to submit their returns online. It is intended to extend this facility to all taxpayers as soon as possible.

Mr Speaker, there has always been an amount of tax refunds due to be processed in the system, however a significant increase in tax refunds due on personal assessments first arose with the introduction of the Gross Income Based system of taxation in 2007/2008. Hon. Members may recall that this effectively created a dual system of personal taxation in Gibraltar.

Under this dual taxation system, created by the former administration, the Income Tax Office calculates the amount payable by the taxpayer under both systems and then issues an assessment on the more favourable of the two taxation systems for the benefit of the taxpayer. The practical effect of this is that a significant number of taxpayers have in effect been migrated from the Allowance Based System to the Gross Income Based System after having been assessed. The initial years of this system resulted in a sharp increase in the numbers and amounts of tax refunds due and this backlog of refunds has been trailing since then.

The problem has been further compounded with the introduction of the system of 'payments on accounts' in 2010 for both companies and self-employed individuals which has also resulted in a further increase in tax refunds due. Under this system, payments on account are made based on the previous year's results. Although the system allows for the timely collection of tax on account, where any such companies or self-employed individuals have subsequently reported a lower profit or income level, the tax overpaid is refunded accordingly. In the initial years following the introduction of this system the focus has been in ensuring that it worked correctly and resources were deployed accordingly.

Mr Speaker, nonetheless, my Government has responded to the consequences of these tax system changes by increasing the annual provision for tax refunds so that they are now higher than they ever were before. Hon. Members will want to note and support that there is a provision of £10 million in this year's Estimates under Consolidated Fund Charges Head 07-1, for the payment of refunds during 2016-17 – the *highest* in history.

This compares with a provision of £7 million in 2015-16 and actual refunds of £6.6 million in 2014-15; £10.6 million in 2013-14; £6.6 million in 2012-13; £5.7 million in 2011-12; and only £4.7 million in 2010-11.

Mr Speaker, with the provision of £10 million in this year's budget, which is the highest amount ever provided for refunds, the Income Tax Office will be able to continue with its ongoing Refunds Programme to catch up on the backlog of refunds resulting from the introduction of the Gross Income Based system in 2007-08. The Income Tax Office has now finalised all tax assessments for the years 2009-2010 and 2010-11; and the tax assessments for the years 2011-2012 and 2012-13 should be finalised this year. Their Refunds Programme is presently being worked on with a view to making significant inroads into the processing of the refunds due over the next few years.

The Government, Mr Speaker, does not wish to keep people's money.

Finally, and more sadly in relation to this important department, Frank Carreras, the Commissioner of Income Tax, is retiring from his post this year. He will be sorely missed not just in this department but throughout the Government service. Frank has been a close adviser and a pillar of sound judgment in all the time I have been in office and I have no doubt that all those of my predecessors who have worked with him will feel the same way.

I know he has also been an important servant of this House at election times and has been a great asset to Her Majesty's Government of Gibraltar, generally. In his time he has overseen a huge growth in income tax receipts and has been instrumental in guiding the work our legal teams have done on the EU State Aid matters. Indeed, I am sure that the only persons who will be happy to see him go are those that he has quite properly 'named and shamed' for their failure to comply with their obligations.

Frank has agreed to continue to stay involved in helping to deal with general Government arrears and I have no doubt he will still be available to advise a friendly Chief Minister or two, once in a while.

Mr Speaker, last year the talk of the town was of power cuts and the greatest challenge facing our economy then was the provision of a reliable source of power and the installation of the necessary generating capacity for our community for a generation.

One of the most important aspects of that process was the choice of location for the new power station and the choice of fuel for the future. Anyone who now cares to cast an eye towards the North Mole will not fail to see the significant progress that has been made by Bouygues on the construction of that facility. The engine bays that will house the new workhorses that will provide Gibraltar's power needs are now virtually complete. Delivery of the Caterpillar engines is expected by around November of this year as they have passed pre-delivery testing processes.

The whole House will, no doubt, be delighted to hear that.

As the same time as this is ongoing, over the last six months senior Government officials have been engaged with Shell representatives to seek to finalise the arrangements for the LNG facility that will supply LNG to the new power station. These negotiations are highly technical as they need to cover eventualities over a contract spanning some 20 years.

Careful consideration has, of course, been given to ensure LNG is supplied to Gibraltar safely and reliably to keep the power station constantly working under this new fuel that will dramatically reduce emissions and produce cleaner and more efficient power. Gone will be the days of grimy, smelly, dirty diesel power and pollution. In addition, the cost formula agreed with Shell for LNG supply will make the use of gas cheaper than powering our engines with diesel.

Mr Speaker, discussions on the safety case have been fully aired in this Parliament, the election campaign and in the press. I can assure this Parliament that no stone has been left unturned in this respect. As I have said repeatedly before, neither I, nor any other Minister on these benches, nor any other member of my professional staff, would tolerate an installation which introduced an intolerable risk to our Community.

Shell has proved to be the right choice for this nation as we have experienced their attention to detail and vigilant eye on the safety case. The teams have repeatedly visited Gibraltar and have comprised specialists in all aspects of this process. For our part, teams from the Port have visited Shell's Rotterdam Gate facility which will supply LNG to the Gibraltar plant once this is operational.

In October teams from the Environmental Agency, the Gibraltar Fire and Rescue Service, the Port Authority and the Gibraltar Electricity Authority will visit Shell Gasnor's offices in Bergen, their LNG terminal and production site just outside Bergen, and to their LNG safety training facility in Rotterdam to see these at first hand and attend training sessions as appropriate.

It is expected that negotiations will be finalised in the next month or so in respect of the final agreement with Shell. Interim arrangements have been entered into with Shell which have allowed them to progress with ordering the construction of the tanks being specifically designed for Gibraltar.

In addition, Mr Speaker, the House will be pleased to hear that it is expected that Shell-commissioned works will also commence on the site shortly at the North Mole, after the agreements are signed and the final planning conditions are met.

I cannot begin to explain to Hon. Members, Mr Speaker, how *complex* this process is and how proud I am of the team at the Gibraltar Electricity Authority responsible for supervising the wider power station project. On this, I have been working with the relevant Minister, Dr John Cortes, and particular mention has to be made of Michael Caetano the CEO of the GEA and Hector Montado, the Government's Chief Technical Officer.

I also need to recognize the dedication of Manolo Alecio who has been instrumental in the design of the power station working on this up to his retirement and who continues to assist in an advisory capacity with this project. Manolo was part of the team who worked with me

together with Michael Gil as the then Chief Technical Officer to consider the options for Gibraltar from a blank canvas. I cannot thank Manolo enough for his friendship, support and advice in the period of analysis, consideration and procurement that led to the choices we have made and are now, happily, implementing.

1095 Mr Speaker, trying to co-ordinate both processes, power station and an LNG facility is not easy with everyone needing to be co-ordinated to ensure that the tanks are in place and the LNG plant is functional by the time the new power station engines are ready for testing. I am delighted to inform Parliament that we are well on track with both of these challenging and inextricably-linked projects.

1100 The LNG plant will be operated by Shell whose presence in Gibraltar will be through a 51% subsidiary aptly named Shell LNG Gibraltar Limited. In order to reduce the overall cost of this contract over its 20-year life to the Gibraltar taxpayer, the Government will own the remaining 49% of the shares ensuring Government shares in the economic benefit of this arrangement.

1105 The total cost of the facility is circa US\$ 44 million over a period of two years, and at the end of the 20-year contract period the plant will revert to full Government ownership for a nominal payment. The details of these LNG arrangements are not yet finalised but this outlines for the House the anticipated outcome of negotiations.

1110 Mr Speaker, my administration, just like the former administration, has also taken the view that infrastructure facilities such as the power station, which are for the long-term benefit of this community, should be funded on a long-term basis. With this in mind I can confirm that we have secured financing for the power station through a financing agreement that was entered into just before 31st March 2016 between Lombard plc, which is part of the Royal Bank of Scotland Group and ES Limited which is the company that will own the power station facility.

1115 This facility is an asset finance arrangement for £55 million, being the part of the construction contract represented by the assets in ES Limited. The facility is being drawn down against staged payments. The facility is repayable over 10 years, post construction, by making equal annual payments which can easily be met from the savings of fuel alone. The remaining balance of money due on this contract is at present anticipated to be financed directly from Government company sources.

1120 Mr Speaker, the new power station financing is more than affordable when one factors in the savings that will be made when Government also ends its contract with Energyst for the temporary rental facility and even more so when the Government is released from the fuel hedge arrangements put in place when diesel prices were in excess of US\$100 a barrel.

1125 The cost of this facility is at a margin of 2.98%. Yes, Mr Speaker, just under 3% of UK LIBOR, making this an *exceptionally* attractive facility that has not required the Government's balance sheet as security.

The facility also provides a drop lock option, allowing ES Limited to fix the interest rate. This choice will be allowed once during the lifetime of the facility with the decision available at each anniversary of the facility.

1130 Mr Speaker, it is right that I should take this opportunity to thank David Bruce from NatWest and Ian Victor, Robin Clayton and Lance Coppock from Lombards for working with us to make this innovative financing arrangement possible, which does *not* require us to raise electricity prices to consumers by 5% per year for 20 years, as was anticipated in the financing arrangements which were entered into by the former administration.

1135 Mr Speaker, the new power station project and the new LNG storage facility for it are amongst the most exciting, essential and critical projects for this community and it is a pleasure to have been able to see both of them well on the way to being delivered for the benefit of all.

1140 Mr Speaker, another of the exciting, essential and critical projects for the future of this community is the completion of the tunnel under the runway. In this respect, the Government was pleased to be able to announce that it had successfully negotiated a settlement with Obrascón Huarte Lain SA (OHL) to complete the runway tunnel. Not only will this settlement avoid further delays by requiring the contractor to complete the tunnel by 30th November 2018

but it will do so at a price close to the original 2008 budget. The completion contract explicitly specifies that any delay to the contracted completion date would immediately incur financial penalties to be paid to the Government by OHL. This settlement therefore provides Government and the taxpayer with the certainty of a completion date and also with certainty of cost.

Having originally contracted to pay OHL £30 million for the tunnel in 2008, OHL will now receive a total sum of no more than £24 million. This amount includes sums already paid. The reduction in price will contribute towards the costs and expenses incurred by Her Majesty's Government of Gibraltar since termination. These include the cost of certain works undertaken directly by the Government's wholly owned Gibraltar Joinery and Building Services Limited.

The risk involved in completing the tunnel project will now be assumed by OHL rather than by the Government and our current position is further increased in our having obtained bank guarantees in the total sum of £37.1 million in favour of the Government to ensure OHL's performance of the works. Mr Speaker, that is bank guarantees of £37.1 million to ensure OHL's performance of the works. Government will also be able to pursue OHL for further sums if they fail to deliver.

A completely fresh OHL team from their international division is being brought in to ensure the delivery of the project in accordance with the new completion obligations. OHL will be mobilising on site during the early part of July although formal commencement under the completion contract will be as at 1st August 2016.

Mr Speaker, as the Government has already stated publically, this settlement with OHL ensures that the final cost of the tunnel will be as close as we could hope for to achieve what was originally budgeted for. The result also de-risks the process for Gibraltar quite considerably.

I want to place on the record of *Hansard* the Government's thanks to the team at TSN comprising Guy Stagnetto and Nick Culatto; the team at Corbett & Co led by Edward Corbett, and also to Mr Nigel Pardo and also Stephen Orciel and John Joe de la Paz who have been involved throughout. Additionally, I am also grateful to the team, in-house, within Her Majesty's Government of Gibraltar, in particular, Michael Gil, Hector Montado, Dilip Dayaram, Albert Mena, the now Financial Secretary, and the former Chief Minister, Sir Peter Caruana, who have been of great assistance in the litigation leading up to this result.

I also want to thank GJBS who have, as usual, stepped into the breach when they were needed by the Gibraltarian taxpayer and they could have done a great job of finishing the tunnel if we had asked them to. The work they have done and have completed is, as usual, of the very highest standard and I want to thank them also for that work.

Mr Speaker, I think everyone will now look forward to seeing this important infrastructure project completed as soon as possible, by the date agreed and on the renewed budget.

Mr Speaker, I now turn to the specific Budget measures for the financial year 2016. As Hon. Members are aware, the Government's policy is to enhance, protect and secure our housing estates. We have invested very considerable amounts of almost £100 million in upgrading many of our housing blocks and we remain committed to this ongoing programme of modernisation and improvement. At the same time, Mr Speaker, the Government has noted the remarks in the Ombudsman's report this year in relation to the need to review housing rents.

First of all I want to congratulate the hon. and learned Lady, the Minister for Housing, for her fantastic work in collecting arrears of housing rents. She will be telling the House more in her intervention, no doubt, about how much she has already collected in arrears and what she plans to continue to do.

Going forward, the position of all parties at the last general election was that housing rents should be reviewed given that they had not been increased since 1984. Average earnings in Gibraltar in 1984 – which was before the full opening of the Frontier – were £126 per week, whilst average earnings in 2015 were at £555 per week – a rise of 340%. Inflation in that time has risen by 153.5%.

As a first Budget measure this year, Mr Speaker, I announce that Government residential rents will therefore be increased this year for the first time in thirty two years by only 3%, which

1195 will amount to an average of 60p per week. The increase will amount to 39p for a two-bedroom property at Alameda Estate or 46p per week for a two-bedroom property at the Mid Harbour Estate – that is to say, less than half the price of one edition of the *Gibraltar Chronicle* a week, although I am not proposing that anybody should sacrifice buying their *Chronicle*, Mr Speaker.

1200 I trust that all Hon. Members will agree with me that means-testing these increases would cost more than the increases and makes no sense.

These are very modest increases that must now continue on an annual basis in a manner that will nonetheless remain considerably below where they would have been if they had increased consistently in line with inflation.

1205 Whilst the former administration put in place a scheme to sell off our housing stock assets by extending the Right to Buy Scheme to post-war accommodation, we instead have decided to retain the housing estates as long-term public housing and to maintain them to a higher standard than ever before. Although, the Right to Buy Scheme in respect of pre-war or free-standing property will continue, our priority will be to implement this in a way that keeps the bulk of post-war housing estates within the public sector.

1210 Indeed, Mr Speaker, instead of selling off these prized assets to raise money, as was previously proposed by the former administration, we are delighted to have secured £300 million of new institutional investment in Gibraltar on the strength of our enhanced and refurbished public housing stock. This significant investment represents an important vote of confidence in Gibraltar's economy.

1215 The £300 million investment has varying maturities of between 15 to 30 years at fixed interest rates. Indeed, securing this investment at this time has been critical in order to benefit from current very low interest rates. Accordingly, the composite rate for the overall investment has come in at 3.85%. The securities have been placed with funds managed by M&G, MetLife and Babson, each of which are major institutional wealth managers. The Royal Bank of Canada Capital Markets has acted out of London as the private placement agent.

1220 The investment has been structured through Government's company structure, via Gibraltar Capital Assets Limited, a newly incorporated subsidiary of the Gibraltar Development Corporation. GCA has the benefit of long leasehold interests in six of Gibraltar's public housing estates. The freehold title to all housing estates remains with the Crown and the security of all tenants is completely unaffected and secured.

GCA has a very strong local board of directors consisting of James Levy QC, the senior partner at Hassans, as Chairman; John Collado, the current and soon-to-be retiring managing director of LPS, and Charles Serruya, a senior and highly respected chartered accountant.

1230 The Government and the Housing Authority will remain fully responsible for the allocation, repair and maintenance of the housing estates.

1235 Mr Speaker, this massive investment in Gibraltar has involved considerable planning and effort and I want to thank all the investors, financial institutions and advisers for having brought about this successful outcome. Indeed, this is all the more remarkable given the transaction was structured, completed in advance and notwithstanding the potential impact of a Brexit vote on 23rd June – not easily anticipated when the process was initiated. In fact, Mr Speaker, this transaction has served to highlight the very positive view of international investors in the strength and resilience of investment in Gibraltar.

1240 I want to specifically thank the Financial Secretary, Albert Mena, who originated, recommended and has seen through the concept of structuring this investment in Gibraltar in this innovative manner. My thanks also to Albert Mena's team for their work on this transaction and all of the work they do on these estimates, as well as Peter Montegriffo QC and his legal team for their invaluable work and advice in respect of this matter, as well as to the Minister for Housing, Samantha Sacramento, and Gerry Reading and her hardworking team at the Ministry of Housing.

1245 Mr Speaker, Albert Mena has been an important part of the delivery of this economic performance. He is an extraordinary talent, an extraordinarily committed individual and he has

extraordinary skill. At this difficult time, it is clear that Gibraltar needs his abilities and skill set at its disposal and I am honoured that he accepted the challenge I put to him to become a part of my team at No. 6 Convent Place, in the heart of Government as Financial Secretary – although I must say I was dismayed indeed at some of the attacks to which he was subjected in November and which I have no doubt many will now regret.

It is appropriate I should also thank, Mr Speaker – before I launch into the rest of the Budget measures – all of my team at No. 6. – they know who they are – for their fantastic work and support this very difficult election and referendum year.

Mr Speaker, the following changes in Import Duty will be introduced with immediate effect.

In order to assist the community with the purchase of vision correction aids and accessories, Import Duty on spectacles is reduced from 6% to 0%. Import Duty on spectacle lenses is reduced from 12% to 0%. Import Duty on contact lenses is reduced from 12% to 0%.

Mr Speaker, can I just pause there and say that I wear glasses and have contact lenses, in case anybody should care to suggest, later, that it is inappropriate for me not to have done so.

Mr Speaker, in order to contribute to a healthier diet among our children and at the same time promote physical education and sports in both our primary and secondary schools, Import Duty at 10% will be payable on fizzy and other soft drinks – other than fruit juices or milk-based drinks – with a sugar content of above five grams per 100 millilitres. The same level of Import Duty will be levied on sugar, sweeteners or other derivatives used for the sweetening of drinks produced in Gibraltar, which have the same sugar content.

As a further measure for the benefit of our school children – and I, Mr Speaker, will declare that I have two – Import Duty on school satchels is reduced from 6% to 0%.

Mr Speaker, in order to assist our community with the purchase of everyday essential items, Import Duty on sanitary towels and tampons is reduced from 12% to 0% – Mr Speaker, this is the legendary tampon tax which suddenly was part of our general election debate. Nappies and nappy liners for babies have their Import Duties reduced from 12% to 0% – Mr Speaker, I confess one of my children still wears nappies. Pre-shave, shaving and after-shave preparations have their Import Duty reduced from 3% to 0%. Personal deodorants and antiperspirants are reduced, on Import Duty, from 3% to 0%. Perfumed bath salts and other bath preparations are reduced from 3% to 0%. #

Mr Speaker, I do trust we will have a very sweet-smelling community indeed as a result of these measures.

Mr Speaker, in order to assist local businesses in the marine sector, duty on electronic equipment and spare parts for use exclusively in boats, including fish finders, marine radios, radar and GPS plotters is reduced – probably to the chagrin of the Minister for the Environment – from 12% to 0%; Duty on sails is reduced from 3% to 0%; Duty on propellers and related spare parts is reduced from 12% to 0%.

Mr Speaker, in support of this Government's continuing efforts to address the problems arising from tobacco and smoking generally, we will raise the Import Duty on water pipe tobacco from the current 12% *ad valorem* duty to £3 per kilo. This represents a three-fold increase in Import Duty on this commodity.

Mr Speaker, in order to assist with the cost of doing business in Gibraltar, electricity and water charges will not be increased this year, despite the increasing costs of providing these public utilities. Given that inflation since January 2012 – the month after we were elected – has amounted to 5.65% in that period, that is the discount in real terms that businesses have had already, since our election, against the amounts at which water and electricity are charged. That is, of course, a huge discount already against the amount that it costs to generate electricity and water, both of which are costs which are now heavily subsidised by the Government and which we will continue to subsidise.

General rates payable by businesses will also remain unchanged and discounts for the early payment of rates will continue to apply.

As I have mentioned, the Brexit vote has created uncertain times and my Government is determined to ensure that whilst in Gibraltar business continues as usual, Gibraltar remains competitive internationally and we continue to attract top quality businesses to Gibraltar.

In order to encourage any business setting up in Gibraltar due consideration, the Government will implement a start-up incentive. An incentive of this sort, although not quite in the form has already been advocated by the Gibraltar Society of Accountants and the Gibraltar Federation of Small Businesses, nonetheless the impact they were suggesting, we believe, is achieved by what we are going to propose.

In simple terms the incentive is as follows: any company that sets up in Gibraltar over the next 12 months and meets the following conditions will be eligible for this incentive. The conditions are: the company must be a new business setting up in the period from the date of this speech to 30th June 2017; the business must employ at least five employees in the first year; the business must not represent a transfer of a business previously existing in Gibraltar or one that is used as a transfer pricing mechanism to allocate profits from a business previously existing in Gibraltar. Anti-avoidance provisions will be applied to ensure this represents a new business setting up in Gibraltar. The incentive will be available for companies or limited partnerships but not for individuals trading in their own name.

The incentive is this: over the first three financial years of trading of the start-up business, the company will be eligible for a tax credit equal to the tax due up to a maximum of £50,000 over each of the first three years. The tax credit does not carry forward from one year to the next. Therefore, if the company does not make a profit and is unable to make use of it, it is lost. It is not eligible for repayment by the tax office.

The incentive simply acts as a mechanism to shelter a liability to tax up to a maximum of tax equivalent to £50,000 per annum, thereby effectively sheltering £500,000 or £½ million of profits per annum. My Government believes this mechanism will provide an incentive to those businesses presently considering Gibraltar as a place to set up their new business.

Mr Speaker, as Members of the House may be aware, the former administration introduced rates of Social Insurance contributions of 20% for employers and 10% for employees on 1st April 2007 in a bid to make the fund self-funding. These increases were initially capped at £26.20 for the employer and £20.75 for the employee as from 1st April 2007. These rates were payable up to 30th June 2008. During their last term of office, on 1st July 2010, the party opposite increased the cap to £32.97 for employers and £25.16 for employees. There have been no increases since July 2010. The Government is nonetheless committed to a total reform of the entire structure of the Social Insurance Fund in order to place it on a viable footing.

Mr Speaker, given the Brexit vote, announcing the reformed system now would not allow us to benefit from the potential flexibility which might be possible in the context of current EU rules perhaps no longer being applicable. An announcement will, therefore, be made in due course in respect of this new system, once the Government receives legal advice that the new system is fully compliant either with EU law as it is and will continue to apply or with whatever new regime is in place.

For now, Mr Speaker, given the seismic effect that the Brexit decision has had on financial markets and on businesses, after very careful consideration and after detailed consultation with Unite, the union; with the Federation of Small Businesses and with the Chamber of Commerce, the Government will *not* increase Social Insurance contributions. We will observe the effects of the decision on businesses in Gibraltar and will, if necessary make the necessary increases at the beginning of the calendar year in January 2017.

Mr Speaker, in pursuance of the Government's continued commitment to reduce the level of personal taxation, especially for the lower paid members of our community, with effect from 1st July 2016, taxpayers with an assessable income of £11,050 or less will be brought out of the taxation system altogether and will pay no income tax. This applies to taxpayers in both the allowance-based system and the gross income-based system.

In accordance with our manifesto commitment, taxpayers under the allowance-based system will benefit from an increase in their Personal Allowances, which is at least in line with inflation. This means that people most in need in our community and who benefit from these allowances will not see them frozen. With effect from 1st July 2016, the following allowance increases will be applied: the Personal Allowance is increased from £3,200 to £3,215; the Spouse and Civil Partners Allowance is increased from £3,200 to £3,215; the One-Parent Family Allowance is increased from £5,264 to £5,290; the Nursery Allowance is increased from £5,000 to £5,025 – Mr Speaker, I have a child at nursery school; the Child Allowance is increased from £1,100 to £1,105; the Child Studying Abroad Allowance is increased from £1,250 to £1,255; the Dependant Relatives Allowance is increased where the relative is resident in Gibraltar from £300 to £305 and where the relative is resident outside Gibraltar from £200 to £205; the Disabled Individual Allowance is increased from £9,000 to £9,040; the Blind Allowance is increased from £5,000 to £5,020; the Medical Insurance Allowance is increased from £5,000 to £5,020.

Mr Speaker, telecommunication companies are currently liable to pay Company Tax at the higher rate of 20% on all their taxable income. This applies not only to the taxable income on the business generated from the provision of telecommunication services, but also to the taxable income on the business generated from non-telecommunication services, such as data centres.

In order to ensure a level playing field, Company Tax at the higher rate tax of 20% shall apply only to the profits and gains arising from the telecommunication activities which are specifically mentioned in the Income Tax Act and the lower 10% rate of tax shall apply to the gains and profits arising from their non-telecommunication business activities.

Mr Speaker, in my last Budget, I announced a tax amnesty for six months to allow people who have failed to declare their taxable income in past years to rationalise their tax affairs before being caught out, bearing in mind the transparency and information-sharing international initiatives that Gibraltar has signed up to with other states.

Individuals were given an option to repatriate monies held abroad which were the product of income accrued and derived in Gibraltar or which, on remittance to Gibraltar would have otherwise attracted taxation; to wipe the slate clean on payment of a 5% tax on the total amount remitted to Gibraltar and deposited here. Any individual who failed to avail themselves of this tax amnesty and in respect of whom the Commissioner of Income Tax subsequently finds any such undeclared monies, will be subject to a penalty charge of 100% of the tax that would have been due if the income accrued and derived in Gibraltar had been properly declared at the time.

The total taxable income declared and repatriated as a result of the amnesty was £27.78 million, Mr Speaker. In terms of benefit to Government coffers, the total tax collected was £1.39 million.

Mr Speaker, the Government has now decided to extend the tax amnesty for a further period of six months, although on not such favourable terms. Effective from midnight tonight, the rates which will be applied will not be as advantageous. The tax amnesty will apply upon the payment to the Commissioner of Income Tax, on the same terms, but of 7.5% of the total amount remitted to Gibraltar and deposited here or 7.5% of the value of any assets purchased abroad from the proceeds of the income accrued and derived in Gibraltar on which tax should have been paid.

Mr Speaker, old age pensions will increase this year in line with the rate of inflation so that the single rate for old age pensions will increase from £438.78 to £440.54 and the couples' rate will increase from £658.22 to £660.85. At the same, the cash differential will be maintained with the minimum income guarantee.

Mr Speaker, in line with our manifesto commitment, the general level of public sector pay will rise by 2.75% with effect from 1st August 2016, with an additional 0.25% being payable to officers of the Royal Gibraltar Police, Customs, the Prison Service, the Gibraltar Fire Service, the Airport Fire Service, the Borders and Coastguard Agency and the Ambulance Service.



1400 In line with this Government's commitment to keep the national minimum wage under constant review and to increase this at least by the rate of inflation over our term in office whilst mindful of the need to keep Gibraltar competitive, the statutory minimum wage will increase from £6.25 to £6.28 per hour with effect from 1st August 2016. This represents an increase of around 0.5%, which is just above the rate of inflation.

1405 Mr Speaker, we have commenced the process of consultation with Unite, the union, and the Federation of Small Businesses and the Chamber of Commerce in respect of the potential introduction in Gibraltar of pensions in the private sector. Given the Brexit decision, we will not be progressing this process in this financial year whilst we observe the effects on the economy of the result of the vote of the British people.

1410 Mr Speaker, having finished the list of Budget measures for this year, on a point of simple housekeeping, Hon Members will know that it is customary, as a matter of courtesy, for the Chief Minister to stay in the Chamber throughout the Budget debate to hear all contributions. In parliamentary terms, we are, in effect, debating a Bill that I am moving in my capacity as Minister for Public Finance. For that reason, I hear all contributions as I am the one with the right to reply at the end for the Government. This year, unusually, I will not be able to remain throughout the debate as I may need to take pressing calls at times which are fixed.

1415 As a result, I would ask Members, all of whom tend to have written speeches, to please excuse me if I am unable to remain in the Chamber to hear their contributions. I will endeavour to do so in order to reply to their speeches as directly as possible, but it may just not be possible. 1420 If they could send me a copy of their written speeches, as they send them to the media, I would be grateful.

Mr Speaker, as we go forward this year, it is clear that now is the time to make the most of Gibraltar's two greatest assets: its land and its people. It is also a time, of course, to pause and reflect, but it is not a time to stop all Government spending or stop all Government investment, 1425 as to do so would undoubtedly just halt all growth and plunge us into recession. We must continue investing in efficient and socially essential public services and we must continue to strive to make Gibraltar a more attractive place to live in and to do business in.

We must also be alive to the need to cut spending further if the effects of the Brexit vote become markedly more negative in months to come. We will constantly review all of the 1430 indicators to ensure that our economy continues to perform in a manner that enables us to deliver the growth that we believe is achievable and the spending that is affordable.

The fact is that Gibraltar, despite the jolt of the 23rd June, in the morning, remains a hugely attractive and affordable place to do business. The rule of law and the common law combined make us attractive, as does our fiscal competitiveness and, after today, our very attractive 1435 regime for start-ups.

The reservoir of resilience and skills which is evident in Gibraltar today is also a huge asset in establishing the ecosystem for business success, but our near-term challenges cannot just be wished away, Mr Speaker. The fact is that we have as many reasons to be happy about last year as we have to be cautious about the coming 24 to 36 months.

1440 The absence of clear political direction in London is not insignificant for us, as it is not for the rest of Europe either. It is our medium-term challenges that we can influence with hard work and determination, and our long-term challenges are also the opportunities for us to shape and fashion the future into the form we wish, by the work we do now, by how persuasive our case is, and by how unified our approach remains

1445 We owe it to our grandparents and parents who fought so hard to achieve what they had secured in the European Union until the 23rd June and we will fight to retain in as great a measure as possible all that they have achieved for our children and grandchildren.

Mr Speaker, I am not one to rely on the quotes of others in speeches, but these are times to think of and take inspiration from the things said before by those facing adversity. Kennedy's famous, 'Think not of what your country can do for you, but of what you can do for your 1450 country' is, I am sure, on the minds of many, especially those who have spontaneously got in

touch with me and other ministerial colleagues and with the Government generally to reach out to help at this time in our history.

1455 I would however wish to share with you the quote from Henry Ford which reminds us that 'When everything seems to be going against you, remember that the airplane takes off against the wind, not with it.'

1460 Mr Speaker, as the dawn of the 23rd June becomes a more and more distant memory, we can see that there is a lot that we can achieve going forward. What is clear, Mr Speaker, is that this is not a time for egos; it is not a time for grandstanding or for talking Gibraltar down; it is not a time for electioneering or for the spin of party politics. This is a time for substance; for hard work and hard thinking; for prudence and for preparation, and that is what this Government is about. That is what we have been preparing for; that is what this Budget does.

1465 Our prudence to date has paid off. Our public finances are strong and resilient. We have the liquidity necessary to deal with the issues that do confront us and we have the liquidity necessary to deal with the issues that could confront us. We have the sovereign wealth or the rainy day funds that we need in the funds that we have established and grown.

This is a time, Mr Speaker, yes, to pause and reflect; but also a time to remain confident, to deliver on our public commitments and to be tempered by the prudence that the moment requires.

1470 The fundamentals of the Gibraltar economy are strong; in fact, Mr Speaker, the fundamentals of the Gibraltar economy are stronger than ever. And undermining confidence in Gibraltar, in our national financial institutions and in the fundamentals of our economy would be unhelpful and wrong – and I am sure that there will not be anyone in Gibraltar who would today seek to do that given the situation in which we find ourselves.

1475 Mr Speaker, this is the time in our history for extraordinary people in our community to do extraordinary things for our nation. Let us have the confidence to work together in this House and beyond to fulfil the ambitions of our nation and to use the community's talents to the full.

Mr Speaker, for all of those reasons, I commend the Bill to the House. (*Banging on desks*)

1480 **Mr Speaker:** It is already past the time when we normally recess for lunch. Shall we recess now and return at 3.15 p.m.?

**Hon. Chief Minister:** No, Mr Speaker, as is the custom in all parliaments, the Leader of the Opposition should reply immediately.

1485 **Mr Speaker:** I do not have to invite Hon. Members to participate in the debate on the general principles of this Bill, since I already have the order in which Members are going to participate in this debate.

I therefore call upon the Hon. Member the Leader of the Opposition.

1490 **Hon. D A Feetham:** Mr Speaker, I am very grateful for the courtesy that the Hon. Speaker wanted to extend the entirety of the House but I am, for my part, prepared to reply to the Chief Minister now.

1495 Mr Speaker, it is an honour for me to deliver to this House my fourth Budget speech as Leader of the Opposition and my ninth Budget speech overall.

Unhappily, this year we find ourselves debating these estimates of revenue and expenditure against the backdrop of a Brexit vote at the Referendum and, potentially, the single largest threat to our economic model since the closure of the frontier – and, in my view, in the history of democratic Government in Gibraltar.

1500 While on this side of the House we have every faith in the ability of our community to overcome adversity, it is important that this debate takes place within a framework of sober analysis, prudence and realism.

We are after all debating what the Government, for example, has spent and what it intends to spend; the way the Government intends to fund that spending; the size of our reserves; and public debt today and also into the future.

That debate must above all take place in the context of a probable Brexit and the uncertainties that Gibraltar currently faces. No-one wants the United Kingdom to leave the EU but our economic contingency plans must proceed on the basis that Brexit is not only *possible*, but is indeed probable.

Our economic model is one that is based largely on the ability of commercial entities to passport their goods and services into the European Union. It is a model that we have spent many decades developing and selling to customers. It is a model that we must do everything that we can to protect. And indeed, Mr Speaker, in this context I remind the House that both the Chief Minister and myself, during the course of the Referendum debate, were both of the view that a vote to Brexit the European Union was a vote that placed an existential threat over that model that we have relied upon for the last three decades.

The Financial Services sector that is built on those foundations provides over 4,643 jobs, on the last figures that we have – and in this context I am very grateful to the Hon. the Minister for Employment to have provided me with an advance copy of the Employment Survey.

The Tourist sector that also benefits from free movement of people provides many thousands of jobs. The Hotel and Restaurant sector alone accounts for 1,763 jobs. Nearly 2 million people visited Gibraltar last year through our EU border. Over many decades we have sold investment into Gibraltar by emphasising an attractive lifestyle – a job and home in Gibraltar, a second home or easy access to Spain. The Gambling and Betting activities sector, where those are real factors, employs 3,205 people.

Behind those numbers, of course, there are real people with real families; and it is for the sake of those real people and those real families that we must ensure that no stone is left unturned in our attempts to protect them in this situation.

And of course, Mr. Speaker, each sector of the economy is not hermetically sealed from the next. The success of the Private Rental and Home Ownership sector is directly linked to the success of – amongst others – the Financial Services and the Gaming sector. The ability of the Government through tax revenue to continue to provide year-on-year increases in Health and in our caring services is also dependent on those jobs. Less jobs, less revenue, less expenditure; it is a simple formula, Mr Speaker.

In March 2012, our expenditure on Health was £75 million. In this Budget, expenditure on Health has increased this year according to the forecast outturn to £107.2 million. That represents an increase of 43% over the last four years. *Everyone* wants the best possible health and caring services. But to do that we must continue to prosper as we have done over the last three decades.

When I make that analysis of jobs, expenditure and revenue I am also mindful of the fact that, at a macro-economic level, half of our GDP is accounted for by jobs in our economy. At the end of March 2015, there were 26,144 jobs in the economy – a rise of 7.1% since March 2014. Much of that rise is in construction but it feeds directly and indirectly into economic growth, and therefore the Hon. the Father of the House is right to be cautious in terms of GDP projections in the uncertain world we live in post the Brexit Referendum.

Gibraltar's size and agility makes us able to react to events quickly and that is a huge advantage at this time. But our dependence on certain sectors and a particular economic model, together with growth based on public spending, may make us significantly susceptible to a downturn. It is one of the reasons the hon. Gentleman and I were concerned about a possible Brexit vote.

And that is why, Mr. Speaker, for all my criticisms of the Government about spending and public debt over the last four years, it is my duty to steer a careful line between honest assessment in the public interest with the need to maintain confidence and to work with the Government in order to attempt to steer Gibraltar into calmer waters.

1555 To do otherwise would constitute a dereliction of duty and it is not what I am in politics for. The *quid pro quo*, however, has to be that those dealings with the Government must be based on an open, transparent and non-partisan basis where initiatives on the future of Gibraltar are not made unilaterally by the Government. Future generations of Gibraltarians will not forgive the hon. Gentleman – as indeed they will not forgive me – if we were to place party before country in this situation.

1560 It is, therefore, a difficult Budget speech that I deliver today balancing, as I must, objective observation of the state of our public finances – which is my principle duty after all to this House – against a very difficult backdrop indeed. We cannot, however, divorce this debate from reality.

In my view, Mr Speaker, our focus as a nation has to be the retention of confidence in the market here in Gibraltar and the retention of existing clients. Early public assurances from the United Kingdom government that it will be immovable in ensuring Gibraltar's access to the Single Market must be the priority goal. Even this, I accept, is easier said than done but it must still be a priority.

1570 The proponents of the 'Leave' campaign held different views about UK access to the Single Market. The announcement that there is to be significant internal reflection and discussion in the United Kingdom to decide some of these issues, before any notice is provided to the Council of Europe under Article 50, is to be welcomed. That will give us time to express our views and to lobby intensely – lobbying that, I would expect, would be undertaken on a joint basis between the Government and the Opposition.

1575 If an Article 50 notice can be avoided by the United Kingdom staying a member of the EU, and England and Wales opting out in a Denmark/Greenland-type situation, all the better. I can, of course, foresee constitutional and significant political problems with the latter, but we must accept that the Government is entitled to leave no stone unturned in this situation. There are other options that we have discussed, Mr Speaker, which will remain confidential between us until the appropriate juncture.

1580 In my view, however, we must plan on the basis that at some stage an Article 50 notice will be delivered by the UK government to the European Council. We, therefore, have to be prepared for that eventuality. That notice will trigger a two-year negotiating period where the UK will negotiate terms of exit with the EU, including any access to the Single Market. We need to use all the time that we have mobilising our friends in the United Kingdom and obtaining assurances from the political protagonists of the future that any access the United Kingdom obtains to the Single Market will be extended to Gibraltar.

1590 Mr Speaker, in this regard of course the Foreign Minister of Spain, Senor Garcia-Margallo, has on a number of occasions reiterated that Spain will not agree access for the United Kingdom to the Single Market with the inclusion of Gibraltar. We are going to demonstrate to Senor Garcia-Margallo what it is to have resolve, what it is to have unity in this community and what it is to show determination as a people. (*Banging on desks*)

1595 But it is important to emphasise that timing is all-important. My understanding is that Spain has no right to veto any terms of access between the UK and other Member States. What Spain can veto is an extension of the two-year negotiating period. Provided that agreement is reached within a period of two years after the Article 50 notice is delivered, Spain will not be able to veto an agreement reached by the UK government with the rest of the EU – including an agreement in respect of Gibraltar. This is why, Mr Speaker, early intervention is absolutely critical on our part.

1600 The leaders of the 'Leave' campaign also spoke about the UK negotiating deals with third parties. At the moment the EU has 50 such trade deals with third parties. Those, and any other trade deals, should be extended to Gibraltar as and when they are negotiated by the United Kingdom.

1605 Our Gaming and Insurance sectors have also faced recent challenges arising from decisions taken by the UK government. Changes to the VAT regime and the point of consumption tax are some of those challenges. In the situation that we find ourselves today, caused entirely by the

UK government decision to hold a referendum, the UK government has to rethink these policies as they affect Gibraltar. And in this respect, Mr. Speaker, I therefore look forward to the speech that the hon. Gentleman, the Minister for Financial Services, Mr Isola, will be delivering in due course.

And in my opinion, Mr Speaker, in tandem with all that we need to work very closely with stakeholders opening or expanding into areas that are less susceptible to EU challenges that we face. These are some of the areas we need to focus on in my opinion; but, undoubtedly, there are others.

Mr Speaker, the Hon. the Chief Minister said last week that it was business as usual. The very fact that we are holding this Budget debate today shows that as far as Government and Opposition, and the respective roles that we have been elected by this community to perform, it is business as usual.

The Chief Minister also said that it was business as usual in terms of the Government's adherence to its manifesto commitments. Mr Speaker, the hon. Gentleman cannot, in my respectful view, run with the hares and hunt with the hounds. Yesterday, in giving a taster of the Budget measures that he was hoping to introduce at this session, he said that the Government had to rein in on spending. I could not agree more with that statement. However, there is absolutely nothing that he has said today that indicates to me that the Government is serious about its intentions to rein in on spending.

Indeed, Mr Speaker, he has said nothing at all about how much money the Government intends to raise through some of the measures that he has outlined today. And he has not indicated to this House, as would have been usual, particularly in the situation that we find ourselves today, how much some of the measures that he is proposing to introduce will cost the Government in the years that are going to follow.

The hon. Gentleman has said during the course of his intervention, that he is proud of the Government's spending. Mr Speaker, of course a Government is going to be proud of its spending! But spending *per se* is neither here nor there, it is about *priorities* in spending and it is also long-term consequences of that spending.

The hon. Gentleman and I are not going to be judged by future generations on the moment; we are not going to be judged on this Budget; we are not going to be judged for how loudly hon. Gentlemen opposite bang on the table every time the hon. Gentleman makes a good point – or indeed the Gentlemen on this side of the House bang on the table ... hopefully, Mr Speaker ... absolutely hopefully, hopefully ... (*Banging on desks*) when I finish my speech!

The hon. Gentleman and I will be judged by future generations on consequence: consequence about spiralling and increases in recurrent expenditure – as I will develop in due course – and consequences about carrying the debt that we are currently carrying. There is nothing that the hon. Gentleman has said in his Budget address that allays my concerns and that indicates to me that the hon. Gentleman's mindset has changed, particularly in the light of that probable Brexit.

In the United Kingdom, Mr Speaker, we have already seen how its credit rating has been downgraded and there has been huge market volatility and uncertainty. The Chancellor of the Exchequer, George Osborne, made a robust, optimistic and positive speech at the Treasury last Monday emphasising that Britain has one of the strongest major advanced economies in the world and that, as a result, the British economy was about as strong as it could be to confront the challenges Britain now faced.

The very next day in an interview with the BBC he said that the UK government had to show it could live within its means and that tax rises and spending cuts were almost inevitable. Last week the Hon. the Father of the House said that Brexit was potentially the most serious crisis to hit the world since the 1930s. I certainly agree with him as far as the seriousness of the potential crisis to Gibraltar.

In the context of a probable Brexit and the uncertainty that we will face over the next two years, the Government cannot expect to continue spending money at the rate that it has been

1660 spending; and it cannot be business as usual as far as their manifesto commitments are concerned. Their manifesto will cost the taxpayer hundreds of millions of pounds, in the context of the fact that they have already spent £750 million in capital projects over the last four years.

1665 Our discourse over those years has been that the Government was spending too much money, funded by too much debt – part of which was being kept away from proper parliamentary scrutiny in Government-owned companies. But we were also saying that that was not only imprudent at the best of times, but less so when there were potentially difficult times ahead for Gibraltar.

1670 In my 2014 speech that I delivered to the Chamber of Commerce on the Budget that the hon. Gentleman had just recently then delivered, I identified and listed a potential Brexit as one of those potential curves up ahead for this community. Quite frankly, Mr Speaker, it is something that the Government ought to have been factoring into the equation of its public spending, both in terms of recurrent expenditure and also expenditure on capital projects over the last four years. Because however improbable we all thought that a Brexit was likely to be, it was nonetheless *possible*; and to have spent money in the way that the Government has spent money over the last four years is not, in our view, prudent or reasonable.

1675 There is nothing – absolutely nothing – unpatriotic about my criticisms of the Government in this respect; I am no less of a Gibraltarian than the hon. Gentleman is, simply because I have – and on this side of the House we all hold – a different view about how Gibraltar can be kept safe and secure in the light of the challenges that this community faces.

1680 But I will say that I agree with the hon. Gentleman that if there was ever a time for a return to the rainy day fund policy of the early 1990s, it is today; and I would hope, Mr Speaker, over the next year and indeed in years to come that the hon. Gentleman opposite pays much more attention to the hon. the Father of the House and his voice of caution, than they have obviously done over the last four years.

1685 And I heard the hon. Gentleman saying '*no se ha enterado*' – yes, I *do* get it, Mr Speaker, it is just that I do not agree with the hon. Gentleman that the money in Community Care is a rainy day fund for the entirety of this community. It is self-evident that it is not so, because the money in Community Care – which is money owned by a charity of Gibraltar for the benefit of a sector of our community – is not money that is going to be available for the Government and the general community if things were not to go as well as we all hope that it is going to be going over the next four years.

1690 Mr Speaker, I want to illustrate some of these issues by reference to increases in recurrent expenditure compared to recurrent revenue, together with decreases in cash reserves.

1695 On 31st March 2012 the overall recurrent departmental expenditure stood at £332.7 million whilst the forecast outturn this year stands at £453.1 million. In other words, just simply on the estimates of revenue and expenditure which we were debating, it has risen by 36.1% since March 2012. That is a very significant increase in four years and it still underestimates increases in recurrent expenditure, for reasons that I am going to be developing in a moment. Next year it is expected to rise by 40% from the position it was in March 2012 to £461.1 million.

1700 But, Mr Speaker, that in itself does not – as I alluded to a few moments ago – provide us with the full picture. As I have noted in previous years the comparison between March 2012 and March 2016 is not comparing like with like. Prior to the financial year ending March 2014, contributions to Community Care were treated as an expense through a contribution to the Social Security Fund.

1705 Since 2014, these amounts have not been treated as an expense and have been included in the surplus and then, from there, it has been paid to Community Care. In other words, Mr Speaker, prior to 2014 the contributions to Community Care were treated as an expense *above* the line and, subsequent to 2014, it has been treated as an expense *below* the line.

1710 The effect, in accounting terms, is to lower expenditure and to increase the surplus by a corresponding amount. This year that would have meant an increase in recurrent expenditure of £20 million and a decrease in the surplus by that amount. If you compare like with like, recurrent

departmental expenditure based on these estimates that we are debating today has increased by 42.2% since 2012.

But, Mr Speaker, none of this of course takes into account the *huge* elephant in the room – that is Credit Finance Company Ltd and Gibraltar Investment Holdings Ltd. There is absolutely no point to talk and to pat ourselves on the back about a surplus of £38.8 million when the Government has caused the Gibraltar Savings Bank to invest £400 million in Credit Finance Company Ltd – and that company is then spending tens of millions of pounds on payment, for example, of the commuted pensions of civil servants! The commuted pensions of civil servants have traditionally been an expense of the Government and now it is an expense of Credit Finance Company Ltd.

The effect – and it does not take a rocket scientist to work this out – is that of course the Government does not have to pay that money directly itself, to pay for the commuted pensions of civil servants ... which is a jolly good idea, Mr Speaker, I am not criticising it. (*Laughter*) But the Government does not pay for it itself, it is paid for by Credit Finance Company Ltd, meaning that the Government has more money in these estimates of revenue and expenditure available to it.

But, Mr Speaker, more than £300 million from Credit Finance Company Ltd has also been paid to Gibraltar Investment Holdings Ltd, which is the company at the top of the pyramid of all Government-owned companies, and that money is seeping down through Government-owned companies and it is being used – to quote the hon. the Father of the House who, in fairness to him, has always been straight with this House in relation to this particular issue – to fund the cash flow requirements of those Government-owned companies.

So, Mr Speaker, when the hon. Gentleman, for example, as he did today, speaks about the change in accounting practice and the fact that the Government is now funding Government-owned companies to the tune of £25 million, what he does not say to this House and what he does not accept is the fact that Gibraltar Investment Holdings Ltd is receiving hundreds of millions of pounds of savers' money which it is then using in order to fund those Government-owned companies.

If that happens through Credit Finance, Mr Speaker, then of course the Government itself does not have to put its money in its pocket and use the money that it has set out in its estimates of revenue and expenditure. Again, Mr Speaker, it distorts expenditure of the Government by creating a picture that is, of course, healthier than in reality it is, because every debt – and whether we call it 'investment' or we call it anything else – has, at some stage, to be repaid.

In my view, with or without the expenditure incurred by Credit Finance Company Ltd, these are very significant increases in recurrent expenditure, and I remain as concerned today as I have been over the last few years; more so, of course, in the climate that we find ourselves in.

When we compare this long-term trend in increases in recurrent expenditure with long-term trends in increases in recurrent revenue debt and decrease in Cash Reserves, we can see that the concern is entirely justified.

In March 2012, recurrent revenue stood at £454 million. Recurrent departmental expenditure, as we have seen, was £332.7 million. Recurrent departmental revenue, therefore, stood at 73.2% of recurrent expenditure.

Recurrent revenue today stands £581.5 million and recurrent departmental expenditure has a forecast outturn of £453.1 million. To that, we have to add the £20 million to Community Care, which now the Government is treating below the line when prior to 2014 it was treated above the line. Recurrent departmental expenditure today is, therefore, currently running, if we are to compare like with like: March 2012 to March 2016 at 81.3% of recurrent revenue. That does not take into account expenditure that is not being accounted for in these estimates of revenue and expenditure, but that is being channelled through Credit Finance Company Ltd with the money from the Gibraltar Savings Bank.

Moreover, whilst recurrent departmental expenditure has increased by 42.2% since 2012 – if we use my figure – or 36.1% – if we use the hon. Gentleman's figure – recurrent revenue has

increased by 28%. For three years I have been warning about this convergence between recurrent revenue and recurrent departmental expenditure. Last year I called it a 'worrying trend'. It is a trend that we need to reverse; more so, post the referendum result.

Mr Speaker, in my analysis at the beginning of my speech, I said segments of the economy cannot be hermetically sealed from other segments or sectors. Contraction in one sector would have a knock-on effect on others, and on the size of the economy generally and, of course, on revenue.

In this regard, Import Duty is actually down this year from £160 million to £151.5 million. The convergence that I have spoken about between recurrent revenue and expenditure would have been much narrower had it not been for an increase in revenue of £20.4 million in Corporate Tax and £5.5 million in Personal Tax.

Of course, we know from last week's answers to questions that the Government owes Personal taxpayers £19.5 million and Corporate taxpayers £10.1 million in tax rebates. If that had been paid, the trend towards convergence between recurrent revenue and expenditure would have been much closer and it would have, of course, virtually wiped out the surplus.

Mr Speaker, in making that analysis, however, I do want to congratulate the Financial Secretary and indeed the Father of the House. Leaving aside, Credit Finance Company Limited – and as I have said, it is a massive elephant in the room because it distorts much of what the Government is spending in a downwards trend – in the year ending 2014, the Government had overspent by £40 million. Last year, it had overspent by nearly £28 million. This year it has not overspent and I am happy to recognise that fact and, as I have said, congratulate the Father of the House and also the Financial Secretary in this regard. I would also like to think – I know there is a look of shock on the face of the Hon. the Father of the House – that our job as an Opposition, in holding the Government to account in this area, has played a small but perhaps effective role in pushing the Government into achieving that particular target.

Mr Speaker, recurrent expenditure is not the entirety of the Government's expenditure, of course; it does not take into account capital projects: that £750 million that we say they spent over the last four years. The Government would say this is money well spent – 'investments' as they would call it – but it is money spent nonetheless. We can see the effect of that spending and that rise in recurrent expenditure that I have outlined during the course of my speech on debt and also on Cash Reserves.

On 31st March 2011, Cash Reserves stood at £273.8 million. On 31st March 2012, Cash Reserves – and that is the first Budget the hon. Gentleman delivered before this House – had dropped but still stood at a very healthy £213.9 million. From then on Cash Reserves have dropped significantly to £73.2 million last year in March 2015 and the forecast outturn for this year is £100.3 million. Mr Speaker, that represents a downturn in Cash Reserves available to this Government and this community, of 53% since March 2012.

The increase in recurrent expenditure and capital expenditure over the last four-year term also explains why direct and indirect Public Debt has increased exponentially since the hon. Gentlemen opposite came into office. In March 2011 Net Debt stood at £206.36 million; by March 2012, it had increased to £303.72 million; and by the end of December last year it stood at £418 million. That is less than £30 million from the then legal borrowing limit of £447 million.

Today, as per the forecast outturn, Net Debt stands at £345 million. That level is still higher than the Government's targets at the election of £314 million for this year. I expect that Net Debt is going to continue to increase substantially over the next year and over the next few years. Indeed, just as at the beginning of last year, before last year's Budget session, Net Debt stood at £400 million and above. It was reduced for the purposes of the Budget debate, but started to increase very rapidly thereafter. So, too, will we see the same pattern this year, and the reason is very simple: every year before the Budget debate, there is a tightening of the belt; less bills are paid during the period, producing a temporary increase in Cash Reserves. After the



budget, there is a loosening of the belt, Cash Reserves decrease and Net Debt suddenly starts increasing.

We do not have the figures for April and May because the Hon. the Father of the House, last week, told us that he was not providing those figures because it would feature in the speech that was going to be delivered by the Hon. the Chief Minister. Unfortunately, Mr Speaker, just as we predicted last week, that has not been the case but I know as well as the Hon. the Father of the House that Net Debt and the trend in Net Debt is only going in one direction, unfortunately, and that is upwards.

Mr Speaker, the long-term trend is clear: very significant increases in recurrent expenditure over the last four years; recurrent revenue increasing at a slower rate than expenditure in percentage terms; very significant reductions in reserves; and very significant increases in Net Debt. Of course, that does not take into account the elephant in the room: Credit Finance Company Ltd.

This, of course, Mr Speaker, posed an insoluble problem for the Government over the last four years. Not only had it promised £750 million of capital projects to the electorate in 2011, but it had also promised – which it is delivering – to donate all surpluses to Community Care. It had criticised the level of debt under the GSD Government as ‘an addiction to debt’. Of course, because of the legal borrowing limits at the time, it was also legally impossible for the Government to directly borrow sufficient money in order to pay for all those promises it had made in 2011.

That is the reason why, in our view, £400 million of debentures from the Gibraltar Savings Bank was, to use their term, ‘invested’ in Credit Finance Company Ltd, which, in turn, as I have alluded to during the course of my speech, is being used in order to pay for Government expenditure.

The Gross Debt of this community is not £446 million in the forecast outturn; it is £446 million if you simply take into account the monies invested in Credit Finance Company Ltd or £885 million if the Government had to make good all those so-called ‘investments’ made by the Gibraltar Savings Bank in Government-owned companies.

Prudent management of our public finances needs to take account of this global picture. We cannot collectively bury our heads in the sand and pretend that Credit Finance Company Ltd does not exist and pretend that the Government is not using it in order to pay for Government expenditure.

Mr Speaker, many countries in Europe calculate and compute Public Debt by taking into account PFI arrangements and, indeed, the debts of Government-owned companies. That is the position in the UK. That is the position that we are urging from this side of the House for the Government to adopt. Mr Speaker, it is not just about openness and transparency or the quality of our democracy. It is also about the ability of the Opposition to identify potential financial problems, if they arise. This is even more important this year than it was last year.

None of this, of course, takes into account the way that the Government is going to be funding the power station or indeed the money that the Government is now going to be expending in relation to the tunnel under the runway, and we reserve our judgement until we look at the detail of that to see what effect it might have on the public finances.

Mr Speaker, this year the Government changed the way the legal borrowing limits were calculated and there was a sense of déjà vu in the way the Government did so. During the 2011 election, the hon. Gentlemen opposite said nothing about their plans to use the Gibraltar Savings Bank in order to fund Government expenditure and therefore directly or indirectly their manifesto commitments.

In March 2012, barely three months after the 2011 election, the Hon. the Chief Minister came to this House with a Bill amending the Gibraltar Savings Bank Act in order to do away with the requirement that all the investments of the Gibraltar Savings Bank be made in cash or cash equivalence from the preservation of their capital value perspective. In other words, very liquid and very safe forms of investment.

That change to the Gibraltar Savings Bank Act is what allowed the Government to invest Gibraltar Savings Bank deposits in Credit Finance Company Ltd which has allowed them, in turn, to pay for their expenditure. It could not have happened, Mr Speaker, under the GSD Government.

1870 During the 2015 General Election, the Government made promises running into hundreds of millions of pounds in their 2015 manifesto. It could not have paid for those promises by borrowing directly under the law as it stood then, which in simple terms had a Net Debt borrowing limit based on 80% of the recurrent revenue. As I have already noted, Net Debt was running very close to the legal borrowing limit; at one point, less than £30 million from that Net

1875 Debt calculation.

Rather than just simply say to the people of Gibraltar that the GSLP-Liberals were planning to change the way the legal borrowing limits were calculated and therefore borrow more – which they could not do because of those debt limits – they said nothing and changed the formula barely three months into their term in office.

1880 Now, Mr Speaker, the effect of it is that the Government can borrow 40% of GDP, i.e. the size of the economy. It can borrow much more than it did before and without being limited to 80% of recurrent revenue. The experiences in places like Bermuda show that the decoupling of debt from recurrent revenue in a small jurisdiction is not prudent. In a post-Brexit situation, I urge even more caution.

1885 I genuinely want the hon. Gentleman to succeed in these difficult circumstances and I genuinely believe that we can; the alternative does not bear thinking about. If it is to do so, it really must start a period of serious consolidation; it must rein in Public Debt and it must rein in future public spending. I also urge them to move towards greater transparency of public finances by bringing onto the books of the Government its off-balance sheet debt, which is the trend in the UK and in other democratic countries.

1890

New spending over the next few years has to be very carefully prioritised. There are many other examples where we believe the Government has not prioritised its spending. This year I want my analysis to be just as serious and sober as other years, but without the point-scoring that has characterised these debates for many years.

1895 Mr Speaker, I now turn to economic growth. The forecast Gross Domestic Product for the financial year 2013-14 was £1.484 billion, and the GDP for 2014-15 was £1.64 billion. Today the Chief Minister has said that economic growth for the year ending 31st March 2016 is forecast to rise to £1.77 billion. These figures are, therefore, good figures and I congratulate the Government on them. But that economic growth has been driven, to a large extent, by

1900 Government projects, construction in particular, and we would say funded by Government direct and indirect borrowing. I hope that the hon. Gentleman is right that the economy will continue to grow. Everyone in Gibraltar hopes that he is right, not least all those on this side of the House.

Mr Speaker, last year I said this about the Eastside Development, and I quote:

It is also fair to say 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 UK, for an investment in the Eastside worth well over £1 billion.

Unfortunately, the economic slump post 2007 prevented that project from prospering. The GSD hopes, in the national interest, that this latest project prospers and wishes the Government every success in this regard. Anything that creates real jobs and economic development in Gibraltar will be welcome by the GSD.

1905 Mr Speaker, this is not an easy project and we accept that, but the Government has made announcements in the past; it led people to believe that this was a done deal. When the Father of the House revealed it was far from a done deal in a debate with my hon. Friend, Mr Clinton, at the election, we understandably asked questions publicly about it.

The response from Cameron Holdings the day before the election was to say that they were 'surprised and disappointed' by the GSD attitude and that they were happy to confirm that they were finalising arrangements for the payment of the premium in respect of this development. We were, of course, merely reacting to the Father of the House and what he had said during the course of the debate.

To date, we do not know whether this project is going to go ahead with this developer or with a different developer, and I believe in the light of past public statements by the Hon. the Chief Minister and the Government we are entitled to know. Again, I hope the Government succeeds in its endeavours in this regard.

Mr Speaker, in the final analysis, I believe that what we need is for the Government to rethink its spending plans for the next few years in the light of the referendum vote. It is time for consolidation and long-term planning. Mr Speaker, that in itself is nothing new because we have been calling from this side of the House for consolidation and for the reining in of public spending for a number of years now, but it is incumbent on a Government that professes to be reasonable and a Government that professes to be prudent, in the light of the potential consequences that I have outlined for our economic model of a Brexit from the EU, to make that prudence and make that reasonableness a reality.

In that context I want to say this: the hon. Gentleman said that he is 'proud of Government spending'. I am proud, Mr Speaker, of the work that Her Majesty's Opposition has done over the last three years in continually highlighting how the Government was spending too much money and how our debt was increasing to levels that we believed, Mr Speaker, was not prudent.

Mr Speaker, it is always easier to defend huge spending which keeps an awful lot of people happy than to take the contrary view in the public interest which is that, for the sake of our future generations and our children and our children's children, we ought to be taking a different view.

Mr Speaker, at times over the last three years I have felt like the man who wanted to kill Father Christmas; such was the nature of the hon. Gentleman's largess to the community at large, but it is a largess, Mr Speaker, that at some stage is going to have to be repaid and in the current climate I renew my cause. I know that the Hon. the Father of the House will never agree with me publicly but I hope he will be making much the same points privately in Cabinet: that we really do need to rethink our spending over the next four years.

It is a time for us all to reflect. I have been talking about the culture of entitlement and expectation in Gibraltar, which I felt we all, collectively, needed to tackle. How many of us in this Chamber, Mr Speaker, who have been Government Ministers as I have been, have come across a situation where someone, in good faith – because it has to be said that people come to you in good faith – but they come to you and they say 'I am asking you to please do x, y and z for me, not because I am asking you to do a favour for me but because I am entitled to it': *a mi me pertenece*.

Mr Speaker, in the current climate, there is something more important than ourselves as individuals. There is the collective wellbeing of this community and the obligation to ensure that future generations enjoy the benefits that we have enjoyed. To do that, we must all be responsible in the demands that we impose on the state, particularly over the next couple of years. As I have said, a rethink of spending priorities is important. A rainy day fund is, in our view, desirable. I do not agree with the hon. Gentleman that that is what the hon. Gentlemen opposite have put into operation.

Consolidation means of course completion; for example, of works at Glacis, Laguna and Moorish Castle and priority projects, but it also means a pause on substantial increases in spending; in particular recurrent expenditure and debt until we have a clear picture of what the future holds. It also means, Mr Speaker, as my hon. Friend, the Hon. Mr Clinton, will outline during the course of his speech, a realistic programme for repayment of that very significant direct and indirect debt that is owed by this community.

1960       The hon. Gentleman finds himself steering a ship in waters and weather that might seem calm for now, but which have the propensity to develop into the perfect storm. He can rely on me to help in any way I can, but we cannot proceed on the basis of manifesto promises that were made pre-referendum. The rules of the game have changed and now is the time for no further gambles, Mr Speaker.

1965       Before I sit down, I too, Mr Speaker, want to thank the job that the hon. the Clerk of the House has done – and his team – not only during the course of the referendum but during the course of the last year.

          I want to thank Mr Speaker as well for the patience in listening to what, at times, are of course heated debates across the floor of this House.

1970       I also want to add my voice to the Hon. the Chief Minister's voice in thanking Mr Frank Carreras for the absolutely excellent work that he has done and for the service that he has rendered Gibraltar over the many, many years that he has served this community.

          Mr Speaker, thank you very much. *(Banging on desks)*

1975       **Chief Minister (Hon F R Picardo):** Mr Speaker, in order to allow me to have a conversation as quickly as possible with Father Christmas' security detail, I propose that the House should now adjourn until 4 p.m.

**Mr Speaker:** The House will now adjourn until 4 p.m.

1980

*The House recessed at 2.15 p.m. and resumed its sitting at 4.00 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**AFTERNOON SESSION: 4.00 p.m. – 7.04 p.m.**

**Gibraltar, Tuesday, 5th July 2016**

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# The Gibraltar Parliament

*The Parliament resumed 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

### Appropriation Bill 2016 – For Second Reading – Debate continued

**Mr Speaker:** The Hon. Dr Joseph Garcia.

5       **Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, this is the first budget since the General Election. It is my 18th budget debate as a Member of this House and my fifth as a Member of the Government. Time flies, Mr Speaker. The years continue to tick by and time shows no mercy to anyone.

10       I was surprised to find that, after the election, I am now the second longest serving elected Member of this House, after my friend and colleague, Joe Bossano. It seems like yesterday that I first set foot in this place after a by-election 17 years ago.

15       Indeed, Mr Speaker, the General Election of November 2015 itself now seems a distant memory, there is so much that has happened in-between. That election marked the start of our second term in office. It followed an overwhelming vote of confidence by the electorate, which was an endorsement, both of what we had achieved up to that point, and of what we set out in our programme to achieve in the years to follow.

20       It is with a sense of pride, Mr Speaker, that we acknowledge the faith that the people of Gibraltar placed in us at the last General Election. They judged us on our performance. We passed that test with flying colours. The numbers, Mr Speaker, spoke for themselves. But as my Hon. Friend, the Chief Minister, has said on more than one occasion, we will show humility and respect for the whole electorate. This mantra applies in our approach to those who voted for us, to those who voted for somebody else and to those people who did not vote at all.

25       Mr Speaker, we now face the challenge posed by a new manifesto for the next four years. This is a challenge that has been compounded by the potential exit of the United Kingdom from the European Union.

Teamwork has been a hallmark of our first term of office. That same teamwork will see us through the unforeseen challenges ahead.

30       Mr Speaker, in December 2011 the Office of the Deputy Chief Minister was formally created as a distinct entity. This year there has been a change in the Estimates book which now reflects that reality. This is therefore the first time that this Office is shown separately. The Estimates book shows an estimated expenditure of £3.4 million for the coming financial year.

The House will recall that a number of portfolios were redistributed between the Chief Minister and myself shortly after the General Election last year. This saw the creation of a new

Ministry for European Affairs and for political lobbying, for which I now have responsibility. All of  
35 this will be *very* relevant in the months and years to come. Whatever happens, Mr Speaker,  
Europe will continue to exist and Gibraltar will need to maintain a relationship with it.

That mini-reshuffle is reflected in the Estimates laid before the House. In particular, through  
the cost of the London, Brussels and Hong Kong Offices which have been transferred from the  
Chief Minister's remit to my own.

40 Before I move on to those areas, I want to say a few words on the EU Referendum that took  
place at the end June. Mr Speaker, little could David Cameron have envisaged the intensity of  
the storm that would be unleashed as a result of his decision to commit to a Referendum on EU  
membership in the Conservative party manifesto for the last UK General Election. The Prime  
Minister has resigned. The Conservative party is embroiled in a leadership challenge. The Labour  
45 Party has leadership issues of its own. Those who landed everyone in this mess have no direction  
and no plan. Some of them, indeed, have cleared off. The result is a power vacuum in London,  
which is apparent from simply watching the news.

Mr Speaker, thankfully the position in Gibraltar has been very different. We have taken  
control. We have provided leadership and we have a clear sense of direction. The Cabinet met  
50 within hours of the Referendum result. The Chief Minister, my Hon. Friend, Joe Bossano, and I  
then met with the Leader of the Opposition and two of his colleagues straight afterwards. My  
Hon. Friend, the Chief Minister, made a statement to this House less than 24 hours after the  
Referendum. Three days after the Referendum, the Chief Minister and I were in London for a  
whirlwind tour of meetings with the UK Government. We also met Members of Parliament, both  
55 on the Remain and on the Leave side of the argument. When we returned from London I came  
straight to this House from the Airport for a second statement.

Mr Speaker, the Government will take whatever steps are necessary to protect the position  
of Gibraltar.

We are looking at the details of a mechanism which will allow cooperation with the  
60 Opposition on these matters. We have met and reassured the finance centre, the gaming  
industry and the business community. We will explore every available option open to Gibraltar –  
except, obviously, the one that Mr Margallo continues to float. The people of Gibraltar can rest  
assured, Mr Speaker, that the Government will leave no stone unturned in order to secure our  
position.

65 Having said all that, it is important to recall that the UK and Gibraltar will remain in the EU  
and EU law will continue to apply until the moment of a potential exit in the future. We  
therefore expect business as usual in the interim.

Mr Speaker, we await the election of a new Conservative party leader who will become the  
new Prime Minister. Conservative MPs are voting today in the first stage of the process. The  
70 subsequent appointment of a new cabinet in September is another key event which will shape  
the way forward. The UK then needs to determine exactly what it wants from the negotiations  
with the EU. The Chief Minister and I were guaranteed, in London, that Gibraltar would be fully  
involved in that process. The House knows that we have already established contact with the  
Scottish Government, with the Mayor of London and with the Crown Dependencies. There will  
75 be face-to-face contact with overseas territories leaders later this month at the preparatory  
meeting of December's Joint Ministerial Council.

This is how things stand at present: the situation is fluid. There are many variables.  
Nonetheless it can be managed effectively. With every door that closes a new door will open. Mr  
Speaker, looking back over the last few months, it is an understatement to say that matters  
80 related to the Referendum have taken up a considerable proportion of the Chief Minister's time.  
They have also taken up a considerable proportion of my own time.

My Office served as a contact point for the inter-governmental work between Gibraltar and  
London on the logistics and the legal framework for the Referendum. I want to acknowledge the  
valuable and essential contributions from the Attorney General, Michael Llamas, from Paul  
85 Peralta and from the legal drafting team in this regard.

There was, Mr Speaker, a considerable amount of activity in the run-up to the introduction of the European Union Referendum Act to this House in February. Subsidiary legislation was also adopted. The House will recall that a number of reports were produced by the UK Government which covered different aspects of the Referendum. These needed to be analysed. The Government itself also contributed to some of them.

It is fair to say that there has been, and there continues to be, a very close level of cooperation and consultation between Gibraltar and London on all matters related to the Referendum. Indeed, it was a reflection of that close cooperation between the two Governments that saw Gibraltar included in the franchise in the first place. This was further reflected in the Prime Minister's historic visit of 16th June.

On behalf of the Government, I would like to thank all those involved for their hard work in the lead-up to and in the actual conduct of the Referendum, in the polling stations, during the count and elsewhere. A special thanks is due to Paul Martinez, the Clerk to the Parliament, who found that he also had a Referendum to contend with within eight months of a general election.

Mr Speaker, the dust has barely settled on the result. Our view as a Government, indeed our view as a Parliament, was that the UK and Gibraltar were better off inside the European Union. The House knows that, on our joint advice, Gibraltar voted overwhelmingly for this option. Sadly, the wider majority of voters in the UK did not agree.

The formal procedure for a UK exit will not commence until notice is given under Article 50 of the Treaty of Lisbon. This will trigger the countdown for two years of negotiations to commence. The extension of those two years will require unanimity. If there is no unanimity the Treaties will cease to apply automatically and the UK will be out. In the event of an agreement, before or after the two years, the content of that deal will require approval by the Member States through Qualified Majority Voting. Hon. Members will have followed the latest discussion in UK on whether Parliament would have to approve the issue of a formal Article 50 notice.

Mr Speaker, we are in uncharted waters. No member state has left the European Union before. We only have the example of Greenland which joined the EEC with Denmark in 1973, at the same time as we did. In 1979 they voted in a referendum to enhance their self-government and then opted to leave. The actual exit took place in 1985. I use this to emphasise the point that Gibraltar will stay as it is, as part of the EU, until that potential point of exit arrives at some point in the future.

Mr Speaker, the Government is looking at all the options. This includes the option of remaining inside the European Union as per the mandate that we have from our electorate. People can rest assured that the Government is equipped, qualified and able to deal with the challenges that we face. My Hon. Friend, the Chief Minister, and I discussed this matter last week in London with the Minister for Europe, David Lidington.

The Government has made the point already that access to the single market and freedom of movement of persons are two important issues for Gibraltar. This is important for the neighbouring region of Spain, also – a region that depends on Gibraltar for the creation of employment and economic growth. The Campo depends on a free-flowing frontier to allow access to employment in Gibraltar for thousands of cross-border workers. The irony is that it is the Spanish Foreign Minister himself who is putting thousands of Spanish jobs at risk through talk of shared-sovereignty. Shared-sovereignty is never going to happen.

Mr Speaker, Gibraltar has faced many challenges throughout our turbulent history and we have overcome them. Together, we will overcome this latest challenge as well. We should not forget that with every challenge there are also new opportunities. We welcome the cooperation of the Opposition in this task.

Mr Speaker, I now intend to report to the House on the Gibraltar Offices abroad and also on the wider lobbying activity in London, Brussels, New York and Washington. A total of £1.8 million of the £3.4 million allocated to my Office, or just over 50%, is in respect of the Gibraltar representations abroad. The bulk of this is spent in London.



I will therefore start with the Office in London. The London Office serves several purposes: there is a commercial dimension to the Office, a tourism dimension and a political one. Gibraltar House is also a focal point for Gibraltarians who are in London and its staff do very good work in this regard, particularly with sponsored patients. For 28 years the Office in London has been in the capable hands of Albert Poggio. He has served both as the Director of Gibraltar House and as the UK Representative of the Government of Gibraltar. The House knows that Albert retired last week. This means that he has ceased to be both the Director of Gibraltar House and the UK Representative of the Government. The strategy is that under the direction of a new UK Representative, Albert will continue to share his experience and skills as a political consultant on a contract basis.

On behalf of the Government, and I am sure of the whole House, I wish to place on record our thanks to Albert Poggio for his valuable contribution to the promotion and defence of the interests of Gibraltar over many years. **(A Member: Hear, hear.)** This was particularly important during the shared sovereignty crisis of 2002, when Albert built up the All Party Gibraltar Group to become the second-largest lobby group in the UK Parliament. Mr Speaker, Gibraltar owes him this debt of gratitude. The ease with which he has moved through the corridors of power in London is a testament to his many years of solid work on behalf of Gibraltar. I have witnessed this myself. I recall a couple of years ago how he harnessed support overnight for a successful debate on incursions and border issues in the House of Commons. The UK Minister had to drop everything he was doing and attend to the urgent parliamentary question on the spot. At his retirement function in London, I was approached by a former Conservative front-bencher who told me that she had been invited to 16 events that evening and had chosen to come to this one. Albert, she said to me, was 'a legend'. Mr Speaker, He has retired at his own request. I am sure that we all wish him a happy and well-deserved retirement. **(A Member: Hear, hear.)** *(Banging on desks)*

The House already knows that Albert's role in London will be taken on by the Chief Minister's Special Representative, Dominique Searle. He has become both the Director of Gibraltar House and the UK Representative of the Government. The retirement of Albert Poggio has broadly coincided with the running of the London Office coming under the Office of the Deputy Chief Minister. This has created the opportunity to review operations in London and also draw together Gibraltar's lobbying there, in Brussels and abroad more generally under a more centralised and coherent policy direction. It is important to have our representatives working together in sync with each other with clear reporting protocols back to No. 6, at all levels.

In London, this also means reviewing the use and functions of the Office on the Strand, and ensuring that each area liaises with its Gibraltar counterpart. This applies to tourism, to the GHA, and to political lobbying. The ultimate objective is to make everything more effective and more cost efficient and also to ensure that we avoid duplication. Part of that move will involve adapting working practices to modern communications, with a review of security and of the quality of those communications.

The Government believes that it is essential that new political contacts are made at the same time as existing contacts are renewed and strengthened. One way in which the Government intends to do this is by conducting ministerial lobbying visits to London so that part of the lobbying work is done at that level. The Government has been doing this for some time in Brussels, and more recently in Washington.

Mr Speaker, the Gibraltar Representative in the UK will therefore be the Head of Mission and will continue to work directly to my Hon. Friend, the Chief Minister, and to me on all political matters. This will include the responsibility to liaise with my Office on all other matters including the general management and functions of Gibraltar House.

Gibraltar will, of course, continue its presence at the UK party conferences in the autumn. The Government values the relationships that have been built over the many years that we have been attending these events. In the last financial year the Government was represented at the

party conferences of the Conservative Party, the Labour Party, the Liberal Democrats and the Scottish National Party. This year we will again have a presence at all four.

Mr Speaker, both sides of the House are agreed that Gibraltar Day in London has reached bursting point and, more significantly, has been so heavily subscribed that one has to question the cost effectiveness of such an event on an annual basis. The Leader of the Opposition himself observed last year that there were too many people attending the event at taxpayer's expense. He correctly noted that there was a general feeling in the Government too that the event had outgrown itself.

Mr Speaker, we believe that the time is now right to bite that bullet. In coming to our view, we have listened to stakeholders and evaluated what needs to continue and what should be or discontinued or changed. I can tell the House that the event at the Guildhall which took place in 2015 will be the last. This year's focus shall be on encouraging productive sessions with high level contacts in Whitehall and in the City. A venue at the Lloyds centre has been booked and about 300 guests will be hosted. This dinner event will replace the mass Guildhall reception which about 1,000 people used to attend.

Of course, Mr Speaker, we will continue to value the support of and contact of UK based Gibraltarians and friends of Gibraltar. Many of them looked to October as a chance to renew that ongoing relationship – to that end a separate event is being planned for them to coincide with the annual mass in Fulham. In addition to this, a plan is that the finance centre event will now move towards becoming self-financing. The industry, as is common practice elsewhere, will be invited to purchase tables for their own guests. The Government very much hopes that these changes will make Gibraltar Day in London a more focused occasion which will achieve the political and commercial objectives that were originally set. The format of the event will be kept under review.

Mr Speaker, those who follow social media and the press generally will have been left in no doubt over recent years that the Spanish government spends enormous resources and time on making life difficult for Gibraltar. Last August Spain published its budget plans which included a section which stated that its claim over the sovereignty of Gibraltar is, 'a fundamental objective' of Spanish foreign policy. It anticipated that no less than 45 reports would be produced specifically on Gibraltar matters. The plans showed that there were €1.47 billion in the budget allocated to the Spanish Foreign Ministry. The House knows that Gibraltar matters cut across a number of different ministries in Spain. No doubt a few million of those €1.47 billion are allocated to the efforts of several of those ministries – from the Hacienda to their security services – in order to achieve their Gibraltar objectives.

Mr Speaker, clearly, we operate on a more modest budget. Nonetheless, the Government recognises the importance not only of putting our views across as widely as possible but also of monitoring and understanding what others are doing and saying in the areas that affect us. (A Member: Hear, hear.)

We will therefore continue with our lobbying activities in Spain. The objective of this is to generate a better understanding of Gibraltar's point of view and to counter the misinformation about a country that is often generated next door. I should tell the House that there has been contact with all the main political parties in Spain, except with the *Partido Popular*, over the years. The House will understand that much of this work has to be carried out under the radar, for obvious reasons. However, some of it is public. Spanish MPs and mayors have visited Gibraltar in full view of the cameras. In the same way, my Hon. Friend, the Chief Minister, has himself paid official visits to Spanish towns in the area.

Mr Speaker, our representatives abroad and our offices overseas therefore have an important role to play in ensuring that, together with the United Kingdom, we are alert to both opportunities for and threats to Gibraltar's interests. The House knows, for example, that our UK Representative has a researcher and an analyst in the team with duties to ensure that much of the relevant information is filtered and delivered to Ministers in briefs. This is a reflection of the world that we live in.

240 Mr Speaker, we want normal, civilised, relations with our neighbour to the north. What we  
will not do is surrender our right to self-determination or our British sovereignty as the price to  
be paid in exchange for that normality. The House knows that the general election in Spain has  
once again produced an uncertain outcome. No political party has achieved an overall majority.  
This means that, once again, there will have to be negotiations between the different parties in  
245 Madrid in an attempt to make the mathematics add up to 176.

Mr Speaker, I now move on to Gibraltar House in Brussels: I will provide an overview of their  
work over the last financial year. The Office in Brussels continues to play an important part in  
the Government's work, despite the overall vote to exit the EU in the Referendum of 23rd June.  
Indeed, this work has become even more important in the light of recent events. Our assets in  
250 Brussels are already deployed in accordance with the objective of the Government to explore all  
the options available to Gibraltar.

I have said in the past that it is not in the public interest to detail all the lobbying activity that  
is carried out from there. I can say, however, that apart from the political work, this also includes  
tracking European Union legislation which is in the pipeline in which Gibraltar continues to have  
255 an interest. A considerable proportion of what is done from Brussels includes meetings with  
Members of the European Parliament, with officials of the European Commission and with  
representatives of the member states. Sir Graham Watson continues to do an excellent job for  
Gibraltar, as our Political Director and Counsel in Brussels. He is ably assisted in this work by  
Daniel D'Amato, our Legal Officer.

260 Mr Speaker, the House knows that during 2015 the Brussels Office organised and participated  
in meetings with at least 79 Members of the European Parliament, 29 officials of the European  
Commission, nine officers of the Permanent Representations of the Member States and two  
members of the Economic and Social Committee. These meetings, which on many occasions  
took place more than once with the same person, were used to put across the Gibraltar point of  
265 view on a number of current dossiers that are of political importance to us. Those numbers have  
increased significantly following the Representation's sustained lobbying during 2016.

The Office's work was pivotal to the organisation of the two Ministerial visits that have taken  
place so far this year and in securing high-level meetings with influential EU policy makers or  
stakeholders. At these meetings, the individuals concerned were briefed on issues that are of  
270 political importance to Gibraltar. This includes the dispute created by Spain over the application  
of EU aviation legislation to Gibraltar Airport, the unfair perception of Gibraltar as a tax haven,  
the free movement of people at the border between Gibraltar and Spain or issues relating to the  
general lack of understanding in EU circles about Gibraltar's status.

The Gibraltar Government's position in relation to the UK Referendum was also made known  
275 before 23rd June. The mission now is to spread the word that Gibraltar voted overwhelmingly to  
remain. Meetings have been held with MEPs from practically every political group in the  
European Parliament. MEPs who sit in parliamentary committees that are relevant to Gibraltar  
have been identified and targeted for such meetings. This has included members of, the  
European Parliament Committees on Transport, Tax, Economic & Monetary Affairs, Civil  
280 Liberties, Environment and Home Affairs. Some of these MEPs were, and continue to be, chairs  
or vice chairs of the relevant committees or rapporteurs of reports that deal with Gibraltar-  
related matters. The contacts established and maintained by the Office throughout 2015  
continue to be developed this year.

The Representation has also worked closely with the UK Representation to the EU UKREP in  
285 order to ensure that efforts are always coordinated. Gibraltar House has lobbied on behalf of the  
Financial Services Commission and the Gibraltar Regulatory Authority in relation to particular  
areas of EU policy.

Other events or activities organised and conducted during the last year included: the setting  
up of the Gibraltar Exhibition in the European Parliament in February 2016 and events organised  
290 around that; establishing contacts with the Representations of the Channel Islands, the Isle of  
Man, Scotland, Wales and Northern Ireland; establishing contacts with the European Gambling

and Betting Association; three separate visits of MEP assistants to Gibraltar in July and December 2015 and again in March 2016; two separate visits to Strasbourg in November 2015 and April 2016 to lobby policy makers during plenary sessions; the visit of a group of Gibraltarian students to Brussels in September 2015; the Chief Minister's reception in May 2016 to celebrate the first anniversary of the inauguration of Gibraltar House in Brussels; the organisation of the first Gibraltar Film Night in Gibraltar House where the Representation welcomed over 40 guests for a screening of the 'La Roca' Documentary in November 2015; and the organisation of separate European Small Business Alliance board meetings in Gibraltar House.

It is important to repeat that not all of the work in Brussels relates to lobbying activity. Substantial work is also conducted to monitor developments on EU legislative and non-legislative dossiers from the time of their inception as proposals.

To this end, members of Gibraltar House have often represented Gibraltar's interests by attending conferences, discussions and meetings organised by the European Parliament and the Commission. This work has proved to be important in order for the Government to be able to anticipate and prepare for EU legislation coming our way, be it in the fields of taxation, transport, energy, environment or border management.

Mr Speaker, for the upcoming year, despite the outcome of the Referendum, our representation intends to continue to build on work carried out during the previous year. Lobbying activities and other events will be organised in order to publicise the Referendum outcome in Gibraltar of 96% in favour of Remain.

I mentioned earlier that the standard practice has become to hold an exhibition about Gibraltar in January or February in the main concourse of the European Parliament. This has proved to be a very useful exercise in spreading the Gibraltar point of view to interested parties. This exhibition space can only be booked by an MEP and it often needs to be reserved nearly a year in advance. The Government would like to thank Ashley Fox MEP, who was kind enough to book the space for us last year and Claire Moody MEP, who booked it this year.

The theme of the exhibition in 2016 was aviation issues. A booklet was produced and distributed which explained the position of the Government. This year's exhibition coincided with a major conference of the EU aviation industry in one of the large meeting rooms down the corridor. The result of this was that our message was put across directly to the right people when they approached the Gibraltar stand on their way in and out of meetings.

The Chief Minister and I held a further session with the European aviation associations during our visit to Brussels in May, in order to explain the position further and to answer their questions.

Mr Speaker, we have always argued that it does not make any sense that EU nationals travelling through Gibraltar Airport should have fewer rights than their counterparts travelling through other airports of the European Union. The Spanish position has aimed to create a regime which is discriminatory in nature, which would deprive Gibraltarians from their legitimate rights in Gibraltar and other EU nationals, which purports to disapply the law of the Union from a territory to which EU law on civil aviation should apply automatically.

Aviation and border fluidity continue to be issues that we have raised regularly in Brussels over the last financial year.

The House is aware that the European Commission has sent three inspection visits to the border since the summer of 2013. There have been two reports published. The border is better now than it was in 2013 but things are still far from perfect. Spain has not implemented some of the recommendations made by the inspectors. There is, for example, only one green channel for cars entering Spain when there are six lanes for cars exiting Gibraltar. The Government has taken this broad issue to the top in four meetings with the EU Commissioners responsible, first with Commissioner Malmström and then with Commissioner Avramopoulos.

Having said all that, the House will be aware that the Referendum result, and the potential exit of the United Kingdom, may well have a bearing on how these issues unfold over the coming months.

Mr Speaker, we are never going to surmount every obstacle that we face in the EU or elsewhere. Most of these obstacles have been deliberately thrust in our path by Spain. However, an active Gibraltar presence in Brussels is extremely helpful in putting our message across and in countering the misinformation that is disseminated about us. The view of the Government is that this role assumes even greater importance against the backdrop of the outcome of the Referendum and the potential negotiations to follow.

Mr Speaker, the House will have seen that the Hong Kong Office has been bundled together with London and Brussels and included within my area of responsibility in the Estimates book. This means that their budget will now be controlled by my Office. The Government, and our Director in Hong Kong, Jason Cruz, have agreed that he should continue to be based there, rather than take on a role in London. The Government considers that Mr Cruz is doing excellent work in Hong Kong and that this work should continue. I should make it clear that the work being carried out in Hong Kong is commercial. This means that the contact that the Office there enjoys is primarily with my colleagues, the Minister for Economic Development, and the Minister for Financial Services.

Mr Speaker, the Hong Kong Office currently has a total of 2,852 active contacts. The vast majority of these, 1,924 are in the financial services sector. The others include education, 52, maritime, 42, and real estate, 74. The financial services sector includes banking, wealth management and insurance. The Office has organised five trade missions in collaboration with the private sector. They have engaged with over 100 Gibraltar-based entities, 35 of which have then gone to the region for business development purposes. Over 200 one-to-one meetings have been organised with Gibraltar businessmen.

Mr Speaker, given that my colleagues have made more use of the services provided by the Gibraltar Office in Hong Kong than I have, I will leave any further comment on this up to them. I nonetheless take this opportunity to thank the Directors and the staff in London, Brussels and Hong Kong for their work in support of Gibraltar.

Mr Speaker, I would welcome the opportunity to say a few words about the lobbying activities conducted by the Government in Washington, where we do not have an office. The original target that we set ourselves was to increase awareness of Gibraltar issues among the political and commercial classes of the United States. This was an ambitious task. The manner in which such lobbying work is conducted in the US is very different to London or to Brussels. Moreover, political lobbying takes time and in its initial stages is more about disseminating information than about immediate results.

However, as the House knows, in Washington we have produced results in a relatively short period of time. A Resolution was tabled in the House of Representatives which supports the right of the people of Gibraltar to self-determination. The Resolution continues to attract more signatories and there are now about 30 Congressmen, both from the Democratic and the Republican parties, who have signed up to it. This work continues.

In February, a Congressional visit to Gibraltar took place under the United Kingdom's MEACA programme. The group was very impressed with everything that they saw here. Gibraltar has had a strategic value for the United States over the centuries. This connection dates back to 1801 when the first military engagement of the US Navy outside their shores took place against the Barbary Pirates. Those US naval vessels set sail from Gibraltar. Our visitors were able to better understand Gibraltar's continuing strategic value by looking across the Straits at Europa Point from the University of Gibraltar.

That strategic point was repeated during the visit that I made to 20 congressional offices in Washington a few weeks later, and in a separate talk to Senate defence and intelligence staff. It is also a point that is well understood.

The Government, Mr Speaker, is not responsible for the defence of Gibraltar. That is a matter for the United Kingdom. However, we do have a view on the subject. This relationship between Gibraltar and the armed forces of the United States goes back over two hundred years and the Government continues to welcome visits to Gibraltar by the naval assets of the United States. It

was therefore singularly unhelpful and dangerous that the SVA and Guardia Civil decided to play games with an American nuclear submarine, the USS Florida, in the waters around Gibraltar on 16th April. The former came within 600 yards of the submarine. It has since emerged that the American captain threatened to ram the SVA and that the Royal Navy had to fire a flare to warn the Spanish state vessel to change course.

Mr Speaker, the Straits of Gibraltar is one of the most transited waterways in the world. It is a chokepoint for commercial and military shipping. The close proximity of North Africa adds another important dimension. The behaviour of Spanish state vessels is a distraction we could all do without. There are more serious matters to worry about in the wider region around us, than to have Spain playing cat and mouse with the Americans or with the Royal Navy.

Mr Speaker, on the commercial side, the House will know that an American Chamber of Commerce, AMCHAM, has already been established in Gibraltar. A number of trade missions in both directions have taken place. The Government is now considering cementing those links further by holding a small scale Gibraltar Day in New York. This project is at a very embryonic stage at present. Therefore in the current financial year the Government will continue its work to promote Gibraltar in the United States of America.

Mr Speaker, I move on now to aviation issues: earlier I referred to the ongoing challenges that Gibraltar faces in the field of civil aviation. It is not clear exactly where Gibraltar will be in this area in the event of a potential UK exit from the EU in years to come. The impact of Brexit is an eventuality that may have to be factored in going forward.

I will, nonetheless, proceed to look back at developments over the last few months in order to update the House on the latest position. This year, Mr Speaker, I welcomed the opportunity to discuss aviation and other matters in London with the United Kingdom's Aviation Minister, Robert Goodwill. It will be recalled that Mr Goodwill walked out, or absented himself, from a meeting of the EU Transport Council at the end of 2014 in protest at the way in which a Gibraltar-related matter had been dealt with. The Government welcomes the position taken by the United Kingdom Government to date in relation to the inclusion of Gibraltar Airport in EU civil aviation measures.

It is important to note, that in spite of Spain blocking the application of certain EU Aviation laws to Gibraltar, the number of flights has increased dramatically compared to the position last year. The schedule for this summer shows an increase from 35 flights a week to 50 flights a week. I want to congratulate my colleague, the Minister for Tourism, Samantha Sacramento, and her staff, as well as the former Minister, Neil Costa, for the part that they have played in this. The figures for May – the last ones I have seen – are certainly very encouraging. The total number of aircraft was 247, which is 36 more than the number handled in the same period last year. This represents a very positive growth of 17.1%. It is expected that this significant increase will be repeated throughout the summer schedule due to the confirmed increase in the programme of flights during the summer months.

Mr Speaker, the House will know that the Government intends to complete the tunnel under the runway. A statement was issued to that effect last month, and the Chief Minister referred to it earlier in his address. This has taken longer than forecast because of the lengthy court case and the subsequent appeal, both of which were won by the Government. The completion of the tunnel will mean that there will come a point when more flights will have practically zero impact on traffic management.

This increase in flights, coupled with an increased security threat posture, led the Government to reconsider the manning levels of the Borders and Coastguard Agency. The Government has, as a consequence, agreed that a further 20 officers be recruited during the course of the year, most of whom were transferred from other areas. The increase in numbers will allow for a second passenger screening lane to be operated during busy months throughout the summer.

In addition, the Government has approved the employment of an additional four employees for the terminal, who will help Borders and Coastguard officers by ensuring passengers are

correctly prepared to undergo the screening process. Once fully operational, this new personnel should result in a reduction in the number of alarms when passengers make use of the walk-through metal detector and when cabin baggage is x-rayed. The end result will be less passengers and cabin baggage having to be searched, which will lead to shorter queues.

In common with other European airports, and in response to European legislation that came into effect on 1st September 2015, the Airport has increased the use of explosive trace detection equipment in the screening process. The use of this equipment has helped improve the security level at the Airport, speed up the screening process and has made that process more passenger-friendly by reducing the frequency of full body hand searches being carried out.

On the 1st November 2015 the United Kingdom ratified the Cape Town Convention, which provides a new uniform international legal order for the creation, registration and enforcement of security and similar interests in high value internationally mobile equipment. It works alongside the Protocol on matters relating to aircraft equipment which creates an additional set of rules specifically for aircraft finance transactions. In line with a number of other UK overseas territories and Crown dependencies, the United Kingdom's ratification was extended to Gibraltar. This was done by means of local legislation which included revised Regulations on the Detention and Sale of Aircraft.

Mr Speaker, amendments have been made during the year to the Civil Aviation (Air Navigation) Regulations 2009, in order to bring into effect European Regulation No 376/2014 of the Parliament and the Council, which provides for reporting, analysis and follow-up of safety occurrences in civil aviation. The new Regulations replaced a European Union Directive dating back to 2003. It is important to point out that it is now an offence not to report a safety occurrence to the Director of Civil Aviation. The Government has introduced local Regulations which detail the activities that are not permitted within the air terminal and gives greater powers to airport officials. These rules are similar in nature to the byelaws active in UK airports and more easily enable the RGP to charge persons that commit offences within the air terminal.

During the past year the MoD Airfield Authorities and the Director of Civil Aviation have undertaken a review of the aviation safeguarding procedures in Gibraltar. Safeguarding procedures are designed to ensure that new developments in the vicinity of an aerodrome do not impinge on the safety of aircraft operating into and out of the airfield. For obvious reasons, the standard International Civil Aviation Organisation's guidelines do not fit here, due to the presence of the actual huge 'rock' itself. By using the services of the same consultant that designed and safeguarded areas for London City Airport, the MoD have designed new Safeguarded Areas in Gibraltar which will relax some of the constraints related to new developments outside of the immediate vicinity of the runway. The Members of the Development and Planning Commission have been briefed on the new Safeguarded Areas and this information will be advertised in the near future on the Government website.

Mr Speaker, unfortunately, prior to Christmas, there was a worrying increase in the number of times that aircraft were illuminated by lasers as they approached and departed the Airport. A short media campaign and RGP assistance appears to have had the desired effect of warning those undertaking this dangerous activity of the seriousness of their actions. While current legislation provides deterrence in the form of prison sentences and hefty fines, the UK, along with a number of other nations, is considering further measures with regard to the availability of these laser devices. I have asked the Director of Civil Aviation to monitor the changes that might take place in the United Kingdom. I take this opportunity, Mr Speaker, to thank the Director of Civil Aviation and the Air Terminal Director and his staff for their work over the last financial year.

Mr Speaker, the estimated expenditure for the Office of the Deputy Chief Minister also includes provision for the Gibraltar National Archives. The policy of this Government has slowly seen the Archives move forward into the age of digital technology. This process has been assisted in large measure by the enthusiasm and expertise of Anthony Pitaluga, the Archivist himself, and of his staff.

Mr Speaker, as we progress forward as a nation, it becomes all the more important to properly document and record our past. These records contain the collective memory of our experiences as a people and reflect our journey over the centuries. They cover such traumas as the wartime evacuation and the closure of the frontier, the euphoria of the 1967 referendum and other defining moments in our history.

The National Archives now enjoys its own website; this continues to be expanded with the addition of new documents and data. The lists and registers of population, including that of 1777, are now available online and searchable. This database contains over 174,000 records. There is also material to mark the 100th anniversary of the outbreak of the First World War and the 75th Anniversary of the evacuation of the civilian population during the Second World War.

Mr Speaker, events to mark the anniversary of the Evacuation during the last financial year proved to be extremely successful. The Memorial Service in Casemates Square and the concert at the Victoria Stadium were attended by many thousands of former evacuees. I had the pleasure to meet some of them who had come from as far afield as Australia. The younger generation received, through their schools, a copy of a commemorative Evacuation booklet. A privately organised play on the subject proved to be a sell-out night after night.

The Government was delighted to have been able to contribute to commemorating what was a landmark in the political and constitutional development of Gibraltar. This was an event which cemented together our identity as a people. There will be many who will not be around for the 100th anniversary, so it was a timely tribute to have commemorated last year the hardship that they endured. A number of audio tracks which detail the personal experiences of many evacuees can also be found on the archives website.

The records of a 1749 Court of Enquiry into property grants in Gibraltar are now available online. This has been described as one of the most important records held in the Archives, given that it marked the beginning of proper administration and administrative procedures for Gibraltar.

The details of Gibraltar's military births, deaths and marriages from 1869 to 1914 have been digitised as well, following a 100-year rule. This data was originally compiled in order to investigate health issues among military residents of Gibraltar and was part of a large database of information which allowed users to compare and contrast demographic and health matters.

Mr Speaker, I would like to take this opportunity to thank Professor Larry Sawchuk, of the University of Toronto, and the Archivist, Anthony Pitaluga, who carried out the work which led to the digitisation of these records. The Archives now boasts a state of the art specialised archival scanner which has enabled the staff to digitise newspapers, magazines, government files and books as well as images, maps and plans. The Government is delighted at the way in which the digitisation programme continues to progress. It is important to make the obvious point that the information therefore which goes online here is accessible from the entire planet, and not only from Gibraltar. I would like to take this opportunity to congratulate the archivist and his staff.

Mr Speaker, I will be closing my contribution with a few words on the progress of the Northern Defences project: I want to thank my colleagues in the ministerial team that I have chaired for their help and advice in taking this forward. These are the Minister for the Environment, Dr John Cortes, the Minister for Tourism, Samantha Sacramento, and the Minister for Heritage Steven Linares. This inter-departmental approach has worked well and it is set to continue.

The House knows that the network of defensive positions which was carved on and inside the northern face of the Rock hundreds of years ago is a world class site. There are layers of Moorish, Spanish and British fortifications in the same area. It comprises structures which are medieval in origin to more recent World War Two positions. The area is a jewel for military historians and for tourism in general. Indeed, from a political perspective as well, the point needs to be made that one reason why Gibraltar is still British is because those defences held firm and were never breached by Spain.



It was therefore regrettable that they were in the state that we found them in when work started. The House knows that 500 tonnes of rubbish were removed from the site. This included mattresses, fridges, motorcycles, television sets, rubble and anything else that could be thrown over a wall. Mr Speaker, the Estimates reflect the continuation of works at the Northern Defences during this financial year.

The successful completion of the two previous phases have allowed for this unique network of 18th century military tunnels, galleries and defensive positions, to now link Casemates Square to Road to the Lines and to the Upper Galleries. The seemingly impossible task of clearing up this area commonly referred to as 'the jungle', demonstrates the Government's commitment to protecting and exposing our cultural heritage. We have not shied away from the logistical challenges before us; instead we have embraced them, and can proudly say that we are on the verge of recovering what could become a national treasure.

Not only do we recognise the heritage value of the Northern Defences, as I have explained, but we also understand its economic potential and the social benefits that this work may yield.

This year will witness the last sequence of clearance works which will focus in the area of the King's and Queen's Lines overlooking Laguna estate. The works will consist largely of the removal of the vegetation which is damaging the historic fabric, and the clearing of accumulated debris. These tasks will continue to be monitored by the Ministry for the Environment, GONHS, the Heritage Trust and the Ministry for Heritage. These organisations have ensured the protection of our natural heritage as well as our urban heritage during the previous phases.

The Heritage Trust has conducted very successful, highly informative and well-attended tours of the Northern Defences. They have rightly pointed out that the area will not only be enjoyable to residents, but will also provide an additional quality tourist attraction. This product forms an intrinsic part of the Government's vision on sustainable tourism.

Mr Speaker, I would also like to take this opportunity to thank the Royal Engineers who have provided considerable manpower to clear the site at intervals throughout the year. I was delighted to have recently presented a cannon ball, found on the site, to Lieutenant Colonel, Roger Morton. A mortar fragment from there will be displayed in the Royal Engineer Corps Museum in Chatham, Kent. It is very fitting that the modern day forerunners of those who constructed these fortifications hundreds of years ago are today involved in their restoration.

Mr Speaker, perhaps the most exciting element of this project is its potential to act as a catalyst for the regeneration of the Old Town area, especially the area of Road to the Lines. It is true that for many years sectors of the Upper Town have been neglected, properties have been abandoned and in dire need of investment. We often hear a clarion call for these to be repaired.

The Government has taken the policy decision to put out to tender a number of vacant properties in the Upper Town in order to encourage prospective residents to move into the area. This is being done through our property agents, Land Property Services Ltd. I would, at this point, like to thank the directors and staff of LPS and the staff of the Lands Office for their efforts over the last financial year. This project is in its infancy, but it is working well, with a number of properties already refurbished and inhabited, others sold off-plan and a project for a boutique hotel nearly complete.

Mr Speaker, the Government has also refurbished many of its own properties in the Upper Town, and is leading by example in this regard. The schools at the old St Bernard's Hospital are a prime example of how an old building can be put to a modern use. St Mary's School in Town Range was also refurbished. A number of residential blocks at Moorish Castle and in the Calpe area have undergone the same treatment.

In order to understand such complex issues the Government has set up an Urban Renewal Task Force with the aim of recording and then reversing the urban decay which is present in some areas. The task force has identified key sites and is currently engaging with stakeholders in pursuing practical ways of delivering an urban renaissance.

We are, as I said earlier, already witnessing the results of this. An investment by the Government in the provision of better means of access, parking facilities and the creation of new

educational institutions have served to see a return of families to this charming part of Gibraltar. Such an initiative has, in turn, encouraged private investment. Several private properties are, and continue to be upgraded as a result. Shops have now appeared where empty stores were once located and facades are being improved.

Mr Speaker, there is still a very long way to go. This is a huge and ambitious project and it will take many years and span several four-year political cycles. It will not happen overnight – nonetheless the Government has made a good start.

Mr Speaker, in conclusion now, the Referendum on whether the United Kingdom should remain in the European Union or should leave has overshadowed the first half of this year. It has meant that the Government has had to devote a considerable amount of time, energy and resources to this matter. It is clear that in the coming few years the Government will have to devote even more time, even more energy, and even more resources to dealing with the consequences of the outcome. The United Kingdom itself has to map out the details of its future relationship with the European Union. We have already started. And we will continue to examine all the options in order to protect the position of Gibraltar. We did not want to find ourselves where we are today. This is not an outcome that we supported or an outcome that we voted for. However, we are where we are and now we have to deal with it. However, Mr Speaker, the House can rest assured that we will meet and we will overcome the challenges that we face. The Government will continue to build on the strong foundations that we have laid as we move forward with our second term in office.

To conclude Mr Speaker, I want to thank the staff in my personal Office in No. 6 Convent Place for their assistance and support over the last financial year. I also want to thank the Clerk and the staff of the House.

Thank you, Mr Speaker.

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

**Mr Speaker:** The Hon. Mr Bossano was first elected to this House on 23rd June 1972. The general election took place after the Budget of that year. I calculate that, unless he was unable to speak on one occasion when the debate collapsed because we could not agree on the order of speakers, unless he failed to speak on that occasion I calculate that this is his 44th Budget speech.

The Hon. Mr Bossano. *(Banging on desks)*

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Thank you, Mr Speaker. I think we can dispense with the services of a historian now that we have got you. *(Laughter)*

Mr Speaker, for the Department for Economic Development, the decision taken by the UK to leave the European Union is fundamental to the Economic Plan which our Government is committed to.

I will therefore explain for the benefit of Members what is *my* assessment of the possible consequences of this decision, and to what extent it is going to affect us in the life of this Parliament. Any assessment of the longer-term consequences can only be entirely speculative at this stage.

It has been said that our participation in the EU, or the EEC, which is what we originally joined with the UK, is the basis for the success of our economic model. However, we all know that our rights within the EU have not always been recognised, so participating in the single market has come at a price, including having had often to argue for the rights to be recognised.

We have had to comply with EU requirements, whether relevant or not, including of course the free movement of labour. Members may not be aware that, initially, we were told it would be possible to get a temporary suspension of free movement, if there was a disruption of our labour market. Many years later when Spain was a member and we were facing rising

unemployment from MOD cuts we tried to access this and were then told – what we had not been told previously – that it required unanimity and was therefore subject to a Spanish veto!

660 This is the key to understanding the limitation to which the negotiating process will be subjected, when the Article 50 notification is triggered. The precursor to the decision on the Referendum was the concerns in the United Kingdom during the last general election about high levels of immigration. The purpose of the renegotiation of the terms of membership of the UK was therefore seen by much of the electorate as a renegotiation of the free movement of labour requirement.

665 It is clear that the European Union Member states were not willing to accept any dilution of this requirement, to discourage the United Kingdom from going to an exit referendum in the prior negotiation, and it is unlikely that this position will change in the course of the post-Article 50 negotiation.

670 This is subject to a maximum period of two years; the UK should not be – and at present is not – in any hurry to end the negotiating process. There is a logic to this. The uncertainty of a lengthy negotiation will hurt both sides; but a short negotiation with the UK coming out virtually empty-handed is likely to hurt the UK more than the other side.

675 The position therefore is that the projection we make assumes that in this financial year and the next, we shall still be full members of the European Union and have, in the process, an increasingly clear notion of what our relationship with the single market is likely to be in 2018. The direct impact of any changes is likely to be relevant for the 2019-20 Budget and we are sticking with the results predicted for the growth of our economy and the public finances for up to that date, as it is spelt out in the Economic Plan for Gibraltar, published in the manifesto.

680 In terms of our targets for the Rainy Day Fund, if the results of the public finances turn out better than projected then any extra money should be put into these funds, given that we are entering a period of change and uncertainty in the global economy with no near end in sight.

Understanding what has been happening with globalisation and the stagnation that has followed the crisis, sparked off in December 2007, is the key to forming a view as to what the future may hold.

685 I have been quoted as saying that the effect of Brexit on the global economy ‘could be the worst thing we have experienced since the 1930s’. This I have said in a number of interviews prior to the Referendum taking place, and at Question Time last week when asked by the Leader of the Opposition to express a view. It is a view increasingly expressed by a number of economists in other countries.

I will explain why, Mr Speaker.

690 The Great Depression started with an ordinary recession in the summer of 1929 in the United States, followed by the collapse of share prices in October on Wall Street. The effect was felt throughout the Western industrialised world and was the longest-lasting downturn in economic activity until that time.

695 The Great Recession, which the Western world is still experiencing, also started in the US with the sub-prime financial crisis at the end of 2007.

700 Why should Brexit then be considered the most serious threat to the global economy since the 1930s? The economic theory developed after the Great Depression was the role of government in pump-priming, by creating economic activity which would result in a revival of the economy which would then be self-feeding on the way up – just as the Depression had been on the way down.

705 Keynesian economic theory has dominated the management of Western economies since then, except for a short period when the Chicago School of Economics produced an alternative approach based on the control of the money supply, the so-called Monetarist School. These economic theories plus the creation of OECD, the World Bank and the World Trade Organisation developed an approach that consisted in promoting international trade and removing barriers to trade as the way to maximise economic growth based on the concept of comparative advantage.

Until the onset of the present recession after 2007, the mechanisms for bringing about a revival had worked. What we have at the moment is a situation where the instruments available to Governments by printing money and manipulating interest rates no longer seem to be working in producing the stimulus that was expected.

This has left the Western industrialised countries and in particular the EU – and, within that, the Eurozone – in a particularly vulnerable and fragile state compared to any other point in the last 43 years. The impact therefore of removing one of the fastest-growing economies in the EU from the single market, and what is probably the second largest economy, is likely to be if anything more negative on the remaining 27 states, than on the UK's own economy, who is the one that is leaving.

Even more alarming from the perspective of globalisation, is that it seems to signal a shift away from the straight line progression of the post-war period of removing barriers to trade, returning to a position where the fourth largest economy in the world is withdrawing from a free trade area and apparently moving in the opposite direction. It is the implications and interpretations that would be put on the UK's exit that poses the risks rather than the direct effects themselves.

The GDP of the UK in real terms has barely recovered the level it had in 2007, by 2015, having in the interim suffered a double dip recession; and notwithstanding the efforts to stimulate consumption by quantitative easing – which is printing money – and by keeping interest rates below 1%. The results of the last quarter in 2015 showed the economy of the United Kingdom already slowing down.

The whole of the EU has struggled to come out of the recession, which has been the longest period with below average levels. In that same period, our economy has *doubled* in size. The lesson to learn from this is that it does not follow that because the economy of the rest of the world has been stagnating, *ours* has to stop growing. However, it is self-evident that when market conditions are negative, when there is uncertainty and investors are unsure when, where and indeed whether to invest their money, then it is more difficult to attract new business to Gibraltar.

What makes Brexit so serious is not just the effect on the UK economy, or for that matter on the rest of the EU, it is that it could represent a shift away from the globalisation process which has been brought about by the removal of barriers to trade. It could mean introducing tariffs on exports from the UK to the EU, and *vice versa*, 43 years after they were removed. It would mean going back on the creation of a single market for the provision of services to which Gibraltar, with the UK, has been a party.

If the UK insists, as it seems to be doing at present, that access to the EU-27 market must not carry with it an obligation to accept the free movement of labour and the EU insists on the opposite view – namely, that there can be no free movement of capital, goods or services without free movement of labour – then there seems little room for compromise.

Our position must be to press ahead with market access to the UK and ensure that whatever agreements are done with third parties, we have the choice of joining or not joining as we had in 1972 in respect of the EEC.

In the meantime, what has been demonstrated is that it is possible for us to achieve a high rate of economic growth over an eight-year period when neither the UK nor the EU as a whole were growing at their traditional average rate of growth; and they were, therefore, performing below average. That should be sufficient for us to be confident of our ability to make a success of any new situation.

Mr Speaker, I have no wish to change the tone of this debate by making it more adversarial or polemical. (*Interjection*) However, I have to draw the attention of Parliament to the statistical data we now have which provides *incontrovertible* evidence of how the economy has performed between 2011 and 2015, and how that compares with the performance between 2007 and 2011 in respect of the source of the economic growth as evidenced by the changes in the labour market.

The Members opposite have argued that the economic performance of recent years was the result of a construction boom paid for from public funds – an argument repeated today by the Leader of the Opposition. I have argued that the performance of the GSD administration between 2007 and 2011, in which two Members of the Opposition were Ministers, meets that description – and not what has happened since.

The evidence as to what generates growth in the economy is partly obtainable from an analysis of the industrial sector distribution of the labour market, given that one of the most important determinants of the size of the GDP is earnings from employment. In turn, the most relevant source of information to calculate the value of this element is the information contained in the Employment Survey Report, the 2015 copy of which has now been tabled by my colleague, the Minister for Employment.

The other evidence, of course, which has been there all the time, is the fact that public borrowing went up from £100 million to £500 million in that period – that is 2007 to 2011 – and that a £1 billion plus capital investment programme was launched, part of which was completed and part of which was started by them and continued by us since 2012. To complete the picture and provide the evidence, we now have the snapshot of the labour market position on three relevant dates: October 2007, October 2011 and October 2015.

The source of the information we have to use is table 10 in 2007, which shows all employee jobs by industry, sex and nationality and the comparable tables in 2011 and 2015. It is of course a snapshot of the picture in one month extrapolated for the year but we are comparing three snapshots of the same month in three different years – 2007, 2011 and 2015.

The number of private sector jobs at the start of the period, excluding the construction industry, amounted to 13,340. In the four years to October 2011, the figure grew to 14,038, an increase of 698 extra jobs representing a 5.2% expansion of the private sector jobs market outside the construction industry. The growth in GDP in the period was 49%. So it is self-evident that the private sector non-construction employment expansion can only have accounted for a small share of that growth.

The construction sector, however, increased by 701 jobs, more than the whole of the rest of the private sector. The construction alone grew by more than the rest of the private sector, with an increase of 31.5% – evidently the main engine of the increase of the GDP, the 49% of those four years.

In the last four years, 2011 to 2015, the figures show the opposite. The GDP has grown by 49.1% based on today's estimates. The private sector, excluding construction, has increased in size to provide an extra 2,926 jobs – outside construction. Employees in the non-construction private sector went up from 14,038 that they left it at, to 16,964 – which is 20.8% higher.

The contrast with what was happening in the construction industry could not be greater. The extra jobs in the construction industry in the last four years have been 180, amounting to a 6% increase in the workforce.

The evidence is clear, Mr Speaker, the growth between 2007 and 2011 was much, much more dependent on a public sector capital programme construction boom because that is where the workforce grew, than it has been in the case of 2011 to 2015 where the workforce was minimally increasing in construction and massively increasing in other areas.

Whilst on the subject of the Employment Survey results, I would draw the attention of Members to the number of Gibraltarians now in employment, a new record at 11,010. The available Gibraltarian workforce at any one point in time is estimated by combining the numbers registered as seeking employment and those *in* employment. This exercise also serves to indicate the reliability of the results of the Employment Survey, since we are comparing data from two independent sources.

Those registered unemployed in October 2014 were 306 and the comparable figure for that month in 2015 was 268, a drop of 38. The number of Gibraltarians in part-time employment in October 2015 is 38 more than the number in October of the previous year, as shown in the

Employment Survey Report. So we have 38 less people registered unemployed and 38 more people working in the private sector in part-time employment.

The total number of Gibraltarians in employment, however, only increased by 19 because in the same period there was a reduction in the numbers in full-time employment in the MOD, well in excess of 19. The close correlation of these figures is, as I have said, a good indicator of the accuracy of the picture painted by the Employment Survey Report. There has been an increase in private sector part-time jobs and a decline in MOD full-time jobs in the year between the two surveys, and that alone is more than sufficient to explain the net effect.

This was of course the trend up to October 2015 and we are now living in a different world, which although it has not yet actually changed we know there are changes on the horizon; some of which may or may not happen but, of those that do, some are bound to have some impact on us and this requires us to develop strategies to position ourselves to take advantages of whatever new opportunities arise, once the dust settles.

To put this year's result in context, we need to consider the impact on local employment in the four-year term 2011 to 2015. There were 10,220 Gibraltarians in employment in October 2011, and a figure of 11,010 in the October survey of 2015, just tabled – an increase in the four-year period of 790, representing a 7.7% increase of Gibraltarians in employment.

In the preceding four years, from 2007 to 2011, the numbers went down by 321 from 10,541 to 10,220 – that is 321 less Gibraltarians in employment in the last term of the GSD. This drop took place notwithstanding the fact that the number of jobs grew over the period by 2,551. Even in this area of job growth, to which a great deal of importance was attached then by the GSD Government, the record for 2011 to 2015 shows a greater expansion of the labour market which went up by 3,897 in this period – 50% higher than in the preceding three years.

In fact, the growth was even higher than this because it happened in a three-year period, since the first year saw a drop of 728 jobs from 22,247 in 2011 to 21,590 in 2012, made up of a reduction in the construction industry of 1,426 jobs and an increase in other sectors of the economy of 698 jobs.

It is likely that we shall see something similar this year when the October 2016 Employment Survey takes place. The reduction will have nothing to do with the Brexit vote, it would quite simply be due to the cyclical nature of our construction industry, which provides between 2,000 and 3,500 jobs, depending on the volume of work – particularly if there are large construction projects.

Last Thursday, Mr Speaker, the former Member of Parliament, Mr Bossino, put forward a very pessimistic view of the consequences of the decision to leave the EU and quoted me in support of his views, saying that I had said we would be doing well if we met my economic growth predictions included in the 2015 Manifesto, but that the future predicted growth that I had in mind was now out of the picture.

Well, Mr Speaker, I actually thought that what I have said on a number of occasions before the vote took place or the result known, and what I repeated in answer to a supplementary from the Leader of the Opposition last week, was actually quite positive for Gibraltar's prospects.

Mr Bossino also demanded that the politicians look him straight in the eye and tell him what the future holds for him. I do not know how many people he used to look straight in the eye and tell them what the future held for them when he was a politician. Nor do I understand why he believes that politicians have the power to see the future but that they lose it when they leave politics, as he has done. *(Laughter)* However I am, I suppose, one of the few politicians that has regularly predicted our country's potential economic future on a four-year timescale. *(Banging on desks)* I thank you! *(Laughter)*

So I am quite happy to look Members opposite in the eye – since Mr Bossino is not here – and repeat my prediction; or maybe, since one is supposed to speak through the Chair, Mr Speaker, I need to look *you* in the eye when I say it. The projected growth of our economy, calculated and published in 2015, is an increase in our GDP of £600 million by the year 2019-20, being 33.3% of the estimated value for 2015-16.

This projected growth was made without reference to whether we stayed in or left the EU after the Referendum took place. The forecast economic growth *still* stands and has not been revised as a result of the decision by the UK to withdraw its membership of the European Union, taking us out with it.

As I have said previously, we would have expected the level of growth to increase by a further £100 million if some of the potential FDI projects materialised and started generating economic activity in this term of office. This second prediction of an additional £100 million of economic growth is now less likely – not impossible.

What I cannot do, Mr Speaker, and have never been able to do – however hard I look you in the eye – is predict and chart the course of the Gibraltar economy *after* 2019-20, when the life of this Parliament ends and after we have had the next general election; but I will be able to do it when the time comes, assuming I am adopted as a candidate by the GSLP for the 2019 General Election, as I will only be 80 years old then and expect to be around much longer. **(Two**

**Members:** Hear, hear.) *(Banging on desks)*

I would have thought that my message would be quite reassuring to worried parents like Mr Bossino who knows me well enough to know that I do not say these things *(Interjections)* unless I mean them.

He also quoted at the same time a much more pessimistic assessment made ahead of the vote by the former Chief Minister, the greatest ever Gibraltarian. **(A Member:** Ooh!) He was quoted as saying:

... if we leave the EU, the whole basis of our economic model is destroyed and there will be significant job losses and a fall in government revenue.

Well, I think we can make some allowance, Mr Speaker, for the fact that the opinion was written as part of the 'Remain' campaign and there was probably some poetic licence in the drafting; and, in addition, as Members who were here before may remember, economic statistics were never the forte of the former Chief Minister. *(Laughter and interjections)*

The economic model we have today is the economic model designed by myself for the first GSLP Government in 1988, which formed the basis of the first four-year economic plan. The model has been adapted since then, on many occasions, to accommodate changing market conditions and EU requirements. But the model will survive our exit from the single market, whenever that happens, and by then we shall have adapted it to meet the new conditions.

What will these new conditions be? Well, formal notice of exit under Article 50 has not yet been given and the negotiations on the conditions for limited access to the Single Market have not even started, let alone been completed, so one cannot speculate as to what those conditions will be. Not because we want to repress debate but because in the field of economy, on economic predictions, negative speculation without hard evidence often become self-fulfilling prophecies – and that is what we must avoid

In the meantime we cannot – and *are* not – standing still and sitting on our hands, or feeling paranoid about the future. The conduct of our public finances going forward, for which I am not directly responsible but in respect of which the general public can expect me to be an advocate for prudential control of expenditure, is not determined by whether we are in or out of the EU.

This is a question of good government, of caring for the welfare of future generations of Gibraltarians, and of ensuring that we have a solvent and prosperous growing economy as the best safeguard for the future of our nation. This is the philosophy that the GSLP has subscribed to throughout its history.

Mr Speaker, it is not a question of belt-tightening, it is a question of looking after the people's money as if it were your own.

The Budget before the Parliament was prepared before the Referendum took place when most of us here and in the UK thought the result would be a narrow one, but it would be to remain in the EU. The forecast outturn for last year is within the approved recurrent

910 departmental budget; and the Hon. Member Leader of the Opposition has, in fact, welcomed that result. The proposed revenue and expenditure estimates are the spending plans that would have been brought to Parliament if the vote had been to stay – and no one is suggesting that they need to be cut because of the vote to leave the EU.

Mr Speaker, the Leader of the Opposition has spoken on many occasions on the need to contain public spending. During the general election he talked of the need to do away with ‘the culture of entitlement’. This, as I understand it, occurs where citizens behave as if the public purse was something that belonged to somebody else – called the Government – who has to pay for everything, irrespective of the individual’s ability to pay for it for themselves.

I have told him that I welcome his concern for sound fiscal policies and the concept of living within our means. I believe it is good for our nation not to have a situation where the electorate is converted into individuals entering an auction for their votes irrespective of whether what is being promised is financially or economically sound or affordable in the long term.

Believe me, Mr Speaker, I want to believe that this philosophy is true of the new GSD, because it certainly was not true of the GSD of the 15 years in Government who had vision things like ‘the hole in the ground of the Theatre Royal’ that at first was supposed to finish up looking like La Scala di Milano, but finished up looking like the Colosseum of Rome – the hole in the ground.

But of course he needs to understand that grandiose capital projects were not the only relic weighing on the public purse that we inherited from his period in Government. The recurrent cost of public services was hugely increased by a policy of fragmenting the service into separate small units. This removed the limited advantage of economies of scale of the unified services – limited because the scope for economies of scale is not that many in a small economy such as ours.

The rationale for this policy was never explained in this Parliament; but the cost was huge. The separate units continued to have the same conditions of work as they had before – in most cases the change was cosmetic. The people involved were in the same location, providing the same service with staff with the same job descriptions – but a uniform with a different label.

In order to persuade the employees to accept a change in the employment relationship from being employees of the Crown to being employees of an agency or authority, substantial pay increases above the parity analogue rate were offered to the Union as an inducement – which the Union, naturally, recommended to their members.

We have given effect since 2011 to some of these commitments entered into by the previous Government, which we have honoured. Breaking up the unified service into small units has created the need for extra work to be undertaken for the internal management of the unit, which has had to be done at an extra cost. There has been no noticeable change in organising the work in a different way which would indicate that there were potential efficiencies not previously available.

The only point that the GSD ever made in relation to the creation of these units was that the structure was no longer – as was the historical case in Government departments – fixed in any way, and therefore the Government was free to reduce manning levels by not filling vacancies. However, this did not happen in the GSD's time other than in the Housing Works Agency where part of the agreement was a voluntary early exit package.

I need to remind Members opposite, and in particular the Leader of the Opposition, that the commitment they claim to have, to sound policies in relation to recurrent public spending – which, as I say, I *want* to believe is true, because it is good for Gibraltar that it should be so – was seriously undermined by their policy in the general election in this area. If they had won and formed Government, they would have restored the Housing Works Agency to the manning levels it had when it was originally set up – that is what they said.

It was set up by offering a huge increase in pay rates and an early voluntary retirement package costing *millions*. And, after all that public expenditure, they want to put it back as it was. The justification for this increase in public expenditure was the reduction in the numbers



resulting from the exit package – the element that, in theory, would recover the extra cost of what had been done, and eventually result in lower public spending in the fullness of time for whoever happened to be in Government at that time. This is still a long way off, as Members can  
965 tell from the fact that the numbers in this year's estimate are down by five from 138 to 133, and the cost is over £8 million a year.

In the last Question Time the Leader of the Opposition put it to me that he had for some time now spelled out criteria on public finances which were consistent with the approach of the GSLP in the Government of 1988 to 1996; and I acknowledge that it is true that he has been doing  
970 that, but he needs to be consistent if he is to convince me that he means it.

If they really meant what they said in the election and they were in Government now, this year's Budget in this area would have had to be given a substantial increase to have to be approved by this Parliament to bring back the level of employment to what it was before the exit package was instituted – making the entire exercise even more incomprehensible than it was in  
975 the first place.

I believe that in the field of the provision of public services to the community, and in particular to potential investors for whom I have the responsibility in the Government as Minister for Inward Investments, we have to move in the direction of delivering a cost-effective and efficient service. The key to adapting to whatever changing market conditions we have to  
980 face in the future is the same as it was in the past.

I have never subscribed to the idea of pillars that sustain the Gibraltar economic structure. It is simpler than that. Our country has one asset, which is its geographical location. This is what made it valuable as a British military base protecting the trade routes of the Empire and what made it a trading post in its long history. It still has that advantage for some industries – the  
985 bunkering and the ship repairing – but, in addition, the equivalent in today's global economy where much of the commerce is no longer geographically determined is our fiscal independence as a jurisdiction.

Gibraltar must compete to survive, Brexit or no Brexit. Already George Osborne believes that the Referendum result is likely to put the UK into recession and is now said to be planning to  
990 reduce company tax from 20% to less than 15%, as well as abandoning the target of a budget surplus by 2020. We need to take note of what others are doing.

As well as being competitive in terms of the fiscal environment, we must be competitive in terms of customer service and speed of response. International investors do not have to come here there are plenty of alternative locations.

We have only two resources: our people and our land; and the efficient use of both resources is the only way we can provide the necessary competitive environment. We cannot grow our economy indefinitely by increasing the size of the workforce with ever-greater numbers in employment. Using the existing pool of labour ever more efficiently, which means working  
1000 *better* not necessarily working harder, is an important aspect of what we have to consider for the future development of our country's economic stability.

In the area of Public Debt, the Leader of the Opposition is not following the historical and indeed current GSLP view, which is the one we have defended in Government and in Opposition and it is not going to change, because it makes sense.

The main reason for borrowing, whether you are a Government or an individual, is in order to pay for a long-term asset so that the cost of the asset does not come out of one year's income. The entire western economic system is based on this premise; on the basis that if every citizen had to pay cash upfront for all the consumer durables they now buy, then the volume of consumer spending would be a fraction of what it is in the western world, and the global economy, without doubt, would go down from the stagnation that it now faces to a recession  
1005 and probably a depression.

No one questions that this would be so, even if there are concerns about a consumer-led basis for economic growth in that it may not be sustainable indefinitely. Everything that is being  
1010

done, on printing money, on quantitative easing, on reducing rates, is to make people buy more on credit.

1015 If Government engages in acquiring assets, then the formula is no different. This is either done by borrowing money, or by supplier finance, or by private finance initiatives that do not form part of the national debt. These latter mechanisms were introduced by the GSD Government and, as I have quoted in previous budgets, it was explained in Parliament at the time by the then Chief Minister that such finance was slightly more expensive precisely because  
1020 it was not Public Debt but secured by the assets being purchased.

The logic of acquiring assets in this way rather than with cash up front, has always been that you would pay over the life of the asset, and therefore enjoy the benefits of its use earlier.

As regards the size of the element of financing that constitutes Public Debt, this in our case has a legal limit: 40% of GDP. This is below what the EU used to require of member states when  
1025 economic and monetary union came into existence, which was – and theoretically still is – 60% of GDP.

Neither the UK nor anyone else in the EU links the debt levels to revenue, and we approved recently the legislation to amend this. As I explained then – obviously without any effect, because it has been questioned again today – the technical reasons why it will not work,  
1030 particularly in an economy where there is not a fixed or stable relationship between the increase in GDP and the increase in Government revenue – as is the case with ours – is that very soon it becomes unsustainable, and that is because the GDP is moving at a rhythm and the revenue will not necessarily move at the rhythm, particularly as the Hon. Member knows what are the elements of the revenue. So, if you link it to revenue, you could actually finish up with 1% of the  
1035 GDP and still be below the ceiling.

Mr Speaker, a former candidate of the GSD who was not elected, Mr Robert Vazquez, wrote a piece in the *Gibraltar Chronicle*, about the debt, saying:

... inconsistently, Joe Bossano argued that the Government should not have its borrowings constrained, if those borrowings are used productively. Briefly he is saying that Government will increase borrowings, not reduce them.

Well, there is no inconsistency in what I said then in Parliament, because it was simply what I have always said in Parliament, in Government, and in Opposition.

1040 Irrespective of the maximum level of debt that may be established – and I remind Members that on the basis of the estimated GDP of £1.768 billion for 2015-16, it would be permissible, as we stand here today, to have a Net Debt of £707 million, which in any event can be exceeded without limit, by resolution of the Parliament: the law introduced by the GSD administration, which made the limit disappear at the will of the majority in the House.

1045 As I said, irrespective of this level, my view has always been – and still is – that borrowing money should be driven by the economic logic as to what you intend to use the money for.

The GSLP in 1988 introduced what became later known as the 'Golden Rule', when it was introduced much later in the UK and then subsequently abandoned: namely, that borrowing should not be for meeting recurrent expenditure.

1050 Indeed in the UK the current budget deficit, running into billions of pounds every year, is covered by borrowing, and even the policy objective of the UK government to move into surplus by 2020 has now been abandoned as a result of Brexit. So, if we have to meet infrastructure costs that are going to improve the performance of the economy, it is legitimate to meet that cost by borrowing or by supplier finance in order to spread the cost and bring in the economic  
1055 benefit before the investments have been fully paid.

The second Golden Rule on borrowing is quite simple. If it results in revenue and therefore the servicing of the debt is financed from the returns on the investment, why should the public sector not do what the private sector does all the time, which is to leverage its equity and increase its returns? We do not believe that there is one rule for the private sector – which  
1060 makes it sound economic commercial logic – and another rule if it is state owned. So, we cannot

do for the shareholders: the taxpayers, the citizens, what people in the private sector would be praised for doing if they increase the return to the equity holders by borrowing and gearing up the activity profitably? It is a distinction that nobody who believes in the alternative to the capitalist system can possibly support, but I am not sure whether they do or they do not.

1065 Mr Speaker, I provide Members opposite, regularly, with details of the deposits and investments of the Savings Bank Fund. This year we introduced amendments, which they supported and for which I expressed my gratitude and which clearly set out the priorities in reinvesting money from savers in supporting investment in our economy. There is a balance here that has to be weighed in the choice we make.

1070 Reinvesting the money in the UK, as we have done on a small scale, may be attractive because it deploys some of our assets so that we are not solely dependent on the performance of our economy. However, we have no control over the performance of such assets and have to rely on the advice of our agent in the UK. At present, no one in the UK markets seem to see the way ahead very clearly and it seems likely that there will be large movements in both directions  
1075 in quoted stocks, which may create opportunity for those able to take advantage of such short-term movements – but that is not the sort of business we are in.

Only today, for example, the media reported that Standard Life had stopped withdrawals from a £2.9 billion property fund which invests in commercial properties including shopping centres, warehouses and offices, to stop a rush of withdrawals, following Brexit: the first time  
1080 this has happened since the 2007 financial crisis.

At some point we may, however, want to invest in the UK in sectors that may provide some indirect benefit to our economy over and above the returns that we get from the investments that we make.

At present, the most valuable part of the role of the fund is in providing direct investment  
1085 into our own economy: what the Hon. Mr Clinton calls the ‘development bank role’. This is where, in line with the new provisions in the law, our priority lies as and when opportunities arise.

Although the fund itself may only benefit from the return it gets on the money it provides, from the point of view of the Ministry for Economic Development, there is an additional benefit  
1090 in that, by making possible the economic activity that might otherwise not happen, the Savings Bank is contributing to the growth of the economy and the creation of employment. This is why, as I have previously explained, the role of the Savings Bank in the National Economic Plan is there today, just as it was in 1988 to 1996: the last time the fund grew.

Members opposite are entitled to hold a different view and it is a matter for them, should  
1095 they be in Government, that they would want to run down the role of the Savings Bank as they did in the 15 years between 1996 and 2011 – that is their prerogative. However, what they have to accept is that I am doing, as the Minister responsible for the Savings Bank, what we promised to do in our two manifestos. The electorate has endorsed this policy with their votes and continues to endorse it with their money.

1100 The figures I provided in Parliament showed that, in the last financial year, deposits from the public produced a net increase of £102 million – March to March – in line with expectation of growth of £100 million a year. This is the net figure; that is, the excess of deposits over withdrawals. The figure I gave for April shows that the inflow was still at the average level of £8 million a month. It remains to be seen if the Brexit vote has any effect on these numbers  
1105 from this month, July, onward but there is no indication that this is happening so far.

Mr Speaker, the Hon. Member, Mr Clinton, put a question about the proposed joint venture with our Chinese partners, last week. As I indicated in my answer, although the timetable for all the necessary preparatory work had been made within the deadlines we set ourselves – I have said that publicly already – the start of the projects was put on hold ahead of the Brexit vote and  
1110 the viability is now being reassessed following the negative result that we have had.

The concept we had in the agreement was the use of Gibraltar, where the potential is very limited, as a showcase, to be followed by making the model that was working for us here

exportable to other member states due to our access to the single market. Clearly, if we do not have that access, then the question of doing it for the limited time that may be left of that membership of the market, or doing it only for Gibraltar, produces different numbers.

Some of the projects were very long-term and are therefore no longer possible, since results would not have come through until after the 2019-20 election. No one knows exactly what the relationship will be at that point in the future. However, our partners are still engaged with us and are still exploring what it may be possible to do; clearly, we are committing to encouraging them to staying here.

Our China Inward Investment Programme Strategy mirrored the initiatives taken by Mr Cameron and George Osborne in setting out the advantages of making London the preferred location in the European Union.

Commentators in the UK have noted that China's reaction to the decision has been to describe it as a 'lose-lose situation that is already emerging.' A spokesperson from China's Foreign Ministry, however, has said that China continues to be willing to work in tandem with the UK to preserve and develop the bilateral relationship.

Other international observers consider that the expectation raised by the UK initiatives in this area may no longer be fulfilled. At this point, a lot will depend on the composition and policy of the new leadership of the Conservative Party and the individuals holding key roles in the new Conservative Government.

As I have made clear on a number of occasions, Mr Speaker, given my cautious nature when it comes to predicting the future, I never count my chickens before they are hatched. That is why my Ministry does not include any of these potential projects in the level of economic activity reflected in the National Economic Plan that we are currently working to.

I have also pointed out previously that much of the activity in the area of inward investment is something that is not visible, because it is not my practice to make announcements each time we receive an approach from a potential investor or make contact with someone with a proposal that we believe can be attracted to Gibraltar. There is good reason for this: I do not believe it is a good idea to raise false expectations. In my experience, bearing in mind that many of the possible investment projects do not reach maturity, however much time and effort one devotes to them. I have explained this in simple terms previously by saying that if one out of 1,000 turns out to be feasible and delivers the results we want, then we would be doing well, and if it is one out of 100, we would be doing very well, but one needs to see and hear all the 1,000 prospective investors, otherwise, the one that you do not see and you do not follow through might be the one that would have worked for us.

What is also true is that some investment projects were not possible simply because we did not have the ability to accommodate the client in terms of space; that is the size of space that they were looking for. Therefore, we need to look at additional land reclamation. That is why we created the land bank that we did in 1996, which lasted until 2011. We need, also, to look at the investment in the creation of industrial units to provide the facilities that will enable us to bring in fresh areas of activity.

The diversification of the economy, such as it is, is also an important policy objective so that we do not become overly dependent on one type of activity or set of skills, having learned the lessons of the disadvantages of being a one-crop economy from the days of the MoD dependence and the effects of its rundown.

As I mentioned in answer to a supplementary question last week, my recent participation in the Commonwealth Telecommunication Ministers' Forum in London provided very valuable contacts and increased the opportunities for co-operation with others. As a result of my participation, we shall be taking up associate membership of the Commonwealth Telecommunications Organisation, which will give us access to their technical expertise in the development of our industry.

Mr Speaker, in the area of training, currently the number of trainees is lower than when we started the policy in February 2012, for the obvious reason that the level of unemployment has been considerably reduced since then.

I gave, last year, a summary of the areas in which we have been providing training and the number of persons that have benefited from them. The training programme has continued in the areas identified last year, but in respect of one area – that of bus drivers – the program has been expanded because of the demand for supply drivers for the Bus Company and for coach drivers for the tourist industry in the private sector, to cater for an increase in the number of cruise liner calls this year.

A total of 120 individuals have been provided with the training opportunity as bus drivers. Eighty two have been successful in obtaining the necessary qualifications and PSV licence and nine continue, currently, in training.

We have also been providing training for lorry drivers where there was difficulty in supplying the market. At the end of their training they will gain a Heavy Goods Vehicle licence. Of the 27 taken on, nine are still in training and 14 have successfully completed the training and obtained their licence.

In both areas, the result of the higher number put through the training programme has been the demand known to exist as a result of our difficulty in finding qualified candidates for vacancies following an approach from employers asking for our assistance.

The Hon. Mr Phillips told us after the General Election that he was informing those employers who had been in contact with him that they should approach the Department to discuss their requirements for apprentices, for which I am grateful. Regrettably, no one has done so, so far.

The Department has been in contact with the Chamber of Commerce and held meetings with the Gibraltar Federation of Small Businesses to get them to contact their members to find out those who were keen to take on trainees and apprentices but, again, without any success so far.

As I pointed out in answer to the question last week to the Hon. Mr Phillips who told us at the General Election that he was informing the employers that the apprentices would be happy to meet and discuss their requirements, but I take this opportunity to, in effect, appeal to anybody that is in fact interested in taking on local apprentices and providing training opportunities, to take the step to approach us.

We have recently taken up, jointly with the employment service, a review of the approved contractor lists, of which I gave a copy recently to the Leader of the Opposition, last week. The purpose of the exercise is to ensure that those on the list are aware that their conditions for being on the list – introduced by the GSD in 2010 and continued by us since then – is to give priority to local workers from the unemployment list who are seeking employment.

The Ministry for Economic Development is responsible for monitoring the approved contractor list and for assisting in providing training if there is a need to upgrade skills to meet the requirements of a contract, so that contractors can comply with their obligations. Although this was initiated prior to the result of the Brexit referendum, the fact that we expect to be outside the European Union in two years' time makes this exercise now more important so that we can ensure that employment in the private sector for Gibraltarian and other resident workers is prioritised.

As regards the problem of identifying areas of training which are employer-based, employers can make the step of making direct contact with my Department. We also arrive at identifying such opportunities by virtue of the fact that, when vacancies are open with the ETB, some of them are passed to us to send or offer trainees to prospective employers and that, in itself, has been successful for openings in the private sector which previously did not have Gibraltarian employees.

Clearly, we want to do more in that area and I think it is important that anybody that is in a position to help us achieve more in terms of penetration in areas where there is very little representation, they should contribute to this.

The Department is also responsible for managing the EU funding from ESF and ERDF. These programmes continue, and we are ensuring that the funds that have been allocated to us are made available to promote employment and economic activity, for as long as we can continue to access them. This will not be the case in the future, once we have ceased to be members of the European Union.

Mr Speaker, with regard to my Department's budget, the last Parliament, a year ago, approved a sum of £70,442,000, which was £409,021 less than the actual expenditure for the year 2014-15.

The forecast for the year just ended has come in at £16,840,000, though there may be some minor changes as there are always adjustments inputted after the close of the year. For this year, my Department expects that it will need to spend £17,018,000 which, although it is £178,000 more than we spent in in 2015-16, it is nonetheless below the amount requested and that Parliament approved in last year's budget by £602,000.

The numbers employed in the Department have increased by two. One is a security guard already in the service who was previously deployed in another Department. The other is an additional AO in the European Union Programme section, where the head of the unit felt that the cost of the EO post which had become vacant could be better utilised to fund two AO posts, thereby gaining an extra body. The section is responsible for the allocation of EU financial support from the European Social Fund and the European Regional Development Fund.

The funding for training will not be affected if and when the EU sources are used up, because the Department will ensure that the budget provided by Parliament from the Consolidated Fund will be deployed to provide whatever training for employment requires funding under the existing structure and going forward to meet future needs.

Although it is a pity that we are losing those funds, which were obtained by the GSLP after a long battle – we did not get it until the late 1980s, having been in the European Union since 1973. For Gibraltar, the millions of Euros that we have received has been put to good use and has helped to produce training, both in the time of the GSD and before that in the GSLP and in the time that we have been in. We have to accept that the money is going to come to an end and we must ensure that the message to our people is that they will have no impact whatsoever in the provision of the service that we give; that, therefore, the money that is needed will be there and it will be from our own resources because it is important to maintain training and to ensure that the skills in the economy meet the requirements of employers.

Mr Speaker, I would just like to close by addressing some of the arguments of the Leader of the Opposition in the remarks he made on the Savings Bank, on Credit Finance and on Community Care. These arguments which he and his colleagues have used before are the ones that he has repeated today. Their analysis is wrong. They have been given an explanation as to why, but clearly they will persist in repeating the same argument, so I have to come to the conclusion that it is something that they think carries political merit and not something that they need to be persuaded or can be shifted from the use of logical argument. But, since I am a perennial optimist, I am going to try to use a logical argument anyway.

The position on the Savings Bank is that they argue for keeping deposits from the public in cash. The comparison that was made today was: well, look, in their time, they kept it in cash and we are making use of that money and reinvesting it. But, of course, the policy of the GSD, in keeping it in cash, was a policy of running down the Savings Bank. If the new GSD still wants to run the Savings Bank down, then, of course, all they need to do is go back to what was being done before: keep the money in cash, because certainly it would not be feasible to have £1 billion in cash today. So they would have to stop taking money from the public and keep some money there in cash. It is difficult to see what the point is of having an opportunity for savings that in many of the instances of the increase that we are seeing in the deposits in our Savings Bank, which is local money ... A very small proportion of the accounts have addresses outside of the UK. Money that is coming in – £102 million in one year – much of this money is money that is returning to Gibraltar from people who had savings outside Gibraltar and who are

bringing it back because they feel that the uncertainty outside Gibraltar and the low rates outside Gibraltar no longer makes sense to have that money out. Well, what is the sense of our people bringing their money back to Gibraltar just simply to give it to the bank to keep it in cash in a safe or to lend it to another bank so that the profit, instead of it being made by the Savings Bank, is made by the other bank?

It is true that they had it in cash, but if they are being critical of the fact that we do not, does it mean that is what they think we should be doing: keeping it in cash? Is that what they would do?

Mr Speaker, criticising something and saying we have a different policy is fine, but the Hon. Member has got to be consistent and understand where the policy takes him. The Savings Bank helps the economic growth. The retention of the balance of the money in the Savings Bank is an additional reserve that the Government has. That additional reserve is generated because we are reinvesting the money. The money that is reinvested in Gibraltar is a good thing. This is not to pay for their wages or their civil servants; this is invested in creating economic activity.

The Hon. Member also questioned Credit Finance's role as a subsidiary of the Savings Bank and using that money – investing that money – in financing the commutation of pensions. He was quick to say he was not against the commutation; he wants the commutation to carry on, but he does not want it to be paid by using the funds from the Credit Finance.

Well, how would he pay for the commutation, if he did not use that? When he was in Government and I suggested to the then Chief Minister that the commutation of 100% available in the private sector should be available in the Civil Service, the answer I got from the Government: 'It is impossible to do as part of Government spending. The cost would be prohibitive.' So, I invented a mechanism to meet the requirements and what is being done now is good for the individual. People are not required to commute; they can take 100% of their pension or they can take 0% of their pension.

The commutation is a good thing; it is a thing that the GSD supported in principle, but did not implement because they had not been able to devise a mechanism to do it. The Hon. Member says he is against the mechanism we have got. He wants the thing to carry on, but he admits that, when they were in Government, they did not do it because it was not possible to do it through the financing from the Appropriation Bill, because it is something that will keep on growing over the years. But he is wrong in thinking that this is shifting away expenditure from the estimates that he has before him, because if he looks at the cost of the pensions, he will see that they keep on growing all the time. So the cost of the servicing of the commutation is reflected in the estimates of expenditure every year.

Then, Mr Speaker, he also questioned the legitimacy of saying that part of our rainy day fund today, as it was before the principle components in 1996 of what we call 'the rainy day fund', were Community Care and the reserves of the Savings Bank – the same as they are today. We have restored what the GSD took away. But he says it is not legitimate to say that it is. Well, I will tell him why it is legitimate and I will tell him that the proof that it is legitimate is the action taken by the GSD Government, not anything we did.

We left Community Care with £60 million. The, GSD, came in and said, 'Well, look, we are not going to give an annual grant anymore to Community Care because they have got so much money left over from the money that the GSLP gave them that the income from their £60 million cash is enough to pay the cheques every three months, so they do not need money from us. But, of course, if they use up the revenue from their investments, we do not want them to eat their capital, but we will give them the money then.' That was a promise; it was an electoral promise in a manifesto and it was a promise made in this Parliament, and it was broken.

Then what happened? What happened with the rainy day fund was very simple: we lost the election and the greatest Gibraltarian ever came in and, even though it was the middle of the summer, he said, 'The rainy day is today' and he started using the rainy day fund and left it at cinch. So the rainy day fund was depleted for the very simple reason that, if in every year you put £7 million or £8 million or £10 million to pay the cheques every three months to our

pensioners, you have the benefit of saying, 'Well, look, I am not going to put any money in. I am going to use the reserves, the savings, to pay that cheque. Then I can go down and see all the pensioners in the House of Lords, downstairs, and say to them "You see Bassano was lying to you. You are still getting your cheque every three months" – but he did not tell them who was paying the cheque; the cheque that was being paid every three months, because the rainy day fund was being depleted to pay it.

So, is it true that it was a rainy day fund? Yes. Is it true that it was used when it did not need to be used, because it would have been perfectly legitimate if we had a situation where the reserves of Community Care are now £100 million, and we said, this year, 'Well, look, although we put in the estimates in February that we will give £20 million – which is half the surplus – to Community Care, because of Brexit we are not going to give them £20 million.' We are going to say to Community Care, 'Look, the rainy day fund is for when the Government has problems. We want to guarantee the security of the quarterly cheque to our senior citizens. We, therefore, when we have got a lot of money, we let you build up reserves to be able to do that, and when we have a problem of receiving less money than we expect, we will stop giving you money.'

The GSD stopped giving them money simply because they thought they had too much money and then they justified it at the end of the 14 years by saying they had planned to do so all along, because they were going to scrap Community Care and they were going to replace it by direct payments from the Social Security which would have been insane, unless we are out of the EU.

Fortunately, for everybody's sake, the Leader of the Opposition has now discovered that and is committed to continue with Community Care, which I think is a great thing and I think that it is good that there are things that we can both agree, and where people do not feel that the decision on who they want to vote for should be determined by some people saying they are going to do one thing and the other people saying they are going to do something different simply because they had not thought of it themselves. Because I really believe that some of the things that we have done in the eight years that the GSLP was in Government were simply eliminated by the GSD as if they wanted to remove from the memory of mankind that there had ever been a socialist Government in Gibraltar. They did not want any trace of anything. So, whether it was good or was bad, 'Take it out of the history books if it was done by the GSLP.'

Well, look that is the wrong approach. We have carried on doing things that the GSD started. If they started something and it works, why should we want to change it? Therefore, I think that the point that I made earlier, Mr Speaker, is that, if the Hon. Member wants to gain greater credibility, then I think he has got to make a bigger effort and not contradict himself all the time.

Thank you, Mr Speaker. *(Banging on desks)*

**Chief Minister (Hon. F R Picardo):** Mr Speaker, can I, after that *tour de force*, invite the House to recess for 15 minutes.

#### **Birthday wishes to the Clerk**

**Mr Speaker:** I think we can enjoy some of the largesse provided by the Clerk on his birthday. May we all wish him very many happy returns.

**Several Members:** Hear, hear. *(Banging on desks)*

*The House recessed at 6.20 p.m. and resumed its sitting at 6.30 p.m.*



**Appropriation Bill 2016 –  
For Second Reading –  
Debate continued**

**Mr Speaker:** Having refreshed the Exchequer, I think I will call upon the Hon Roy Clinton.

**Hon. R M Clinton:** Mr Speaker, in the aftermath of the Brexit referendum we live in 'interesting times' as the Chinese curse goes and so, as this House debates Gibraltar's economic and financial future, we must be honest with ourselves and face reality.

The Budget debate in this Parliament has historically turned into something of a collective state of the nation address by both Ministers and Opposition Members. I would like the focus of the debate to ideally return to the financial numbers, pure and simple.

Mr Speaker, the ideal budgetary position is that enshrined in what has come to be known as the 'Micawber Principle' named, of course, after the character in Dickens' *David Copperfield* who wisely observed:

Annual income twenty pounds, annual expenditure nineteen pounds nineteen and six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery.

In other words, we should not spend more than we can expect to receive in any year, or afford.

We have been fortunate in Gibraltar to have reported budget surpluses year after year in recent times but, as my learned colleague the Leader of the Opposition has correctly pointed out, the size of these reported surpluses are decreasing and we must take care that expenditure does not overtake revenue if we are to avoid Micawber's misery.

The United Kingdom has, for many years, run a recurrent primary budget deficit funded by increased borrowing and, as the Father of the House correctly pointed out, the Chancellor George Osborne has only last week had to abandon plans to reach a balanced budget and a surplus by 2020, due to significant negative economic shock to the UK economy caused by Brexit.

Our cousins in Bermuda have, in the past, allowed recurrent budget deficits funded by debt to get out of control and, as a result, are struggling not just to reach a balanced budget but also to reduce debt and the debt burden.

And so, Mr Speaker, how can we be sure we are truly living within our means in Micawber happiness? Can we really trust the surpluses reported are not in reality disguised deficits? Are our finances as transparent as they could be?

Let us be clear how our budget surplus has been calculated, and using the words of the Accountant General:

The Government's accounting system is 'cash-based', which means that the books reflect receipts and expenditure actually paid in and paid out during the year and no account is taken of amounts owed by or due to the Government at the year-end.

Put simply it is the total money received, less the money paid out, including any debt repayments as at 31st March every year. In banking terms, simply the money your bank balance has moved from one year to the next, ignoring any unpaid bills.

In March 2014 the reported surplus was £61.1 million; in 2015, £51.3 million; in 2016, £38.8 million; and projected for 2017 is a surplus of £ 20.3 million.

So, are these surpluses real?

The two questions we must ask are simply as follows: does it reflect all Government expenditure? And, has spending been curtailed before 31st March to improve the cash position?

The first question is of course a huge point of contention between the Government and Opposition. Historically, Members of this House will be aware that Government only ran two

main cash accounting systems under the Public Finance (Audit and Control) Act, namely the Consolidated Fund and the Improvement and Development Fund – the first being for recurrent income and departmental expenditure and the second being for capital projects ‘to benefit the social and economic development of Gibraltar’.

All funding for projects and Government-owned companies was channelled through the Improvement and Development Fund. As my learned colleague the Leader of the Opposition has repeatedly warned, the creation of Credit Finance Company Limited and the use of money in the Gibraltar Savings Bank to the tune of over £400 million has enabled this Government to fund capital project expenditure without the need to seek money from the Improvement and Development Fund. This would have inevitably caused the Government to use up its reserves and ultimately borrow more money. **(A Member: Hear, hear.)**

Perversely – and this is what I find hard to believe – it has also given loans to repay Government arrears to debtors.

Normally all capital expenditure is reflected in the Improvement and Development Fund and yet the low-cost housing at Eastern Beach that cost £76 million, and the Old Coach Park housing estate that cost a further £39.8 million, being a total of £115.8 million, never appeared in the estimates. In addition the purchase of Gibtelecom shares in December 2014 which would normally have been through the Improvement and Development Fund in the amount of £37 million was paid by the Savings Bank.

The Father of the House, the Hon Mr Bossano, finally settled the question in February this year by adding to the objects of the Gibraltar Savings Bank the words: ‘preference shall be given to investments that will maximise the social and economic development of the community’. Thus, the Government now has the ability to fund capital projects which do not appear in the annual Estimates book and thus are not reflected in the reported and projected surplus. This greatly diminishes the ability of this Parliament to get a true picture of our financial health, and brings any reported surplus into question; and, to be honest, makes a bit of a mockery of the Budget process.

As regards the second question, namely, has spending been curtailed before 31st March to improve the cash position? The Chief Minister himself has admitted calling in all heads of department on 5th December 2015 to control spending in the last quarter of the financial year. In answers to questions this month the Chief Minister has also admitted that the Government owed over £30 million of tax refunds to individuals and companies which, of course, if paid before 31st March, would have reduced the reported cash surplus to only £8.8 million. There is further anecdotal evidence that payments to Government suppliers had also been delayed.

This, Mr Speaker, is what is known in accounting terms as ‘window dressing’ to make the year-end cash position look good by delaying expenditure and payment to creditors. And so I really cannot draw much comfort from the cash surpluses that have been reported and projected – but perhaps I should at least be thankful that they are not deficits.

Mr Speaker, I would now like to turn to Government expenditure and priorities. My learned colleague, the Leader of the Opposition, has already described how recurrent expenditure is creeping up at a faster rate than income. We need to keep an eye on that; but I would first like to add my congratulations to the Financial Secretary for keeping overall departmental expenditure within Budget. I do not know what the Chief Minister told the heads of department on 5th December but evidently it worked!

The devil, however, is in the detail and whereas overall departmental expenditure was within Budget there were some spectacular failures. The bulk of Government expenditure is in Health and Education which correctly reflects the needs and aspirations of our community.

It was, to me, disturbing that despite a budget of £800,000 for the Dementia Day Care Centre and Residential Centre in 2015-16 none had been spent on the first, and only £10,000 on the second. Whereas I can understand the Health Minister’s argument that he wanted the best deal for the taxpayer, the fact that virtually nothing was spent in the entire year beggars belief. The budget for 2016-17 has now been set at £2.5 million, three times last year’s estimate. The

Alzheimer's & Dementia Society will get some comfort at least from this and will no doubt continue to press the Minister to deliver this much-needed project.

The specific underspend in 2015-16 by the Minister for Health has to be contrasted with the eye-watering overspend by the Minister for Culture in the 2015 Gibraltar Music Festival; the Budget for which was £870,000 and the net amount actually spent was £2¼ million, representing an overspend of £1.4 million. Whereas I am sure Gibraltar enjoyed the event, I wonder if all taxpayers would have been happy with such a use of their money – or would they perhaps have preferred it going to pay for a third of the £6 million cost of Calpe House?

On a personal aside – and at the risk of being labelled a killjoy by my parliamentary colleagues – it has come to my attention that Members of Parliament have in the past received complimentary VVIP tickets by the Music Festival Organisers. In my view, this is totally inappropriate as we are here to work for the taxpayer and not party at their expense.

In addition we cannot, as a Parliament, scrutinise expenditure while benefiting from it. The Leader of the Opposition and myself will *not* accept any complimentary tickets – VVIP or otherwise – from the organisers; we will be discussing this with our Parliamentary colleagues this side of the House and I would encourage Members on the Government benches to do likewise and decline any complimentary tickets. **(A Member: Hear, hear.)** *(Interjections)*

Coming back to expenditure, Mr Speaker, the point I am trying to make is that we need to ensure we keep sight of our priorities and target our spending accordingly. It will be small comfort to those struggling to pay off housing arrears to see that same money squandered on frivolities and merriment. **(A Member: Hear, hear.)** We need to spend Gibraltar's money wisely and appropriately. *(Interjections)* As you wish.

The Father of the House is fond of talking about rainy day funds and in this I can truly describe myself as his soul mate. A country such as ours with an open and small economy is vulnerable to economic shocks such as we may face in the unfolding post-Brexit scenario.

We need to keep aside a financial buffer to soften any potential blows that may come our way. The Hon. Mr Bossano is proud of the £100 million set aside in Community Care to look after our pensioners, but I ask myself what has been set aside for the young and the sick? Should we not also have rainy day funds for Education and Healthcare which are the largest expenditure areas in our Budget? How is the Government going to ask Community Care for its £100 million rainy day fund back if it finds itself short to fund Health and Education?

The Government needs to look after the entire community and not just one section of it. It needs to stop funding luxuries and start setting aside money in a general rainy day fund for us all. **(A Member: Hear, hear.)** The Cayman Islands was set a requirement by the UK government to maintain a cash reserve or surplus that represents 90 days of expenditure. As at 31st March 2016 the Consolidated Fund had a cash balance of £80.9 million which would represent 54 days of expenditure. We would need to set aside another £54.8 million over the coming years to reach the target of 90 days expenditure.

The Government needs to be honest, as it has done, and is no longer donating every last penny of surplus to Community Care – but halving it. It may have been affordable in the past but I am sure even pensioners will agree that the young and sick also have needs – and our new power station still needs to be built and paid for.

Mr Speaker, a lot has been said in the past about Government debt – whether, of itself, it is good or bad, and whether it is affordable. The Father of the House famously said last year that only the Neanderthals didn't borrow and it was not the borrowing that was important but the use it was put to and if it could be serviced.

In this, I again agree with the Hon. Mr Bossano, debt is not of itself evil so long as it is affordable and put to good use. However, ultimately, debt needs to be repaid and we must be firm in our resolve to pay our own way in this world.

When I questioned the ability of the Government to meet its debt reduction target earlier this year, the Chief Minister immediately responded by stating – and I quote:

I am confident we will meet the targets set out in our estimates'

1505 Well, Mr Speaker, the forecast gross debt at 31st March 2016 was targeted to be £400 million and it is now forecast to be £447.7 million i.e. no change to 31st March 2015. He has missed his target by £47.7 million in what was a confident statement that was made barely two months before the end of the financial year.

1510 The Chief Minister was also confident that he would halve the gross debt from £520 million in December 2011 to £260 million by November 2015 – and again, in that, he failed.

We need a comprehensive debt management plan for Government debt. This should see the setting up of a specific formula to put aside money into the sinking fund to provide for repayment and also ensuring the best possible financing rate for current and future borrowing. It should not be a matter of good luck or chance cash flows that we can repay our debts.

1515 Mr Speaker, I was surprised to hear, in the Chief Minister's Budget speech this morning, his announcement of the raising of £300 million of finance by what looks like the mortgaging of six housing estates. The Government, it would appear, incorporated this company – which is called Gibraltar Capital Assets Limited – only one day before the general election, on 25th November 2015. On 26th April 2016 seven charges were registered against this company.

1520 We have been told that this was an opportunity to benefit from current very low interest rates which come in, it would appear, at an average of 3.85% – which is to be contrasted with the Bank of England base rate of 0.5% which may yet fall to 0.25%. So it cannot be said to be the best rate going.

1525 What we have not heard from the Chief Minister – and no doubt he will enlighten us in his response at the end of the Budget session – is what use he wants to put this £300 million to?

Is this £300 million to be considered part of our national debt? In which case it would explain why the public debt limits went up in February this year. Or is he going to use this money to repay Government borrowing? But then again in the projection for 2017 I see no reduction in Government debt. So I think certainly Members this side of the House would benefit from him enlightening us as to exactly what it is he is going to use this £300 million for – bearing in mind he denied emphatically in January and February this year that he had any need to borrow any money at all!

The public will like to know the answer to that question.

1535 And also of course the granting, or the assignment – I do not know how these leases got into Gibraltar Capital Assets Limited – but I would like to know also what consideration was given for these. Was it for a notional pound? Did they give good value? How much money did the Government get for these leases?

1540 And also, perhaps for those who live in these six, as yet unnamed, housing estates. They perhaps would like to know where is their rent going to go now? Is it going to go to Gibraltar Capital Assets Limited or is it still going to the Government? Or is the Government now acting as an agent for Gibraltar Capital Assets Limited?

And of course is the money from the rent going to even be enough to pay the servicing cost of this £300 million that Gibraltar Capital Assets Limited has raised? And all it is, really, is an asset-backed bond probably with multiple maturities, hence the average rate.

1545 Obviously on this side of the House we have only just heard about this today and we would love to hear a lot more about it in the future from the Chief Minister or indeed the Father of the House. What is this money for? Where is it going to go? What are you going to do with it? How are you going to repay it in future?

1550 And in fact to put it into perspective, this £300 million considering that our net debt at the moment is £345 million, I find it surprising that it is possible for a Government to more or less borrow almost 100% of its national debt without any reference to this House at all. There has to be something wrong with that.

How is it that the Public Finance Borrowing Act requires that a simple bank loan agreement has to be tabled in the House? And yet the Members opposite seem to think its fine to go out and borrow £300 million without telling anyone!

This cannot be another Credit Finance! You need to be open and explain what you are going to do this money. At the end of the day, as you know, it is not your money – it is the taxpayers' money. And at the end of the day it will be the taxpayer who will have to repay this money and not the Members opposite who will be long gone and retired.

And so I move on ...

Mr Speaker, too often in this House when I have asked for financial statements or information the answer is, 'No' or 'Get it yourself'.

The Accountant General avows in the introduction to the report on the annual accounts for 31st March 2014, and I quote:

It is the Government's policy to promote transparency and accountability in public finances.

I ask you ...

Well, Mr Speaker, I regret to say that I have found little evidence of that policy in the short time since I have taken my seat in this House. I have asked the Father of this House for detailed movements on the Sinking Fund and the answer has been an emphatic, 'No!'

I have written to the Chief Minister asking for information that has been omitted from the 2016 Estimates book, namely some information about the Sinking Fund and the forecast split of bank debt and debentures. I asked for a meeting with him in this respect prior to the Budget – and I am still waiting!

I have asked the Minister for Financial Services for the audited accounts of the Gibraltar International Bank to be given to Parliament when they are ready and his answer is, 'Go and get them yourself!'

The Financial Services Commission would have had these accounts by the end of April this year, and yet this House and the public are still kept in ignorance.

I have asked for audited accounts of Gibraltar Investment Holdings Limited, the Government's ultimate controlling company, in February; and the written answer I have been given was:

Unfortunately, given that the former GSD administration failed to comply with the legal obligation to file accounts for these companies for a number of years, we are still in the process of catching up with the GSD's failure to provide transparent access to this information.

Mr Speaker, it really does not take four years to produce a set of audited consolidated accounts and it shows a complete and utter lack of commitment to the ideal of transparency whatever past failures may or may not have occurred. **(A Member: Hear, hear.)**

This really has to stop. This is not a cat and mouse game between two political parties but the Government refusing to be held to account by an elected Opposition whose job it is to do so.

All Government-owned companies need to have their accounts up to date, audited and filed at Companies House. If the Government truly had a policy of transparency and accountability in Public Finance it would table all such financial statements in Parliament. It should also advise the House when it incorporates new companies – that would of course be far too helpful.

What on earth does the Government have to lose?

The Government needs to do more than just pay lip service to a stated policy of 'transparency and accountability'; it needs to be seen to be actively doing so. To this end, I have tabled a motion to not only debate the findings of the Principal Auditor's report but also to create a Public Accounts Committee.

Without wanting to pre-empt the forthcoming debate it is sad that the Government immediately sought to – as the *New People* colourfully put it – 'hijack' my motion by proposing a counter-motion *opposing* the creation of a Public Accounts Committee. *(Interjection)* Indeed.

Mr Speaker, it is said that you are judged by your actions, and unless the Government changes its attitude, sadly it is evident that it has no interest whatsoever in either transparency or accountability; and it should thus stop pretending it does. (**A Member:** Hear, hear.) The electorate will have to judge for themselves if this is the sort of behaviour they want from their elected Government. (*Interjections*)

It seems to me that the only number the Government likes to forecast over more than one year is GDP. The Estimates book only covers income and expenditure and our projected cash and debt position for the next year. It may be that this is a hangover from colonial days, but our economy is much more complex and sophisticated than that in the 1950s.

We need to consider where our future needs are going to arise and how we are going to meet them. We need to prepare financially to meet those needs. I would like to see the Estimates book expand to cover a period of at least three years so that we can see if we are setting aside enough today, for example, to meet capital projects or other needs in future. I, personally, would welcome any Government initiative or ideas from the Financial Secretary – or the Father of the House, or the Chief Minister – in that respect.

I understand that the Chief Minister has created a Gibraltar 2020 Committee; but I also understand that it has yet to meet. The Chief Minister needs to follow through on this, especially given the recent Brexit scenario.

Mr Speaker, it has been my long-held belief that the Chief Minister should not also be the Minister for Public Finance. I have managed to convince my colleagues on this side of the House but it would appear not on the Government benches. It is a truth universally acknowledged – or a self-evident truth – that a Chief Executive Officer should not also be the Finance Director. It would certainly not be accepted in the private sector and generally it is not so in the public sector. So why is it that in Gibraltar it should be any different? There is always a tension between the Finance Director and the CEO; between the realist and the dreamer. (*Laughter and interjections*)

We are entering uncharted waters post-Brexit and I would encourage the Chief Minister to divest himself of the Public Finance portfolio and concentrate on the political negotiations ahead. The obvious candidate to take on the potentially thankless task is, without doubt, the Father of the House upon whom the Chief Minister has already bestowed the title of ‘Titan of Finance’; and, only today, a ‘safe pair of hands’.

Having been personally described by the Chief Minister as the Shadow Chancellor I would welcome such an appointment and I would hope to be able to work constructively with the Hon Mr Bossano in trying to navigate a safe passage through the gathering financial storm. (*Interjection and laughter*) At least I have made you laugh!

Mr Speaker, both the Chief Minister and the Minister for Inwards Investment have spoken of the impact that Brexit may have on our economic model; with the most immediate casualty – or perhaps not – being the Chinese LED project which hopefully is just a pause in the project.

At the risk of stating the obvious I trust that the Government has started a confidential consultation with all sectors of our economy to establish what is truly at risk and what can be done to mitigate that risk. We need to preserve what we have and adjust where needed.

It is disappointing to hear today that the Blue Water project is still delayed due to complex technical engineering problems. But the public needs to hear about the 1,000 low-cost housing units that were promised in the Bob Peliza Mews and Hassan Tercentenary Terraces – and what is it that the Government proposes to do in that respect? Are they going to be built at the Government’s expense or is the developer still going to build those affordable housing units?

And, of course, I welcome the announcement of the Coaling Island reclamation project and, in due course, I look forward to hearing what the position is for any new inwards foreign direct investment and land projects.

Mr Speaker, the Savings Bank is a very important part of our economy since it holds most of our savings, and is also now a declared source for providing finance for social and economic activities that benefit Gibraltar. I would encourage the Government to publish the results of the

1650 Savings Bank in a more timely fashion and also include a statement of investments if any glossy type publications are produced for public consumption. It should also identify what elements of deposits are Government-related.

We may differ as to the impact using the Savings Bank money has had on Public Finances, but the Father of the House needs to stop accusing the Opposition of trying to undermine the Savings Bank as if it was an act of treason. It is our duty to point out what is being done with the public's money – and we will continue to do so.

It is the Government's sole cabinet collective responsibility to keep that money safe and, as the Leader of the House said today, they need to look after that money as if was their own.

1660 Mr Speaker, the small business community deserves as much support as it can get. The Government can help by providing start-up support in the form of subsidised accommodation; and increases in business licence fees are a form of stealth tax. We have today heard some measures in order to encourage start-ups and I welcome that. However, the Gibraltar Federation of Small Businesses conducted a survey in February this year and the result of that survey was 42% of respondents were concerned with the burden of regulation and enforcement following the introduction of the Office of Fair Trading.

The GFSB had this to say, on the implementation of the Office of Fair Trading:

A welcome initiative, however the GFSB's concerns regarding the implementation were not taken into account by Government meaning a substantial increase in licensing fees and companies who previously only needed one license now having to apply for multiple licences.

A further 95% of GFSB members said that they were concerned about the impact of a potential Brexit on the local economy and their business.

1670 The Government needs to do all it can to ensure it is business-friendly and keep red tape to the minimum. It needs to take into account concerns expressed by the GFSB and the Chamber and not ignore them as they are, of course, key drivers of the economy.

Mr Speaker, I am pleased that the Government will not allow the Europa Tanks to be demolished and look forward to a similar statement in respect of Hargraves Parade and perhaps Rosia Bay. We should not allow our heritage to be sacrificed on the altar of profit and progress.

1675 **(A Member:** Hear, hear.) It is far too important. *(Interjection)* No, that has gone already! *(Laughter and interjections)* **(A Member:** Hear, hear.)

The new Heritage and Antiquities Act is still to be launched as a Bill and I invite the Government to add it to the parliamentary agenda this year.

1680 Mr Speaker, in conclusion, as I have expressed I have serious reservations as to how this Government has been able to report surpluses in recent years by the use of money in the Savings Bank. We need to manage the money that we have in a more transparent fashion, reducing waste and ensuring that we are targeting those areas of real need.

1685 We need to build up a general rainy day fund to meet any future eventualities and I would welcome the creation of a dedicated Minister for Public Finance that is someone other than the Chief Minister.

We need to aim for Micawber's happiness and maintain a balanced budget; and we need economic success to guarantee that happiness.

The *New People* – my favourite publication – summed up their expectations of this first Brexit Budget as follows:

We should not expect many give-aways and we should also expect a more rigid control in public expenditure. We have to find our feet before we carry on spending; this is a budget of consolidation and reflection for what the future might hold.

1690 I can identify myself fully with all those sentiments and trust the Government does so too. Thank you, Mr Speaker. *(Banging on desks)*

1695 **Chief Minister (Hon. F R Picardo):** Well, Mr Speaker, given the hour and that I have duties to fulfil in reading to Sebastian this evening *The Three Billy Goats Gruff*, which appears to be much more interesting than anything I have just heard, I move that the House should now adjourn until tomorrow at 9.30 in the morning.

**Mr Speaker:** The House will now adjourn until tomorrow at 9.30 in the morning.

*The House adjourned at 7.04 p.m.*





# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**MORNING SESSION: 9.33 a.m. – 1.13 p.m.**

**Gibraltar, Wednesday, 6th July 2016**

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# The Gibraltar Parliament

*The Parliament met at 9.33 a.m.*

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

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

## Order of the Day

### **Appropriation Bill 2016 – 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):**

5 Mr Speaker, in a speech I delivered last week at our University of Gibraltar, at the opening of an international conference on promoting sustainable development in further education, I said that the United Kingdom's departure from the European Union was the greatest threat to sustainability the world has seen in decades. Whereas, rightly, much of the emphasis on the impact of the UK's exit has been placed on economic considerations, potentially the greatest  
10 long-term impact will be on the environment and on sustainable development.

Without a doubt, over the past 30 years the European Union, as a collection of largely progressive and environmentally aware states, has in its collective environmental decision-making been greater than the sum of its individual parts. Environmental policy and governance have been driven by the EU, not just in Europe but globally, and member states and countries  
15 outside Europe have taken steps in responsible stewardship of our planet that in many cases would not have happened if the EU had not existed. This is the case with both the UK and with Gibraltar.

The developed world today sees the economy as the main driver of well-being, and well-being is the very purpose of my task as Minister for both Health and the Environment. This may  
20 well be the case on a stable planet where monetary riches or industrial prowess can directly benefit the lives of many, but on a planet in the throes of climate change unprecedented since modern civilisation began this is far from the truth.

The last year has seen a great deal in the media covering the exodus of thousands from Africa and the Middle East, fleeing from war and social collapse. This will be dwarfed many times by  
25 the attempts of millions, particularly from Africa, who will need to flee as drought and famine, caused by man-induced climate change, ravage their ancestral homes. Recent estimates put the price of battling climate change in Africa in order to prevent this at £2.7 trillion. The knowledge that 'the West', as it struggles with its own, in proportion, petty arguments about party leaderships and dubious presidential candidates, and as it buries itself in latter-day xenophobia,  
30 that 'the West' will do little to assist, gives me no comfort.

Mr Speaker, it is climate change, and neither the economy as a whole nor Brexit in particular, that should make us lose sleep at night. But, Mr Speaker, there is hope. Only last week, scientists

reported a decrease in the size of the ozone hole of 40 million square kilometres, thanks to the work a decade or so ago to ban ozone-depleting chemicals. In the natural world, the control of catches of Atlantic Blue-fin tuna has resulted in a great recovery. And while neither have to do directly with climate change, my conclusion is that every little thing we can do to combat climate change must be given the utmost priority, by us in this House, and by every citizen in their homes.

And so, while I will cover a great deal in this, my fifth Budget speech, my message will be that there is a great deal more to do. When I took the reins of Environment as Minister at the end of 2011, there had been absolutely no direction in the Government, nor appetite in this regard. Gibraltar had decades to make up, and it has been that catching up that has left me pleased with the progress but frustrated still. We took the quantum leap; we must now consolidate and stride on. And so I will now need to push the environmental agenda ever more strongly, both in the public and the private sectors. Both have been increasingly responding to the environmental challenge. And the youth particularly, as we have seen by the success of environmental projects in the Young Enterprise Scheme, is with me.

Mr Speaker, if in the past I have been enthusiastic and passionate about the environment, I will now be ruthless too. In this context I think that it is important for me to state that, regardless of how things pan out, the Government has no intention of diluting environmental standards and will continue to apply in Gibraltar such laws that the EU may make. Moreover, if we do depart from European targets, I will do my utmost to ensure that the departure is in that we will achieve better standards, not worse.

Let me now dwell on the positive. Indeed, as I was working this, my first Budget speech in our second term of office, I reflected on the unprecedented achievements in environmental governance and sustainability. We have taken Gibraltar from the environmental dark ages and placed it firmly in the modern day in that international arena. The level of environmental dynamism and delivery has yet again ranked Gibraltar as the environmental leader among the UK Overseas Territories and many of the small island states.

Mr Speaker, we are making use of our ability to make the socioeconomic system more harmonious with the environment. The environmental policies which we have implemented have encouraged and promoted environmentally friendly products, services, business and technologies. One of the many examples which spring to mind is the steady increase in hybrid vehicles being used in Gibraltar. We led by example five years ago when there were almost no hybrids locally, and now not a day goes by when we do not spot these cars moving efficiently around Gibraltar. The sale of these vehicles is increasing as a result of the market incentives and leadership provided by this administration. This is the vision which this Government set out to deliver four years ago, a vision of environmental action and commitment, endorsed by each Minister within his or her respective area of responsibility. Our new schools and housing refurbishments are energy efficient and allow for the introduction of renewables, we are delivering eco-tourism by investing in the nature reserve, and we are actively looking at inward environmental investments.

These last four years have seen the Department of the Environment and Climate Change network regionally and internationally. We have proudly flown the flag of environmental governance and leadership, leaving our mark in the international arena. The attendance of our Chief Scientist in Cop21 in Paris, the climate change summit, is an example of this, and I am happy to say we will be announcing further developments shortly, again showing how our scientific delegation works at different levels with our international colleagues to deliver meaningful global environmental change. We may be small, but our environmental influence greatly outweighs our geographical size.

Mr Speaker, last year we hosted an international conference on sustainable partnerships, organised jointly with the UK Overseas Territories Conservation Forum. Its focus was on the UKOTs, Crown Dependencies and other small island states. The conference provided a forum for government environmental bodies, NGOs and commercial organisations to discuss key

85 conservation issues, highlight success stories, exchange ideas and, most importantly, forge partnerships. One of the most important achievements of this conference was the creation of an Environmental Ministers Council. It is our intention to meet again this year as guests of the Government of Montserrat and continue our work to push our environmental mandate internationally.

90 Moving on to our work at home, Mr Speaker, my team at the Department continue to work in close collaboration with many departments across the public sector, including Education, Port, Procurement, Technical Services, Tourist Board, GEA, Maritime Authority, RGP and Customs. They are continuously involved in discussions 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  
95 on a regular basis. Increasingly too, they continue to engage with the private sector.

The Green filter continues to work well and now constitutes normal practice within the civil service. By way of example, departmental scientists have attended 15 tender boards and reviewed 592 building applications in addition to attending all DPC meetings. Four EIAs have been reviewed. The Environmental Action and Management Plan and the Climate Change  
100 Programme are in the final stages of review and will be published before the end of this calendar year.

Mr Speaker, once again, recycling figures have seen an increase from those reported last year, with an increase of approximately 15.5% in mixed packaging waste and an increase of 18.6% on cardboard and paper. The biggest achievement, and thanks go to the general public –  
105 clearly it is their contribution which is allowing us to fulfil our role in improving recycling practices. Waste electrical and electronic equipment recycling figures also continue to increase with a further 51.4% increase during 2016 compared to 2015.

Mr Speaker, I am happy to report that Gibraltar's first dedicated eco-park, a 2011 manifesto commitment, is now open 365 days a year and has helped to boost our overall recycling rates by 25.23%. Greater volumes can now be transported in fewer trips due to the acquiring of a baler  
110 and compactor, thereby reducing costs as well as our carbon footprint.

I can confirm that the Government remains committed to both a waste treatment plant and a sewage treatment plant during this term of office.

Mr Speaker, since the appointment of our dedicated litter wardens, the number of instances of fly tipping is reducing. These officers patrol Gibraltar daily, creating awareness and educating  
115 and deterring people from irresponsible tipping. They have placed a total of 42 litter tickets in just seven months. We still seeing certain problem areas where we will be increasing our efforts. Works continue on refuse cubicles around Gibraltar and two new bin stores will be constructed this year.

120 Meetings of the Litter Committee continue and we have progressed well on various fronts. I once again take this opportunity to thank all the members of the committee for their hard work and dedication, especially those volunteers from community groups and tenants' associations.

Collaboration with NGOs continues. Regular meetings take place between Government officials, myself and the GONHS and the ESG, both of which continue to make a tremendous  
125 contribution to Gibraltar, largely on a voluntary basis. The Nature Conservancy Council continues to be consulted on all issues associated with the protection of Gibraltar's natural environment in line with my statutory obligations. I have formally met approximately four times with each of these in the past 12 months, and there is a great deal of informal contact too on a much more regular basis.

130 Mr Speaker, this past year has again seen the Department spearhead environmental education, which involves visits to all schools to raise awareness on key issues. The Department has delivered a total of 34 talks and many field trips this year. In other work co-ordinated between Environment and Education, small recycling bins have been delivered to infant schools.

The Department also participated in the World Maritime Day celebrations, organised by the  
135 Gibraltar Port Authority last September. This was an opportunity to showcase the underwater camera and our marine surveillance work.

The Government's Geoportal continues to be used both locally and internationally. The interactive map of Gibraltar continues to be updated, providing more specific Gibraltar spatial data than at any other time. To date more than 17,000 hits from 145 countries have been registered at the Geoportal.

Furthermore, the Department for the Environment continues to spearhead the use of GIS. GIS is not only used in relation to the Geoportal and the Government's international reporting obligations, but also in conjunction with leading terrestrial and marine ecological assessments, which support key legislative conservation tools.

Both the Gibraltar Electricity Authority and the Department of the Environment and Climate Change continue to work hard to deliver improvements in the field of energy. The recent appointment of a dedicated renewable energy officer is a testament to this. This year will see the delivery of a flagship solar project for the Government. Solar thermal and PV panels will be installed at St Bernard's Hospital, which will deliver large savings in water heating and will place us on a par with many hospitals across Europe.

And the commitment is starting to deliver results, as demonstrated by the launch of the Eco Wave Power project in May. This project, which attracted huge international interest, demonstrates Gibraltar's pioneering attitude in the field of renewable energy. It is the first grid-connected wave energy power plant anywhere in Europe and while in the initial stages energy production is still small, when the full project is completed it will deliver a significant percentage of Gibraltar's electricity needs.

Our interest in marine renewables also extends to marine current energy, and last autumn officials from the Department accompanied representatives of Blue Shark Power during their marine current survey. We remain committed to exploring opportunities with this and other technology providers to find long-term sustainable solutions to Gibraltar's energy needs.

Gibraltar took a significant step in October when we committed to the Compact of Mayors, a global coalition of city leaders dedicated to reducing their greenhouse gas emissions, making their communities more resilient to climate change and regularly reporting their progress publicly. The Department will be making use of the tools and resources provided by the UN through the Compact to deliver more accurate emissions assessments and to refine its Climate Change Programme, due to be published shortly.

In other areas, the Department organised Energy Auditor Training towards the end of 2015, providing an opportunity for individuals to become Accredited Energy Auditors. These audits form part of Government's wider initiative to increase energy efficiency and reduce energy consumption. Energy efficiency has been deemed the most effective way of cutting carbon emissions and tackling climate change. The Government will shortly be introducing legislation which mirrors the UK Energy Savings Opportunity Scheme, requiring large organisations to conduct energy audits every four years.

In relation to the Energy Performance of Buildings, the minimum standards for energy performance for new and existing buildings are being tightened and these will be introduced with the launch of the latest version of the Gibraltar Simplified Building Energy Model. In the last financial year, approximately 240 energy performance certificates have been issued.

Mr Speaker, the Department will shortly be inviting companies to apply for inclusion in an environmentally friendly companies register. This will result in the company being assessed on its environmental policies and performance, and given an environmental rating to allow proper assessment of a company's credentials not just in relation to employment policies, as in the approved contractors' list, but to environmental impact too.

The Department's monitoring and surveillance programmes, which consist of sampling and monitoring of Gibraltar's coastal waters, groundwater aquifers and bathing waters, continue to operate smoothly. The Department also continues to collect and monitor marine sediment, phytoplankton, fish and bivalve tissue samples. In addition, it will be commencing a marine litter monitoring programme as part of its obligations under the Marine Strategy.

In late 2015, the Department issued its second River Basin Management Plan, a centrepiece of the Water Framework legislation which classifies our water bodies. With the use of sampling and monitoring data, the classification exercise concluded that both Gibraltar's coastal waters and groundwater aquifers are meeting the objectives set out in the Water Framework legislation.

Regarding our beaches, with the exception of Western Beach, which as we know is a transboundary issue, water quality has improved in most of our beaches, two of which are now classed as excellent under the new EU classifications.

Mr Speaker, there are those within this Chamber who insist on concentrating on the negative and who pretend to believe that the fact that we still have illegal fishing by Spanish boats in BGTW is proof of the demise of our seas. Apart from the fact that such visits are dropping regularly in numbers and significance, these unfortunate, unwelcome and unacceptable intrusions are far outweighed by the huge positive steps taken in marine conservation over the past four years.

Mr Speaker, the Department continues making steady progress with its marine ecosystem restoration programme.

We have been working in close collaboration with the University of Algarve's Centre for Marine Sciences for well over a year. Mature seagrasses have been transplanted from sites in Portugal and the team is now gearing up to plant seedlings later on this year.

The oyster reintroduction programme began in May with approximately 125 kg of mature oysters strategically placed within different areas of the Gibraltar Marine Reserve.

Mr Speaker, the Department also installed an underwater camera last spring providing live footage to the general public, which is also being used as a research tool used by scientists. This installation is the first of its kind in Europe.

This Government's incessant desire to pioneer marine initiatives in British Gibraltar Territorial Waters also gave rise to the creation of no fishing and no anchoring zones such as that found in Seven Sisters, which is demarcated with specially designed buoys to conserve this important area of reef habitat.

The Department's Environmental Protection & Research Unit, working together with the scientific staff, has been collecting data on marine strandings and sightings involving dolphins and turtles.

The Department has noted an increase in sightings of marine mega-fauna, specifically whales such as fin whales, sperm whales and humpback whales. A first for Gibraltar has been the presence of a juvenile humpback in BGTW during the months of March and April. As of late there have already been 14 sightings of fin whales which have navigated through our waters on their route towards the Atlantic. Three basking shark sightings have also been recorded this year. All these give an indication of the improving quality and richness of our waters.

The Department is also rolling out a volunteer marine monitoring programme, which will assist in monitoring the ecological status of our waters and at the same time educate and create public awareness.

Mr Speaker, fisheries management is an issue that this Government has had the courage to regulate despite the challenges confronting us. Over a year after the implementation of the Marine Protection Regulations and the Tuna Preservation Regulations, I can report that over 7,000 licences have now been issued. This is a significant achievement that many thought would not be possible.

The creation of the Fishing Working Group has been critical to the successful implementation of both Regulations. To date, the group has met on eight occasions with representatives from all the different angling fraternities, as well as other stakeholders, actively participating in discussions regarding the sustainable management of marine resources in BGTW. The extension of the Seven Sisters no fishing zone and the creation of the new marine conservation zone inside the Gibraltar Harbour are just some of the outcomes that have been achieved as a result of the close working relationship that I have established with the group. I want to thank all its

240 members, who give of their time for free, for their work in this vitally important role. The revision of minimum fish sizes, the delivery of marine conservation awareness and the collection of valuable marine resources data are all areas that are being tackled in consultation with the group.

245 Mr Speaker, we have now commenced the regulation of Gibraltar's second Bluefin tuna fishing season. Last year's season was managed exceptionally well with officials from the Department and the landing point staff monitoring and recording catch data all the way through until October. I would like take this opportunity to thank local anglers for their co-operation and continued support in ensuring the successful implementation of these regulations. This year, building on the experiences gained during our first season, we have improved the facilities  
250 available at the North Mole landing point and revised the procedure for reporting tuna catches. In addition, we have also reviewed the protocols for the Bluefin tuna tagging programme to ensure a higher level of protection for the species.

Mr Speaker, in the field of environmental health, the Environmental Agency continues to work on many fronts and expand its duties in the areas of building control, waste regulation,  
255 food inspections and food import controls. In addition to the developments mentioned last year, the Agency has continued to provide the new Ship Sanitation Certificate service, which includes a service to superyachts. The Agency is the main point of contact locally for the UK's Health and Safety Executive and works with them on major projects such as the new power station and LNG plant, as well as any COMAH issues.

260 They service and calibrate all of our air quality monitoring stations and liaise with pollution specialists and form part of the European Network of Drinking Water Regulators (ENWARE).

Additionally, they are now a participant in the EU Vectornet programme. This programme is based on sharing data relative to the distribution of the mosquito, tick, sand fly and other disease vectors. This data sharing will assist those working in the fields of environment and  
265 public health.

They also provide specialised training in waste management to waste industry representatives and continue to provide practical Environmental Health training for both local students and students from the University of West England.

They advise the Government on the provision of new legislation such as lifts, DNA testing of  
270 dogs and the storage of petroleum products, as well as advising on the updating of other existing legislation.

Mr Speaker, works on the improvement of the North Front Cemetery continue. Despite recent negative media coverage, in the past 12 months the surrounding wall of the cemetery has been repaired and maintained and the public toilets inside the cemetery have been repaired.  
275 The cutting of the grass is now completed and is trimmed on a daily basis. Areas are cleaned daily and the cemetery is kept as a safe place for visitors. Signs continue to be installed around the different plots as required. We are presently upgrading the drainage system to avoid flooding during the winter months.

Mr Speaker, the cemetery is a difficult place to work in. We have an average of 260 burials a  
280 year, in addition to an average of 50 transfers of remains. Cleaning of the inside of the vaults is also done by the team, and I have to thank them for their work.

Mr Speaker, green spaces are a great benefit to our environment. They do not only provide areas for leisure and respite from the stresses of city life but they also filter pollutants and dust from the air, provide shade and lower temperatures in urban areas and reduce energy  
285 consumption by countering the warming effects of paved surfaces. Lawns can be up to 30° cooler than asphalt in summer. One tree can remove 12 kilograms of carbon dioxide from the atmosphere annually, equalling up to 18,000 km of car emissions. With all this in mind, the Government's tree-planting programme has been going from strength to strength. A total of 1,614 trees have been planted between 2015 and 2016 so far, although from a tweet I saw from  
290 the Hon. Mr Hammond he has not quite found them yet. Tree planting will continue this year, Mr Speaker. At the same time, the Department continues to work extensively on the

maintenance and improvement of existing green areas. And of course the biggest contributor to this achievement continues to be Commonwealth Park. The park continues to be enjoyed by thousands and has now become one of Gibraltar's prime recreational areas. I am looking forward to working on the new park that will be created north of the leisure centre as part of the Midtown project.

The Gibraltar Botanic Gardens continue to grow in capacity and influence. Its work extends well beyond the recreational, with a role in taxonomy, ecology, conservation and education. As an Associate Partner of the University of Gibraltar's Institute of Life and Earth Sciences, it is involved in planning of the University's research programmes and other capacity-building measures. As is expected in a dynamic and developing garden, improvements to planted areas continue to be made. Its children's education programme is growing from strength to strength. As well as running activities within the Alameda itself, the Botanic Gardens' education team is now advising schools on the development of their own gardens and horticultural schemes. April this year saw the 200th anniversary of the establishment of the Alameda Gardens. A number of improvements and activities took place to mark this, including articles in the press; a series of wooden sculptures; a special anniversary bed; children's activities; and the bicentenary's main celebration, the inauguration of Bicentenary House, a glasshouse that showcases plants from rainforest and arid environments and further enhances the Alameda's capacity for education work. A commemorative stamp issue is planned for later this year.

The Gibraltar Nature Reserve is yet another area where the hard efforts of the Environment, Tourism and Heritage Ministries are paying off and one that I take immense pride in overseeing. Work has steadily continued on all fronts and there is more to come.

The opening of the new suspension bridge at Royal Anglian Way serves to highlight the Government's commitment to improving and diversifying Gibraltar's main environmental and tourism assets. The 75-metre Windsor Suspension Bridge offers stunning views of the Bay and the beautiful city of Gibraltar below. It is part of a wider Nature Reserve renovation programme that has seen tonnes of rubbish, including asbestos, cleared from Royal Anglian Way and Rooke Battery to make way for user-friendly trails and the opening up of historic buildings and tunnels. Although the bridge is firmly rooted to the ground, a slight wobble adds to the thrill of the experience. It is therefore no surprise that the general feedback received so far in Gibraltar and beyond has been extremely positive. There is no doubt in my mind that the upcoming Sky Walk in Mount Misery will be just as successful.

Mr Speaker, the Gibraltar Nature Reserve has evolved and developed significantly since the Upper Rock was officially designated as a reserve by the GSLP Government in 1993. As part of the continued effort to further protect biodiversity and natural habitats in Gibraltar, the then Upper Rock Nature Reserve was rebranded by this GSLP-Liberal Government in 2013 and its size extended to include new areas that would further help protect important habitats and species.

The Gibraltar Nature Reserve now encompasses more than 2.33 km<sup>2</sup>, which is approximately 36% of Gibraltar's terrestrial area: a staggering statistic that shows our enduring commitment to environmental protection. Providing specific habitats with legal protection carries additional responsibilities. It requires a robust management framework together with a plan to ensure that conservation objectives are met. To this effect, the Government is about to publish the Gibraltar Nature Reserve Management Plan, a document that sets out the management priorities for the different components of the Gibraltar Nature Reserve.

One of the key measures included in the plan is a renewed management structure and the creation of a Nature Reserve Management Board. The implementation of a co-ordinated and effective management regime will play a critical part in ensuring that all sites, habitats and species within the Reserve are protected.

Achieving the delicate balance between conservation and tourism is by no means an easy task. It must be guided by an adherence to the principles of sustainable development. The new plan seeks to apply these principles by considering the environmental aspects of the reserve as well as the social and economic dimensions. To achieve this, the plan will be a dynamic



document that will be regularly updated in response to changing pressures and management requirements.

In keeping with the aim of improving the value of the Reserve, the new plan also includes a commitment to the continued removal of introduced invasive species, and to re-introducing species that were once found in Gibraltar. This is one of the most ambitious and exciting measures that the Department of the Environment and Climate Change will have ever embarked upon and it will require continuous effort and co-ordination. Co-operation with regional authorities and experts will also play an important role in the delivery of this measure; one that will undoubtedly increase the recognition of our Reserve internationally. Our success with the reintroduction of wild rabbits and the secretive Barbary partridge shows that we are able to do this successfully. The count of 52 partridges at the January winter bird count, only a proportion of the current population, was higher than it had been in decades.

Species such as foxes, eagles and other animals that were once common in the area will once again have the opportunity to have a foothold on the Rock for the benefit of all to see and enjoy. A tagging programme and live cameras will also be introduced so that scientists and the wider public may follow the movements of some of the reintroduced species.

Surveys of Yellow-legged Gulls were carried out during the breeding season of the year 2015-16. Although these surveys took place in the past on an ad hoc basis, the Government has now arranged for surveys be carried out on an annual basis. It is impossible, due to the Rock's topography, to ascertain accurately the number of breeding pairs of Yellow-legged Gulls in Gibraltar. Instead, these surveys provide relative estimates of abundance. The trend is clear: the data estimate an average decrease in numbers of breeding pairs of some 4% per annum, with an estimated 40% decrease in breeding Yellow-legged Gulls between 2002 and 2016. Although this represents a substantial decrease, the trend is not as marked as would be expected from a closed population. For example, approximately 16,000 Yellow-legged Gulls, mainly adults, have been removed between 2012 and mid-2016, and the expected decrease should be much greater if there were no input of gulls from elsewhere. Gibraltar has to contend with what appears to be a considerable repopulation of gulls from nearby Spain and possibly elsewhere in the western Mediterranean, and that makes the control programme more difficult. Even accounting for this, however, the breeding population of gulls in Gibraltar is definitely declining as a result of the culling programme.

Mr Speaker, I now turn to the management of our macaques. Let me start off by highlighting the fact that the Macaque Management Team is now better resourced than ever before with over nine dedicated staff attending to their well-being and continuously responding to any issues that may arise within and outside the Upper Rock. This development has had an immense impact on the macaque contraception programme, which is increasingly effective in controlling population numbers. As always, the behaviour of the macaques will sporadically attract the public's attention, but the joint efforts of the GONHS, GibVet Clinic and the Department of the Environment have ensured that any incidents are tackled swiftly and effectively.

Research into our macaques continues to play an important role in their management and the increased resources provided to the team will allow them to embark on a much needed genetic study of Gibraltar's Barbary Macaques this year. Other areas of research are also being investigated.

Raising awareness on the importance of our macaques forms another element of the management strategy. The collaboration between the Department of the Environment and Monkey Talk Gibraltar is yielding excellent results, which we plan to continue well into the future. To date, there have been two Macaque Awareness Days and these have helped spread the message of seeing our macaques as one of Gibraltar's unique assets and not as nuisances. The awareness events have also allowed the collation of valuable data using a specially designed questionnaire. A Barbary Macaque educational app has also been created to help inform locals and tourists alike and is now available on both Android and iOS platforms.

395 Mr Speaker, the Environmental Protection and Research Unit continues to go from strength to strength. There are now six officers working on a shift basis. The section is making good use of the Department's maritime assets, the Storm Petrel, the Darwin and the Sea Eagle.

Environmental patrols are being carried out daily, 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, regionally and in the wider international area. Environmental protection officers, together with the departmental scientists, have responded to 41 out-of-hours callouts. Reasons have included illegal fishing from land and sea, wildlife rescues, fallen trees, air pollution and suspected oil spills. The section continues to work hand in hand with the Royal Gibraltar Police and with HM Customs as well as with GONHS, whose excellent Raptor Unit ensures rescued birds of prey are rehabilitated and released. I would like to thank both the RGP and HM Customs for their invaluable assistance in providing training to this section.

Mr Speaker, the Gibraltar Air Quality Monitoring Programme has continued to operate during this past year and has once again achieved levels of data capture above 90% thanks to the efforts of the Environmental Agency and our air quality consultants.

Despite the recent alarmist press coverage of the WHO's urban air quality database, Gibraltar's air quality in terms of particulate matter has actually been improving over the last three to four years. In addition, the monitoring equipment records our oxides of nitrogen at the lowest levels ever since recording was commenced and data to May give our levels as below the EU maximum of 40ug per cubic metre also for the first time. This is a tremendous achievement no doubt due to intelligent managing of power generation. Nevertheless, there is no room for complacency. Government continues to review its policies in relation to air quality and will be revising its Air Quality Action Plan. In conjunction with my colleague, the Minister for Traffic & Transport, the Department will be assisting in the rollout of the Sustainable Traffic, Transport and Parking Plan and will be participating in European Mobility Week and organising an In Town without My Car Day for September.

Mr Speaker, delivering homegrown environmental policies and legislation has always been a strong suit of this administration. We have updated and amended existing environmental legislation and brought new legislation into our statute books. This term will see further work on new environmental legislation in the fields of cemeteries, contaminated land, recycling, pets, caves and dog fouling. In relation to this, I must thank all those advisers, including the Gibraltar Veterinary Clinic, GONHS, the Heritage Trust, the Gibraltar Museum and the Responsible Pet Owners for their hard work and support.

Never before in Gibraltar's history than in the last 12 months has so much been said by a few about energy and energy production. In the run-up to last November, instant experts and prophets of doom sprang up, claiming to doubt the Government's diligence and honesty in respect of the new power station. I am not going to repeat it all now, Mr Speaker, because on 26th November last the people gave an overwhelming vote of confidence to the Government and to the new, clean technology we are introducing. A great deal of hot air expended by some was converted by the electorate into overwhelming support for a gas-powered energy plant. And so the new, clean and efficient gas power station and associated LNG plant, using best available technology and including stack monitoring, will come to be operational in a little over a year's time. I am pleased to say that work on the station is progressing extremely well, with the first of the new engines expected in just a few of months.

Significantly, Mr Speaker, I can report that the laying of much of the new infrastructure, including the construction of the new high-voltage distribution centres, has been contracted to Bouygues, the firm constructing the power station, within the total agreed contract sum, proving once again that the new plant will be much cheaper than the grimy, slimy, dirty diesel one planned by the previous administration.

445 I am pleased to confirm, Mr Speaker, that the ageing ex-OESCO engines have now been decommissioned and the ex-MOD station is now on standby mode only. These steps have greatly reduced pollution in the area.

Mr Speaker, the number of electricity consumers rose to 19,805, an increase of 394, but despite this, total emissions dropped for the second year running from 179,759 tonnes of carbon dioxide in 2014 to 161,543 tonnes in 2015. This shows the success of energy efficiency measures such as promotion of efficiency and conversion to low energy lighting, and the public have to be congratulated for supporting this.

The total amount collected from electricity bills was £24.97 million, with very little backlog in unpaid bills, and the total installed capacity at the end of the year stood at 79.18MW.

455 Training and development of technical staff of the GEA continues with an emphasis on the new power project. We will continue to work on the network, including the SCADA (Supervisory Control and Data Acquisition) system which is used for monitoring and aids response in case of problems. We will also continue to work on the replacement of substations.

Mr Speaker, the community will have noticed that once the specific issues were tackled about a year ago, power cuts due to generation problems ceased. While I do not want to tempt fate, as this is always a possibility until we fully renew the plant and network, I can report that the only significant outages have been the result of cables being cut during works by contractors away from the plant. I must here praise all the staff of the GEA for their incredible commitment to their work.

465 And I must thank and pay tribute to Manolo Alecio, who recently retired as CEO, for his professionalism, dedication and support. At the same time I would like to wish the new CEO, Michael Caetano, and the new Deputy CEO, Ian Payas, every success in their work over the coming year, which will be the most significant and exciting in the history of power generation in Gibraltar.

470 In relation to water production, this year also sees the retirement of AquaGib's CEO, Derek Cano, and I would like to thank him also for his commitment during his many years of public service.

During the past year AquaGib has maintained and improved on its levels of service and performance in respect of the provision of potable and seawater supply, and sewerage services in Gibraltar. In order to achieve this level of service AquaGib has undertaken an expenditure of £12,115,000. In addition, AquaGib 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. During this period a total of £730,000 was spent on capital projects, which have included the replacement of potable and seawater mains, improvements to the Reverse Osmosis Desalination Plants, improvements to the Scada system and the replacement of the pumps at the Varyl Begg sewage pumping station.

485 The approved budget set by the company on capital projects for the coming year has been set at £638,000. This includes the following projects: continuing replacement of potable and seawater mains, replacement of RO plant membranes and continuing upgrading to the Scada system.

Mr Speaker, there is a lot more I could say about plans for the environment in the coming year, and omissions are not due to anything other than a desire to not extend the length of my contribution even more.

490 Mr Speaker, the events of recent weeks have left us all on uncertain ground. In relation to the environment and sustainability at large, I would like to close my piece by saying that this administration's environmental ethics have always been deep rooted and have never consisted of doing the bare minimum in order to comply with EU law, as was the case before our time. Our track record clearly proves this.

Mr Speaker, I will now turn my attention to the Ministry of Health and the Gibraltar Health Authority.

Nowhere is the vote of confidence given us by the community last November more appreciated than in the complex, testing, intense and sometimes heart-wrenching world of healthcare. Together with the excellent staff that we have across the GHA, I am looking forward to continuing this exciting journey in providing that outstanding quality of healthcare that our community deserves.

Mr Speaker, the challenge is to continue to deliver excellent healthcare while becoming more efficient and reducing the rate of increase in expenditure. This is a challenge indeed, for healthcare keeps developing, treatment and treatment opportunities keep progressing, and the expectations of the citizen keep growing. Healthcare is not about a culture of false entitlement, Mr Speaker. Healthcare is about the obligation to deliver the very best we possibly can to each and every member of our community, from before birth to the very last breath.

Expenditure in Health, as the Leader of the Opposition said yesterday in his contribution, has increased significantly over the past four years. Of course it has, Mr Speaker. Four years ago there was no Calpe Ward, no day surgery, one and not four operating theatres, fewer doctors and nurses, 10,000 fewer outpatient appointments in St Bernard's Hospital, and 34,000 not 39,000 entitled persons – a difference of 5,000 – under the Group Practice Medical Scheme. It was a different health service, Mr Speaker.

The main thrust of our work in the coming year will be to improve services but at the same time do what we do more efficiently and effectively and bring back to Gibraltar all that we are able to do here and to try and contain the need to travel abroad for treatment

Mr Speaker, the progress made in healthcare over the last four years is a reflection of our central focus on patient welfare and our overriding principle where the patient always comes first, changing the culture where system goals mattered more than the care of the individual.

Mr Speaker, since 2011, the number of nurses was increased by over 40 and the training of enrolled nurses recommenced, giving career prospects to nursing assistants for the first time ever. We also increased the number of GPs, non-consultant hospital doctors and consultants. We now have a consultant microbiologist and a haematologist, all part of a holistic strategy of implementing long-term improvements.

Mr Speaker, the decrepit, Victorian, KGV institution was finally closed and replaced with the outstanding Ocean Views Mental Health Unit. Health promotion and screening has progressed as never before, with the introduction of colorectal cancer screening and screening for abdominal aneurysms of the aorta, both of which have already diagnosed serious conditions and have saved lives.

Mr Speaker, cancellations of operations came down tremendously following the opening of the day surgery unit, with only three cancellations in 2014 and 21 in 2015, down from 118 in 2010 and 114 in 2011. Together with the Day Surgery Unit we have four functioning operating theatres there, compared to pre-2011 when there was only one functioning operating theatre being used regularly. This has resulted in the number of operations being done annually rocketing to nearly 4,000. We have more doctors and more visiting consultants, more patients being diagnosed and treated than ever before. All of this has also had a great impact in reducing waiting lists and waiting times in all specialities.

Mr Speaker, I have highlighted some of the successes of the last four years which have improved the service to the point of being unrecognisable with its central focus on patient welfare, but I am fully conscious that there are many challenges ahead and there will be things that we can do even better, and do them better we will.

Mr Speaker, to be able to do this we have a comprehensive and ambitious healthcare manifesto plan which together with the GHA's three-year strategic plan developed by the CEO and his senior management team, will drive change and improvement forward.

Our vision is one that sees a move from a narrow focus on access targets to a broader view of what high quality care entails. The change from disjointed episodic care to holistic integrated care, the move to prevention over cure with a much bigger focus on public health and more personal responsibility for our wellbeing. Running through all of these things is a fundamental

shift in power from a bureaucratic system where power sat in the hands of politicians and top senior managers, to a democratic system where the most powerful person is not the nurse, the doctor nor the manager but every single member of our community who uses the Health Service every single day.

Mr Speaker, October 2015 saw the completion and launch of the three-year strategy with the collaboration of staff across all specialities. The plan sets out the priorities, describes what will be done, individual responsibilities, desired outcomes and benefits, and is intertwined with the Government's current manifesto. The Strategy identifies risks and assurance processes to oversee these and protect patient care whilst delivering significant ongoing transformation. The document has 29 different work streams with over 280 specific objectives. This is a working document with additional work streams being developed at present, which will include dementia, diabetes and cancer services.

Mr Speaker, in my last Budget speech, I announced the second Health & Lifestyle Survey, which was to take place during 2015. This follows from the first ever Health & Lifestyle Survey of the Gibraltar people, which was published in 2012. The Health and Lifestyle Survey aims to find out the levels of perceived health in the population as well as gather information on lifestyle parameters like eating, drinking and physical activity. The Public Health department compiled the questionnaire for the survey, which consisted of 46 questions externally validated. The long process of analysis has been completed, with the publication of the survey due this summer.

Mr Speaker, as part of the childhood vaccination programme, the GHA introduced a new vaccine against Meningococcus B, which protects the baby against serious diseases like Meningitis B and Septicaemia. Meningococcus B is the leading infectious killer of babies and young children, causing infections that come on very quickly and can leave permanent damage. The Meningitis B vaccine is very safe and will be offered to all babies at the age of two months in line with the UK's vaccination programme.

Screening programmes save lives. In my last Budget speech I announced the launch of the Abdominal Aortic Aneurysm Screening Programme. Since its launch a total of over 200 men have been screened. The programme has already detected aneurysms in persons who would otherwise seem perfectly healthy. One of these aneurysms was a large one with the patient being referred to a tertiary specialist vascular centre for treatment. His life was saved. All other persons with smaller aneurysms will be kept under close surveillance.

Mr Speaker, in line with the aim of screening programmes, the Colorectal Cancer Screening Programme has shown that it has achieved its key outcome target of 100% cancer detection, following the end of year one audit.

Mr Speaker, on health promotion and public education, the Department, now with its full complement of two health promotion officers, has held key health promotion events. These included Heart Health Awareness, the Well Child, Skin Cancer Screening, World Crohn's Disease Day, World Diabetes Day and World AIDS Day.

One of the more comprehensive campaigns was the European Antibiotic Awareness Week, which was celebrated by the GHA through several initiatives in order to raise public awareness about the importance of correct antibiotic use and antibiotic resistance. Part of this campaign included the launch of the GHA's comprehensive evidenced-based guidelines on antibiotic prescription now in use by the GHA's doctors and nurses.

Mr Speaker, I would like to turn my attention now to an area of healthcare which the Government and the GHA consider a priority: cancer services. Cancer is one of the highest causes of death and touches every single family in our community. A diagnosis of cancer will have a major impact on many areas of a person's life and that of their loved ones. They may be dealing with many medical, emotional and financial issues. The GHA will endeavour to make the patient's cancer journey as seamless as possible, offering advice, support and a range of options. To this end, the new Cancer Services department was established with the aim of improving the patient experience and improving cancer outcomes. The Cancer Services department was created in September last with the employment of a new Cancer Services Co-ordinator. The role

600 entails the co-ordination of services between the different cancer service providers such as primary, secondary, tertiary care, palliative care and the local cancer charities to ensure best practice in access to cancer services and active case management. By liaising with all service providers, the co-ordinator identifies gaps in care and implements possible improvements to GHA services such as new patient care pathways, policies and protocols. So far, communication  
605 between service providers has improved and there is an established link between senior clinicians both in and outside Gibraltar. Oncology multidisciplinary teams now are meeting on a regular basis and the draft Cancer Strategy has already been developed.

Mr Speaker, this takes me to the development of the Chemotherapy Suite and the repatriation of chemotherapy. The Government has listened to patients, their relatives and charities and has understood the great hardship and difficulties encountered when travelling  
610 abroad to have chemotherapy. No longer will patients be required to travel; they will be able to receive their treatment locally in the company of their friends and relatives.

Mr Speaker, as previously mentioned in this House, the GHA is fully aware that Primary Care is an area of our Health Service that needed to improve, especially with respect to access to services and availability of GP appointments. The appointment system at the PCC has been under constant review since 2012. First, the Government, on the advice of staff and patients, shortened the period of open appointments from three months to one month, and introduced the last prescription direct appointment system. This system did in fact work much better. This new system, although better than the previous one, was not without its problems, which is why  
620 it has been under constant review. After further consultation, a new system, which entailed changing from the monthly appointment system to a 48 hour-appointment system, was introduced in January 2016 with the aim of decongesting the PCC on the first of the month, increasing the availability of appointments and giving users greater choice, together with reducing the high number of DNAs (Did Not Attend).

Mr Speaker, this change has not been without its challenges, as is expected with any new system. The first indication is that this system is far better than the previous one, with a marked reduction in the DNA rate for advance appointments and greater availability and access to appointments for service users. We have increased the number of routine slots from 1,361 in January for advanced appointments to 1,905 in May, and from 1,630 for on-the-day  
630 appointments in January to 2,805 in May. Now, on most days there are appointments left over, so no patient needs to be left unseen. This is indeed progress, and rare in other jurisdictions. We will continue to review this system in order to continue to improve the service.

Apart from the introduction of the new appointment system, the PCC has seen further improvements during the last financial year. These have been on multiple levels and are now bearing fruit and resulting in improved accessibility for service users. Some may not be obvious  
635 to the public but they have resulted in a better standard of care for users of the centre. Some of these improvements have included more training for staff, an increase in the number of GPs, introduction of live video-linked British Sign Language (BSL) translation, introduction of the electronic health record and additional of a dental clinic. All of these improvements would not have been possible without the professionalism, commitment and hard work of all the staff at the Primary Care Centre, especially the hardworking records and other counter staff who work on the front line, under great pressure and subject to abuse from some members of the public, but despite this never let us down. A very special thanks to you all. *(Banging on desk)*

Mr Speaker, this Government has a firm commitment to look after our elderly population, especially those who have Alzheimer's and Dementia. Not only the patients but their relatives and carers need our support even more. The Government will continue to improve and expand facilities and care, as well as promoting awareness and establishing a long-term sustainable policy that ensures support and dignity for generations to come. On this note I was pleased to announce last autumn the publication of the draft Dementia Strategy.

Government has already improved facilities, such as the opening of Calpe Ward in St Bernard's and the complete refurbishment of the John Mackintosh Home. We are now in the  
650

process of opening the new Dementia Day Centre and Residential Home at the former RNH site. This facility is already complete and we are aiming to open in September. The day facility will offer day therapy for up to 90 patients on a daily basis. It will also house the memory clinic and other essential dementia services, including a dedicated GP service, offering a one-stop shop for dementia patients and their families. The Government and the GHA will continue to work with the Gibraltar Alzheimer's and Dementia Society, who have been instrumental in the development of the strategy and the development of the new facilities at the RNH site.

This is a good point to refer also to the work of Elderly Residential Services, who are also planning to open the residential unit in September and who work for our elderly in Mount Alvernia and John Mackintosh. Their work goes far beyond what is expected, and they are always providing activities for residents around Gibraltar. They are a great team. This year we will be investing in Mount Alvernia in improving facilities for residents and staff. I must here also thank the Friends of Mount Alvernia for their outstanding contribution to improving the lives of our residents.

Mr Speaker, in 2014 the GHA embarked on what may arguably be its most important quality improvement initiative, the electronic patient record programme. One of the aims was to deliver on this Government's manifesto commitment to computerise all patient notes, but the main aim and benefits go beyond this. An integrated electronic patient record system, the most advanced of its kind anywhere, will assist in improving the quality of the service provided, making it safer, more patient focused, effective, efficient and transparent.

The GHA went live with EMIS Web in the Primary Care Centre and Symphony in the accident and emergency department in June last year. Along with the implementation of eCamis in the registration department, this formed the core of phase 1 of the EPR programme. Prior to this, there was considerable testing of the new clinical systems by end users, GPs, hospital medical staff, nursing and allied healthcare professionals, and extensive training of staff. Access to records is instant at the point of delivery, with all clinicians being able to make use of the system regardless of location. Within weeks, GPs and other practitioners in the community will be able, for the first time ever, to access patients' primary care notes during house calls on mobile devices. Phase 2 will now see the programme rolled out into secondary care and mental health this year.

As with all changes these are demanding and difficult times while staff have to adapt to the transformation. However, GHA staff have been exceptional in the way they have managed the very complex transition in a very short timeframe. The GHA should be considered an example to any other organisation that embarks on a similar journey of transformation.

The Information Management and Technology team continue to manage the GHA's extensive computer network and infrastructure, which due to the opening of facilities such as Ocean Views and the new catering facility, together with the addition of hardware to accommodate the electronic patient programme, is expanding and increasing in complexity. Additionally, they have been involved in planning various development programmes in order to enhance the robustness and the vital security of the GHA's IT systems.

These are some of the many projects in which the team have been involved in: the completion of the deployment of the digital dictation system; the Chemotherapy Suite infrastructure; upgrade of the aging CCTV; in-house development and launch of a replacement bespoke sponsored patients system and human resources system; the in-house development of a hospital stores inventory and stock control system. The team have also completed the installation of the Wi-Fi network. Once fully implemented, it will make a huge improvement to the patient experience and also achieve full mobile device connectivity across the hospital, allowing clinicians to view patient details at the bedside and providing improved efficiency in the delivery of patient care.

Mr Speaker, the services provided by the Estates and Clinical Engineering team, now a combined GHA/GEA team, are crucial to the smooth and safe running of our Health Service. The

team supports health professionals, working in the background in an area which is of vital importance to patient care yet seldom in the public eye.

705 Apart from the work related to departmental requests and emergency callouts, which saw record figures for last year peaking at 3,105 requests, together with a comprehensive lifecycle programme which ensures that all GHA assets are fully operational and up to date, the department is also engaged in major capital projects.

710 Mr Speaker, the following list highlights some of the major initiatives carried out during the last financial year: the new escalators at the entrance to St Bernard's; installation and commissioning of the 128 slice CT scanner; new improved surgical lighting for general theatres; a new surgical microscope for the ophthalmic theatres; new emergency back-up generator for Primary Care; new Dental Clinic at Primary Care; new cardiovascular ultrasound for the Medical Investigation Unit; upgrade to St Bernard's Hospital fire alarm system; works to the new  
715 Chemotherapy Unit; and design works for the expansion of the A&E department.

Mr Speaker, given that the GHA is a large consumer of energy, the directorate takes energy efficiency very seriously. The GHA's technical staff continue to be engaged with various initiatives to monitor and improve energy efficiency across the GHA. These have included: introduction of LED lighting in all new developments; smart metering; heat recovery from air  
720 conditioning systems; and assisting with the design of the new solar thermal system.

Mr Speaker, it is very encouraging to report that the GHA's sustained commitments with respect to energy efficiency have been formally recognised following an exhaustive energy use audit carried out by an independent energy assessment team. In addition, both St Bernard's Hospital catering facility and Ocean Views were awarded an 'A' rating for energy efficiency and  
725 for environmental impact.

In line with the Government's priority and commitment to training and development, the Government and GHA are exploring opportunities for training schemes as part of its workforce strategy for the clinical engineering team.

Mr Speaker, the Human Resources department has been working on a variety of policies with the aim of ensuring that all staff starting in the GHA undertake a structured and comprehensive  
730 induction programme that will enable them to work and provide a safe and efficient service within their areas. Through this policy the GHA will ensure that all members of staff have the necessary skills and knowledge to achieve excellent customer care and the ability to meet the changing needs of patients, service users and the organisation.

735 Mr Speaker, the GHA's HR department continues to closely liaise with Department heads and the Department of Education with the aim of ensuring that there is a supply of qualified staff and, where necessary, appropriately experienced local applicants for clinical posts, with the aim of increasing employment opportunities for our recently qualified young people. HR staff, along with representatives from other areas across the organisation, continue to visit local schools  
740 with the aim of promoting careers in healthcare and future employment opportunities. In this way, we are expecting to shortly recruit at least four Gibraltarians as designate consultants to take on work in Gibraltar when their training is complete. **(A Member: Hear, hear.) (Banging on desks)**

Mr Speaker, in the last Budget speech I announced that all the relevant legislation with respect to the General Medical Council registration of doctors practising in Gibraltar and the establishment of a Responsible Officer (RO)/Suitable Person for Gibraltar had been completed  
745 and was in place. Further work this year has included consolidating the medical appraisal process, a comprehensive CPD programme and getting our Responsible Officer recognised by the GMC as a Suitable Person. Thanks to our diligence, the GMC has made it possible to revalidate GHA doctors by recognising the GHA's RO as a Suitable Person.  
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Mr Speaker, I am now glad to announce that all the pieces of the jigsaw are in place to ensure that GHA doctors are able to meet the requirements of the GMC to be able to revalidate and obtain a licence to practise. I am expecting similar progress very soon in the private sector. It is a huge step which will lead to significant improvements in standards of practice and good clinical



755 governance. I must here thank both the Medical Registration Board and the Nurses and Midwives Registration Board for their thorough and often complex work in ensuring proper regulation of our health professionals.

Mr Speaker, the School of Health Studies offers a wide range of educational activities. The programmes are proactive, anticipating not only today's expectations but the demands of  
760 tomorrow. The school offers academic excellence ranging from those taking their first steps in healthcare to practitioners with many years' experience in their field.

We are continuing with the provision of an eighteen month enrolled nurse programme, which upon successful completion leads to registration with the Gibraltar Nurses, Midwives and Health Visitors Registration Board. The BSc Nursing (Adult) students also apply for registration  
765 with the Registration Board and leave the programme with an honours degree. Currently there are two cohorts of student nurses studying the degree programme. The SHS lecturers, with the support of in-house clinical staff, teach and assess the programme, with external scrutiny of the academic standard being undertaken by Kingston University of London and St George's University. All external appraisals show that our courses, trainers and students have all achieved  
770 the highest standards.

I am particularly proud of the fact that we have this year witnessed a total of 19 students achieving degrees and one obtaining the diploma on a programme delivered here in Gibraltar. November 2015 saw the graduation ceremony of the first ever totally locally run Degree in Adult Nursing. These new graduates will become ambassadors of patient care and set the tone of a  
775 contemporary and vibrant healthcare service now and, most significantly, in the future. Nursing has in fact proven its worth once more in getting two nominations for the prestigious British Journal of Nursing Awards this last year. This success also demonstrates the Government's commitment to providing training for our youth in key professions.

Mr Speaker, in a complex, challenging and rapidly changing modern healthcare service, it is  
780 important for staff to be able to access relevant and flexible Continuing Personal Professional Development (CPPD). The GHA continues to invest in CPPD for all staff across the organisation, and this element of the school's work continues to expand.

This year also saw the signing of a memorandum of understanding between the GHA and the University of Gibraltar, making the GHA School of Health Studies an associate campus of the  
785 University. This agreement will provide greater learning opportunities and an improved teaching environment for all staff and students of the GHA.

Mr Speaker, it is evident that the Government has trained its healthcare staff like never before, giving rise to greater standards of care for patients and service users.

I would like here to congratulate Prof. Ian Peate, who heads the school, for being awarded an  
790 OBE in the UK Queen's Birthday Honours list. Not only has his leadership been fundamental, but he has also encouraged the students academically, a number of whom have recently had papers published in learned academic journals.

Mr Speaker, CPD is particularly important in medicine, and this last year the medical body began a programme of formal professional CPD on a monthly basis, bringing together many of  
795 the doctors.

The re-establishment of the Medical Advisory Committee remains successful and the committee remains active and provides valuable input to the management and to me as Minister and Chairman.

Agreement has now been reached on the new consultant contract and minor details are now  
800 being finalised. Work is also progressing on a junior doctors' contract, and, if I may say, much more cordially than in the UK.

I would like here to thanks to Dr Antonio Marin, the outgoing Medical Director, for his work, and congratulate the new Medical Director, Dr Danny Cassaglia, with whom I look forward to working in his new role.

Mr Speaker, as I said at this time last year, as from 1st July 2015 the weekly maximum  
805 allowance for sponsored patients was increased from £427 to £504, with a corresponding

percentage increase in the allowances for those staying at Calpe House. Other improvements have included greater flexibility in arranging return dates and escort conditions for children and the elderly.

810 Mr Speaker, the number of referrals to tertiary centres outside Gibraltar continues to rise, with a total of 6,277 cases managed in 2015 compared to about 3,500 cases in 2014. The first quarter of 2016 has already seen a total of 1,673 cases referred, a trend which, if it continues on these lines, will surpass the record figure witnessed in 2015. This is not a record we seek to surpass, as it means that there are a lot of sick people we are looking after. As more patients  
815 survive illness but need monitoring and review, the numbers grow cumulatively. This of course increases costs, which we are aiming to control with repatriation and other initiatives. But it is a financial challenge that is for a worthy cause. The saving of life is surely worthier than any other.

No doubt the new Calpe House, an initiative which I am pleased to support, just as I supported the original one all those years ago, will help not only in improving facilities for our  
820 patients, but also in reducing cost.

Mr Speaker, new contracts have been developed with several hospital accommodation centres, which will facilitate the booking of accommodation for patients and relatives. This has been received positively by users since it removes the added pressure for patients and relatives in having to find their own accommodation at a very stressful time in their lives.

825 Finally, with respect to sponsored patients, new international transfer protocols for emergency transfer of patients to specialist hospitals in Spain and the UK have been developed which include retrieval teams for paediatrics and those who require high-dependency care. My thanks to the hardworking staff of the Department for constantly delivering under a great deal of pressure.

830 Mr Speaker, this year saw the commissioning of the new CT scanner. This 128-Slice Computed Tomography Scanner is the most advanced model in Europe and has replaced the 10-year-old 16-Slice Scanner. It is significantly higher in specification and enables greater flexibility in the range of investigations that the GHA can offer in Gibraltar. The new scanner has the capability to conduct brain perfusion, cardiac, colonography and dental scans. These patients  
835 would have had to go away from Gibraltar in the past.

Another development has been the establishment of a tertiary reporting service via an electronic link which shares patient imaging. A direct link with the radiologists at St George's Hospital Foundation Trust means that the GHA is able to obtain tertiary expert opinion in complex cases via a prompt and formal process.

840 On similar lines, the GHA has also established connection of an image exchange portal. This network will secure digital exchange of radiology imaging information between the GHA and UK hospitals. It is a fast, efficient and secure method that eliminates the need to transfer patients' radiology images via CDs to the UK for tertiary referrals or second expert opinions.

845 The Radiology department has also been targeting the reduction of waiting lists for ultrasound scans. Routine scans have been reduced to five weeks, with more urgent ones being done within two weeks of the request. We are planning also to replace most of the equipment in Radiology in the coming year.

The department of Pathology last year introduced a range of new tests with the aim of providing an improved service to clinicians for diagnosis and patient care. These include: Brain  
850 Natriuretic Peptide tests, which assist in the diagnosis of heart failure; Haptoglobin, used primarily to help detect and evaluate haemolytic anaemia; Beta 2 – macroglobulin (B2M) tests, used as a tumour marker for some blood cell cancers; and the Department has also introduced a Cabapenem – Resistant Enterobacteriaceae (CRE) screening programme to test patients who arrive from tertiary centres and so prevent spread of infection.

855 Mr Speaker, in order to meet European Quality Standards with respect to blood donation and transfusion services, the Pathology department commissioned an external audit review with the ultimate aim of obtaining ISO accreditation.

The Ambulance Service: the number of patient transfers continues to grow and the average local emergency ambulance deployments increased by 7% during the past year.

860 The four paramedics have completed their first year of practice, which has resulted in tangible benefits in prehospital care, particularly in the field of analgesia. Additionally, emergency medical technicians have completed their fourth year of being able to administer a range of safe and effective medications. The new paramedic clinical governance framework has been completed and the major incident response and training has been reviewed.

865 Mr Speaker, the Government has taken the decision to transfer the Gibraltar Fire and Rescue Service emergency ambulance over to the GHA. This will entail the purchase of a new emergency ambulance and the recruitment of the required ambulance staff will be completed this autumn.

Mr Speaker, the GHA's new catering facility at St Bernard's Hospital opened in October 2015, replacing the old kitchen at the North Mole. Food is no longer transported by van from the North Mole in trollies but is wheeled directly into the hospital corridors, ensuring much greater freshness. It no longer travels on plates covered with cling film or plastic lids but in bulk containers to be served hot in the wards. The new facility is purpose built to the highest standards of hygiene and efficiency. Flow of food is now a continuous process, reducing both the risk of cross contamination and the amount of food waste. The design, which can cater for the production of up to 2,000 meals a day, also means that the need for daily maintenance is greatly reduced. Staff facilities have been greatly improved. All equipment is energy and water saving, using less electricity than the old unit, and there is a full ventilation system with the building attaining an 'A' rating for energy performance. The new facility will ensure much better quality food, better prepared and served for the benefit of all patients. It has boosted the morale of staff who were working in substandard premises with old, inefficient equipment, and has greatly improved working conditions, which has allowed for training for all the staff.

Mr Speaker, we have over the past year, as in other years, welcomed visitors from hospitals and health establishments from the UK and elsewhere. One of the things they almost invariably point out is the cleanliness and tidiness of St Bernard's. Our team of domestics is exceptional in its skill, diligence and, most important, pride in their work, and I want to publicly thank these ladies, and one or two gentlemen, for this. They do us proud. I would also like to acknowledge the maintenance team for their contribution to keeping standards in GHA buildings.

Mr Speaker, at my last Budget session I apologised to patients, relatives and staff for the length of time it took to complete the new Mental Health facility, Ocean Views – for good reason – but reported on its opening in February. Since opening the new facility, further change to the services has been introduced in consultation with patients, relatives and staff. The most tangible improvement is the effect of change of setting, which now provides a modern, therapeutic and recovery focused ... with greater privacy in more relaxed and comfortable surroundings. It has even resulted in a decrease in the use of certain types of medication. All clinical areas have benefited from this change, but this has been more evident in the following three facilities: Sky Ward – the Psychiatric Intensive Care Unit; the Multi-Function Suite, which has been used constantly to facilitate the care needs of young adults, forensic cases, vulnerable adults and pregnant patients – cases which would have been unmanageable in the old KGV Hospital; the Rockside Rehabilitation Flats, where patients move into a more independent living environment.

Together with the work being done by the Activity and Rehabilitation Centre and the excellent work of the Community Mental Health team, patients develop existing skills or learn new ones in order to complete their rehabilitation programme and their eventual reintegration into the community.

905 Mr Speaker, critical to the overall Mental Health Service has been the need to review and update the current, the old, Mental Health Act. The new Mental Health Act will make provision with respect to the reception, care and treatment of those with mental illness, the management of personal welfare, property and affairs of persons who lack capacity and consent issues.

The Act is concerned with the circumstances in which a person with a mental disorder can be detained for treatment. It sets out the processes which must be followed and the safeguard for patients to ensure that they are not inappropriately detained or treated. The main purpose is to ensure that people with serious mental disorders which threaten their health or the safety of the public can be treated when it is necessary to prevent them from harming themselves or others.

Mr Speaker, the Act also covers other key areas such as consent to treatment, the treatment of patients in the community, Mental Health tribunals, and it sets up a Mental Health Board, whose main function will be that of an independent body to review the treatment of patients, similar to the Prison Board.

There will be a code of practice being developed locally and work will now commence on a Mental Capacity Act.

Mr Speaker, I am very pleased to report that the overall number of complaints in the last year is slightly up from previous years. This comment may surprise you, and I will explain.

On 1st April 2015 Government introduced the new complaints handling service as a 2011 manifesto commitment, passing the complaints process directly to the ombudsman's office. All complaints, even lesser ones that in the past would have been dealt with and would not have been logged as such, are now recorded. In addition, there is a policy to actively encourage complaints to come forward, as this helps in identifying problem areas and generating positive change.

Mr Speaker, in line with another of the Government's 2011 manifesto commitments, to make arrangements with a large tertiary centre in the UK for modernisation of services, the GHA signed a new clinical services contract with St George's Hospital NHS Foundation Trust. This new contract will provide the GHA with a comprehensive visiting consultant programme and in-patient access to all their high quality specialist services, particularly neurology and neurosurgery, cardiology and cardiac surgery and endoscopy services in support of our bowel cancer screening programme. Already, for example, the St George's neurology team has hugely improved the service we provide. This has included a visit by a specialist multiple sclerosis nurse, who will now visit every six months, with a phone-in service direct to a specialist in UK for MS patients who need rapid advice. This is a type of service which, together with telemedicine, we are looking to emulate in other areas too.

Mr Speaker, we are completely reviewing our delivery of maternity services, including improved access to care for women with threatened miscarriage.

The GHA approved the policy to introduce the use of acupuncture as a treatment modality. The modality is research based and provides our chartered physiotherapists with an added tool with which to treat patients with a variety of musculoskeletal conditions. This has been possible through the professionalism and commitment of the GHA's Physiotherapy team who have completed the required training and learning portfolios leading to full accreditation in the use of acupuncture as a modality. The use of acupuncture under their expertise will greatly benefit those whom we care for.

Mr Speaker, due to difficulties being experienced by patients affected by HIV, the GHA has taken the decision to repatriate this service from Spain. The main problem being encountered included missed appointments, the need to be re-referred and the language barrier. A visiting consultant specialised in the treatment and management of HIV and hepatitis will be holding clinics twice a month in Gibraltar. These clinics will now be further expanded to incorporate the management of hepatitis C patients who were also being referred to Spain.

Following my announcement at last year's Budget speech on organ transplant for Gibraltar patients, I am pleased to say that further work on this field has consolidated the understanding with the NHS Blood and Transplant Service, which now makes Gibraltarians eligible to be included in the UK's official transplant list. This is already happening and it is a huge step forward for Gibraltar to be able to finally have the green light for organ transplant in co-operation with the NHS. Evidence of the progress made is that we have already had a Gibraltarian undergo a

successful liver transplant, with several other patients being assessed for kidney and heart transplants. We are currently also working on the logistics for Gibraltarians to be able to go on a donor list so they can donate their own organs.

965 Mr Speaker, once again I round up due to lack of time and not due to lack of enthusiasm nor, even less, lack of plans.

Very quickly, can I mention the work of allied health professionals in many areas such as developing stroke care plans, or the interdepartmental work we are doing to improve Child and Adolescent Mental Health Services.

970 This has been another extremely productive year for the Health Service. To finish, I would like to thank all at the GHA, without whom the achievements outlined would not have been possible. I am incredibly proud of all our staff for their professionalism, dedication and commitment.

Mr Speaker, before I finish, please allow me to thank you and the staff of Parliament for the professionalism and hard work throughout what has been an extremely busy year.

975 I also want to particularly thank my personal staff, both in Health and Environment, for going well beyond the call of duty in assisting and supporting me at all times. I want also to publicly thank my recently retired Principal Secretary in Health, Christine Crawford, who was with me nearly three decades ago when the GHA project started and who has contributed more to the development of healthcare in Gibraltar than most will ever know.

980 I must especially thank the whole team at the Gibraltar Law Offices, who provide exceptional legal advice and drafting support in such a wide range of areas that I cover, and always of supreme quality.

Thanks also to the staff at No. 6 for their support always, and most especially when I have had the privilege of acting as Chief Minister.

985 My thanks too to the staff of Elderly Residential Services, the GHA, GEA, the Department of Environment and Climate Change, Environmental Agency, Aquagib, GIC, Master Service, Gibraltar Veterinary Clinic, Botanic Gardens, Greenarc, Gibralflores and Eden, for their continued service to the community, each in their own niche.

990 Thanks too to both of the unions with whom I regularly work, Unite and GGCA, for being an example always of strong but responsible trade unionism.

And to all those health-related charities – too many to mention, but they know who they are – for their commitment to our shared cause of improving health and care in our community and for giving me a well-meant and most acceptable hard time!

995 Mr Speaker, if in finishing up I may return to where I started, climate change is a threat too to the health of many communities, including our own. Hotter weather, fiercer storms, more pollen leading to increases in the effects of allergies, shifting of populations of disease vectors such as mosquitos, can all impact directly on our lives. So, Mr Speaker, I have come full circle.

1000 When I retire from this world of politics I want to be able to look out over Gibraltar, perhaps from our new Skywalk at the very top of this Rock of Ages, while breathing fresh, clean air, with birds singing and eagles soaring, and I want to see below me a prosperous city of healthy and happy people surrounded by pristine shores bathed in crystal clear water, and with the satisfaction of our having become a healthy environmental example to the world.

Thank you, Mr Speaker. *(Banging on desks)*

1005 **Several Members:** Hear, hear.

**Mr Speaker:** The Hon. Paul Balban.

1010 **Minister for Transport, Traffic and Technical Services (Hon. P J Balban):** Mr Speaker, last November the people of Gibraltar entrusted this Government with another term of office; a result that showed the resounding trust that the electorate have for a party that have had

Gibraltar's true interests at heart. It is an honour to stand here today to deliver my fifth Budget address.

Mr Speaker, I will commence my address by turning to my ministerial responsibilities for Technical Services.

During the past financial year, the Technical Services Department has continued to work tirelessly to meet its defined responsibilities, maintaining public infrastructure and supporting and providing technical advice to other Government Ministries and Departments.

The Technical Services Department has been involved with a number of projects covering a wide range of areas which have included coastal works, cliff stabilisation schemes, highways maintenance, sewer maintenance and demolition works.

Mr Speaker, Technical Services has been directly responsible for the delivery of the North Mole Reclamation project that will make way for the LNG plant that will supply the new power station. This project has seen the existing Western Arm extended northwards by just under 120 m.

In all, nine concrete caissons have been placed to create the perimeter of this new reclamation. Approximately 90,000 tonnes of rubble from the Eastside Reclamation site have been processed to create the landfill. This is an important use of existing waste material to create a valuable plot of land of approximately 10,000 m<sup>2</sup>. The project posed various engineering challenges given its close proximity to the airfield and existing shipping routes to and from the marinas. The total cost of this project was £12 million and it was completed earlier this year.

For the coming year, Technical Services will continue to monitor and maintain all existing coastal defences and will offer technical support with the delivery of a new major reclamation project at Western Beach.

Mr Speaker, turning now to cliff stabilisation and rock fall protection projects: during the financial year 2014-15, the Department has developed the design of additional rock catch fences along the northern end of the Eastside water catchments and will be replacing an 80 m stretch of fences during the current financial year. The Department will continue to monitor and develop cliff stabilisation schemes in line with Government's ongoing cliff stabilisation and rockfall prevention and protection programme.

With regard to highway maintenance, the works programme has once again been successful over the past year with ongoing repairs to roads, footpaths and retaining walls.

The replacement of pelican crossing lights and equipment has been undertaken in a number of locations throughout Gibraltar, working jointly with the Gibraltar Electricity Authority. The first countdown timer system was installed along Line Wall Road in the vicinity of the City Hall last financial year. This was an enormous success.

This has led to the recently announced – in fact, just yesterday – introduction of two new countdown timer systems aimed at improving pedestrian safety and fluidity. The first countdown timer has been placed along North Mole Road at the crossing by Block 1 Watergardens. These timers will form part of a crossing system which incorporate signs which will encourage pedestrians wishing to access Main Street and the City Centre to do so at this controlled crossing, which will clearly define pedestrian crossing times and vehicle movement times.

The intention is to alleviate the congestion created by visitors, especially those from cruise ships, when they cross at the uncontrolled crossing adjacent to the Waterport Fountain Roundabout. In doing so, large traffic tailbacks are created as a result of swarms of pedestrians crossing without a means of controlling their crossing times.

A second countdown timer, as announced, was placed at the last pelican crossing leading from the fuel station to Market Place. These new measures are expected to provide better fluidity to traffic flow and safer pedestrian access to town.

Mr Speaker, last year saw the completion of pedestrian improvements to the Trafalgar and Ragged Staff areas with the introduction of a new puffin crossing, together with a new zebra crossing from Ragged Staff parking to the Trafalgar Cemetery. This falls in line with the policies

and objectives of the Traffic Plan which aims to improve pedestrian access, cutting journey times and make walking safer and more enjoyable – hence encouraging its take-up as, no doubt, the best way of getting to and from places.

The Department, as usual, continues to successfully manage road closures and diversions on the Public Highway, both for its own in-house works and for all other utility companies and contractors, in a manner that allows essential works to be undertaken whilst at the same time allowing vehicles and pedestrians to circulate in a safe manner with the minimum amount of disruption. The increased construction activity generated by new projects over the past few years makes this task increasingly difficult. In order to reduce the impact as much as possible, road closures are avoided during peak times wherever possible, and after hours and weekend work is a condition that is normally imposed on contractors in order to minimise inconvenience to the public.

Mr Speaker, as stated in last year's Budget speech, the comprehensive resurfacing programme will be continued this year by this Department. Last year, major resurfacing works were undertaken along the southern section of Queensway from the Dockyard roundabout up to the entrance to Commonwealth Park. This project also included the laying of new road channels on the sides of the road and remedial works to existing road gullies to improve drainage in the area. Additionally, the roundabout leading to the supermarket on Europort Avenue was also completely resurfaced.

During the current financial year the resurfacing programme will continue and the Department is currently reviewing various areas for resurfacing which will include a section of Queensway by the new multi-storey car park at Midtown, the Sundial Roundabout and Cumberland Road.

Mr Speaker, we are also pleased to announce that the first phase of works to repair the paving joints on Main Street was completed last year. The works entailed the lifting up and relaying of the stone blocks and the filling and stabilising of all joints using a special polymer. Last year a stretch of Main Street from the junction with Engineer Lane to its junction with Cooperage Lane was completed. In line with our manifesto commitment we are pleased to announce that Phase 2 of this project will continue this year and will see the repairs to the joints extend southwards along Main Street.

During the past few years, major improvements have been carried out within Dudley Ward Tunnel with the installation of a fire-fighting main and emergency telephones along the full length of Dudley Ward Tunnel. Last year mobile phone coverage was extended within the tunnel and the Department has been working with specialist consultants to develop a ventilation scheme which will improve the air quality as much as possible, whilst working within the constraints imposed by this ex-military tunnel. In line with our manifesto commitment, funding has been earmarked for the installation of the ventilation system to be commenced during the current financial year.

The draft Sustainable Traffic, Transport and Parking Plan was published during 2015 and was open to public consultation to allow the public to comment on the various initiatives being considered. Their various comments and suggestions have helped to form the final version of the plan that is earmarked for publication soon and will provide a footprint for all matters relating to traffic, parking and modes of transport on our roads for the next ten years.

Mr Speaker, on traffic matters, the Department has continued to make good progress this year and has seen a number of improvements and initiatives. Traffic speed indicator devices were 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 the devices is to provide information that will allow drivers to change their behaviour towards speed and is one of several measures which form part of the wider speed-management plan. In this respect the Department has been carrying out a full review of the speed limits on all of Gibraltar's roads and is pleased to

1115 announce that, in the coming year, changes will be made to the current speed limits to a number of our roads, some of which have already started.

During the past year, the Department has also been involved with the installation of speed cameras along Europa Advance Road, Rosia Road and Devil's Tower Road. These sites were chosen in consultation with the RGP who are the experts on the ground when it comes to  
1120 'hotspots' for speeding around Gibraltar. These roads have the highest accident rates statistically and it is hoped that the introduction of these speed cameras will reduce vehicle speeds and make our roads safer for all our users. The project is currently at a very advanced stage and it is hoped that the cameras will become operational within the next few months.

Mr Speaker, in respect to parking, the construction of the new multi-storey car park at the site of the old Naval Grounds is now completed and this will provide parking for 1,000-plus cars directly in the heart of Gibraltar. This facility will provide 40 covered parking spaces for large  
1125 coaches as well as additional spaces for smaller coaches and taxis. It will also provide around 700 public car parking spaces – this is double the number of spaces that were previously available where Commonwealth Park now stands, and 100 more than the combined total of that car park and that of the Naval Ground. Three hundred and twenty-six spaces have been sold and some  
1130 let out on a monthly basis. This car park also has 19 parking spaces designated for the disabled drivers and 30 bays fitted with electric car charging points.

Other parking initiatives have included the introduction of additional pay and display facilities at Landport Ditch and the introduction of pay and display parking at Romney Huts car park. A  
1135 new parking scheme is currently in progress and being developed along Line Wall Road, Orange Bastion and Zoca Flank, including Fountain Ramp. There has been a redistribution of motorbike parking to Zoca Flank and Reclamation Road allowing a greater area for quick turnaround pay and display parking along Line Wall Road, and more loading bays for commercial and residential use in the area which will be segregated depending on user type.

A new pay and display area is also being considered for Waterport Road. These initiatives are aimed at improving the availability of parking in busy areas at peak times by the introduction of a parking fee to encourage vehicle turnaround. The feedback has been very good as increased  
1140 turnaround means a greater chance of finding parking in the most needed areas, close to commercial and business zones. This has been greatly welcomed by the many that use these already existing facilities.  
1145

During this current financial year the Department is expecting to construct a new pedestrian footpath along Governor's Street from the junction of Bishop Rapallo Ramp to Library Ramp. This area is extremely narrow and there are concerns for the safety of pedestrians entering and exiting the properties and businesses lining the western side of this road.

Mr Speaker, moving now on to sewers: during the past year the Infrastructure section of the Department has been carrying out significant works to the existing sewer that runs along Devil's Tower Road. These have included repairs to a sewer collapse by the Sundial Roundabout as well as the rehabilitation and repair of several brick manholes along the sewer run. During the coming financial year extensive sewer relining works will be carried out along this length of  
1150 sewer to deal with the additional flows that will result from developments in the area.  
1155

Apart from the works at Devil's Tower Road the Department has been working on a new foul sewer system at Europort Avenue and will shortly commence work to lay a new storm water system in the area. This new system will go a long way in dealing with the problems of flooding along Queensway which has been caused by the collapse of an existing brick culvert and which has required an over pumping regime to be put in place to deal with the problem.  
1160

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 sufficient investment and neglect in the past to what is, arguably, the most important part of our infrastructure. The Department will therefore this year continue to carry out desilting and  
1165 cleansing works to the main sewer from the area of the Museum to the Trafalgar Roundabout.



Other works will include improvements to the storm water systems at both Road to the Lines and the southern end of Main Street where flooding has become an annual problem during periods of very heavy rainfall.

1170 Funding is once again being provided for the purchase of equipment to allow the Sewer Infrastructure section to continue to expand and provide an enhanced service in respect of inspections of the sewer network.

Funding is also being provided this financial year to the garage and workshop for new equipment. The garage and workshop will continue to provide its service to maintain the fleet of Government vehicles, including the refuse collection vehicles.

1175 Mr Speaker, the Technical Services Department is one of those Government Departments who are rarely in the limelight but who work tirelessly behind the scenes to deliver on their defined responsibilities, maintaining public infrastructure and supporting and providing technical advice to other Government Ministries and Departments. You will recall that the Department was heavily involved during the major landslide that affected Europa Road in October last year  
1180 and is testament to the professional and technical ability of the Department to deal with all manner of challenges.

As can be seen, Technical Services will quietly, yet effectively and professionally, continue to carry out this coming year all manner of projects in order to deliver on the Government's extensive and comprehensive programmes.

1185 Mr Speaker, turning now to public transport: the new MAN buses are providing Gibraltar with a much-needed improved bus service and are playing a key role in part of the Government's Sustainable Traffic, Transport and Parking Plan. These buses are fully accessible to all and include wide-step entrances, space for wheelchairs or buggies, kneeling suspension and powerful and reliable air-conditioning. Additionally, the Ministry for Transport, Traffic and  
1190 Technical Services announced in October of last year that Her Majesty's Government of Gibraltar was working on a real-time bus tracking service that would cover all working routes offered by the Gibraltar Bus Company.

The Gibraltar Bus Tracker WebApp, developed by the Information Technology & Logistics Department, was officially launched in April with Routes 2 and 3, with further routes to be  
1195 announced in due course.

The Bus Tracker WebApp now offers users real-time bus information. Therefore, from any smartphone or desktop computer with internet access, any citizen will be able to access the website, select a bus route and see a transit map that will display where buses are located within the given route.

1200 Mr Speaker, this is yet another way in which our public transport experience has been enhanced. Why should we wait for the bus, when we can meet it at the bus stop? The Bus Tracker App will revolutionise bus travel in Gibraltar, helping to provide that modal change to more sustainable and shared and environmentally friendly transport. The Bus Tracker App is imperative to give the control to the user so that they have the confidence to leave their vehicle  
1205 behind and choose the free and efficient service that is being provided. Further bus routes will be rolled out shortly as the routes are further reviewed.

Bus routes are also being modified with consideration given to user feedback and comments. The hardest thing to do is to strike that happy balance that pleases all bus users, each with their own differing and indeed conflicting needs. The hardest compromise is providing a bus service  
1210 that gives the maximum route coverage, especially to an increasingly ageing community, while providing a reasonably short journey time to satisfy the working population too – hence encouraging that step change of leaving vehicles behind and opting for public transport instead. Although a long and convoluted bus service favours people with a lot of time on their hands, it does little for those who need to get to work quickly. Some routes can take up to between 45  
1215 minutes and 1 hour from start to finish – and sometimes even longer if snared up in traffic.

Mr Speaker, Government has made a significant investment in six new buses for the Upper Town in order to guarantee a better bus service all round and to try to encourage the use of public transport as a sustainable and an attractive alternative mode of transport.

1220 These modern buses have not only proved to be the best value for money, but also conform to the latest Euro 6 emission guidelines. They were carefully selected following a series of tests with different makes and models of vehicles carried out around our unique road network and topography. These trials were undertaken to ensure that the vehicles selected would meet the stringent requirements of the Upper Town.

1225 I am pleased to announce that the Ford Transits that were procured have proved to be powerful enough to deal with steep inclines while, at the same, time providing an adequately comfortable and cool environment within – that is, in terms of temperature – for its users. Furthermore, these buses are sufficiently small to be able to navigate our narrow roads while at the same time offer adequate passenger capacity.

1230 Their main specifications are: CCTV for passenger and driver safety; grab rails in order to accommodate standing passengers; and electric sliding doors. Moreover, three of these buses have also been fitted with fully accessible rear-entry wheelchair lifts. These lifts will not only allow access to wheelchair users, but can also enable those persons with severe walking disabilities to access the bus interior using these same means while in the standing position. Provisions are also in place should there be demand enough to fit wheelchair lifts in more buses.

1235 These new buses are now also serving the Mount Alvernia route with its wheelchair facilities. This was a much-needed and a much-sought-out service by the residents of this facility.

Mr Speaker, in order to continue to improve the public transport service, Government will be training two more transport inspectors thereby bringing the complement to seven officers that will further ensure that our public transport meets the expectations of their users, and that they  
1240 fully abide and conform to all the legal requirements under the Transport Act.

In parallel, Government continues to work hand-in-hand with the Gibraltar Taxi Association in order to jointly identify strategies to continue to better the taxi service throughout Gibraltar. This year a new City Service pilot scheme has been put in place whereby more taxis are available to the public during the busy daytime hours. Although still under assessment, signs of customer  
1245 service improvements are already starting to show. It is, in fact, the GTA who are the most self-critical of themselves, and taxi drivers generally agree and support these measures with a view of safeguarding an adequate service to the population from taxi ranks and the airport alike. I wish to thank the GTA and its members for their willingness to help improve what is already a very difficult service to provide, amidst daily traffic pressures especially around the Frontier and  
1250 the Airport.

Mr Speaker, I now turn to the Driver and Vehicle Licensing Department. This Department is working closely with the Driver and Vehicle Standards Agency (DVSA) in the UK for the introduction of the tachograph cards that will serve our drivers, operators and enforcement agencies. All the administrative procedures – application forms, information letters and  
1255 databases – are now in place; a Memorandum of Understanding and a service level agreement has been drafted jointly by the Driving and Vehicle Licensing Department and Government Law Offices and is awaiting the DVSA's comments. The Department is actively working to try and find an apt solution in order to record speed, distance and the accurate activity of lorry and bus drivers in accordance with the regulations.

1260 Transport undertakings wishing to complete the new driver Certificate of Professional Competence – also known as the CPC – the initial qualification and periodic training, can obtain the training that is continually being provided by the DVLD. In the past year, 25 more drivers have successfully passed the Bus Certificate of Professional Competence and 16 more drivers have successfully passed the Lorry CPC initial qualification.

1265 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 2016-17. Presently, in total, 169 bus drivers and 85 lorry drivers have successfully attended the CPC periodic training. With

this Government initiative, both transport undertakings and individual applicants are now taking advantage of completing the 35 hours of periodic training over a five-year period, necessary to be able to drive in a professional capacity. This structure is now assisting undertakings and individuals to spread the CPC 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 has already trained seven officers. It is envisaged that Government will continue to provide this training in order to qualify officers and allow them to issue an authorisation certificate to these types of vehicles. This year, further courses will be held by qualified persons from the Driver and Vehicle Standards Agency from the UK in order to train the newly recruited vehicle testers. This course will be held locally.

Mr Speaker, the introduction by this Government of the Motorcycle Compulsory Basic Training Course – also known as the CBT – for riders, continues to be a tremendous success. Feedback from parents and the public at large has been extremely positive, with 928 riders having been trained over the last year. I am very confident that this Government training incentive is contributing to continuously improve the road safety and reducing motorcycle accidents, especially in first-time motorcycle users.

Mr Speaker, due to unexpected increase in demand of the photocard driving licence, Government has had to procure an extra 8,000 blank driving licence cards from the UK. Although similar to the previous cards, these cards differ inasmuch as the security feature at the back of card. Nonetheless, the public should not worry as the validity of our licences including our paper models is up to the year 2033.

The Driver and Vehicle Licensing Department, as a means of improving customer service, has introduced a bespoke business counter that is assisting businesses and reducing their respective waiting times. Feedback from its users has been very positive. Furthermore, the Department continues to use information and communication technology as a tool to achieve better customer services. The general public is now actively accessing a number of online DVLD services and applications via the new e-Government portal – mainly roadworthiness certificate bookings (MOT) and driving test and theory test bookings. This is proving to be very popular and is allowing customers to access and pay for such facilities at any time from the comfort of their own homes. These measures come as new e-Government opportunities for the DVLD that will appropriately cater for market demands and service requirements.

Mr Speaker, the Department together with the Government's Law Offices, is working closely in order to update all existing national traffic and transport legislation with a view to making 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. The Commission is also heavily involved in recommending to Government the improvement of facilities and eco-friendly traffic advice regarding new project applications submitted to the Town Planning Commission. The Transport Commission works hand in hand with all the transport undertakings, the bus company and the Gibraltar Taxi Association in order to mutually find strategies to continue to better the public transport services in Gibraltar. To this effect, I am very satisfied that both these bodies have been able to adopt all traffic and transport regulations successfully. From here, again, I thank all the members of both commissions, many of which give up their personal time on a voluntary basis.

Mr Speaker, the Prüm Convention was signed on 27th May 2005 by Austria, Belgium, France, Germany, Luxembourg, the Netherlands, Spain and the United Kingdom in the town of Prüm in Germany. The Convention was adopted so as to enable the signatories to exchange data regarding DNA, fingerprints and vehicle registration of concerned persons and to co-operate against terrorism.

1320 The Prüm Convention will require that Gibraltar authorities – principally the RGP and the DVLD – are able to exchange fingerprint, DNA profiles and vehicle registration data via the UK with other member states. We are working on legislative requirements to provide for this co-operation and analysis of this is in hand. For exchange of information about vehicle registration data, the DVLD is pursuing advice from the UK Department for Transport and DVLA precisely on how the Prüm obligations might be achieved in order to minimise the outlay and running costs.

1325 Mr Speaker, I now wish to turn my attention to my ministerial responsibilities within the Port. I am delighted to confirm that the Gibraltar Port Authority has recently been granted Essential Services status. This is a very positive step for the authority and its employees, and provides an excellent platform from which to grow the port in the future.

1330 On the subject of finance, during the course of financial year 2015-2016 the Gibraltar Port Authority spent a total of £5,432,663 – including capital expenditure – from a budget of £5,442,000. The revenue was £4,418,047. The reduction in overall revenue has been as a result of previously over-optimistic financial projections against the backdrop of actual global activity, as well as the various discounts being applied to tariffs which, together with a concerted proactive and targeted marketing campaign, have resulted in greater levels of activity across 1335 most areas. Capital expenditure included the refurbishment of port assets as part of the Government's commitment to improve port infrastructure.

1340 Mr Speaker, I am delighted to announce that the new Vessel Traffic Services System, the VTS, tender process has been completed and the project is now expected to move forward with the new system being housed in the purpose-built office complex at Lathbury Barracks. This building is well on track for completion later on this year. The delivery of the new system once again highlights the Government's commitment to ensure functionality and resilience in the system that underpins safety of navigation in our busy waters.

1345 As for other developments, the Gibraltar Port Authority recently commissioned the complete refit of the port launch, the General Elliott. The newly refitted port launch is now actively patrolling British Gibraltar territorial waters, providing all-important eyes at sea level to complement the VTS, escorting vessels into and out of British Gibraltar territorial waters and assisting, where necessary, distressed vessels. The provision of a reliable vessel is absolutely essential, especially now with such a large influx of new pleasure craft, with some users inexperienced, following the allocation of new berths at the new small boats marina. The refit 1350 does exactly this.

The port has also invested in updating the port fenders as well as also investing in its other assets such as oil spill booms on the northern and southern harbour entrances. Work also continues in evolving the Vessel Management System programme to further facilitate the smooth running of the port.

1355 Mr Speaker, the Government is also in the process of reviewing expressions of interest received in respect of land-based storage facilities in Gibraltar. There are a number of extremely impressive and interesting proposals and the Government will be considering these with a view to making sure that Gibraltar gets the best possible solution, whilst not impacting on other port activities.

1360 Following the procurement process for a new oil spill radar protection system, which failed to attract a solution to meet the GPA's requirements, the GPA now believes that the new VTS system, which includes a more powerful thermal imaging capability in detecting oil spills, will close this capability gap.

1365 In the important area of security, enhanced fencing will also be installed within the Port Estate shortly. This improvement will go towards improving the first impressions of disembarking passengers in the port. Other enhancements are also being considered as part of the Government's commitment to developing the port for cruise passengers in general.

1370 Mr Speaker, the Port Authority continues with its proactive marketing campaign in line with Government policy, focusing on direct engagement with ship owners and key stakeholders; and the GPA once again recently took part in the Posidonia Exhibition in Athens, the world's most

prestigious maritime event. As always the Gibraltar stand, co-sponsored by a number of our key operators and partners, generated a lot of interest.

1375 The Minister for Shipping, my colleague the Hon. Albert Isola, the Captain of the Port and various port operators also undertook a marketing visit to the Far East in April and visited both Singapore and Hong Kong in order to promote Gibraltar to the Asian market; and they also took the opportunity to directly engage with ship owners and other key stakeholders.

1380 The Government held formal receptions in both territories which were extremely well attended. Further marketing visits are being considered and GPA personnel have also continued to attend various bunkering, security, cruise and environmental conferences including in Copenhagen, Rotterdam, Barcelona, Mexico, Sardinia and London, to name but a few.

The impact of these efforts is clearly shown in the stability of our port activity data when compared to other regional ports, given the unfavourable global conditions generally.

1385 Mr Speaker, the Port Authority, in conjunction with the RGP and the GMA, has also recently relaunched the Safety at Sea booklet, in time for all those new boat owners now taking up berths at the Mid-Harbour Marina to be reminded of their responsibilities at sea in order that all leisure boat owners enjoy our local waters in a safe manner.

1390 The allocation of berths at the Mid-Harbour Small Boats Marina has been extremely successful and nearly all allocations have been completed. These allocations have been carried out strictly by the berthing waiting lists and in accordance with the Small Vessels (Moorings Control) Rules 2016 – and to those applicants without Government arrears. The temporary Caretaker Committee will shortly call for a meeting to elect a formal Association Committee who will have responsibility for the running of the marina with the Gibraltar Port Authority maintaining responsibility for berth allocation and oversight of expenditure.

1395 I must thank the Gibraltar Port Authority staff involved in this project for their tremendous efforts in making sure that the process has been quick and efficient. I must also convey my sincere thanks to the temporary caretaker committee who have taken on their role with much enthusiasm and professionalism. The new marina is no doubt the jewel in the crown of berthing facilities in Gibraltar and its western superyacht berthing facilities have already been of interest to yacht owners and yacht masters alike. Indeed, we have already seen some well-known  
1400 superyachts making use of this new berthing area. No doubt this facility will serve us well in the future.

The marina itself has also brought back an important recreational area lost when the North Mole was lost to vehicle traffic. Now the area is a magnificent walkway, leisure and fishing area as well as a scenic waterfront drive.

1405 The GPA has almost completed its review of the Port Contingency Plan as part of its responsibilities to continue aligning itself to the Port Marine Safety Code. In addition, a full review of port legislation is also underway, with the delivery of the new Pilotage Act already completed and the modernisation of port licensing currently in hand.

1410 Mr Speaker, I would like to take this opportunity to thank our port operators and service providers who work very closely with the GPA and Government – their support in our efforts to maintain our reputation as a centre of maritime excellence is essential.

1415 I now turn my attention to my responsibilities for Town Planning and Building Control. Mr Speaker, the Department continues to deal with large numbers of applications. In 2015 there were: 451 planning and building applications; 17 demolition applications; 55 advertisement applications; and 21 tree applications.

Some of these were large, complex applications involving assessment of environmental impacts through the EIA process, and extensive discussions with applicants to try and achieve high standards of design.

1420 Government and MOD projects continue to be submitted to the Development and Planning Commission for guidance and advice. In 2015 Government and MOD applications totalled 52 planning and building, and demolition applications. The DPC provides its advice and guidance on

such applications, which are then taken into account by the Government or MOD in finalising its plans.

1425 Mr Speaker, the DPC meetings continue to be held in public with a total of 12 meetings held in 2015. In addition, the DPC's sub-committee meets regularly to determine minor applications. In 2015 there were 40 meetings of the sub-committee. This greatly helps in speeding up the decision-making process.

All agendas and minutes continue to be made available online ensuring that the planning process remains open and transparent.

1430 In October 2015 the first stage of the e-Planning service was launched. This represents a step change in the way that the public is able to access information about applications. E-Planning allows anyone to search and view the details of any application submitted after the launch of the service, including all the plans and other documents submitted with the application. This makes it much easier for the public to be able to see what is being proposed and members of the public  
1435 can even submit their comments on an application through this service.

Mr Speaker, e-Planning also makes it much easier for applicants to submit their own applications. These can be done entirely online without the need for applicants to have to post their applications or deliver them by hand. In the first six months of the service going live just over 60% of planning and building applications were submitted online. This level of usage has  
1440 exceeded our expectations and indicates that this new service for applicants has been well received.

The Town Planning staff are continuing to develop and improve on the first stage and the intention is to roll out further improvements during the course of the year, including the ability to pay fees online and to provide the public with the facility to carry out map-based searches for applications that may be of interest to them.  
1445

The Department also continues to develop its Geographical Information System – the GIS – to enable it to record and analyse data geographically. It has recently completed development work that allows it to identify relevant consultation bodies that need to be consulted on applications based on spatially defined zones. This helps ensure that the appropriate  
1450 consultation bodies are consulted on applications that are of relevance to their specific expertise.

In July 2015 we published a Command Paper for the new Town Planning Act with a public consultation period up to the end of September. All the comments received were reviewed and a final draft is now almost complete. We have also been drafting new regulations in preparation  
1455 for the new Act. The Gibraltar Development Plan of 2009 is in need of review and work on this will continue this financial year.

The Town Planning Department continues to encourage property owners to improve the appearance of their buildings through the Tax Relief on Façade Improvements scheme. During 2015 there were 26 applications under this scheme. A similar tax relief scheme has been  
1460 introduced to encourage the use of solar water heating and photovoltaic cells as a way of contributing towards sustainable energy generation, and my staff encourage homeowners and developers to make use of this scheme whenever it is applicable.

Mr Speaker, 2015 saw the incorporation of the post of Urban Renewal Officer into the Town Planning Department to further strengthen the Department's expertise and capabilities. In this  
1465 respect the Department works closely with my colleague, the Hon. Joseph Garcia, who leads on Urban Renewal. Work is currently focused on identifying specific buildings in need of refurbishment and encouraging owners to undertake improvement works and to maximise the use of these properties thereby bringing new life back into these urban areas.

Finally, Mr Speaker, I now turn to Building Control. The Building Control Department's main  
1470 duties are the administration and enforcement of the building regulations made under the Public Health Act by inspection of deposited plans. This is followed up with the necessary site inspections in order to determine that the works have been carried out to the approved plans and specifications.

1475 From 1st January to 31st May 2016 the Department has received a total of 391 applications, of which 150 are still pending a decision – a possible record for 2016. It has also received seven demolition applications of which four are Government projects and five are pending a decision. Finally, Mr Speaker, a total of 75 certificates of fitness have been issued this year to date.

1480 Mr Speaker, I would like to conclude my contribution to my Budget address by thanking all my staff who work 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.

1485 I also wish to thank all the staff here at Parliament who work tirelessly to ensure that proceedings run as smoothly and efficiently as they do, and for the exemplary organisation of both the general elections and the EU Referendum.

In particular, Mr Speaker, I would finally also like to thank my personal ministerial staff for all of their help, support, hard work and long hours during the past year.

Thank you. (*Banging on desks*)

1490 **Mr Speaker:** The Hon. Trevor Hammond.

1495 **Hon. T N Hammond:** Mr Speaker, it is a cliché to say so, but it is both an honour and a privilege to stand here and deliver my first Budget speech here alongside my colleagues, both as a Member of this Parliament and of Her Majesty's Opposition with a duty to the people of Gibraltar to make enquiry of Government on their behalf.

Mr Speaker, if I may first turn to European affairs as it has featured so prominently in the affairs of Gibraltar over the past few months and crucially in the last fortnight with the results of the EU referendum, and will doubtless be of great import in the months to come if not indeed for the remainder of this Parliament.

1500 I believe that the Members of this House can be proud at the way in which we have come together and worked towards a singular objective of galvanising the people of Gibraltar, to make them understand the importance of the recent referendum and ultimately to have them vote overwhelmingly for the outcome which we all here, and most of Gibraltar, believed would be the best for our community. That we were unable to influence the overall result, that the result was certainly not that which any of us here desired, detracts not one iota from the efforts of Members of this House, both in Government and Opposition, in coming together and working to a common cause.

1510 I agree with the Chief Minister when he said in his speech yesterday that the British people have made a gross error of judgement and I echo his hope that the shock result can be turned into a success.

1515 There is no escaping the fact that the result of the referendum and the exit of Britain from the EU will present challenges for our community. While it is well and good to use platitudes such as 'business as usual' to try and allay fears of an uncertain future, we must recognise that much work will have to be done to ensure that it is actually 'business as usual'. I know, as with the referendum campaign, that those on this side of the House representing Her Majesty's Opposition stand ready to assist and support Government in those areas most critically affected by the referendum result. Our community wishes to see its politicians working together for the common good. They have seen how effectively we can work together already and they shall not find us wanting. (**A Member:** Hear, hear.)

1520 However, there is another important aspect of 'business as usual' which it is important to respect and that is the fact that we are a Parliamentary democracy and, as I have already said, we on this side of the House have a responsibility to the community to make enquiry on their behalf and hold Government to account. So, with this in mind, I turn to matters of transport.

1525 Mr Speaker, it would be true to say that the Government's still-draft Sustainable Traffic, Transport and Parking Plan (STTPP) has been in this draft phase for an extraordinarily long

period of time. We have had public consultations; we have employed expert consultants; we have even had a go at implementing a few of the draft recommendations, all without publishing the final report. Never has a Minister derived so much mileage – no pun intended – from a single document. There are many useful and important measures recommended by the Plan. The Government must stop prevaricating, publish and commit to delivering those recommendations.

The Plan states in its introduction that it is:

The Government's priority is to provide a high-quality transport system that people choose as an alternative to the car.

and

A new network of bus routes that will provide fast, frequent services to destinations throughout Gibraltar.

I very much support both of those laudable objectives. However, what I see and what I hear from those who most frequently use the bus service is a failure to execute those objectives: a replacement bus fleet that users continue to struggle to access; route changes that have resulted in the elderly, in particular, having to change buses to access areas where previously they had a hop on/hop off option.

The Minister will surely appreciate that not only are the elderly some of the most frequent users of the bus service, but that they are also most likely to be those who are struggling with the challenges of boarding the new buses. Asking them to have to change at Market Place to continue their journey is simply to discourage them from using the service at all or worse still, where they have no option but to use the service – which is frequently the case – to put them through unnecessary difficulty. I call on the Minister to once more review the bus routes, consult and listen to the user groups and ensure that a service is provided that will best suit the needs of those users.

While on the subject of buses, I cannot avoid mentioning the other remarkable news from earlier this year: that Government had sold 14 units of the previous bus fleet for the lowly sum of £15,000 without any announcement or tendering process. It is quite astounding how fast and loose this Government can be with public money.

Parking controls and regulations are, according to the plan, at its core, yet what we have seen is the disbandment of the very agency designed to enforce parking regulations: the Highways Enforcement Officers – the Minister claiming that they were too expensive.

Most of the officers were transferred to the Borders and Coastguard Agency who rightly needed to be brought up to strength, but this means that there was no real saving in the disbandment of the HEO's and frankly, with the amount of illegal parking I see around Gibraltar, I would have thought that continued and proper enforcement would have largely covered the costs of the HEO's.

Regardless, the upshot is that rather than pursue the enforcement of parking controls and regulations – a core element of the STTPP – the Government has removed resources from this area and suggests that the service might be outsourced, albeit no commitment has been given to do so. Meanwhile, and I repeat, despite parking controls and regulations being a core element of the STTPP, enforcement is entirely left at the discretion of the RGP without guidance or the provision of additional resource by Government. I fail to see how this constitutes a successful execution of the recommendation.

Meanwhile, resident parking zones are not being properly explored, meaning a free-for-all exists between residents and visitors to areas, and this often includes competing with foreign registered cars in some areas. The availability of parking has never really recovered from the loss of the Commonwealth Parade. The Park is wonderful but it never included the parking that was a manifesto commitment in that '100% delivered' 2011 manifesto.

Since then, we have robbed Peter to pay Paul over parking and spent vast sums: differing figures have been offered but at least £15 million to build a pharaonic monument to ugliness in



the middle of town. The net result is about the same number of spaces as we had before: poor project execution and wasteful use of public money.

1575 Perhaps Government might consider taking serious measures to encourage the use of the car parks on Devil's Tower Road for their original purpose, and establishing a park-and-ride service which might go some way to alleviating the stresses on parking while at the same time making a serious contribution to the air quality in the town area by reducing congestion.

1580 Moving on to matters which I would have expected to be closed by now – based on previous Government rhetoric, at least – I find myself asking, 'Where are the Redibikes?' It appears they were far from ready when, on 9th of November last year, the Government announced the imminent arrival of this scheme to encourage commuters out of their cars and onto bikes. Of course, that announcement had to come with the expected condemnation of the previous scheme which this Government removed from service but, as also seems usual, execution of the project has not worked as anticipated.

1585 The press release at the beginning of last November, I remind you, announced the 'imminent' launch of a new bicycle hire scheme with the Minister saying that Government had received the bikes and associated infrastructure in early August. 'Imminent' means that something is about to happen and, whereas Government was keen to point out that the previous scheme was 'fraught with problems', one can only imagine how fraught with problems this scheme must be to cause a nine-month delay to the project. One hopes the bikes are rather more carefully stored than the lifts for Laguna Estate or they may not be of much use by the time Government actually delivers the scheme.

1590 Speed Cameras: another project where promises of implementation have proven to be optimistic. Coincidentally, the press release announcing the speed cameras was also issued on 9th of November of last year: an auspicious day indeed for the Minister. (*Interjections*)

We were told that the:

... infrastructure works ... have been completed and fixed speed cameras will soon be sited at different locations.

Indeed, they were, and there they forlornly remain, still wrapped in their somewhat tattered plastic packaging. Back in November of last year, the Minister was saying that:

... this will go a long way in reducing the incidence of indiscriminate speeding which no doubt make our roads safer for all.

1600 It should be recalled also that these cameras were publicly lobbied for after certain tragic events.

1605 So here we are, nine months later with no progress having been made on this project, which was designed to make our roads safer. Is there so little regard for public safety that Government is not even able to see such projects through in a timely manner, even when they are so quick to make announcements of their implementation as if completion is truly imminent? Time and again, we see that their priorities are all wrong.

1610 Remaining on the subject of public safety, I must turn to the condition of our roads. Government, occasionally, makes attempts to persuade us – as the Hon. the Minister has done today – that it is conducting a major programme of resurfacing of our roads. What we actually see is piecemeal activity over small areas where no sooner is the new surface laid than a utility company arrives to dig it up again, soon returning the road to its lumpy and potholed state.

1615 The condition of our roads is a hazard to those on two wheels, whether that be motorbike or bicycle, onto which the Government is keen to claim it is attempting to encourage us. I then look at the budget estimate and it becomes clear why this is so, despite the claims – and I shall quote the Minister here from his press release of 20th October last year where he says he is:

... happy to see the ... continued investment throughout our road infrastructure through the road resurfacing programme ...

That investment last year amounted to £280,000 with £300,000 more for the next year.

Does the Minister really believe that he can accomplish his commitment on such a paltry budget? Let me just put that in context: £40,000 has been set aside to replace the mace here before us, yet the entirety of the road resurfacing budget for next year is £300,000 – again, misplaced priorities. Frankly, it is no wonder that so many people in Gibraltar prefer to buy 4x4 off-road vehicles.

I will finish this part of my address on a positive, however, and that is to both note and welcome the imminent recommencement of the tunnel under the runway. Though this has not quite happened according to the timeline suggested by the Chief Minister after Her Majesty's Government of Gibraltar won the litigation against OHL, his enthusiasm at that time and after that victory was understandable. It does appear that we are now in a position to commence this very important infrastructure project which will remove the delays to traffic caused by increasing numbers of flights at the airport, go far to alleviating the congestion caused by this in town and will also help in improving air quality around town and residential areas to the north of town – more on this later.

Mr Speaker, moving swiftly on – no idling here: from a Ministry which has been sustained by the creation and recommendations of a single draft report for over four years, to a Ministry which has produced so many reports that it is difficult to track them, let alone find the Parliamentary time to make proper enquiry as to the progress of the many recommendations contained within them.

Mr Speaker, on the Environment, the Government has produced the Environmental Action and Management Plan; the Southern Waters of Gibraltar Management Scheme; the National Energy Efficiency Action Plan; the Management of Marine Resources in the Waters Around Gibraltar document, otherwise known as 'the fishing report'; and the Gibraltar Waste Management Plan – to name but a few. We await with eager anticipation the significantly overdue Rock of Gibraltar Management Plan and Upper Rock Management Plan. Of course, it is important to reference two comprehensive documents which were not produced by Government but by GOHNS: the Biodiversity Action Plan; Gibraltar, Planning for Nature; and the Upper Rock Nature Reserve, a Management and Action Plan – now a few years old but both of which provide spectacular detail and are to be commended.

The point I am making is that there is a wealth of valuable environmental information at our fingertips, a wealth of recommendations which Government must decide how to prioritise and decide which to act on and which are perhaps either unachievable or insufficiently cost-effective to proceed with. This is where it is vital that the Minister provides leadership to his very competent team in the Ministry. I do not believe that the Minister is achieving this, not because he lacks the conviction to promote environmental issues – no one could possibly accuse the Minister of that in matters of the environment – but instead, rather like a child in a sweet shop, there are too many goodies and he is not sure where to turn. *(Interjection)*

This has resulted in the single biggest failure by the Minister to deliver on a commitment which should have been his top environmental priority, but which has still not commenced over four years into his stewardship. I am of course referring to the waste treatment and sewage plant which was promised in the GSLP/Liberal manifesto of 2011. Yes, the manifesto claimed to have been entirely delivered – well, not in this case.

I feel ashamed at what I see whenever I visit Europa Point and look out over the Straight to admire the stunning view or, indeed, in search of migrating birds, only to have my eyes drawn towards the slick of brown sludge emanating from beneath the lighthouse. I do not for one moment excuse the previous administration for not having resolved this shameful practice during its tenure, but neither can the Minister seek refuge in this failure to excuse his own abject failure in this regard.

It is not good enough to say that it is a complex project and time is needed to get it right. Given the proper priority, four years should be ample time. The LNG Power Station project must surely be at least as complex, yet it has been commenced. The failure with the waste treatment

plant has been a failure to prioritise while spending on other more publicly attractive projects like Sandy Bay or the small boat marina, or vanity projects such as the refurbishment to palatial standards of No. 6 Convent Place.

1670 I appeal to the hon. Gentleman, the Minister for the Environment – though I recognise the need for great prudence in the coming year as we navigate the effects of a Brexit – please, I ask that you make *this* your top environmental priority; if necessary your *only* priority. Remove this blight from our seascape: this terrible and stinking stain which overwhelms all the other good we might seek to do for the environment.

1675 Mr Speaker, I will turn for a moment, if I may, and look at the draft Estimates of Revenue and Expenditure and, in particular, the Improvement and Development Fund Expenditure on Projects. I find, there, many items with a holding figure of £1,000, which immediately leads me to think that the overall estimate for the coming financial year of £40 million is a low one: worrying in itself as Government continues with its lavish spending plans without any thought to

1680 prioritisation and prudence, in reality, in this post-referendum, imminent Brexit world.

What worries me more is that two of the most significant projects: the power station – construction of which has commenced – and the waste treatment plant, are not to be found amongst these Government projects – or at least their anticipated costs are not – leaving a huge question mark over the financial arrangements in place – more off-book spending by

1685 Government? These are essential projects, but they are also very expensive projects. We must know precisely how they are being financed and the fact is that the true expenditure on projects for the coming year will be higher than estimated.

Mr Speaker, returning directly to matters of the environment, I ask the Minister in future to show firm leadership and conviction on issues which might court controversy but are nonetheless of clear import to the environment. While both the Environmental Safety Group and GOHNS were calling for a stop to the launch of balloons on National Day because of the known damage that the practice causes to the environment – calls I might add, on this side of

1690 the House, were given unequivocal public support – we found Government prevaricating, leaving the decision to the SDGG and, as it does so often, avoiding making a decision on a matter which it perceives might be unpopular.

1695

Of course, we have become very used to the populist nature of this Government, but I ask that, just occasionally, a little backbone is shown (*Laughter*) and support is given because an issue merits support not because it is necessarily the popular thing to do. (*Interjection*) I, incidentally, must applaud the leadership shown by the environmental groups on this issue.

1700 Air Quality has been the subject of recent exchanges between Government and Opposition in the press. Despite the insistence by Government that things are improving; that there is nothing to see here, the reality is that 2013 and 2014 were the worst years on record when it comes to air quality. The World Health Organisation did rank us below every other city in the United Kingdom in terms of the quality of the air we breathe.

1705 It would appear that we might have turned a corner and things might be getting better. I am accused of being a pessimist by the Minister. I can assure him I am not; I am very much a glass is half full kind of person, but the numbers being offered still require considerable scrutiny in order to determine their veracity, because in this period some of the major contributors to air pollution have risen rather than fallen: there are more cars on our streets now than there were

1710 in 2012; air traffic has been rising by between 5% and 10% each year since the opening of the new airport – a tribute to the foresight of the previous administration. (*Interjections*) These are positive economic metrics which are to be welcomed on the one hand, but which raise environmental concerns and which appropriate countermeasures – sometimes simple expedients – must be deployed. For instance, the Environmental Action and Management Plan recommended the placement of ‘No idling’ signs at appropriate locations where traffic congestion tends to be at its worse. Not only have we not seen this recommendation carried

1715 out, but there seems to have been no communication between Ministries, as the Minister for

Transport, when asked in this House whether this recommendation had been completed, was unaware that it even existed or what 'No idling' signs were.

1720 Stringent emission control at the MoT test centre, to ensure that the vehicles being permitted on our streets are fit to be there and not contributing excessively to the pollution of the air we breathe: simple, inexpensive measures, Mr Speaker, yet crucial to improving air quality and requiring a push to ensure they are enacted.

1725 On to matters of fishing: in recent exchanges between the Hon. the Minister and myself, both in this House and in the media, the Minister seems proud to boast of the fact that there were only 192 illegal incursions by Spanish fishing vessels last year – only! This might be down on previous years, but it is a far cry from his 2011 manifesto commitment that said:

We do not believe it is right to allow illegal fishing in our waters and we will stop this immediately.

1730 That manifesto which Government claims it delivered on 100% is another example where the reality of the situation belies the propaganda. The Government has pumped millions of pounds into the Royal Gibraltar Police Marine Section in order to enhance its capability. The Government has stated that it will enforce the laws contained in the Nature Protection Act. In a Government commissioned report 'The Management of Marine Living Resources in the Waters Around Gibraltar', colloquially known as the 'Fishing Report', published way back in 2012, a recommendation – indeed, the very first recommendation – is:

That given the remaining uncertainties on fish stocks and catches, and the purpose of legislating under the Nature Protection Act 1991, there should be no commercial fishing within BGTW until such uncertainties have been resolved and a suitable management plan is in place if clarification provides sufficient evidence that a fishery is sustainable as part of a wider regional process.

1735 A recommendation conveniently ignored.

As recently as May of this year, GONHS were raising their concerns over illegal raking taking place in BGTW. They said, unfortunately:

Conch rake fishing has recently taken place in our waters, mainly sighted on the Eastern side close to the shoreline, without any apparent action by the authorities, despite the considerable maritime assets available to the RGP and the Department of the Environment ... GONHS wishes to see the law to be upheld robustly and not flouted with impunity as is currently the case.

Indeed, GONHS is basically echoing the view of their previous chairman prior to 2011.

1740 I am not a lone voice in expressing concerns over the upholding of our laws in BGTW. A Government-commissioned report agreed it was necessary. GONHS are dissatisfied and voices on social media criticising Government's failure have been legion. The Minister cannot set these concerns aside and attempt to turn abject failure into success. I acknowledge he has a difficult task, but that does not mean he can be excused failure. He made this issue his *cause célèbre* and he must now deliver on his promises.

1745 Mr Speaker, when we look at the progress on increasing the proportion of energy production by renewables and reduction in overall energy consumption per capita, I find the Minister's answers in interviews with the press both interesting and revealing. His language is always cautious, while trying to play up the success his administration has had.

1750 He knows that in nearly five years in office we have barely moved forward at all. The will is there but, again, there has been abject failure in execution: no real progress in smart metring; little capability for sale of power back to the grid; heavily subsidised power consumption to the tune of over £20 million a year, so that the general public have little real knowledge of the financial cost, let alone the environmental cost of energy usage. These things should have been done by now but, again, Government priorities have been elsewhere and the environment *has* suffered.

1755

Mr Speaker, the recent announcement of the commissioning of a wave power generator on the eastside did, I must confess, pique my interest. I did think that we were really making progress; alas, only to find that this project – announced with much fanfare, as if it were the panacea to all global warming woes – turns out to be producing about enough energy to power a dozen light bulbs or, to quote the Minister, a few kettles. Granted this is a baby step in the right direction, but apart from this and a few solar panels here and there, this represents the sum total of our nation's achievements in switching to renewables. That 20% target by 2020 seems very far away at present and I am yet to be persuaded that wave energy is not just an expensive gimmick, too demanding to be a real solution.

Solar on the other hand – and in our climate – would appear to be a far more viable alternative with technology becoming very affordable. Either way, let's be sure to prioritise our efforts when it comes to using renewable resources and do our utmost to achieve that 20% target.

I will finish with the environment by talking a little about the management of invasive species of plants in Gibraltar. A remarkable transformation has taken place in this regard and in one particular location. That transformation should shine like a beacon for what can be achieved through real effort and application. It is a true demonstration of substance over style as opposed to the Government's more usual style over substance.

The Minister will know immediately that I am referring to the Europa Foreshore, where a scorched earth policy has been conducted against all plants not native to Gibraltar, to the point that such are now barely detectable. Native species have moved in very quickly – some have been planted to accelerate the progress – and an Edenesque transformation has been accomplished. All this through the efforts of one man – and not even a Gibraltarian at that – a volunteer giving of his own time. I, for one, am grateful to Bart van Thienen for his supreme effort. I hope that Bart continues to receive the full support of the Ministry and that his work inspires the Ministry itself towards greater efforts in dealing with invasive species, giving our native species of flora, and by extension, fauna the best opportunity in which to flourish.

Mr Speaker, I shall now turn to planning. This GSLP/Liberal Government is doing precisely what it accused the previous GSD Government of doing, but seemingly on an even larger scale over a shorter period. Gibraltar is being turned into that proverbial 'concrete jungle' with buildings of heights not previously considered being approved by the DPC; not necessarily in the interest of the wider community and certainly not in the interest of the neighbours of these new constructions, which are often schools. There have been numerous instances over the past four years where the schooling of children has been directly affected by activity on an adjacent building site.

More and more, the people of Gibraltar are finding themselves hemmed in by buildings planned to reach unprecedented heights, such as the plans approved recently for Eurocity where blocks will reach heights of over 69 metres – and not only this but they then have to contend with construction project after construction project, causing them to suffer year after year of noise, dust and light pollution being generated by those developments.

If we take the example of Queensway and its environs, we see a concentration of current or imminent development that is unprecedented. Kingswharf, Mid-Town, Eurocity, West One, the Marriott and Rooke: years and years of building with vistas vanishing and nearby residents despairing. I am approached frequently by people with young families – in some cases extremely young – often in tears at the decisions that the DPC is making which will have a direct and immediate impact on the quality of theirs' and their children's lives.

I hope that, as for the environmental and heritage considerations, both of which are rightly given tremendous prominence in the decisions taken by the DPC, proper weight will be given to the arguments of residents and proper consideration be given to their concerns when these enormous and irreversible projects are brought before the DPC in order that the commercial rewards do not always inevitably trump those arguments and concerns, as those on the receiving end often feel is the case.

Mr Speaker, it may be the case that the DPC now sits in public – as the Minister for the Environment is always at pains to point out whenever I attend and possibly on other occasions – but the processes by which it makes its decisions have not changed and it retains enormous discretionary powers.

It is also understood that certain areas must be set aside for development and that, due to the confines of space in Gibraltar, we must often build high-rise, but I would ask that the two Ministers who routinely sit on the DPC and who can influence the decision-making just occasionally listen and accept the views of those who must live as neighbours of projected developments – and not only when it is politically expedient to do so, as was the case for the Europa Stadium proposal, but also when it is simply a case of showing some compassion.

Let us leave some areas aside for future development. I ask Government to reconsider, for instance, its plans to sell the site of Rooke – the largest single site likely to ever come into Government hands – to a developer who will inevitably wish to build high. I ask that Government, and by extension therefore the people of Gibraltar, retain ownership of the site or at least a significant proportion of it in order that it be put to community use, but further that future generations be handed over an area of land – one of the few remaining areas of any significant dimensions – to determine for themselves how they might wish to use it.

I ask Government to stop selling off the family silver at this extraordinary rate: £50 million in the years 2014-15 became £90 million worth of sales of Government property and premia in the last financial year. I see a sharp fall in this revenue for the next financial year and hope that it is not simply because we have sold everything already; that it represents a welcome pause for thought.

Mr Speaker, this Government has made many commitments to the people of Gibraltar and I will not deny that it has delivered, or is in the process of delivering, a number of those commitments, albeit perhaps not in the timelines that might have been anticipated, but scratch the surface and we find many promises that have not been delivered, often in areas of high importance, as I have illustrated.

Within the portfolios of Environment and Transport, in particular, the scattergun approach to delivery of projects has left some of the most important unfinished, or worse still unstarted, while Ministers nibble at the edges of progress, congratulating themselves for minor accomplishments, while not delivering real and necessary progress.

I can assure the people of Gibraltar that, while I sit on these benches, I will work ceaselessly to penetrate the smokescreen of press releases and propaganda put out in a never-ending stream by this Government and ensure that Ministers are held accountable for their promises, their commitments and their actions; pointing out the good, but creating awareness of the bad.

Finally, Mr Speaker, my thanks to you for the guiding hand and patience you have shown as I learn the ropes in this Parliament and my thanks to the Parliamentary team for their continued help and advice. *(Banging on desks)*

**A Member:** Hear, hear.

**Mr Speaker:** The Hon. Gilbert Licudi.

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, following our election victory in November 2016, I continued to have responsibility for Education, Justice and International Exchange of Information. Indeed, I have had responsibility for Education and Justice since we were first elected in December 2011.

Mr Speaker, education is, of course, one of the cornerstones or pillars of any society. We have always believed that investment in education is investment in Gibraltar and its future. It is what allows our youth to develop as citizens, ready to make an important contribution to Gibraltar. It is ultimately what allows Gibraltar to thrive.

We have always been a party that has demonstrated the importance we attach to investment in education and the priority we give to this. It is to be recalled that we introduced, in 1988, the concept of mandatory scholarships for all who had a place to study at an approved tertiary education institution. I was one of the first, in fact, to benefit from that system when I went off to study law in September 1988. Thousands of students have done likewise.

So important and successful was this initiative that we decided to extend this to post-graduate studies following our victory in 2011. Again, we have seen the number of students taking this up increase, with almost 1,000 students funded by the Gibraltar Government at university this year alone.

The Department of Education's budget for 2015-16 is £44,767,000. This compares with actual expenditure in 2011-12 of £28,407,000. This represents an increase over four years of almost 60%. It is an extraordinary increase which, Mr Speaker, as you will see, speaks for itself. It encapsulates the level of commitment and investment that the Government has been prepared to make in Gibraltar's youth and in Gibraltar's future.

Our youth of today will be the driving force of Gibraltar's economy and will be responsible for our general wellbeing in years to come. That is why this investment has been necessary. Over the same period, the complement in education has increased from 607 in 2011-12 to 712 this year: again, an important increase in the level of human resources available to meet our children's needs.

A similar commitment has been made in Justice, particularly with regard to the Royal Gibraltar Police. The estimate for this coming year for policing is £15,127,000. In the year 2011-12, the actual expenditure was £11,244,000. The increase has been around 35% over these four years and, again, the complement has increased from 258 to 280 during this period.

Mr Speaker, I have been very fortunate to have led on three landmark projects which have been concluded during this past financial year. Each of these represents a particular milestone for our community.

St Bernard's First and Middle schools were handed over in time for a September 2015 start, as per the Government's 2011 manifesto commitment. The school is fully functioning and staff, children and their parents have all voiced their delight at this brand new facility in the upper town area. The project also included sporting facilities for community use.

The schools replaced the old St Bernard's First and Sacred Heart Middle schools. Both of these schools had reached their sell-by date and it was clear to us that they no longer represented adequate educational facilities.

The second project was the University of Gibraltar. The establishment of a university is something that had been talked about for many years in Gibraltar in political and academic circles and, yet, until we came into office in 2011, no one had given a categorical commitment to work towards the establishment of our University. For us, this had to be a clear priority. It was no longer good enough to talk about a university; it was something that had to be done.

It took much work and many visits to universities in other countries. I was ably assisted by an excellent team, in particular the Director of Education, Joey Britto, and Dr Darren Fa, who subsequently became the University's Director of Academic Studies and Research. (*Banging on desks*)

Mr Speaker, the 21st September 2015 was a proud day for the Government and an important day for Gibraltar as a whole as we inaugurated the University. On that day, Gibraltar became a university city, joining the ranks of those cities that are able to offer its citizens undergraduate and postgraduate education in their own land; professional development; and able to attract students to carry on their studies in Gibraltar or to undertake research.

It was with a huge sense of pride and satisfaction that we were able to welcome over 2,300 visitors to the University over the weekend prior to inauguration. Not only were they able to see the campus, they were also able to enjoy a series of talks on historical and scientific themes as well as on the making of the University. What was an idea not so long ago, has become a living, breathing and functioning institution.

As all who have visited or attended courses at the University will have seen, the design blends in perfectly the old with the new and does so in a way that not only preserves but enhances the architectural features and heritage value of those buildings. At the same time, it creates a marvellous use of space in a modern educational establishment.

1915 Mr Speaker, we have also recently inaugurated the Mid-Harbour Small Boats' Marina together with the wharf, public promenade and super yacht facility. This is now fully up and running.

1920 The marina was completed in one phase to a tight timeframe. The result is a magnificent 700-berth marina with six-metre and eight-metre berths. The marina is protected by a fixed breakwater, which also serves as berthing for super and mega yachts. There is a public promenade which can be enjoyed by people wishing to take a walk right next to the sea or wanting to fish. It is great to see the facilities already being used and enjoyed by so many people. There can be no doubt that this has been a huge success.

1925 Mr Speaker, I now have the honour to report to the House in more detail on the areas that form part of my ministerial portfolio, starting with Education.

1930 Records confirm that 2015-16 saw 411 mandatory scholarships, ranging from first degrees to advanced doctoral studies, and 15 discretionary awards. This amounts to a total of 426 new scholarships: a year-on increase of 40 awards. The number of students who have benefitted from higher education during 2015-16 numbered 948. In addition, we have financed 57 applications for distance learning courses and continue to fund the Washington Internship Programme, which grows from strength to strength and offers unparalleled opportunities for our young people in Washington DC. The Internship Programme, as has been announced, will run for a further three years and 60 graduates will be able to avail themselves of this initiative over this period.

1935 Mr Speaker, the minor works programme for financial year 2015-16 encompassed both external and internal refurbishment works to a number of educational establishments. This included a significant investment in the design and technology workshops at Bayside School. The overhaul will be completed during two financial years. Stage one of the refurbishment saw the internal refurbishment of two workshops combined with the installation of new windows and modern plant and equipment. The overhaul is due to be completed during financial year 2016-17.

1940 Further investment has been required in the replacement of the floor surface of the 'Hexagon' assembly hall at Notre Dame School, plus the installation of a 'soft room' for children with special educational needs.

1945 The gymnasium at St Mary's First School was reinforced with a solid concrete floor after the original wooden floor rotted due to water ingress from outside the building. New flooring and shading canopies were erected to protect pupils from sun exposure in the playground at St Mary's.

Varyl Begg Nursery has been refurbished and new windows installed to improve ventilation.

1950 Westside School saw a number of projects, including the decommissioning of unserviceable overhead water tanks, re-routing and renewing of fresh water supply and the refurbishment of two standard toilet facilities plus the conversion of a spacious disabled toilet and wet room facility.

1955 St Martin's School saw the reconfiguration of several rooms, due to increasing numbers of pupils attending the school, to provide a new classroom and Snoezelen multi-sensory room. Similarly, the old assembly hall at St Anne's Middle School was redesigned to create extra classroom facilities, again due to increased pupil numbers. Various toilet facilities at St Paul's School were also refurbished. Arrangements for the replacement of the old bus used for the transport of children at St Martin's are currently underway.

1960 The second stage of the window renewal programme at Bleak House was completed and the refurbishment of the west-facing external façade at St Joseph's First School was also completed.



1965 Major works to improve disability access at Westside School, consisting of: the building of an extension to create extra classroom space for the Learning Support Unit; the installation of a lift to access first floor specialist rooms; the refurbishment of the student PE shower and changing rooms; as well as a complete render of the external façade to address corroded structural brickwork. This will also provide a much needed facelift for the school.

The Gibraltar College will also benefit this year with an extra ICT suite. It will also see its windows being replaced to improve ventilation. The flooring replacement programme will also continue.

1970 Works to the external and internal façade of St Joseph's First and Middle schools will continue to eliminate perennial water ingress and damp issues affecting both sides of the building. The flooring replacement programme will be continued. The reception lobby, shared by both schools, will also be re-designed to improve access and security.

1975 Given that the school has outgrown its current lunch hall facilities, the much needed construction of new facilities to cater for the needs of the children at St Mary's First School will commence.

Works at St Paul's First School will also include repairs to the external façade; the refurbishment of the student library and the replacement of skylights.

1980 Structural and repair works will be undertaken at St Bernard's Nursery to address water ingress problems and the replacement of windows.

The final stage of the window replacement programme at Bleak House will be completed, with the now obsolete air conditioning units being replaced with more modern and environmentally friendly units.

1985 Mr Speaker, September will see a more formal curricular offering for Year 3 – which is the last year of First School – and Year 4 – which is the first Year of Middle School – for Gibraltar studies. The Department of Education is currently working on a programme of study for both these years to ensure that our children are well versed in Gibraltar, its history, environment and context. Further programmes of study will follow during the course of the academic year and a full curriculum will be developed for our schools. Apart from school-based lessons and talks in schools by local experts, the programme of study is also designed to take education out of the classroom and will involve visits to sites like the Gibraltar Museum, the Botanical Gardens, the Upper Rock Nature Reserve and our shorelines.

1990 A new Language Academy is being set up by the Department of Education in conjunction with the Gibraltar College. This will see a range of languages being made available to children and the community in general, as part of the College's current continuing education programme. An exciting innovation will be that, for the first time, foreign language sessions, including Spanish, will be specifically designed to cater for children of school age after hours. This will follow the current evening class model delivered by the Gibraltar College except that sessions for children will start at an earlier time.

2000 Mr Speaker, as I mentioned in answer to questions from the Opposition during this session, the Department of Education is also working with the Gibraltar College to provide training for those teachers wishing to obtain a qualification in the teaching of English either as a foreign or additional language. The aim is to build capacity amongst staff to teach both local residents in need of language reinforcement as well as creating a professional cadre that our College can access to meet a growing international demand for English language classes and tuition.

2005 The Advisory Service continues to work with schools in order to raise standards and assure the quality of the education we offer to our children. The Department of Education has supported the work of teachers by continuing to fund both locally and UK-based courses for practitioners on assessment and tracking pupil progress. Of primary importance have been the workshops organised by the Department of Education on the current changes to the curriculum in schools in England and their possible impact in the local context. Apart from these workshops, UK curriculum experts have delivered sessions on the future of A-Level and GCSE examinations, as well as the on-going developments in the primary and secondary curricula for schools.

The Advisory Service also led on curriculum working groups from the secondary and middle school sectors on the establishment of common content for science across all middle schools, particularly in Year 7. The aim of this exercise is to ensure a better transition from primary science to secondary science after children transition to the comprehensive schools. This will allow the children to meet the demands of the revised secondary science specifications for GCSE.

Changes to the National Curriculum – that is to say, the removal of ‘levels’ with a modification of content and timing – has provided the Department of Education and schools with the opportunity to examine emerging best practice, both in our schools and abroad. An expert on assessment from the National Association of Head Teachers delivered a two-day workshop on Assessment without Levels to heads, deputies, English and mathematics co-ordinators within the primary sector. These workshops successfully informed the work of the Department of Education on assessment and it will therefore continue to work on producing a framework based on emerging best practice whilst at the same time allowing for local adaptations and implementation strategies.

Mr Speaker, another important development this year has been the availability of subject choices at A-Level. Boys and girls now have equal access to subjects such as economics, sociology and further mathematics at A-Level, as long as the combination is viable and can be timetabled.

This year a repeat facility for science GCSE was started at the Gibraltar College. This should enable students who have not achieved a pass to follow subjects at university where science at GCSE is a requirement. This builds on the already established GCSE repeat package at Bayside – which we introduced – and at Westside, and on the success of the homework club run by the Gibraltar College at the John Mackintosh Hall.

Another crucial development this year has been the launching of a new Code of Conduct for Teachers. This has been delivered to 12 of our schools and the process should be complete by the close of the academic year. The guidance will help practitioners better understand expectations and responsibilities in an evolving profession: a guiding compass to help steer a course through their career in teaching and public service.

Mr Speaker, I am proud to report that, true to form, schools have, this academic year, collectively raised in excess of £56,000 through their charitable endeavour and serviced over 30 local and international charities. I should wish to point out that there is clearly a considerable value in the educational journey for a child giving up his or her time in order to help those that are less fortunate, and this is to be commended.

Schools continue to give up their time to participate in numerous events, opportunities and competitions in conjunction with other agencies and Government Ministries. These include: World Social Workers Day; World Cancer Day; World Mental Health Day; Autism Awareness Day; World Down Syndrome Day; Ministry of Culture Art Competition for Young Artists; Children’s Academy Football Day, held in conjunction also with the Ministry of Culture and Premier Legends International; The Postal Union’s Letter Writing Competition, in conjunction with the Royal Gibraltar Post Office; ChildLine; Blue Week Competition and ChildLine Anti-Bullying Month Exhibition and Presentation.

I am also proud, Mr Speaker, to report, as we have seen in the news already, that a team of Bayside students won the grand final of the 2016 Cyber Centurion Competition hosted at Bletchley Park in the United Kingdom. The competition focused entirely on security aspects of computing systems and how to stop hacking and other malicious IT intrusions. Our students were up against considerable opposition from schools throughout the United Kingdom and still managed a resounding win – congratulations, again, to all of them. *(Banging on desks)*

Mr Speaker, Department of Education initiatives, in partnership with the Kusuma Trust, have also included work in the following areas: the very popular Science Week, in conjunction with the Science Museum, London, was held in schools and at the Ince’s Hall Theatre; Shakespeare in Schools workshops; a representative from Cambridge University advised on interview

techniques for our Year 13 students; the very popular Maths Week and talks on the Enigma Machine were hosted in Secondary Schools; the piloting of coding and robotics for First School and Middle School children.

2070 Once again, children and the schools participated in the Gibunco Group Gibraltar International Literary Festival with top authors addressing pupils both in schools and at the John Mackintosh Hall. This continues to grow in popularity.

2075 Our schoolchildren continue to benefit from the visits that our schools arrange for them involving a wide range of educational events; for example, an exhibition on Jacobo Azagury; Joshua Benoliel; the Gibraltar Botanic Gardens; the Convent and gardens; the Gibraltar Museum; the Nature Reserve and a host of other activities relating to our history, environment and heritage. The latest event being schools' participation in the workshops hosted by musicians and artists from the Gibraltar World Music Festival, as it was called, 'Come to my school', and this happened at the end of June.

2080 Mr Speaker, using technology to increase the level of interactivity in a classroom is an aspect of teaching and learning that has been of particular interest at the Department of Education for some years now. Primarily, teachers are looking to improve the level of engagement with and between pupils through the use of technology and to provide a vehicle for collaborative learning, thus enriching the teaching and learning experience.

2085 Whilst teachers across all sectors have been exploring how tablets can have an impact on pupil engagement for some time now, an exciting trial project involving the use of tablets in lessons is currently being pioneered at St Bernard's Middle School. It is envisaged that this will be extended to a first school and to St Martin's Special School. Although the project is still in its infancy, children and teachers have already reaped the benefits of this simple yet effective way of supporting classroom practice. Staff are supported by an experienced UK-based consultant in all aspects of the use of tablet technology and to enhance and support teaching and learning.

2090 The Department of Education, in partnership with the Kusuma Trust, have linked up with University College London to gain benefit from their experts in the field of computer science. This was initiated as a result of the change from the current ICT curriculum for schools in England to a more computer science-based model for schools.

2095 Staff from University College will be delivering a bespoke computer science course up to Masters level for teachers. This should run for two years and clearly help to build capacity in the skills available to schools in this respect. Training courses in coding and programming will also be made available for teachers wishing to pursue this field. This is a completely new endeavour for our primary schools in general. Having said this, the fastest growing strand in the technology curriculum is that of coding and programming in computer science. The continued use of web-based coding programmes by a handful of pioneering teachers in the primary sector has contributed significantly in informing the type of training the Department of Education will provide and facilitate for practitioners involved in this exciting development.

2100 In relation to computer science and coding, the Department of Education will be working with UCL and the Kusuma Trust as from the first term of the academic year 2016-17 to deliver an introductory training programme for teachers over three days. This first stage will be followed up with a one-year certificate course from the British Computer Society, which will run alongside the training provided by UCL.

2110 As I have indicated, a Masters course levelled at those who require a greater level of expertise is under review and it is hoped that this will attract teachers from the secondary sector, and invite them to provide teaching within an area so young and new that it is currently difficult to recruit teachers who are specialist in this field.

2115 Mr Speaker, we naturally continue to provide much needed support for children with special educational needs through the deployment of additional special needs learning support assistants – or SNLSAs – wherever there is a need.

Although these assistants are currently afforded the opportunity of attending in-house services within their schools, there is a further need to enhance the SNLSA's knowledge and

skills. More and more children with special needs are being taught in mainstream schools and this, at times, will require more specialist support. With this in mind, the new academic year will see more opportunities for professional development through a series of sessions aimed at enhancing even further the quality and level of support that our children obtain in schools.

Mr Speaker, last July, 11 teachers from across the sectors were selected to embark upon an on-line Dyslexia Action Level 4 International Programme, designed to build on existing expertise to further support learners with dyslexia in our schools. In October 2015, the Dyslexia Support Group invited Dr Gavin Reid, psychologist, author, and conference speaker, to give a full day presentation on the identification of dyslexia and removing barriers to learning. Over 30 teachers and SNLSAs attended that course.

In September, six of our SENCOs enrolled on an on-line National SENCO Award course, which is intended to build on practitioners' existing expertise and experience to help further their development. The SENCO has a vital role within our school system and the aim of the award is to maintain a consistent, high-level of quality training. The modules are designed to give an understanding of the skills that can be used to make a positive difference for learners as well as providing opportunities to practice those skills in the workplace. It is envisaged that any subsequent new SENCO post-holders will also be afforded the opportunity to study for this qualification.

This year, nine teachers successfully completed the Dignified Care and Responsibility Training (DCRT) 'Train the Trainer' course. The aim of this course is to make staff aware that most incidents can be defused without the need for physical intervention. It is these skills and techniques of preventative crisis management that DCRT teaches. On completion of the course the staff are then able to deliver the training themselves to other colleagues in their own schools.

Mr Speaker, I now highlight some of the legislative issues we have dealt with, or are dealing with, since my last Budget speech, and this is, of course, in the area of my responsibility for Justice.

In March of this year, we enacted and commenced the Judicial Service (Amendment) Act 2016, which fulfilled an outstanding 2011 manifesto commitment in that it made provision via the amendment of the Judicial Service Act 2007 to make the Chief Justice the Head of the Judiciary in Gibraltar. It had always been the view of this Government

... that the head of the judiciary in Gibraltar should be the Chief Justice, as had always been the case, irrespective of who the post-holder may be.

Furthermore, earlier this year, the Government commenced the Proceeds of Crime Act 2015 in its entirety. This Act consolidated legislation on money laundering in Gibraltar and creates a single regime dealing with the recovery of money from drug offences in the same manner as the recovery of money from other criminal conduct. It also introduced a new procedure enabling the seizure and confiscation of assets arising from any criminal conduct – even where no criminal proceedings are brought against anyone – in a manner similar to those regimes that exist in other jurisdictions such as the United Kingdom. Additionally, the Act provides for the civil recovery of the proceeds of unlawful conduct by way of civil proceedings which are not preceded by criminal proceedings. The Act and its powers are extremely important when considering the global efforts to prevent money laundering and terrorist financing and form a good grounding for the forthcoming Moneyval inspection in 2018. Moneyval is a permanent monitoring body of the Council of Europe, entrusted to improve the capacities of national authorities to fight money laundering and the financing of terrorism more effectively. To this end, the RGP has created a specialist unit to deal with the various aspects of the new legislation and the Office of Criminal Prosecutions and Litigation fully support this new regime.

Mr Speaker, the Supreme Court (Amendment) Act 2015 amended the Supreme Court Act so as to set new training requirements for barristers and solicitors who intend to practice law in

Gibraltar. The first academic course in Gibraltar Law, which is part of these new requirements, has already been successfully run by the University of Gibraltar. This Government is now continuing its work alongside the Bar Council of Gibraltar to look at ways of modernising the current system of regulation of legal services in Gibraltar and it is hoped – in fact expected – that a consultation paper on this very matter will be published jointly by the Government and the Bar Council very soon.

Mr Speaker, I turn to matters related to the Gibraltar Law Courts. In October 2015, the President of the Court of Appeal and President of the Courts of Gibraltar, the Rt Hon Sir Paul Kennedy, retired, after having served as Justice of Appeal since September 2006 and as President since November 2011. HM Government of Gibraltar would like to thank Sir Paul for the excellent and important work he has done over the years.

At the Ceremonial Opening of the Legal Year, court staff were praised by all for all the good work they do. The Gibraltar Courts Service has continued to maintain a high standard of performance in the services provided. It continues to find ways in which to modernise and to improve the services provided to court users. Their website continues to be updated and developed. Judgments have been uploaded and are now available for the Supreme Court and Court of Appeal since 1997 to date. Further work is in progress and all available judgments for the preceding years up to and including 1991 will also be uploaded. Additionally, since January this year, sentencing pronouncements for criminal trials at the Supreme Court are now also available for download in pdf format from the website, thus enabling the general public and service users to be up-to-date with court decisions.

The Laws of Gibraltar Judgments website – not to be confused with the Gibraltar Courts Service website – contains all judgments published and contained in the hard copy volumes of The Gibraltar Law Reports commencing in 1812. This website is also fully up-to-date with all reported judgments for the period 1812 to 2015, inclusive, and they are all available for download.

I am happy to report, Mr Speaker, that there continues to be no backlog in the Magistrates or Supreme Courts in respect of dates being provided for criminal trials and of civil and family applications waiting for first hearing dates.

On the whole, court users today enjoy a modern, open and approachable court service that endeavours to work together with stakeholders, to ensure the needs of the court and their users are met.

During 2015, the Gibraltar Courts Service and the Judiciary provided pupils from local middle schools, as well as law students from overseas colleges and universities, including the United States, Sweden and Spain, with organised visits to the Gibraltar Law Courts complex. The visits were intended to be both informative and educational. Visitors and students alike were able to view the courtrooms and facilities and, more importantly, meet a Puisne Judge, who provides them with an overview of the criminal justice system and answered questions on how the system works in Gibraltar. Not only are these visits enjoyable, but in respect of external visitors they serve to enhance the reputation of our legal system.

Mr Speaker, turning to Prison matters, I am glad to say that officer morale is high and prisoner indiscipline cases are low, with most cases being of a minor nature.

This year, improvements to educational programmes on offer include the availability of a full-time teacher for juvenile prisoners. When required, taught classes are provided every day, five days a week.

A new counselling programme will also be on offer entitled, 'Cycle of Change'. The programme is broad in scope, covering a variety of topics including: social and/or family history; one-to-one counselling; building self-esteem; grieving – sense of loss; relationship with self/suppressed feelings; anger issues; consequences – positive and negative; safe boundaries – communication skills; drug misuse – dependency; relapse prevention; motivation for change.

Narcotics Anonymous will be upgrading their weekly prison meetings under a new Hospitals and Institutions subcommittee. This will allow the organisation to offer a more tailor-made service, particularly suited to those in custody.

2220 These additions continue to supplement and improve the array of services on offer at HM Prison and aid in the rehabilitation of offenders. Prison management remains very committed to the ongoing rehabilitation of offenders and enhancing educational and vocational opportunities to all those in custody, with a view to breaking the reoffending cycle and successfully reintegrating offenders back into society.

2225 In May this year, Mr Coom, Chief Officer at HM Prison, attended the FCO Overseas Territories Prison Superintendent's Conference in London. The conference is hosted by the FCO Overseas Territories Directorate. Mr Coom was able to network with senior professionals in the field and secure training opportunities for middle and senior management in areas such as prison management and national offender management services.

2230 This programme of activity is being expanded to cover wider multi-agencies working across the justice sector, co-ordinated by territory criminal justice boards where probation and other staff will also have access to training courses and secondments in the UK to build on their expertise.

2235 Turning to policing, Mr Speaker: the 26th September 2015 saw the RGP mark the granting of the Freedom of the City of Gibraltar with a parade involving serving and retired officers, led by Commissioner Yome. This much deserved honour is appropriate recognition for the work they do.

In January 2016, the RGP were awarded the prestigious Investors in People Gold Standard, the latest milestone in their journey of continuous improvement.

2240 A significant number of RGP constables, sergeants and inspectors, as well as Civil Service support staff, completed leadership and management training during the course of the last financial year. Officers of various ranks have partaken in various forms of training, both locally and overseas, in both generic and policing disciplines, as well as in more specialist areas such as intelligence analysis and financial investigation, all aimed at improving professionalism and overall service delivery at the RGP.

2245 Of note, superintendents Cathal Yeats and Richard Ullger completed senior leadership training and strategic command programmes at the renowned FBI National Academy in Quantico, Virginia and the United Kingdom's College of Policing respectively.

On the international front, the RGP has represented Gibraltar at various fora during the past year at strategic, tactical and operational level. These include:

2250 (1) Executive meetings and annual conference of the European Association of Airport & Seaport Police, chaired by Commissioner Yome in his capacity as President of said body. In 2017, HMGoG are supporting the hosting of this body's annual conference in Gibraltar.

2255 (2) The launch of the Small Island Nations Centre of Excellence for Cybercrime, an EU funded programme involving the RGP and counterparts from other jurisdictions collectively fighting cybercrime. The RGP were invited to deliver a presentation on local cyber threats.

(3) Various Interpol meetings and conferences.

(4) UK Overseas Territories conference on Child Safeguarding where the RGP were invited to present on the model of Safeguarding Children and Sex Offender Management already in place in Gibraltar.

2260 (5) Operational meetings and actions with counterparts in the United Kingdom, Spain and Morocco in counterterrorism, as well as serious and organised crime meetings.

2265 Mr Speaker, the RGP, in partnership with the renowned international watchdog, Internet Watch Foundation, recently launched a new online reporting portal that will allow the public to report any online child sexual abuse imagery found. The system will allow reported material to be analysed by experts, who will, amongst other things, ensure any child sexual abuse content hosted anywhere in the world is removed from the internet and its origin investigated.

On the educational and awareness front, the RGP continue to conduct seasonal campaigns advising the public on areas of concern and issuing warnings of particular crime threats using their social media outlets under the banner of Operation GibWatch.

2270 School Liaison officers continue to perform sterling work in the form of regular talks and presentations to all schools on matters such as road safety, Internet safety, binge drinking and drugs misuse, amongst other topics. This work has been complemented by the RGP's annual summer and mid-term camps for children, as well as the 'Mini Olympiad' held every October under the banner of 'Live Life, Love Sport.'

2275 The RGP Charity Committee and annual recruit intakes are also extremely active all year round, raising substantial amounts of money through various events for local charities. The most recent of which was a Family Fun Day that raised approximately £5,800 for the drugs awareness and support charity, 'Stay Clean.'

2280 As part of an on-going process of developing and strengthening partnerships, September 2015 saw the RGP and Youth Service formalise their existing close relation with a Memorandum of Understanding. The MoU enables the exchange of information on the safeguarding of young persons and creates new areas of work for the promotion of young persons' interests and development.

2285 As I said in the recent passing out parade for new recruits to the RGP, we have a modern, intelligence-led, neighbourhood policing style with a strong emphasis on citizen-focus and problem solving. We have a force that adopts a multi-agency approach to address the needs of our community.

2290 Mr Speaker, we all know that we live in a tough world. Gibraltar needs to be constantly alert and alive to any issue which threatens the peace and safety of our community. There are new threats that we have to deal with, including threats involving cybersecurity and the use of the Internet to commit criminal offences.

2295 We all want to sleep well and soundly at night, and we want to do so in the knowledge that we have a highly professional team of individuals dedicated to law enforcement at all levels. The safety and security of our community is entrusted to these individuals and we must justly feel proud of all our law enforcement officers.

2300 Mr Speaker, this year will see the phased introduction of the Integrated Criminal Justice System. This is a software system, known as Cyclops, which will link up all of the main organisations that form part of the justice system into one information management system. This is a significant investment made by the Gibraltar Government. Once the IT platform is completed and is fully operational, it will positively transform the way departments and organisations in the criminal justice system interact with each other. It will enrich and enhance communication and the processing power of everyday deliverables. This will include custody arrangements, case management and intelligence processes.

2305 The project is being steered by my Ministry and implemented by the various Departments involved in the scheme. This involves the RGP, Courts, Customs, Government Law Officers, Prison and the Probation Service. The first phase of the project is nearing completion and is expected to go live in the next few months.

2310 Not all convicted offenders receive a custodial sentence. Community Sentence Orders may be imposed on convicted offenders and, on this front, again, the Community Services Officer has seen his busiest year yet. A total of 45 offenders were made subject to Unpaid Work Requirement Orders. In real terms, this represents an over 100% increase to the previous year's figure of 22. Unpaid work requirements enable offenders to give back to society, with offenders engaged in positive activities that are of benefit to the community. During the past year, work under this type of order have been carried out in community and church groups, civic buildings, 2315 tourist sites and other associations. Only three offenders have been returned to Court for not complying with an Order. Furthermore, the courts have issued four Youth Rehabilitation Orders requiring some of our young offenders to undertake similar work.

This year, all members of the Probation Service, together with members of the Royal Gibraltar Police, Prison Service and Social Services, undertook an intensive one-week course on the identification, assessment and management of sex offenders. The management of these types of offenders works well in Gibraltar under a trained and committed core group of professionals that are fully qualified and accredited to deal with these matters.

The Probation Service continues to work with the Prison Service as an integral part of the offender management system in Gibraltar. Much of its work in this respect focusses around assessments for inmates eligible to be considered for parole. During 2015, the service provided 35 such reports to the Parole Board, which resulted in 22 inmates being released under the supervision of the Probation Service.

Mr Speaker, in respect of Civil Contingency, the Department facilitates, through training, communication and co-ordination between front line emergency services, supporting agencies and the Ministry of Defence. This has included organising interoperability training courses, which have been delivered by visiting lecturers from the UK Emergency Planning College. This training has been based on the UK Joint Emergency Services Interoperability Programme (JESIP), which encourages operational response under a single co-ordinated command and control system of management. Two courses were delivered under JESIP, and 34 officers from the blue light services have benefited from these courses.

Earlier this year, a simulated plane crash into the sea was tested through a table top exercise. Lessons learnt have already been incorporated into the Airport Emergency Orders which is, of course, a live document which is updated as required. HM Government of Gibraltar funded, via the Civil Contingency Department, emergency equipment that will enable maritime responding agencies easier access for the handling of casualties in the unlikely case of an air disaster at sea. This equipment and its deployment mechanism is currently being tested.

A full day counterterrorism exercise was also held, during which different challenging scenarios were tested. Training and planning in this field and the challenges they present forms part of the Civil Contingency Training Programme.

The Major Incident Response Plan has been substantially updated and issued this year to all departments and agencies that have a responsibility under the plan. The document provides information and responses to known threats and risks and is the basis upon which the Civil Contingency Training Programme is prepared. Central to the plan is the corresponding command and management structure to be applied at all levels in the case of a major incident.

A major asset in the form of a command/management structure is the Crisis Communications Centre at No. 6, which is also known as 'the Bunker'. This facility was recently commissioned and provides a modern and well-equipped centre from where Government Ministers and senior officials can adequately manage a major incident in an efficient and co-ordinated manner. Government departments, agencies and other stakeholders are currently familiarising themselves with the equipment and technology in the centre, mainly through training and joint operations.

Mr Speaker, 2015 was a year of transition and significant change for the Gibraltar Fire and Rescue Service (GFRS). With a newly appointed senior management team, together with promotions across all ranks and the culmination of 150 years of exemplary service to the community, it has been a time for reflection, self-assessment, adaptation and, indeed, for forward planning.

As part of the 150th anniversary celebrations, the GFRS organised a number of events during the year. This included the launching of a set of stamps depicting the various specialist responsibilities of the GFRS and the publication of a book entitled 'A Tradition of Service' written by Richard Garcia. In addition, and in an attempt to encourage community participation in the celebrations, the GFRS organised an open day which served to highlight some of the specialist skills required of a modern fire fighter. The activities included ladder climbing, abseiling, fire-fighting. The celebrations culminated on 20th of November with a gala dinner attended by over



120 fire service personnel, past and present, together with distinguished guests – a truly memorable year in fact for the GFRS.

During the financial year 2015-16, 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 courses in question, ranging from management to coxswain courses.

The Fire Safety Department is involved in many processes focusing on fire safety at home, work and in the community. Community fire safety talks have been given to a number of entities including schools, Government and private nurseries, private companies, clubs and Government facilities. The GFRS is also involved in many statutory processes that require the issue of licences, such as building applications, certificate of fitness and petroleum licences. A total of 729 licences were processed in 2015-16.

In April this year, we saw the launch of the GFRS Integrated Risk Management Plan (IRMP). This document serves as a blueprint of how resources are and will be applied by the GFRS in the fulfilment of their duties. It highlights how the GFRS, in partnership with HMGoG, works to make Gibraltar a safer community in matters associated with fire prevention, protection and being an effective responder to a wide range of operational incidents. This document demonstrates that the GFRS has a sense of direction and a set of challenging but achievable targets that can be achieved with an agreed level of commitment, focus and resilience. The ultimate beneficiary of the IRMP is the community, and it is with this in mind that the GFRS strives to perform their responsibilities in a professional and efficient manner.

April 2016 also saw the launch of the revised Fire Safety Regulations, specifically Part E of the Building Regulations. The Regulations have been simplified to allow more flexibility to developers and contractors requiring alternatives in fire safety design mechanisms. They also require developers to provide access and facilities to assist the GFRS in the fulfilment of their duties, something that previously was limited to a recommendation as opposed to a requirement.

As from late last year, retired fire service personnel, who are eligible for community service, have been given the opportunity to come to the GFRS and give back to the community some of their vast knowledge and experience. The opportunity has been well received by interested parties who still feel that they have plenty to contribute.

Mr Speaker, to end my contribution, I will deal with matters in connection with the international exchange of information.

Mr Speaker, Gibraltar Finance is tasked with responsibilities in the area of international exchange of information and co-operation. The Department has been busy lobbying countries that still have Gibraltar on their 'tax haven' blacklists. Recent successes that have directly resulted in the removal of Gibraltar from these lists include Bulgaria, Canada, Latvia, Estonia and Italy. No doubt we will continue to lobby the few remaining countries that perversely maintain Gibraltar on their lists in an attempt to persuade them to rightly delist our jurisdiction.

In 2014, Gibraltar was rated 'Largely Compliant' in the OECD Global Forum Phase 2 Review. The UK, Germany and USA received the same rating. In 2015, we achieved another positive rating by the OECD in Gibraltar's confidentiality and data safeguards assessment. In the first half of 2019, the OECD has announced a Phase 3 Review of Gibraltar's Legal and Regulatory Framework and Implementation of the Standard in Practice. Preparations are well on their way for this and I am confident that Gibraltar is set to achieve another positive result in this regard.

Other forthcoming reviews include an FSC statutory review later this year, Moneyval in 2018 and Automatic Exchange of Information monitoring by the OECD leading to a comprehensive review of Gibraltar's adherence to the Automatic Exchange of Information Standard from 2019 onwards. Prior to 2019, the OECD is adopting a so-called 'staged approach' which, although not designed to result in specific ratings, may result in recommendations being made on each module of the staged approach.

2420 Mr Speaker, we continue to handle Exchange of Information on Request applications received from partner countries on a day-to-day basis together with the various strands of Automatic Exchange of Information. This includes USA FATCA and the Crown Dependency and Overseas Territories Intergovernmental Agreement, commonly known as 'UK FATCA' and the Common Reporting Standard (CRS). The UK FATCA portal, which can be accessed via the website, has recently been launched with the deadline for submission amended to 2425 1st September 2016. This year's USA FATCA returns are required to be submitted by 30th June 2016. Gibraltar Finance is dealing with the processes and notifications required by the OECD in preparation for the implementation of the Common Reporting Standard. The Regulations are expected to be published later this year. Work will also commence on the implementation of the 2430 OECD's Common Transmission Standard, in collaboration with the ITLD and the Government's legal officers.

On 22nd April 2016, Gibraltar was among the group of 33 Early Adopters of the Automatic Exchange of Beneficial Ownership Information. This initiative was launched by the so-called 'EU G5' economies, that is UK, France, Germany, Italy and Spain. The intention is that this initiative 2435 will:

... mirror the ground-breaking steps ... taken on tax evasion under the Common Reporting Standard.'

The Early Adopters are also committed to developing:

... a system of interlinked registries containing full beneficial ownership information as well as for common international standards for these registries and their interlinking.

In the interim, we executed an Exchange of Notes on 8th April 2016 which was signed in the UK by the Minister for Europe, David Lidington, on 11th April 2016, affording the law-enforcement authorities of Gibraltar and the United Kingdom:

.. the automatic right to the provision of unrestricted and timely (where urgently required, within one hour) beneficial ownership information held in the other jurisdiction ...

2440 All in all, Mr Speaker, it has been a very busy year for all the Departments that come under my Ministry. We have made great strides during this year across all areas and have positioned ourselves positively to be able to face the challenges that we are going to face in the next few years.

2445 Finally, Mr Speaker, let me thank my staff and all those who work in the various Departments and organisations which form part of my ministerial responsibilities. I am truly grateful to all of them for their continued support and dedication.

Thank you, Mr Speaker. *(Banging on desks)*

**Mr Speaker:** The House will now recess until 3.15 p.m.

2450

*The House recessed at 1.13 p.m. and resumed its sitting at 3.15 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**AFTERNOON SESSION: 3.15 p.m. – 5.45 p.m.**

**Gibraltar, Wednesday, 6th July 2016**

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# The Gibraltar Parliament

*The Parliament resumed at 3.15 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

### Appropriation Bill 2016 – For Second Reading – Debate continued

**Mr Speaker:** Perhaps Hon. Members might like to note that a quorum is six – 30% of 17 is 5.1, so we round it up to six. Keep that in mind because if ever there are less than six Members in the Chamber, we do not have a quorum.

The Hon. Albert Isola. (*Interjection*)

**Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, I am delighted that we have a quorum, albeit marginally, and I am sure some of my colleagues from this side of the House and the one from the other will join us in the coming moments.

I have the honour to present my third Budget address in relation to the areas that form part of my ministerial responsibilities, in what is our Government's fifth Budget since the General Election of December 2011 and the first since last year's election.

Mr Speaker, the vote to leave the European Union on 23rd June has led to the greatest period of political uncertainty in my lifetime. The firms and businesses in Gibraltar have, in the main, responded to this uncertainty in the manner I would expect, with a calm and professional period of reflection of the challenges and opportunities that lie ahead.

The one overriding feature of this process is that there is time: time to consider the options, time to consider the challenges and time to consider the opportunities. And this is absolutely necessary as, until we understand the direction of travel, it will not be possible to plan with any degree of certainty. But of course I am not suggesting we do nothing – on the contrary; there are many things we need to be thinking about and working together to achieve, which I will detail later in my address.

Now more than ever, Mr Speaker, our private sector and of course Government need to work closely and quietly together in preparing ourselves to be best placed in the coming months and years. Now that a battered Europe strives to stabilise and cope with the many challenges ahead, I am quietly confident, as is my way, that 'Project Gibraltar' will continue to benefit from the very fine efforts and significant inroads made by this administration – on all fronts, I might add – since it took office in 2011. (**A Member:** Hear, hear.)

Moving on, Mr Speaker, my message is simple: Gibraltar is open for business as usual, but there is much work to be done!

That said, I start by congratulating the Gibraltar International Bank for making a complete success of its first year in operation. Since it opened last year the Bank, led by Lawrence Podesta

and Derek Sene, the staff and the Board of Directors have worked tirelessly and deserve the  
35 congratulations and thanks of this House and of the community for the fantastic start the bank  
has made in its first 12 months of operation.

Over 7,000 accounts have been opened; over £244 million in deposits; and an increasing loan  
book, with some 450 mortgages, is a testament to the work of the team at GIB. Many, at the  
time, spoke of the doom and gloom at the departure of Barclays in late 2013 and yet today it is a  
40 distant memory, with a seamless transition to this modern, innovative and digital bank. There is,  
of course, still work to be done but I believe that the target date for break even and profitability  
after three years trading will be met.

As we speak, they are working on new areas in terms of products and functions, including  
mobile banking which I much look forward to seeing in operation. My sincere thanks to  
45 Lawrence, Derek, the Board of Directors and of course the staff at the bank for their professional  
commitment in delivering the quality and service we asked of them.

Mr Speaker, the Hon. Member, Mr Clinton, mentioned in his intervention that we had told  
him to 'go and get it for himself' in referring to the accounts of the bank. I think the Hon.  
Member is being a little bit unkind – and I know that he likes to dress himself up in this  
50 'Rumpole-esque' caricature, with perhaps not sufficient of the humour that Rumpole enjoys.

But what we did say was that as indeed with every other member of our community, the  
accounts will be filed in the Companies House and will be available not just to the Hon. Member  
but of course to every single member of our community.

Mr Speaker, in the area of financial services we have introduced significant legislation this  
55 last year to further support the sector and we continue with our efforts to attract new business  
to Gibraltar. We believe, more than ever, that it is right to continue working on improving the  
legal and regulatory framework to enhance and develop the business environment across the  
whole of this sector. I am most grateful to the Finance Centre Council and the individual  
associations with whom we frequently meet for their continued support and co-operation on all  
60 matters. As a matter of practice we now share with the relevant association any legislative  
changes being contemplated in our legislation, including EU legislation, and work with them to  
ensure the provisions meet with their expectation. I must also thank the associations and, in  
particular, their technical committees for their support and valuable advice in these areas. It is  
critical that we are all on the same page in this process.

65 In the field of private client work Senior Executive Paul Astengo has all but completed a  
legislative review process bringing to Parliament a wide range of legislation arising from a  
request by STEP some eight years ago. The final piece of this particular jigsaw, Private  
Foundations, will come before Parliament during this session. Once again, I am very pleased to  
recognise the significant contribution to this process by the private sector members – and, in  
70 particular, by STEP who have been at the forefront of this initiative. We have already seen  
international firms providing Gibraltar with sourced solutions to their client's needs, using these  
new products. The promotion of new opportunities created by this legislation remains a priority  
and continues to feature in our chosen international jurisdictions.

In terms of our business development, we pursue our business plan in partnership with the  
75 sector and, interestingly, this year we have widened the traditional geographical spread to  
include Leeds, Birmingham, Manchester, Edinburgh and Bristol. Of course, Mr Speaker, London  
and Switzerland also feature heavily in this programme and last year spent some 24 weeks on  
the road promoting Gibraltar. It is interesting, as an aside, that all of these jurisdictions which we  
focused on at the beginning of this year, are focusing more on the regions of the UK and not just  
80 London itself – something that may become more important in the months and years ahead,  
depending on what transpires as a result of the vote of 23rd June.

We advised last year of our desire to increase the focus on Family Office businesses. I am  
pleased to say that we have seen some tangible results in this regard, which has impacted  
positively on a number of our key private sector areas. We continue to give this area our full

85 attention and we will work this year, in addition, with the Philanthropy Forum in further  
delivering possibilities in this area.

We have also driven, with private sector professionals, a review of virtual currencies. In fact,  
Mr Speaker, we have consulted twice on this process. The remit has been widened to include,  
*inter alia*, FinTech – an economic industry composed of companies that use technology to make  
90 financial services more efficient. We are happy to embrace this development as long as we are  
able to regulate effectively in this area and preserve and protect our reputation as a leading  
international financial services centre. This method of doing business has been gaining  
significant international acceptance and plays to the particular strengths of Gibraltar. There have  
been specific expressions of interest from external investors with a view to creating a hub in  
95 Gibraltar – and I hope to announce some exciting news in this area in the coming weeks.

I must also at this stage thank the CEO of the Financial Services Commission, Samantha  
Barrass, her board and team at the FSC for their work this year. It has been a busy one dealing  
with new legislation, directives, the Fee Funding Review and the continuous work to be more  
efficient and effective. I must also congratulate them on the creation of a Change and Innovation  
100 team at the FSC; an acceptance – and an important one, in my view – by the regulator, that  
businesses need to innovate to remain competitive and profitable. The industry has welcomed  
this move and so do I.

The sector will also be pleased to learn that the FSC has, immediately after the EU vote,  
added additional resources to the Authorisations team to ensure that we are faster than we ever  
105 have been in considering quality applications from new firms.

Mr Speaker, our Category 2 and HEPSS products continue to provide effective solutions and  
are attractive to the international client. The uncertainty created with the review of the UK's  
resident non-domiciled rules provides further opportunity in this space and specific marketing is  
taking place. As the Chief Minister has announced, I will shortly reconvene the working group to  
110 further consider their proposals and to also consider a new allowance-based system to support  
key people living and working in Gibraltar.

We also continue to grow our social media presence, Mr Speaker, as a method of increasing  
awareness to a wide, yet appropriate, audience. Our database stands in excess of 4,800  
individuals, where we interact with almost on a daily basis. Our 'electronic bookshelf' now has  
115 129 publications – up 39 on last year – covering the full range of topics that are of interest to our  
readers. It is interesting that, to date, these publications have been read in excess of 9,000  
times.

During the year our banking sector has welcomed the addition of Moneycorp – one of the  
UK's fastest-growing foreign exchange companies – to our list of licensed banks. We welcome  
120 them to Gibraltar in their successful establishment of this specialist firm.

Mr Speaker, in the area of insurance and pensions Mike Ashton is continuing his drive to  
improve our product range and develop new and interesting possibilities in this space.

The introduction of Solvency II in January of this year increases the capital requirements for  
insurance companies and, in turn, this makes it harder for smaller start-up insurers. As a result,  
125 we believe there is an opportunity to attract more Managing General Agents – or MGAs, as they  
are known – to Gibraltar. MGAs underwrite business using the underwriting authority of a  
separate insurer, e.g. they use an insurance company's paper. A number of new MGAs have  
been, or are being, established in Gibraltar and we have seen quite some interest in this area.  
The compelling reasons to establish an insurance company in Gibraltar apply equally well to  
130 MGAs and we are keen to increase the number of these operating from here.

In the field of Part VII Transfers, I mentioned last year that we hoped to have initiated our  
first Part VII Transfer from the UK to Gibraltar during 2015. I am pleased to report that an  
application for such a transfer was initiated in late 2015 and is currently being reviewed by both  
the PRA and the FCA in the United Kingdom. We have continued our dialogue with the insurance  
135 team at HM Treasury in London who have a particular interest in this 'test case' and remain both  
supportive and positive that a Part VII Transfer can take place under the UK's existing legislation.

We hope that the regulatory review will be completed shortly allowing the lawyers to apply for a hearing in the High Court in London.

140 We continue to maintain a regular dialogue with the legacy insurance sector so that they are aware of the progress being made.

Mr Speaker, as regards Insurance-Linked Securities, the ILS transaction that was completed in April 2015 is, as we understand, being renewed and should be announced shortly. The major effort during the second half of 2015 was the initiative begun by Gibraltar Finance and ably supported by a number of businesses from the ILS sector, local Gibraltar lawyers and the FSC to  
145 create a new class of protected cell company – the Special Purpose Vehicles Protected Cell Company. We announced this in November 2015 and it has been well received.

The EU Referendum has acted, in effect, as a brake on some of these new insurance company applications and, likewise, the ILS sector was also waiting for the outcome of the vote before taking any decisions on establishing new structures in Gibraltar. I can say, Mr Speaker, that we  
150 remain in close contact with these firms and are hopeful that more will follow shortly.

The new personal pensions regulations have been drafted and will be shared with the pensions sector within the next few weeks. The regulations should come into force in early September 2016. A positive dialogue has been ongoing with both HMRC and HM Treasury in London. We seek to ensure that the regulations will satisfy HMRC's requirements with respect to  
155 imported pensions and HM Treasury, as we look to introduce greater flexibility for capital withdrawals for imported pensions, in a similar manner to those introduced within the UK in April 2015. The new regulations will both widen and enhance the existing regulatory framework and will also permit greater use of contract-based pension schemes including, for the first time, the use of protected cell companies for pensions.

160 In Funds, Mr Speaker, we have continued to work closely with GFIA in all of our efforts to develop our product range and market the Gibraltar proposition. I am most grateful to them for their commitment and assistance in supporting our efforts.

We have worked on a number of significant initiatives in terms of our business development, including our Gibraltar day events in Zurich, Geneva, Singapore, Hong Kong and of course  
165 London. We will continue with these efforts and are in regular contact with GFIA to understand and agree their priorities.

I must also mention the Gibraltar Stock Exchange, which continues to go from strength to strength, and is a catalyst for the further development of this important sector. I understand significant new business will be undertaken by GSX in the coming months and I look forward to  
170 reporting further on these.

Our acceptance to Moneyval, which will be carrying out their evaluation of Gibraltar in 2018, is a further example of our commitment to meeting and complying with international standards. I am grateful to both the public and private sectors for their work in preparing for this evaluation, as well of course, as to David Parody for driving this project forward. We are  
175 finalising our arrangements for the Central Registry of beneficial ownership which has been delayed as a result of the changes proposed to its operation by the UK and the five EU countries that are driving the new pilot scheme. I would expect the registry to be operational by the end of the year, in advance of the June 2017 required date.

Mr Speaker, before turning to Gaming, I must thank Mr Jimmy Tipping, our Chief Executive, and his fantastic team at Gibraltar Finance for the superb work done this last year. It has been a  
180 busy year and I fully expect this coming year to be at least as busy as last. Jimmy is a consummate professional, always calm but always a step ahead of the issue in hand; and, of course, a pleasure to work with.

I must also thank the Finance Centre Council and participating associations for their continual support and interaction which, as they know, I greatly welcome and value. I look forward to  
185 working further with them in the coming year.

Mr Speaker, in Gaming, Gibraltar's continued success in the development and delivery of remote gambling is something we remain very proud of. It is an industry characterised by higher

190 levels of change and uncertainty than many others. The industry has faced strong headwinds in the last four or five years with numerous new national licensing regimes, new regulations and additional taxation by other states rapidly becoming the new norm. Nevertheless, the industry has continued to grow and deepen its roots here in Gibraltar. I can only pay tribute to the owners, managers and employees of our licensees who have shown such resilience and commitment to Gibraltar.

195 Likewise, Phill Brear, our hugely experienced and internationally respected Gambling Commissioner, and his staff, work incredibly hard to support our licensees and ensure operators of the right calibre are aware that we are keen to have them licensed and located here in Gibraltar. I cannot underestimate the importance of Mr Brear's work in these areas and I am delighted to acknowledge and thank him for his knowledge and expertise in everything he does for us. I fully understand and appreciate how fortunate we are to have him.

200 It remains the case that at any one time a series of discussions are taking place between my staff and a handful of parties interested in being licensed in Gibraltar. As an aside I would say, Mr Speaker, that only this morning I received an email from one such prospect. The list is not endless and it is getting shorter, but it was never the intention of the Government to open the floodgates and we do not intend to do so now. Quality will always prevail over quantity.

205 The year April 2015 to March 2016 has seen the addition of three new licensees. These have, in part, cancelled out the five licences lost or consolidated through the international trend of mergers and acquisitions in the industry. That said, a further three licensees have been added since just April 2016, so the total number of licensees continues to grow – 31 as at 31st March, and 34 as at 31st May.

210 Busy as they are, Mr Speaker, the Gambling Division also incorporated the licensing of Gibraltar's slot machines and bookmaker premises into their offices this year. Members will know that land-based gambling offers of this type are commonplace throughout Europe and the rest of the world in different forms and, with their increased sophistication and value, it is important more than ever that all our land-based services meet the standards applied internationally.

215 Members will recall that last year the Government commissioned what proved to be a far more substantial review of the remote elements of the Gambling Act 2005, by four of Gibraltar's most experienced lawyers in this sector. I was very pleased to be able to circulate their report to the industry at the end of April 2016. I have recently written to the industry inviting them to meet on a one-to-one basis so that the Government can properly identify the industry's own views and expectations in this area and help us to develop a comprehensive framework for a full revision of the 2005 Act into 2017.

220 I need not emphasise the importance of finding the right balance for the legislation as it underpins the licensing and regulation of this industry in an ever-changing global licensing and regulatory environment, with equally fast-moving technology, organisational and ownership changes. It remains our ambition that legislation that has served us so well for the last 10 years is replaced by legislation that is equally, if not more, effective in supporting this sector through future decades.

225 Mr Speaker, as I informed Members last year, it remains the case that the GBGA's judicial review challenge to the UK's point of consumption tax is yet to be concluded. The case has been referred to the European Court of Justice and the Court's own processes have been initiated and may soon come to fruition. It goes without saying that, until this key issue is determined, it is not practical for the Government to proceed with its own plans to review the current regime for gaming fees, charges, duties and taxes.

230 Whilst we remain totally committed to the highest standards of consumer protection, the industry cannot compete and thrive if every jurisdiction it touches treats it as some form of cash cow. The Government hopes to be able to constructively address this matter at least in parallel to the wider review of the legislation and complete it before the end of this financial year.



240 In terms of Government receipts from this industry, I am pleased to report to this House that the annual licensing charges paid by the gambling industry increased in the last financial year. Similarly, employment in the industry grew by 227 posts to 3,252. So, in licensing charges, in PAYE, in corporate tax and in numbers employed every single one of these have increased from the previous record year that we enjoyed and reported in last year's Budget session.

245 The Government's relationship and engagement with the industry remains very positive and I have taken steps this year to meet with many of the executives and leaders of the industry to gain their direct feedback on their arrangements in Gibraltar; and, while there is more of course to do, this is always positive.

To end on Gaming, Mr Speaker, although legislation and taxation in the sector are under review, it goes without saying that this Government remains committed to securing a strong and stable future for both the remote gambling and land-based gambling sectors in Gibraltar. The industry is strong and stable in Gibraltar and is supported by an excellent team of people and staff here.

255 My thanks to Mr Phill Brear and his team, and to Lorraine Britto and her team at the Gambling Division for the great work they do. At the KPMG e-gaming summit held in April of this year, over 60% of those attending cited the Government support and regulatory framework as one of the major reasons for being here in Gibraltar. I thank them for their superb work throughout the year in delivering that for us.

260 Mr Speaker, since the Liaison Department was set up it has been providing valuable service and assistance across the private sector. It operates like a problem-solving hub providing invaluable customer service to the Finance Centre and Gaming sector. Close interaction with other Government Departments is vital for the process to operate efficiently and effectively, and will become even more so as we press to make doing business in Gibraltar even more easy and even more attractive. My thanks to Lizanne and Tania for their support to the private sector, a service which I know they most appreciate.

270 Mr Speaker, turning to Gibraltar Maritime Administration: I am pleased to announce that in 2016 the Gibraltar Ship Registry, managed ably by the Gibraltar Maritime Administrator, Richard Montado and his team, achieved 'White List' status for the very first time and our registry is now considered one of the top 20 in the world. The results have been published in the annual International Chamber of Shipping's Flag State Performance Table for 2015-2016.

275 The registry rates highly in the ICS performance table, with positive performance indicators in every aspect. Gibraltar also ranks highly in its overall technical performance levels by the Paris MOU and the Tokyo MOU ports and is recognised as a quality register by the US Coastguard in their USCG Qualship 21 system, a target scheme used by the US Coastguard to identify poor-quality vessels.

280 In addition to the improvement in quality, Mr Speaker, the overall Gibraltar fleet has increased slightly this year. Increased competition from our traditional strong markets such as Germany and Norway has resulted in a number of ship owners returning to their home flags. The GMA is now diversifying its marketing base by looking at markets in southern Europe, such as Greece and Italy.

I am also pleased to announce that we are reviewing our 'product' at the registry by doing a jurisdictional comparison and identifying areas where we may adapt and improve the registry; as well as its service levels and availability in different and important time zones.

285 Mr Speaker, on completion of the magnificent small boats marina, many Gibraltarians have taken the opportunity to buy a pleasure boat. There are now 700 six to eight metre-long berths available here in Gibraltar. The Yacht Registry is in its final stages of consultation for a completely new registration type for local boat owners. The new Small Ship Registry should be ready for introduction by the end of this month and this service will allow Gibraltar residents to register and operate small boats and jet skis outside Gibraltar waters. Complementing the local 'Red Book' licence, this new 'Blue Book' has no restrictions for berthing allocations in Gibraltar. I

must highlight that insurance cover and appropriate qualifications will be prerequisites for registration.

I mentioned last year that the GMA is the central authority for maritime training in Gibraltar and is co-ordinating with the Gibraltar Port Authority and Ministry for Economic Development to establish a maritime training programme for young persons, with the financial support of the local bunkering companies. It is absolutely critical to bring young Gibraltarians into this industry. By the end of this year, we will have a number of maritime courses available both in Gibraltar and abroad.

Mr Speaker, I now turn to the commercial aspects of the Port of Gibraltar. In spite of the direct and residual effects of the recent economic crisis and increasing competition in the region, the GPA reported growth in both the total number of ships calling at Gibraltar for bunkers and in the quantity of fuel delivered in 2015. This upward trend was reflected more widely with an increase in the number of cruise liners up by over 13%, and superyachts calling at Gibraltar up by over 60%.

Mr Speaker, the maritime industry is still fighting its way back from the global recession. There is a general downturn in maritime trade, with ship owners constantly trying to cut running costs. This, of course, has an impact on the number of vessels transiting the Strait. Despite these challenging conditions I am pleased to report that general activity in Gibraltar remains stable, with bunkering volumes pretty much in line with expectations for the year. Initiatives to increase activity will continue and I expect to report more favourably in the next session.

I am also pleased to report that, since my last Budget speech, the initiatives introduced to promote the Port of Gibraltar have started to bear fruit, with Gibraltar hosting the International Bunker Industry Association – or IBIA, as it is known – Annual Convention in Gibraltar for the first time ever, later this year.

The Port Authority is now also represented on the board of IBIA, with the recent election of Commodore Bob Sanguinetti as a board member. This gives Gibraltar an important and well-respected platform from which to raise our profile globally and allow us to promote the port at the top echelons of the bunkering world.

Mr Speaker, the GPA has continued with its targeted marketing campaign based on direct engagement. I recently visited Singapore to meet some of the biggest ship owners and managers in the world. This was followed with a visit to Hong Kong, in conjunction with our Hong Kong office, to build on the relationships established when my hon. colleague, the Hon. Neil Costa, last visited in late 2014. I am convinced that these efforts are crucial in keeping Gibraltar at the forefront of ship owners' and operators' minds, and I must thank those members of our shipping community who joined us in selling Gibraltar PLC in Asia earlier this year.

Mr Speaker, with the opening of the Government's spectacular small boats marina comes the opportunity to provide an additional 500 metres of berthing space for superyachts. Whilst early days, it is very encouraging to report that the GPA is receiving much interest from superyacht masters, who are not just considering Gibraltar as a bunkering port but, rather, as a longer stop where crew can enjoy the full range of facilities that we have here. Members will know that we currently have the enormous *Le Grand Bleu* berthed here this week.

The Government's plan for land-based storage is also underway with a number of very exciting expressions of interest being considered. These will offer Government the opportunity to carry out a wider review of the Port Estate including its facilities, which has not happened in many years. The GPA is working on its Port Vision 2025 as part of the Government's wider initiative to take a long term view of the port.

I must thank Bob Sanguinetti and his team for the superb work he and his team have done over the years. None of these very positive results could have been achieved without the excellent relationship between the GPA and the Gibraltar port operators and service providers. I look forward to continuing to work with them all in the coming year.

Before I move on to my closing part, I would like to thank the entire team in my office under the direction of Julian Baldachino and my secretary Lourdes, who are always there for me

providing a professional service, and always supporting the work we do quietly and without fuss. I must also mention and thank Sylvana who has recently retired; I wish her a long and happy retirement. They are all a credit to the Civil Service and I am most grateful to each and every one of them.

I must also thank Vi and her team at the Lotteries section who fight on with delivering a lottery in difficult circumstances, which we are looking to reform and improve for the benefit of them all.

Mr Speaker, I referred at the outset of my address to what measures we were looking to take, particularly in the areas of Financial Services and Gaming in light of the vote of 23rd June.

In conclusion, I would like to inform this House of the measures that we will adopt in the coming weeks and months in Financial Services and Gaming to best prepare to meet the challenges that lie ahead.

As I have already said in this House it is indeed very much 'business as usual' but that, of course, does not mean that we will stand still; on the contrary, we will work harder than ever before to preserve the business that we enjoy today and work to seek out the opportunities that the ever-changing landscape makes available to us. What is clear is that whatever changes may come, they will not arrive until 2019 at the earliest and therefore we need not panic, but focus and be best prepared and placed for whatever change comes our way.

We are already reviewing our processes to ensure that the path for new business is as smooth and efficient as is possible. We have made some progress in this regard but there is more to come.

In Gaming we have already, since the vote, communicated with all our operators in Gibraltar and, of course, with the GBGA. We have informed them that the review of the Gambling Act, announced earlier this year following the proposals of the four Peters, will be extended to analyse and assess the risk of Brexit to our operators and to identify the areas and issues that we, as a jurisdiction, are able to deal with that will maintain our position as the premier online gaming jurisdiction. This will cover and touch many areas, including arrangements with the UK and other markets with whom we may build direct relationships. We will work with the four Peters in these areas as well as, of course, with each of our operators.

The gaming community is fully aware of the absolute commitment of this Government to tackle the issues they have and to meet the challenges faced together in the months and years ahead. I am convinced that we have the knowledge, expertise and will to make this happen.

In Financial Services, Mr Speaker, we have been in contact with the Finance Centre Council and with a number of the major players in our Insurance community, as well as with most of the investment managers, at a face-to-face meeting last Friday morning. It is clear that the UK market is critical and that access to the single market is an important part of some of these businesses.

We will shortly be setting up small working groups with professionals in each of the areas of the sector to assist us in determining the risks arising from this uncertainty; and to prepare a route map for the opportunities that any change to our existing arrangements – if they occur – may present. We will also review our existing product lines and examine new possibilities, as well as review our business plans moving forward.

Uncertainty, Mr Speaker, is bad for business and we must therefore work to deal with these on a step-by-step basis. As I have already mentioned in this House, we have two new insurance licence applications since 23rd June before the Financial Services Commission, and I am reliably informed there are more to come across a number of different areas – which is, indeed, welcome news. These include new lines of business which are exciting and innovative.

At this time our regulator will pull out all the stops to ensure we are efficient and business-friendly in assisting new applicants through the authorisation process. We will work to get better at what we do across all areas of these sectors. I would like to thank, in advance, the professionals who will form part of these groups to assist us in ensuring we are best placed for the future.

395 In political terms, there is no doubt that the first priority must be to confirm unequivocally our relationship with the United Kingdom enabling our business community to continue to work in and out of the UK irrespective of the EU relationship. This is critical to our private sector and noted by this Government.

400 We must also insist and ensure that whatever arrangements the United Kingdom negotiates for itself must similarly apply to Gibraltar. As the Chief Minister has already said, we are considering and working on *all* of the options available to us including short, medium and long term. This is what responsible government is all about and, in that respect, we shall not be found wanting. The Chief Minister is working with Her Majesty's Government at the highest levels to secure these arrangements and progress is already being made.

405 Finally, Mr Speaker, last year saw the continued growth and importance to our community both in the Financial Services and in our Gaming sectors. They both again surpassed their expectations in every respect. We now face new and unknown challenges and, with the sense and determination that we all have, we will again rise to the challenge and the opportunities that will come before us.

410 It is not within our gift to predict what will happen, but it certainly is to prepare – and that is exactly what we intend to do.

Thank you, Mr Speaker. (*Banging on desks*)

**Mr Speaker:** The Hon. Neil Costa.

415 **Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, as always, it is with great pleasure that I deliver my Budget address in this House. This speech marks my ninth Budget contribution as a Member of Parliament, and my fifth as a Government Minister. It is, Mr Speaker, my second Budget address as Minister with responsibilities for Business, Employment, 420 Postal Services and the Department of Social Security.

During the course of my contribution, I will report on the projects undertaken over the past financial year and I will set out my Ministry's objectives for this financial year.

425 With your indulgence Mr Speaker, I will start with my Social Security responsibilities: Mr Speaker, as this House will know, prior to 31st December 1984, married women, whose husbands were paying social insurance contributions, and widows who were in employment or self-employment, had a choice of paying either the reduced married women rate of contribution, or, the full rate of social insurance contribution. This option is no longer available, but continues to apply to existing contributors on a personal-to-holder basis. Married women who opted to pay this reduced social insurance contribution were not entitled to claim old age 430 pension in their own right on attaining the age of 60. They could only claim an old age pension, at the dependant's allowance rate, based on their husband's insurance record, once the husband reached the age of 65. As the House will also know, the dependant's allowance is paid at half the rate payable to the husband.

435 With effect from April of this year, the Government introduced legislation to allow married women who paid, or are paying, the reduced social insurance contribution, or women who have not paid contributions as self-employed persons, to make retrospective payments of the difference between the reduced social insurance and the full social insurance contribution. If the minimum contribution conditions for pension purposes are met, they will be entitled to a pension in their own right when they reach the age of 60 or enhance their existing pension rate. 440 Mr Speaker, I would like to stress that this opportunity will be available until 31st March of next year.

Mr Speaker, as this House has been informed, the entire process of awarding Disability Allowance was reformed with effect from July of last year. The Department of Social Security, which administers this allowance, was finding it increasingly difficult to consider the applications 445 received in a just and equitable manner, based on the brief guidelines available, and in the absence of professional medical advice. With this in mind, the former Director of Social Security

and I took the initiative of overhauling the Disability Allowance Arrangements and introducing a new set of eligibility criteria together with an entirely new assessment process. In this respect, the Disability Allowance is no longer awarded on the basis of a particular health condition or impairment, but on the impact that such a condition has on the everyday life of the persons or his or her carer.

An assessment panel made up of health professionals from a range of different health disciplines, including a physician, a psychologist, a physiotherapist and an occupational therapist, bringing together diverse expertise and skills, was set up to assess Disability Allowance applications. As a consequence, entitlement to the allowance is now determined in a new, fairer and objective assessment of an individual's needs based on professional medical advice. Panel members may request further assessment from relevant professionals or further medical information to help them in their assessment.

The ultimate decision, however, rests with the Director, who will make a determination on the award based on the panel's professional recommendation and taking into account all relevant circumstances. If an applicant appeals a decision, the assessment panel composed of different members will convene and reassess the application. The procedure will ensure that the second assessment is considered afresh. As a result, those individuals whose health condition or impairment has the greatest impact on their day-to-day lives and require the most support, are fully caught by our reforms.

Mr Speaker, we have worked towards achieving a system that will assess individual needs, ensure consistency of decision-making and make the whole process fair and objective. It gives me great satisfaction to say that nearly a year after the inception of the new arrangement, all historical applications have been assessed and all current applications are being addressed in a timely manner. In this respect, I wish to place on the record my sincere thanks to the hard working professionals who volunteer of their time to fulfil this important endeavour.

Mr Speaker, the House is aware that Gibraltar Old Age Pensions and Survivors' Benefits were increased by 1.6% with effect from 1st August of last year. In previous years, pensions were increased in line with the annual increase in General Index of Retail Prices. Last year, however, the increase was only a mere 0.1%, and, for this reason, it was decided to apply the same increase as in the previous year. Furthermore, the Minimum Income Guarantee was also increased by 1.6%. Mr Speaker, as the Hon. the Chief Minister announced in his budget address, Old Age Pension will increase by the Retail Price Index, with effect from 1st August.

Further, Mr Speaker, last year it was announced that Maternity Grant would increase from £600 to £700 for births that occurred after 1st August 2015. I know that this increase has been very welcome indeed by all parents enjoying a new addition to the family.

Mr Speaker, I now turn to my responsibilities for The Royal Gibraltar Post Office (RGPO): On 1st January, the RGPO launched the UN Universal Postal Union Customs Declaration Kiosk System (CDS) on its webpage to meet the new security requirements for mail items entering the EU. Effective from 1st May, the EU makes the provision of Advance Electronic Information (AEI) mandatory for postal items entering the EU.

Customers sending international mail will no longer have to rely on their own hand-writing being correctly interpreted, or, on a single hardcopy of their customs declaration label safely reaching its destination. They can now use the Customs Declaration Kiosk System to provide their customs declaration data, in a quick and accurate manner, while maintaining full control of their declaration.

At destination, Mr Speaker, the availability of this declaration data allows customs to prepare risk assessments in advance, enabling nimble inbound customs process. Currently, the Customs Declaration Kiosk System makes use of the system's unique postal lookup engine, to suggest tariff-codes for the goods being sent abroad. In the short term, the Kiosk will include warnings on prohibitions and restrictions, as well as postal address validation.

Mr Speaker, it is therefore gratifying that I quote from the *PostEurop News* saying:

The Royal Gibraltar Post Office is one of the postal operators spearheading this revolution, having already integrated the CDS Kiosk on their website. At points of lodging, dedicated customer facing kiosks are being rolled out to enforce the declaration data capture of all international mail items.

Further Mr Speaker, the United Nations Conference on Trade and Development has signed a Memorandum of Understanding with the UN Universal Postal Union to facilitate in the area relating to the interface between Customs Declaration and HM Customs' ASYCUDA, where the RGPO is the pilot country.

Given the increasingly sensitive aviation safety and security issues facing the global postal network, and in recognition of the Royal Gibraltar Post Office leading in the area on dangerous goods awareness, the RGPO is the cover story in the UN Universal Postal Union Postale Publication, yet again giving Gibraltar very positive global exposure.

Further, Mr Speaker, I am also pleased to inform this House, that due to the success of the Post & Go Kiosks, the Gibraltar House Kiosk in London has been to the World Stamp Show in New York to launch its new Macaque stamp. The RGPO kiosk was also on the front cover of the special edition of the *Intelligent AR* magazine. It is important to note that since the installation of these kiosks at Gibraltar House in London and the premises of the RGPO, almost £40,000 of revenue has been raised.

Mr Speaker, another area where the RGPO has taken centre stage, is in improving quality measurement between two countries. The RGPO setup a trial of different Radio Frequency Identification (RFID) transponders to give 100% visibility of mail bags arriving in the UK. The trial was a great success and created a demand for the RGPO to share their best practice. The CEO of the RGPO has presented to three different UN Universal Postal Union committees, with other countries, like the Netherlands, that want to carry out a data exchange with Gibraltar. The RGPO has now introduced RFID readers in the cargo shed at the Gibraltar Airport and is now the only country to place passive RFID in all of its mailbags.

Mr Speaker, during this summer, the RGPO should introduce the latest postal track and trace system, called IPS.POST, to meet its mandatory obligations for data exchange. IPS.POST is an application for handling international mail. The IPS.POST application will allow postal organisations to store and exchange data related to the mail handling process.

IPS.POST records information about the mail events that happen to an item during each step of the international mail handling process. The RGPO can use the IPS.POST system to identify each mail event, that is to say, the specific steps of the mail handling process as defined in international postal regulations that happens to an item from the time it is received from the customer, until it is delivered.

Furthermore, Mr Speaker, it is with great satisfaction that I can confirm that additional cargo space was secured with Monarch Airlines from Monday 6th July of last year. This has meant that backlog of mail is reduced and is delivered to the recipient sooner. The collaboration was the direct result of a meeting held between the Chief Executive Officer of the Royal Gibraltar Post Office, the Monarch Airlines cargo services and myself.

I am sure that hon. Members opposite had no idea that postal work could be quite so exciting. *(Laughter)*

Mr Speaker, I now turn to my responsibilities for Commercial Affairs, and before I turn to the tremendous work that the Government has achieved in reducing the costs of doing business, let me ask the Hon. Mr Clinton to take good note of all of the matters that I will highlight. Mr Speaker, his contribution on small businesses, if measured by its length, could politely be described as superficial or perhaps perfunctory. In all Mr Speaker, seven paragraphs, the longest of which, was a cut and paste from the Gibraltar Federation of Small Businesses (GFSB) survey in respect of which there is no analysis beyond repeating the concerns of some of its members. On the other hand, if the hon. Member's comments on small businesses were analysed frankly, for the quality of his analysis, then I must describe it as shocking, for its complete lack of knowledge on all of the work that this Government has carried out, not just in reducing the administrative

burden on businesses, but in revolutionising the way businesses are now licensed and in slashing business costs. I will have much more to say to Mr Clinton at the conclusion of my section on small businesses on the hon. Member's inexplicable neglect of his duties as a spokesperson on SMEs, evidenced, not least, by the absence of a single question by him at Question Time.

I start with the excellent and newly established Office of Fair Trading. Mr Speaker, I am delighted to confirm that in October of last year, the Office of Fair Trading, or the OFT as it is commonly known, opened its doors pursuant to the enactment of the Fair Trading Act. A lot of work continues to be devoted to this project and I am happy to say that Gibraltar now boasts a statutory regulator that caters exclusively to the needs of businesses and consumers.

As the House is aware, three pre-existing Government Departments merged to create the OFT: the Department of Consumer Affairs, the Trade Licensing Section and the Business Support Unit. The OFT is, in addition, responsible for the implementation of the new business licensing system and the establishment of the Single Point of Contact, which I will address shortly. The Office is dedicated to maintaining the highest business standards in Gibraltar and is already serving to bolster the confidence of entrepreneurs and consumers in our local market, which, I am confident, is resulting in a positive knock-on effect in our economy.

The OFT, Mr Speaker, is staffed by seasoned public servants who are experienced in consumer protection, licensing matters and providing support to businesses. Furthermore, the operation and management of the new Office is carried out by a legally qualified Chief Executive Officer who brings to the administration of public services his own experience of working in the private sector. The staff at the OFT have, since before the Office was formally established in October, developed a very productive working relationship with other Government Departments, not least the Income Tax Office, the Department of Employment, HM Customs and non-Governmental bodies such as Companies House. In this respect, Mr Speaker, written protocols are already in place with the Income Tax Office, the Port Authority and the Department of Employment, to ensure the highest level of practical cooperation. In addition, the OFT has, in conjunction with HM Customs, created a new Approved Goods List that categorises all goods that are traded in Gibraltar into a simple, easy to use and informative list. Further, the OFT's staff's experience and contacts are proving invaluable to the one-stop-shop service that the Office offers to start-up businesses. The OFT continues to work towards even greater cooperation with other bodies for the continued improvement of its services.

Mr Speaker, the OFT and my Ministry are involved in a substantially progressed consultation with the Chamber of Commerce and the Gibraltar Federation of Small Businesses to deliver some changes to the Fair Trading Act, which we mutually agree are desirable. In this respect Mr Speaker, I will be in a position to publish an amending Bill in the last quarter of this year that I am certain will iron out the small creases that we have witnessed in the first eight months since the commencement of the Act.

Mr Speaker, under the Fair Trading Act, new guidance codes have been set for tourism service providers, real estate service providers and for businesses handling client monies in Gibraltar. The codes set out industry best practice guidelines and non-compliance will be investigated, and where necessary appropriate action taken, by the OFT. These codes of conduct are, among other matters, concerned with the protection of deposit monies that are paid by consumers, which in our view, require specific protection. Businesses handling client monies or holding financial deposits are required to provide evidence of a separate client account to the OFT. I hope that Mr Clinton has taken note.

Mr Speaker, one of the most exciting changes is the establishment of the OFT's Single Point of Contact, whose aim is to ease the administrative burden of establishing a business in Gibraltar. Mr Speaker, budding businesspersons are no longer obliged to navigate the labyrinthine administrative morass to start up a business, or to keep their business licence extant. It goes without saying, Mr Speaker, that speed to market is essential, and it is important that administrative procedures do not get in the way of entrepreneurialism and innovation.

The Office of Fair Trading assists in focussing new business applications to the right Government Departments by the Office itself, speedily and from one single venue. Entrepreneurs may visit the OFT's conveniently located office at Europort and receive guidance to complete their registration and licensing processes. The team will then distribute all these forms as necessary to the other Departments. In other words, Mr Speaker, whereas before, and certainly during the time that the GSD were in Government, which Mr Clinton now represents in this House, a person would have to attend every relevant Government office necessary to obtain a business licence, such as the Environmental Agency, the Town Planning Department, the Employment Service and the Department of Social Security, among others. Today, that same person only needs to attend one office, the OFT, is assisted by an experienced official in filling the forms and that same official distributes the forms to the Departments and completes the process with the client, so the businessperson who previously had to navigate his or her way through Gibraltar and all of those Government Departments, now only deals in one office with one person.

The call by the business community for a single counter service, ignored for over 16 years, has finally been answered and allows entrepreneurs to concentrate on what they do best, Mr Speaker: run a successful business.

And further, Mr Speaker, in the same way as businesses are called to innovate and provide wide-reaching methods of doing business remotely, we as an administration, are also committed to providing the ability to businesses to deal with Government Departments easily and efficiently online. Businesses are therefore now able to complete and submit the forms required for business licensing online via the eGovernment website. Furthermore, downloadable versions of all the relevant forms for each of the Government Departments are also available on the OFT's website.

Mr Speaker, as I noted some moments ago, the commencement of the OFT saw the absorption of the Department of Consumer Affairs, which has become the OFT's Consumer Protection section. While the team members themselves have not changed, the nature of the work carried out by the team has shifted from a mediatory role to a regulatory one. The ultimate aim of the Consumer Protection division is to prevent harm to consumers. The Act has given the OFT much needed teeth by the creation of Consumer Protection Enforcers to ensure that all businesses comply with this legislation. CP Enforcers can visit local traders to review their business practices, inspect weighing and measuring equipment used for trade and check business licences to ensure they are in place and up to date. Consumer Protection officers are also empowered to monitor and check advertisements for accuracy, inspect and test goods for safety, ensure that no person is selling goods to consumers without a licence and investigate business practices that the OFT may consider to be significantly harmful to consumers. The members of the team have undergone training from the Chartered Trading Standards Institute earlier this year which, with previous training from the Royal Gibraltar Police, ensures best practice methods and procedures when using their enforcement powers.

Mr Speaker, I now turn to Business Licensing, previously known as Trade Licensing. In accordance with the Fair Trading Act, the functions of the Trade Licensing Authority have been transferred and subsumed within the remit of the OFT and are undertaken by the Business Licensing Authority (BLA).

The new licencing system created by the Act now requires that all businesses in Gibraltar that are not regulated by another enactment are licenced. This, Mr Speaker, clears the irrational differentiation in law between the requirements of businesses to trade in goods and those that provide services.

The introduction of the BLA has also marked a significant increase in due diligence checks at the time of applying for a business licence to ensure that, among other things, all applicants carrying on business do so from adequate premises and are properly registered and up to date at Companies House.



Mr Speaker, it is well worth remembering that the Act contains a statutory presumption in favour of carrying on business in Gibraltar, subject to obtaining the licence. As a result, the new statutory system allows the BLA secretariat to consider and approve straight forward applications, allowing the BLA board to consider complex applications. All decisions taken by the secretariat are communicated to the BLA and are based on precedents previously established by the board. This has the effect of dramatically improving the speed in which applications are processed. Where all documents are received, and the applications do not need to be referred to the board, applications are processed within three working days, Mr Speaker, quite sharp, I would say.

Crucially, the BLA has the ability to deploy the OFT's CP Enforcers to investigate businesses that it suspects are not in possession of a valid business licence. Another significant change that improves the efficiency of the business licensing process is that the BLA is now required, by statute, to meet fortnightly rather than monthly.

Mr Speaker, I now turn to my responsibilities for small and medium sized businesses. As I never tire of saying, small businesses are the lifeblood of our economy, and the Government must enable the right conditions for businesses to flourish. It is significant to note, that collectively, small and medium sized businesses are Gibraltar's biggest employer. It therefore gives me great satisfaction, Mr Speaker, to set out the many budgetary measures that the Government introduced to buttress the right legal, regulatory, economic and fiscal conditions for success.

Mr Speaker, let me highlight some of the main measures: the Government has, in the first place, maintained energy prices at the same rates since 2011, with a promise not to increase the same for an additional four years. Mr Speaker, I should remind this House that the previous administration admitted, that had it proceeded with the Lathbury Barracks power plant, utility costs would have increased by 5% an annum. This therefore already represents a saving for small business of 20% over four years. Further still, in addition to this 20% saving, we need to add the 5.65% discount over the last four financial years representing inflation over that period. So, in total so far a saving of 25.65%. Even further still, Mr Speaker, this does not take into account the important amount by which the Government subsidises the costs of electricity. It is important therefore for the business community to reflect on the effect on their business costs if the Government were to remove such a subsidy.

Secondly, we have not increased social insurance contributions in four, nay, five financial years, Mr Speaker. Rather, Government has abolished employer's contributions in respect of an employee's secondary employment, subject to the full contribution having been paid once in Gibraltar. As the Hon. the Chief Minister has noted, we will need to consider developments in UK arising from the Brexit vote and we may have to review the position in later on in the year.

Thirdly, we have undertaken import duty reductions on the widest range of goods. This year has been no different, Mr Speaker, and there have been even further import duty reductions on 12 items. Our anecdotal evidence, however, firmly suggests that, regrettably, some traders are not passing such savings to consumers.

Fourthly, we have provided discounts for early repayment of rates of 65% for businesses in the first year of trading for new set-up companies. For those new companies that had already received a 50% general rates discount in their first year of trading since the scheme was introduced, they were given a 25% discount in the second year of trading.

Fifth, Mr Speaker, we have increased the discount for early payment of rates from 10% to 15% for offices, workshops, construction and manufacturing industries, transport and distribution industries. This discount will, of course, continue once again in this financial year.

We have allowed companies, partnerships and self-employed individuals to claim 100% of its eligible Capital Allowance in the first year of trade in order to further incentivise new businesses to set up in what the Economist has called 'our tiger-like economy' and generate further economic activity. (A Member: Hear, hear.)

Further still, following proposals from ATCOM, in order to incentivise training in the workplace, allowed training costs as an expense against profits of a business or company at the rate of 150%. Mr Speaker, that means that a company that invests £1,000 in training its employees with a view to them obtaining an accredited qualification, will now be able to claim £1,500 as a deduction against profit for the accounting period in the tax computation.

Even further still, we have raised the audit threshold, that is to say, the level of turnover beyond which audited accounts are required, from £1,000,000 to £1,250,000 – a measure that did not go down very well with my girlfriend, as a qualified accountant.

On the ninth point, Mr Speaker, in order to assist small scale start-ups, introduced a capped 200% credit 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 property in the first 24 months of operation.

Further still, to further encourage and assist small businesses and start-up companies, we introduced a Social Insurance Credit of £100 per employee in respect of Employers' Contribution for companies who have 10 or less employees; and, as an 11th budget busting measure for small businesses, Mr Speaker, an additional start up incentive scheme was announced this year by the Hon. the Chief Minister. Any company that sets up in Gibraltar over the next 12 months and meets various conditions, amongst others, that it must be a new business, must employ five employees in the first year and that the business is not a transfer of a business previously existing, or one that is used as a transfer pricing mechanism to allocate profits from a business previously existing is eligible for the scheme. And the excellent incentive, Mr Speaker, is that over the first three financial years of trading, the business, which can be a company, or a limited partnership, will be eligible for a tax credit equal to the tax due up to a maximum of £50,000 over each of the first three years. The tax credit does not carry forward from one year to the next and is not eligible for repayment. Therefore, Mr Speaker, the incentive acts as a mechanism to shelter a liability to tax, up to the maximum of tax equivalent to £50,000 per annum, effectively sheltering half a million pounds of profits every year.

Mr Speaker, in the light of all the measures I have just mentioned, the Business Support Unit has carried out an internal exercise to determine how all these measures have affected businesses in Gibraltar. I am very grateful to the two businesses in Main Street and the one just outside Main Street, which helped us in this task. In essence, Mr Speaker, we factored into our financial comparison analysis, the costs in relation to social insurance, the minimum wage, electricity and water, salt water and rates, licence fees and import duty since this administration was elected and compared and contrasted the cost of doing business over the last five years over the average cost of doing business, when the hon. Members opposite were in Government. Mr Speaker, the forensic analysis determined that in five years, the Main Street businesses have made a saving of just over £17,000 and £18,000 respectively, and the business just outside Main Street made a saving of nearly £9,000. It is therefore estimated that with this administration, the businesses that participated in our exercise had saved, on average, approximately a staggering £3,500 every year and the business just outside Main Street made a saving of just over £1,700. Mr Speaker, by any objective measure and analysis, keeping the costs of businesses is well and truly down under this business friendly administration. **(A Member: Hear, hear.)** *(Banging on desks)*

Mr Speaker, yet another measure which continues to be of great benefit to businesses is the Gibraltar Business Nurturing Scheme, or GBNS, that was introduced last year. It may be useful, Mr Speaker, to quickly explain the logistics of the process for Mr Clinton and for those who may be interested in applying. The application process for these loans sees applicants complete a simple form. The applications are 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 evaluates the application against set criteria, ranging from evidence of demand, innovation, sustainability, value for money, the safeguarding, and

creation of jobs, environmental and health impact, e-commerce, urban renewal and touristic value. Applications are 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. As always Mr Speaker, I am happy to accept 100% of the Committee's recommendations.

As we all know, Mr Speaker, seed capital is an essential part of starting a business or accelerating an existing business. The GBNS has eased the financial burden on aspiring entrepreneurs who may have had an exciting business idea but lacked the funds to proceed. The GBNS has also assisted existing businesses that required an injection of capital in order to expand or diversify their business. The GBNS has proved to be a popular mechanism, with 19 applications received in the last financial year and seven successful applications approved. The GBNS has received a second batch of 17 applications, which the Committee is currently processing.

The availability, Mr Speaker, of sound and repayable finance is not just vital to grow our economy, but is equally important in creating employment opportunities, generating Government revenue, fostering technological innovation and expanding the range of goods and services enjoyed by consumers – what economists call a 'virtuous economic cycle'.

Mr Speaker, as I have just highlighted, over the past four years and indeed in this financial year, the Government has already introduced a series of budgetary measures to assist and encourage start-ups. In this financial year, we will start work with the GFSB and the Gibraltar Chamber of Commerce to consider the elements of an incubator scheme for start-ups, where start-ups can be nurtured for the first year of their existence. This will be particularly useful for start-ups in the software and technology industries which we will seek to further nurture, and I am personally thrilled to pursue this particular project.

Mr Speaker, I must also mention that the Business Support Unit (BSU) last year organised 16 seminars which became very popular and covered a whole range of topics aimed at providing the local business community with guidance and support. The BSU is currently in the process of preparing a new programme for this year, which I very much look forward to the launch.

Mr Speaker, therefore, there is no question that in the past four and a half years we have worked extremely closely with representatives of the local business community – who I am happy to consider as friends – and that we have heard and moved on their representations and helped, where possible, with individual concerns and cases. Government will of course continue to listen to the business community and move swiftly to tackle any issues that may arise. We will continue to engage in meaningful dialogue with the GFSB, the Gibraltar Chamber of Commerce, and individual traders.

Further, Mr Speaker, in the light of the UK referendum result, and in keeping with the Hon. the Chief Minister's pledge to set up various working groups, I will invite the Chamber of Commerce, the GFSB and other stakeholders to analyse the possible consequences of Gibraltar leaving the EU – of which I will say more a little later – and devise different models depending on the various outcomes.

It is in the light of this robust legal, regulatory, fiscal and economic architecture, that this Government has rolled out in its first mandate and which I have just set out in detail, that Mr Clinton's glib lip service to small businesses must be judged. Mr Speaker, such is the Hon. Mr Clinton's intimate knowledge of the concerns of businesses, that he referred to the Gibraltar Federation of Small Businesses throughout his 30 seconds on small businesses, as the 'GSFB'! In other words, the Gibraltar *Small* Federation of Businesses: not quite the same thing, Mr Speaker; not least given that the GFSB represents at least half of the business community that he pretends to care about.

Mr Speaker, I almost fell off my chair when he called the increase in business licences 'a stealth tax'! Mr Speaker, is he so disengaged with the public political process that he is unaware

that the FTA was the product of the fullest consultation with the Chamber and the GFSB over three entire years?

Does he care so little, Mr Speaker, about engaging with the representatives of small businesses that he was not aware that both the GFSB and the Chamber, in fact, agreed with the new licensing fees?

Mr Speaker, does he still think that increases of fees – which had not been increased since 1988 and agreed in a public consultation – is a rise by stealth?

Mr Speaker, I think it is fair to say that it has ranked in the course of this Budget debate as one of the most nonsensical statements uttered. **(A Member: Hear, hear.)** It was only fair, surely, to increase fees by inflation in the light of the enforcement powers contained in the FTA? Further, Mr Speaker, if he had bothered to ask at Question Time, I would have told him that moving forward all increases are in line with Retail Price increases.

Mr Speaker, I could say more; so, in fact, I will! *(Laughter)* The hon. Gentleman, in his contribution, does not even refer to any one of the excellent business measures that the Hon. the Chief Minister introduced – not one! Not even the very exciting start-up scheme.

Mr Speaker, in complete illogical defiance of the Law of Holes – which helpfully suggests to the hon. Gentleman to stop digging when already in a hole – he says that this Government is not transparent. Mr Speaker, I will urge the hon. Member to pick one – any one – of the Budget replies by the former Chief Minister ... Indeed, Mr Speaker, I will invite him to choose any one single question and answer session reflected in *Hansard* – any reply and any session will do – and, on considering any given one, he will come to the same conclusion as I: that there does not exist any currently accepted mathematical measurement that can fully measure the contrast between our huge level of transparency and theirs, when in office.

In the absence of such a qualitative measure, Mr Speaker, I have settled on the basic measure of ‘bucket load’, and I will tell him, without hesitation or reserve, that this Government is a bucket-load more transparent, a bucket-load more open, a bucket-load more accessible, a bucket-load more effective, a bucket-load more efficient and a bucket-load more considering and caring than the pernicious and poisonous style of politics that they discharged when in office. *(Banging on desks and interjection)*

Mr Speaker, I have to say that every time I come to this House prepared for what I think is quite a statesman-like Budget contribution, but they always have to say something that makes my blood boil and I feel that I must reply.

I have to say, Mr Speaker, it was that pernicious style of politics that motivated me to enter politics in the first place; to excise from the public political life and discourse for good and for better their style of politics, and, may I say, Mr Speaker, mission accomplished!

Mr Speaker, I now turn to my responsibilities for Employment, where, I am sure, all Hon. Members will agree, we have not stood still either.

Over the past year, the Department of Employment has been improving the quality of the services that it offers to its customers. The digitisation of forms – that support the Government’s objective to ease the administrative burden on businesses – which offers round the clock on-line functionality with virtual access to the Department, has been live since October of last year. The portal allows members of the public with an electronic identity card to complete and submit all necessary forms on-line.

In addition, I am very pleased to report that ERASMUS 15, a purpose-built program specifically designed to cater for Gibraltar’s particular labour market needs, is fully functional.

The program not only performs the basic tasks that are currently carried out by the present system, such as the registration of those in employment, the listing of the unemployed and other tasks. This uniquely tailored software also carries out operations that we were unable to perform with the previous program, such as matching unemployed persons to specific vacancies where certain qualifications or experience are required. The new software accomplishes this by cross-referencing and analysing key information such as qualifications, experience, skills and other requirements.

With the introduction of this program, Mr Speaker, along with the option to submit forms online, staff at the Employment Service will be able to operate more efficiently, allowing them to further assist the unemployed, or those in employment who are seeking different opportunities. In order to enhance the opportunity of those registered as unemployed, the Department will

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request all unemployed persons to submit their qualifications.

Mr Speaker, part and parcel of our strategy to keep unemployment down is the effective deployment of the Labour Inspectorate. The inspectors work hard in the field to ensure that all employers comply with employment legislation and that, among other things, vacancies are registered with the Employment Services in good time to allow us to choose suitable persons for

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companies to interview them. From April of last year to March 2016, the section carried out a total of 848 inspections and 38 fixed penalty notices and 37 breaches of the Act have been dealt with by regularising employees' positions.

In respect of the Health and Safety Inspectorate, I am pleased to report that the Principal Health and Safety Inspector position, which had been vacant since August 2006, has now been

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filled and the newly selected candidate is in post. A further two posts will now be advertised, bringing the complement of the Inspectorate to five. A new programme of inspections is being considered and meetings with contractors are taking place to ensure good working practices.

Mr Speaker, the House will also be aware that the Government is currently conducting a substantive review of the legal, regulatory and practical architecture relating to health and

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safety at the workplace. In this respect, it gives me great pleasure to say that the Government recently introduced a new health and safety policy specifically designed for Gibraltar as part of this ongoing, wholesale strategy to develop and strengthen health and safety procedures.

Here, too, Mr Speaker, the Government is breaking new ground by creating health and safety codes especially for Gibraltar, and the first policy establishes best industry practice guidelines that will be applicable, initially, to the public sector. Further, a new Health and Safety Advisory Council has been established, the composition of which has been decided under the newly introduced health and safety policy. The first meeting took place in May and the next meeting, Mr Speaker, is scheduled for September.

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Further still, the Department of Employment is proud to offer the services of an employment counsellor who is working side by side with the employment officers. The employment counsellor is a qualified therapeutic counsellor whose function is two-fold. The first objective is to guide all persons who register as unemployed with regard to qualifications or training required to increase their employment prospects; and, secondly, for the counsellor to visit the secondary schools and the Gibraltar College and make students aware of the fields or professions in which they are more likely to find employment in our labour market.

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The new structured programme is available to young persons between the ages of 14 to 19 in the form of workshops and one-to-one tuition on interview techniques, CV production and any other skills required by the unemployed that will assist them in gaining meaningful employment. The programme complements the services already offered by the Department of Education, which has a teacher in each of the secondary schools who offer career advice.

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The Employment Development Service is yet another strand of the Government's multi-track employment strategies which aim to find employment opportunities for those seeking employment.

Mr Speaker, in respect of the Industrial Tribunal reform, given that we will debate the merits of the Employment Amendment Bill, under which the Employment Tribunal reform will be ushered in later on this month, I will only say here that the consultation in respect of this crucial reform is now complete, that the Government is ready to proceed and that I very much look forward to its implementation.

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Mr Speaker, I now turn to the rate of employment in Gibraltar. Mr Speaker, before I am unfairly accused – as I was once by the Hon. Mr Phillips – that the Government is somehow playing with figures when citing our *magnificent* unemployment numbers, let me first take the House through the Employment Survey. In the first place, the Statistics' Office confirms – black

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on white, Mr Speaker – the fact of growth in employee jobs in our economy. The total number of employee jobs in Gibraltar increased by 1,722 to 26,144. This, Mr Speaker, is the highest number ever recorded and is a testament to the success of our economy. Mr Speaker, we can also boast the highest number ever of Gibraltarians in employment at 11,010.

Further, Mr Speaker, it was the private sector, not the public sector, that saw a growth by 1,629 to 20,070 in October of last year. In this respect, the top three industries were, as you would expect: construction; real estate and business activities; and hotel and restaurant industries. The public sector saw an increase of 132.

As my colleague, the Hon. Minister Bossano, has explained in his contribution, the available Gibraltarian workforce at any one time is estimated by combining the numbers registered as seeking employment and those in employment. The exercise serves to indicate the reliability of the results of the Employment Survey, since we are comparing data from two sources.

The registered unemployed in October 2014 was 306 and the comparable figure for 2015 was 268: a drop of 38. The number of Gibraltarians in part-time employment in October 2015 is 38 more than the number in October of the previous year, as shown in the Survey report.

The total number of Gibraltarians in employment, however, only increased by 19 because in the same period there was a reduction in the numbers of Gibraltarians in full-time employment in the MoD in excess of 19. There has been an increase in part-time private sector jobs and a decline in MoD full-time jobs in the year between the two surveys. That explains the net effect.

The correlation of these results is, as the Hon. Minister Bossano has said, a sound indicator of the absolute accuracy of the picture painted by the Employment Survey report and the unemployment figures.

Mr Speaker, it is in the light of these statistics and the explanatory note provided on the Employment Survey by the Hon. Minister Bossano – which I have had no shame in pilfering just now for the purposes of explaining the Survey – that I turn to consider the unemployment figures. As the House knows, the Employment Survey is, in effect, a snapshot of Gibraltar's labour market in October compared to the previous October, and it is for the purposes of making the Employment Survey intelligible, that I have revealed that the unemployment figure for the month of October 2014 was 306 and that it was 268 for October 2015. In other words, Mr Speaker, there is clearly a downward trend in the rate of unemployment. Indeed, Mr Speaker, as this House is aware, 2015 saw the lowest ever level of recorded unemployment over the entire calendar year. In this respect, the quarterly averages were 282, 204, 207 and 255. It has to be said, Mr Speaker, that these employment statistics and the rate of employment do put to shame the record of the Opposition when in Government, which in almost 16 years saw the employment of fewer full-time Gibraltarians than we saw in one year. Think about that, Mr Speaker! In 16 years, when they were in Government, fewer Gibraltarians were employed than we managed to ensure in just one year in office.

The GSLP/Liberals in four years, since coming into office, have succeeded in assisting our economy to ensure 730 full-time jobs for Gibraltarians, while the GSD, in a period of almost 16 years, had ensured 337 full-time Gibraltarian jobs. Under the GSD, therefore, there was an average of 21 Gibraltarians employed a month, whereas our enviable record is an average of 182 Gibraltarians every year of our first four years in office.

Mr Speaker, in what is certainly further excellent news, 168 of the total of 276 trainees who were employed by the five Government training companies are now employed in the private sector.

Mr Speaker, this House is also aware of the focused and concerted effort between my Ministry and the Department of Employment in identifying vacancies with Government's approved contractors. The conditions of the approved contractor scheme, administered by the Hon. Minister Bossano, stipulate that the companies involved must ensure all employees are registered with the Department of Employment prior to commencing work and throughout the term of the contract. Furthermore, contractors are required to employ workers specifically identified to them by the Employment Service from the list of registered unemployed persons.

960 My Ministry, with the employment officers, have attended to organise interviews for individuals currently unemployed with the respective service providers.

Furthermore, the Employment Careers Service continues to organise training programmes on interviews and other skills, to prepare the candidates for their forthcoming interviews. It is obviously intended that these interview skills' seminars increase an applicants' chance of  
965 succeeding at the interview stage.

Mr Speaker, I cannot stress enough the tremendous level of work that has been undertaken to organise the interviews with these companies and I publicly thank each and every member of the staff at my Ministry, and the employment officers, for their meaningful and tireless efforts. I also congratulate the Careers Development Service for helping to improve the interview and  
970 presentation skills of the candidates.

Mr Speaker, ultimately, the successful selection of these applicants means that there will be a good number of previously unemployed persons in gainful employment, and even though of course it is very rewarding for us to assist the unemployed where we can, of far greater importance is the stability, meaning and purpose that comes, in fact, from being in employment.  
975 Therefore, it is very disappointing when unemployed persons do not attend interviews we arrange for them and, sometimes, turn down a job or sometimes more than one job offer, Mr Speaker. Such a handful of persons may not realise that they make it just that little bit harder for other persons sent by my Ministry and the Employment Service for an interview. As a result, Mr Speaker, the Director of Employment has met with these individuals and advised them, in no  
980 uncertain terms, that failure to attend interviews or the refusal of job offers may prevent them from registering as unemployed for a period of time. In this respect, it is important to stress that my Ministry and the Employment Services only arrange an interview with an employer if the unemployed person has already expressed an interest, after being fully informed of the job description and the company.

In any case, Mr Speaker – to continue on a positive note – it is very gratifying, for me personally and as a Government Minister to report to this House, that since we implemented our focused strategy of working closer with the Government's approved contractors in June, we have identified 160 vacancies, we have arranged 202 interviews, and we have successfully ensured the employment of 88 previously unemployed persons over a four-week period.  
985 (Banging on desk) As a result, I think that there will be no doubt that we will be able to fill the vacancies that we have identified with approved contractors with those who register as unemployed.  
990

Mr Speaker, with your indulgence, I will now read from a quote in a local magazine of a young Gibraltarian, who said, and I quote:

I left Bayside with my GCSEs, but I'm not very academic and A-Levels and University weren't really for me, so I went down [or up] to Employment and a really great careers advisor helped me out. We worked on my CV and soon enough I had a job in a Gaming company. The company trained me and after my one-month trial, they offered me a permanent full-time job. I'm happy here and I'm told that if I do well there will be opportunities for me to move up through the company in the future. My parents are really proud of me and it goes to show that there are opportunities for everyone if you are willing to work for it. And I'm not the only one. I've made friends who also got jobs after getting help and advice from the Employment Service and I know that unemployment is down to an all-time low, which can only be a very good thing!

995 Further, Mr Speaker, if I may quote just one more person who recently said that:

Gibraltar leads a blessed life ... we lead a blessed life living in Gibraltar. We have got very low levels of unemployment, we invest hugely in our caring, in our social services, in our education system, which funds our young people all the way to post graduate level.

Mr Speaker, I have to say that I entirely agree with that statement and I wish to place on the record, formally, my thanks to the Hon. the Leader of the Opposition for being gracious in verifying the success of the Government's various employment strategies. It takes courage, Mr

Speaker, for the Leader of the Opposition to admit that the Government's policies are bearing fruit and working effectively.

Mr Speaker, I, therefore, have no doubt that everybody – including, clearly, the hon. Gentlemen opposite – agree that the increased number of Gibraltarians in our labour market and the reduced levels of unemployment is sensational news. Success breeds success, and I strongly believe that our economy will continue to develop even in the face of the recent current political changes that may be caused as a result of Brexit – to which I now turn briefly.

Mr Speaker, the times, they are a changing – or are they? On 24th June, we awoke to the unthinkable reality that a plurality of UK citizens had voted to leave the European Union, even though we here in Gibraltar voted by an overwhelming 96% to remain. Whereas the referendum is merely advisory, the UK has still to start the process of extracting herself from the EU under Article 50 of the Lisbon Treaty, whilst all EU laws and fundamental freedoms continue to apply until the conclusion of the Article 50 process, and whereas there is doubt as to when or even whether the next UK Prime Minister will commence the process under Article 50, the Government and this Parliament, I think, must proceed on the basis that Westminster will give effect to the will of the people as expressed in the referendum.

Mr Speaker, the political storm that has been unleashed in Westminster following the vote to leave is certainly unprecedented since my time following British politics. We do not know who will succeed the Prime Minister on 9th September, but we do know that he has said – (**A Member:** Theresa May!) Sorry? Theresa May, yes: likely.

But we do know that he has said that there may be a case for an early general election. The current frontrunner – Mrs May – however, seems to have dismissed an early election and has said that 'Brexit means Brexit.' Were that it be so simple, though, Mr. Speaker. A report by the top constitutional lawyers has set out that the Prime Minister will need parliamentary approval to trigger Article 50. There are various press reports that suggest – and I recall specifically one reporting on that Tory grandee, Michael Heseltine, who said that because there is a majority of approximately 350 MPs who are against the UK leaving the EU, there could be resistance to vote in favour of the UK Government starting the Article 50 process.

On Monday, a UK newspaper carried the news that a prominent law firm had taken pre-action litigation against the UK Government to seek assurances that Article 50 will not be commenced without an Act of Parliament. The article added that the law firm has instructions to pursue the matter through the courts if they are not satisfied that the UK Government will follow the correct process to – and I quote:

... protect the constitution and sovereignty of Parliament in these unprecedented circumstances.

Of course, it took Government lawyers just a couple of days to come out to say that in their view the Prime Minister could in fact start the Article 50 process without reference to Parliament.

Further, in the event that a snap election were called, we have to wait and see which party, if any, has a majority and how such a majority intend to deal with the referendum result. At this point, the Liberal Democrats have committed to keeping Britain in Europe and the Labour Party are undergoing what can be kindly characterised as an internal leadership tumult.

What is clear, is that the resignation, en masse, of the Labour front bench and the vote of no confidence in Mr Corbyn, resulting in 172 votes against and 40 votes in favour, has arisen due to what is generally perceived to be Mr Corbyn's lacklustre advocacy for Britain to stay within the EU during the campaign.

Further, Mr Speaker, the Prime Minister has announced that there is no chance of a second referendum notwithstanding the Petition that has garnered over four million signatures, and he has set up a new cross-department advisory unit.

Notwithstanding that statement from the UK Prime Minister, one cannot help but remember the time when the Irish voted on the Lisbon Treaty in a referendum and rejected the Lisbon Treaty and then of course held a second referendum and voted in favour, thereby achieving



what the establishment thought was the right result. Straightforward so far, is it not, Mr Speaker?

1050 Mr Speaker, one really is left wondering why the Prime Minister, in a representative democracy, where Parliament is the supreme decision-making forum, called for a referendum on the UK's membership of the EU in the first place, not least given that he subsequently campaigned with so much ardour and enthusiasm for Britain to stay, and where surely it would have been enough for Mr Cameron to keep to his earlier promise to hold a referendum on any  
1055 new EU treaty, rather than to hold a referendum on membership.

I cannot but express profound regret for the various wildly unsubstantiated claims made by the Leave campaign from which they have subsequent to the vote tried to walk back. It is nothing short of shameful, Mr Speaker, that statements were made that were clearly not accurate and which we can assume will have led millions to vote to leave the EU.

1060 It is even more incredible still – shocking really – that the architects of the Leave campaign have clearly been caught out without a plan for Britain outside of the EU. And, to boot, the leader of the Leave campaign has decided not to stand for the leadership of the Conservative Party after having led the Leave campaign and for which he must assume part of the political responsibility.

1065 The less said about Mr Farage and his resignation, I think, the better!

The House will no doubt condemn such reckless disregard for truth in political debate and for the very real consequences that could arise for our present stability, Mr Speaker.

Whilst Westminster is consumed by the fallout of the referendum vote, we in Gibraltar have pulled together and are more determined than ever before to get this process exactly right. Our  
1070 community will have seen the Government and the Opposition close ranks and will have witnessed the Hon. the Chief Minister and the Hon. the Deputy Chief Minister waste no time whatever in meeting with the UK Government to fully and robustly put forward Gibraltar's position.

Gibraltar also knows that the Government is exploring every possible avenue to discuss all options further. We on this side of this House are meeting with all of our respective stakeholders to discuss the present situation and to analyse, in detail, the various models available depending on the different possible permutations that may emerge. We stand, Mr Speaker, of course ready in solidarity with our entire community, to work harder than ever before and leave no stone  
1075 unturned in searching for opportunities in what is currently a sea of uncertainty.

1080 Mr Speaker, the fruits of the work of the Chief Minister and the Deputy Chief Minister are already evident, as the Prime Minister himself has said that the UK Government will involve Gibraltar when negotiating a new deal with the EU to protect and safeguard Gibraltar's interests. This, of course, is excellent news and will be welcome by the entire community and by the financial and business sectors.

1085 Mr Speaker, it is – to the extent that nothing has happened to sever the relationship with the EU after the referendum – business as usual. Given that no further steps towards separation from the EU will take place until September at the earliest, this gives the Government, the Parliament, and all sectors of our community the time and the space to carefully consider all of our options, firmly establish Gibraltar's position with the UK Government and stress the  
1090 importance of full access to the Single Market, and for us of course to continue the vital work of looking at all models.

It is time, Mr Speaker, for cool heads, sober analysis and a lot of hard work. It is time, Mr Speaker, for us in this House to lead. Our compatriots can rest assured that the Government will continue, as until now, to be fully accessible and to be fully engaged in the important work of  
1095 addressing their concerns and working to fulfil their aspirations.

Mr Speaker, as I conclude, I thank all of my staff at my Ministry: the Office of Fair Trading, the Department of Employment, the Department of Social Security and the Royal Gibraltar Post Office for the, at almost all times, unforgiving pace they have come to expect and love from me, and for their unstinting support in delivering our exciting program for Government. It is true to

1100 say, Mr Speaker, that it would simply not be possible for me to have been able 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, therefore, a very big thank you.

Of course, Mr Speaker, I take the opportunity to thank yourself and the kind, patient and excellent assistance of your staff, namely, the Clerk, Frances, Kevin and Dani.

1105 Thank you, Mr Speaker. *(Banging on desks)*

**Chief Minister (Hon. F R Picardo):** Mr Speaker, after that *tour de force* of business and politics generally, can I invite the House to recess for a few moments for tea.

1110 **Mr Speaker:** And then we will call upon Mr Elliott Phillips to make his contribution to this debate.

*The House recessed at 5.00 p.m. and resumed its sitting at 5.20 p.m.*

**Appropriation Bill 2016 –  
For Second Reading –  
Debate continued**

**Mr Speaker:** The Hon. Elliott Phillips.

1115

**Hon. E J Phillips:** Mr Speaker, being elected to Parliament in the early hours of 27th November 2015 was a great honour and privilege. I wish to thank all of those who entrusted me with their vote – all 4,784 of them – and who have given me the opportunity to serve this community as a front-line Opposition Member in this House.

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My election to this House has given me the opportunity to speak for those people who feel distant from the political process but who also have ideas on how we can do things better. I am grateful to the many people who attempted to make the steep learning curve easier and who have guided me through what has seemed, at times, as a minefield.

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I very much look forward to the challenges ahead and serving my community, together with my parliamentary colleagues, in any way I can. I have promised where I can I will help; if I cannot, I will say – but I will always listen.

1130

I became an MP because I am passionate about our young people and about the creation of better opportunities for the young and those who, for whatever reason, have been unable to access opportunity. I believe that our young people are Gibraltar's future ambassadors and each and every young person, irrespective of ability, represents a golden opportunity for our community. That is why, in our view, the building of skills through real training is so very important for the future success of our economy.

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It is no secret, Mr Speaker, that we fundamentally oppose the Future Job Strategy – it fails to deliver what it says on the tin. It is reactive, inflexible and inspires us with little confidence on this side of the House that the Government is committed to the delivery of skills for the modern workforce. **(A Member: Hear, hear.)** I know that those Members opposite disagree with me on the subject of skills and training, as is their right and I respect them for maintaining their view; but, despite our attempts at broadcasting our message on skills and training, they do not seem to appreciate the distinction we are making.

1140

It is all well and good building a nation but we need to focus on sowing the seeds of growth even though those green shoots may not be visible for some time. Politics must be about doing what is right and what is in the long-term interests of this community. This is why the focus of my Budget address will be on opportunity – creating better opportunities for our young people, the vulnerable and the unemployed.

1145 The Hon the Father of the House said yesterday that diversification of our economy is important so that we do not rely on one set of skills. I could not agree more with that assessment, it mirrors my own; however, as I will demonstrate, this is not what is being achieved by the Future Jobs Strategy.

1150 Politics has allowed me the opportunity to speak to many young people who can already see the opportunities, but cannot unlock them without support. We believe that by unlocking and harnessing the opportunities that young people present, we can make Gibraltar an even better proposition, just as Tel Aviv and Budapest have done, for example; but we cannot do this unless we have an honest and constructive debate about skills and learning.

1155 I respect the view of Mr Bossano but I cannot agree with his approach. During the election in 2007 he said that he had waited 15 years to implement what was described by some commentators as a Soviet-style job strategy.

Mr Speaker, building a successful economy depends on the creation of better opportunities for our young people. It cannot happen overnight and it certainly cannot happen by operating a 'plugging the skills gap' policy that the Government is determined in pursuing.

1160 I do not say this in any way to score political points or to be controversial. My remark is solely designed to demonstrate through argument and debate that we need to proactively shape our own future by using the human capital available to us, rather than reactively plugging the skills gaps. We need to focus on supporting and encouraging start-ups in IT, software development, coding and maybe, perhaps, industries allied to and supportive of our gaming industry, to name a few.

1165 I remain absolutely convinced that we need to do a lot more to truly harness the human capital we have in our community. After all, our principal asset is our people and you cannot be wrong to invest in your own people.

1170 Our recent outreach campaign to the unemployed demonstrates that we need to do much more to secure the long-term future of the unemployed and our young people. I believe that we are starving our young people of the vital oxygen they need, by not creating employment opportunities and by trying to force young people into random and often unsuitable work.

1175 How are we planning for the future? What skills, trades and degrees will be needed for the future? And, why are we not targeting our efforts in this way? These are just a few of the questions that are being put to me on a regular basis.

Not everyone – thankfully – is an accountant, banker, lawyer or financial adviser – and I think Mr Clinton will absolutely agree with that analysis! Not everyone is destined for academia; but everyone, irrespective of ability, deserves the dignity of work and the opportunity to provide for themselves. We need to create an environment for people to flourish. The modern apprenticeships in Germany and the United Kingdom are an excellent workable example and we need to learn from that experience. We need to bring back apprenticeships in the modern context to meet the needs of new technology business.

1185 Many people we speak to, talk about the old apprenticeships with pride but they also feel that we are losing these old traditional skills. We can learn from the experiences of those who underwent the old apprenticeships – and we all know what they are – and apply the same rationale to building a modern, successful apprenticeship programme

Mr Speaker, I support the initiatives put forward by the Hon. Mr Costa, to get people back into work; but we must do more than simply skills match. I appreciate he is doing more, but I think we need to do it differently.

1190 We must look to where Gibraltar will be within the next 20 years and what industries will grow our economy and improve the lives of our people. We have a responsibility to future generations of Gibraltarians to develop and create better opportunities.

1195 We must continue to encourage a strong work ethic in both the private and the public sector. We must weed out the culture of entitlement and expectation that has become so endemic in our society. Many in our community were not surprised to hear the Minister for Employment so

publicly chastise those persons who failed to engage with the Government's employment initiative.

No-one, in my view, who is out of work and is offered work, should be permitted to pick and choose if they are not in a position to do so. **(Two Members: Hear, hear.)** We need to engender a culture of responsibility, civic pride and respect; and rid this community of the culture of entitlement and expectation. Each and every one has an obligation to this community to leave it in a better position than they found it and make a contribution to its success.

I have long advocated, in and outside of this place, for the need for a robust modern apprenticeship programme which meets the needs of future generations, despite the real reluctance of the Father of the House to accept any criticism and engage with me constructively. I appreciate that the Hon. Mr Bossano has a wealth of experience in this area, but we need to start looking at skills differently. The world has changed and continues to change, Mr Speaker, and we need to be flexible and dynamic to move with it.

The Father of the House challenged me in this House by saying that no employers who had approached me before and after the election came forward. The Father of the House speaks of skills and training with the new tax-free rose-tinted spectacles. The reality of course, is very different. Those companies who have approached me have already approached the Government with impressive plans for creating opportunities for our young people, but there was no interest, I am told by these companies.

These companies have no reason to complain, Mr Speaker; they care about providing opportunities for our young people and getting young Gibraltarians into the IT world.

I am comforted by the fact that the Hon. Mr Costa is thinking along the same lines as I am and I extend to him in particular the hand of co-operation in a genuine attempt to work together, so that we can together build a modern apprenticeship programme that allows those young people who cannot access opportunities, the chance to thrive as others have thrived.

Mr Speaker, we must all, in this House, acknowledge that technology is the future. This has been recognised by the Hon Mr Licudi in his Budget address of June 2015, where he outlined what was being done to encourage 'coding' at primary education level. He repeated that in his 2016 speech and I congratulate him in respect of the work he has done in relation to the primary level. I will talk a bit more about that in relation to education, slightly later.

On that basis, it must be right that we strive for consistency in our approach to the learning of skills at every level, and roll out programmes to the young. I am grateful to those employers who continue to reach out to us and assist us in developing our strategy in this particular area.

We on this side of the House believe that there is a strong relationship with education and more can be done to develop an Information Technology or a School of Computing within the jurisdiction of the University of Gibraltar. I know that Mr Licudi has referred to that in 'Questions and Answers' and we have talked about that before in this House.

When I speak about the modern day apprenticeships I am also talking directly to those young people in their rooms at home who dream about building online games, mobile apps and developing software. I am also talking to those people who do not feel supported by the system so that we can reach out to them to enable them to realise their ambitions. I genuinely believe that we are missing a trick.

We could be, if we focus on skills, learning and identifying the jobs of the future, be the next Budapest or Tel Aviv. Our principal and most valuable resource is our people and we can be that country that harnesses the digital economy. Mr Speaker, all of us in this House know that in order to drive Gibraltar forward we must be the facilitators for growth. Our businesses go into the world to create opportunity and this is what, I understand, is being done in Hong Kong, as described by the Deputy Chief Minister yesterday and the Minister for Financial Services. As we all know, in order for Gibraltar to succeed and thrive it only takes a very small slice of the global economic cake.

With the result of the EU referendum still fresh in our minds, all of us must continue to press our links with the City of London and other important British cities, as outlined by Mr Isola. We

must dominate that space, create new opportunities, dust off shelved business plans and make our voice heard amongst the new policy makers.

1250 I do not like to talk about survival; I like to talk about success. Therefore, when we succeed – as I am sure we will – we will need to demonstrate that we have the people to do the skilled work necessary to meet the needs of new business, and drive our economy forward. This is why I am so very passionate about skills and in the current climate it is absolutely essential that we get skills training right.

1255 We cannot continue to rely on the cyclical construction industry to plug the gap. It does little in the long term to encourage the development of entrepreneurship and the learning of new skills, which we should be attracting.

Mr Speaker, it is my genuinely held belief that together we can build a highly-skilled and trained workforce who will go on to create better opportunities for future generations of  
1260 Gibraltarians. Political and business leaders who led the development of the financial services industry must also turn their eye to the opportunities that exist in the digital world; and we have an obligation and responsibility to ensure that our people are the first choice for employers because they are the best qualified.

Importantly, we must continue to focus on the unemployed and those persons who, for  
1265 whatever reason, have turned to criminality – and to get them back into work. I have spoken to a number of people who have found it difficult to get back into work after they have been convicted. We need to do *much* more to improve the prospects of people that want to work after turning their lives around, through a well-developed education and training programme within the Prison service.

1270 Again, we have debated this in Questions and Answers and Mr Licudi, I know reference is made to that in relation to his speech, together with an effort – which I also applaud – which is the counselling that he is running through the Prison service.

Mr Speaker, moving neatly to Justice: the last eight years has seen changes in the physical infrastructure of our justice system with improvements such as the recruitment of judges, the  
1275 building of new courts, a new prison and the overhaul in the way in which justice is organised at an institutional level. New laws promulgated by successive Governments have improved our justice system.

The criminal law has seen many changes alongside the laws relating to family and children. In the corporate commercial world, new companies, insolvencies and Limited Liability Partnership  
1280 legislation have been upgraded and brought our laws up to date.

We must not rest on our laurels. More can and must be done in law reform and in particular the individual's interaction with the justice system must be improved. We should now pause and rightly express our pride in the fact that a Gibraltarian is the head of the judiciary. Mr Justice  
1285 Dudley, the Chief Justice in this regard, has the respect and admiration of everyone in our community.

We should also be proud of the very strong Court of Appeal which must be the envy of the Commonwealth. We should also be proud that we have a Gibraltarian Attorney General with the ability of Michael Llamas QC.

However, we need to move forward in improving the service for the end user. The  
1290 appointment of the Director of Public Prosecutions is an important step in our development. It is as yet unclear as to whether the establishment of a DPP will require an amendment to our constitution, or whether this can be achieved through the bringing of primary legislation.

I know that Mr Licudi and I had a debate on television, I think on *Viewpoint*, relating to that specific matter and I note the absence of that particular point in his speech. But I think at some  
1295 point, Mr Speaker, we will need to move forward quite quickly with that appointment.

Whatever route is decided upon we must press ahead with the recruitment. The Office of Criminal Prosecutions and Litigation needs, in my view, a strong dynamic head to actively progress the case load of the Department and motivate and manage a team of committed

Crown Counsel. Recent criticism by the judiciary has brought into sharp focus the need for the appointment of a Director of Public Prosecutions.

In relation to legal assistance we need to move forward in reforming the system. There are, in our view, many in our community who are unable to access justice and it is right that those who are most in need should also be able to access the system.

In last week's session of Parliament I expressed the view that we need encourage and support the legal profession in creating a Bar Pro Bono Unit, or Free Representation Unit, which will complement legal assistance.

I think it is right to pause there and say that the Minister for Justice had communicated to this House, that discussions were underway with the Bar Council in relation to that very point.

It is obviously right, Mr Speaker, to recognise that members of the Bar, of course, do free legal work but it should in our view be on a formal footing and actively encouraged. I truly believe that we can lessen the burden on the legal aid and assistance funds if we take a positive step towards a vocational obligation on the profession.

Many of our lawyers, if not all, have received the benefit of generous education funding by successive Governments and we are all, in this House, proud that we can still continue to fund post-graduate training in this way. But the commitment by our society to full funding of expensive professional and vocational training must also mean that those receiving the benefit must also give back.

I know that members of the Bar, in this place and outside, have acted in a *pro bono* capacity and that should be applauded; but we must do more than simply encourage the profession to take a positive step towards giving something back to Gibraltar. We must all look at ways in which we can lessen the load of the funding system in order to best direct access to those who most need it. This is how we can improve the individual's interaction and experience with the justice system.

The Opposition has actively tried to persuade the Government of the benefits of a combined Courts and Tribunal Service, which we believe will improve the individual's interaction with the tribunal system and allow for a central point of contact and the administration of Gibraltar tribunals. There is a difference of opinion between the Opposition and the Government on this point. I would, however, invite the Government to rethink.

Insofar as the Criminal Evidence and Procedure Act, it may well now be the time to review the operation of this important piece of legislation in order to look at ways of further streamlining the process so that justice is delivered quickly and at cost.

Mr Speaker, as for prison reform, I am a big believer in education in prisons and we must increase the focus of education in prison so that those who do want to change their lives can do so. I see a number of people trapped in the cycle of criminality and it seems to me that education is the key to unlocking this issue. I believe that we need to cast the net wider and bring education into the prison and look at ways in which the Education Department can actively engage with the Prison service, so that we can tailor-make opportunities for those who have expressed a desire to learn – and to change.

I align myself with the comments that the Hon. the Minister for Justice had made in relation to the retirement of the Right Hon. Sir Paul Kennedy. I also welcome the changes that have been set out in the Minister for Justice's speech in relation to the Cycle of Change – I think that is an extremely welcome development insofar as increasing the counselling opportunities available to those who have addiction problems in prison. That should also be applauded.

It would be remiss of me not to mention the work of the Hon. Mr Costa in relation to the reform of the Industrial Tribunal soon to be known as the Employment Tribunal. The reform is long overdue and is very much welcome. I have had the opportunity of considering the Employment Regulations which will improve the management of claims brought through the new Employment Tribunal.

I know that both he and his legal counsel, Mr Fa, have travelled to England to look at the ways in which cases can be progressed there; therefore I think it is right to recognise the work that he and Mr Fa have done. (*Interjection*)

I have communicated to the Minister my desire to work with him on this important reform and I will be sending him specific proposals on the Bill to reform the workings of the Industrial Tribunal, which I am sure he will receive in a positive and constructive manner.

My footnote on Justice is that much more needs to be done to improve the citizen's interaction with the justice system, and I would hope that those Members opposite would agree that there are clear opportunities for synergy and working together for the benefit of all in our community.

Mr Speaker, in relation to drugs and rehabilitation, it is of great personal satisfaction to me that both sides of this House are unwavering in their support for the Stay Clean charity. I am sure that the Chief Minister, who has taken the portfolio after the General Election, will agree that stories of addiction, recovery and hope are moving – and they demonstrate that drugs and their abuse destroys lives and are the enemy of family life.

I have had the opportunity of sitting down and talking to recovering addicts and their journey from hopelessness and loneliness to recovery and hope. This left an impression on me. Unusually for a politician, I have been left speechless by the stories, life events, human tragedy and loss; and it is right that we continue to support them in ridding our community of the toxic consequences of addiction in whichever form it takes grip on the lives of vulnerable people.

Many addicts who have relapsed tell me about the triggers in our community from social groups to the physical environment. We need to look at ways in which we redouble our efforts by further offering specialised addiction counsellors, from either within the service or from outside. I am heartened by the promise made by the Chief Minister to bring drug awareness and rehabilitation into Number 6 and it is only right that this subject should feature high on the political agenda.

I know that he is a busy man and recent events, naturally, mean that international and diplomatic affairs will dominate his schedule. However, it is my hope that he will keep his promise to those who work in the drugs service and in the various charities, by providing them with the help and resources they need to be as effective as possible in treating addiction and preventing relapse; and also providing the opportunity for those people afflicted by addiction to get back into our community – so that they, too, can make a positive contribution to our community.

Mr Speaker, we really do need to give very serious thought to the use of Arrest Referral Workers at the point at which the individual comes into contact with the criminal justice system – namely at the Police Station and the Courts. The Scottish Pilot Study into this area would be of enormous benefit and I would invite the Minister for Justice to review it to see what lessons can be drawn from the conclusions to that study.

In relation to education: for too long, politicians across the political divide have considered that the building of new schools is the answer. Of course, bricks and mortar and investment into the physical environment of our education are important; but it is just as important to listen to our teachers and the teachers' unions. Listen to them and understand their concerns.

The GTA and NASUWT have called out for an effective and sustainable education road map for the next 20 years. Last year the Chief Minister, in his Budget speech, quoted the World Bank President who believed that countries that invested in people's education, as well as other upgrades in infrastructure, would emerge stronger in the years ahead. I could not agree more with that analysis. The time for investment is now – not just in education, but also in the co-ordination of training and skills.

All of us in this House are the beneficiaries of successive Governments' commitment to education, but we really do need to evaluate where we are and where we are heading. The Government have committed – and recommitted last week in Parliament – to the major investment in the building of five new schools for our community. It is understood that the

Government are undertaking significant preparatory work and it is very much hoped that the Government will complete the building of the five new schools by the end of this parliamentary term.

I have certainly received assurances from the Minister for Education that this will happen. There are concerns from parents and teachers about the practicalities of the building of five new schools and the level of disruption that will naturally bring with it. Let's watch this space.

Having raised the modern apprenticeship at the general election, I firmly believe that we need to offer more than we currently provide. Those who do not wish to pursue an academic future need to be provided with the opportunity of a modern apprenticeship programme, which has the same standing as higher education. We need to create a gold standard for an apprenticeship programme so that employers have confidence in the system.

Despite the general election result I am confident that the co-education debate is one we must have. I remain personally convinced that we should have some form of co-education at secondary level, but I do understand that there is a debate on how this can be achieved. Let us have an open and unrestrained debate on co-education.

At this point, Mr Speaker, and without wishing to steal the thunder from the Hon. Mr Reyes, I would like to say a few words on the question of housing rents. It is another area that I feel quite passionate about given that before I joined the GSD we raised the question of means testing of Government housing.

At the time, I was one of the lone wolves who pressed the debate on means testing of Government housing. The Government has ruled out means testing in their election report and policy paper of 11th Nov 2015, before the election, and the Chief Minister has again ruled out the implementation of a means-testing policy. This, in our view, is a mistake; those who can afford to pay more, should. We must grasp the nettle, stop the abuse and have the political courage and strength of conviction in dealing with the eligibility and the fair allocation of Government housing.

To increase rents, to 49p and 60p respectively, fails to deal with the real issues of abuse and unfair allocation. Small increases in rents pay lip service to curbing abuse and unfairness. The measure does not go far enough and I urge the Government to look to the recommendations of the Ombudsman and seriously consider a policy of means testing.

In times of great uncertainty, the interests of this community must come first and the Government must be prepared to make tough decisions on housing.

Mr Speaker, in summary, we live in interesting, challenging and uncertain times; and in order to weather the perfect storm we not only need an umbrella, we also need wellington boots. *(Interjection and laughter)* Those who can withstand bucket loads, Mr Speaker, no doubt!

We must ensure that we create the right opportunities for our young people, our unemployed and the vulnerable – so that we can thrive.

This Budget should be about opportunity in adversity; let us not make it a Budget of missed opportunity. It is my genuine hope that we can all work together on areas which are crucial for Gibraltar; but also, subject to Mr Speaker's long cane, test the robustness of each other's policies in a constructive and dignified manner – after all, that is why people have put us in this place.

Thank you, Mr Speaker. *(Banging on desks)*

**Mr Speaker:** The House will now adjourn to tomorrow morning at 9.30 a.m.

*The House adjourned at 5.45 p.m.*





# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**MORNING SESSION: 9.39 a.m. – 12.57 p.m.**

**Gibraltar, Thursday, 7th July 2016**

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# The Gibraltar Parliament

*The Parliament met at 9.39 a.m.*

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

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

## Order of the Day

### **Appropriation Bill 2016 – For Second Reading – Debate continued**

**Mr Speaker:** The Hon. Samantha Sacramento.

5       **Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):** Mr Speaker, another term, after our resounding election success and the public vote of confidence, and with the challenges that lie ahead for us. But we are a strong team, Mr Speaker, and together we will work as hard as we need to, to serve and to deliver.

10       Mr Speaker, as you know, I have an extremely broad portfolio. It would be impossible for me to list all the achievements this past financial year. I will highlight the most notable matters, and that is not to say that anything that I may not specifically mention is any less important.

      Mr Speaker, I will commence my intervention outlining achievements in my tourism portfolio.

15       Now, more than ever, the development of our tourism industry is essential. Since the Referendum, we have had a very busy week indeed reassuring our industry partners that it is business as usual in Gibraltar. Our administration has already presided over a tourist boom in Gibraltar in recent years; we have seen growth in an industry that had been greatly boosted as a result of our efforts. Our vision from the outset was to prioritise tourism as a key sector for the sustained development of our local economy and we have demonstrated our political commitment to tourism growth.

20       We believed that the tourism sector in Gibraltar suffered from underinvestment, was underdeveloped and as such it was not the economic driver that it ought to be. My predecessor, Minister Costa, quickly set about to change that in the start of our first term of office. Our Government has invested in the massive, untapped potential and taken Gibraltar to new and impressive heights. In our second term I will continue with the same vision and determination and vigour as I did in the last. We have invested heavily in what we have no doubt is a unique tourist product. We have worked closely with our tourism partners and stakeholders in our community and internationally and we have transformed ourselves.

25       The Upper Rock is a unique feature we have to offer and is certainly recognised as the jewel in our crown. The Tourist Board's unprecedented investment in its sites in the Upper Rock and the transformation of the Nature Reserve, led by the Department of the Environment and Climate Change and, of course, my colleague, Minister Cortes, has been a game changer in upgrading our product. The restoration of the themed country trails and footpaths and the addition of some innovative attractions, the most impressive is certainly the Windsor suspension

35 bridge at Royal Anglian Way; it is breath-taking and a tremendous engineering feat, which we opened just a few weeks ago. And we will shortly be adding a further attraction when we open the glass sky walk viewing platform which is perched near the Rock's summit. It will provide striking panoramic vistas of the majestic geography surrounding Gibraltar, and I look forward to the inauguration of that too, Mr Speaker.

40 The Northern Defences is another important new addition, and we heard the Deputy Chief Minister describe to us on Tuesday, this beautiful place of great military significance and heritage value, but which for decades was merely a dumping ground for anything that could be thrown over a wall. Wonderful additions to our visitor attractions which, of course, my Tourist Board is already busy marketing. Symbolically, they are enduring symbols of our Government's commitment to improve Gibraltar.

45 Our plan for growth has been strategic, and has been focused primarily on niche markets, such as the weddings and the Meetings, Incentives, Conferences, Exhibitions, (MICE) markets. One of the most successful niche markets is our events-led tourism strategy. We have become adept at organising first class cultural events that are thoroughly enjoyed by everyone here and which act as a magnet for visitors. On the back of these intense and high profile occasions, the Gibraltar leisure and hospitality industry has been able to take advantage of the interest generated by the tourists we attract.

50 It has become an important tool in our revitalised tourism strategy and these instruments help us promote Gibraltar. I work very closely with my friend, Minister Linares, and the Tourist Board works closely, in turn, with the Ministry for Culture, which takes the lead in organising these fantastic events which the Tourist Board markets.

55 The Tourist Board is responsible for organising the Gibunco Gibraltar Literary Festival. While the quality and high standard appears effortless to everyone attending, this is no mean feat to organise, Mr Speaker. The festival has become one of our flagship events, and will enjoy its fourth edition this autumn. It has become firmly established and its popularity continues to increase, as does its status. Testament to its prestige in such a short period of time is that we have been fortunate and are thrilled and honoured that earlier this year Her Royal Highness, the Princess Royal, agreed to be patron of the festival. This status, of course, also provides us with fantastic international exposure which attracts high level participants and visitors.

60 Our festival attracts a constellation of authors, poets and renowned speakers, we have already announced over 20 speakers who will be participating in this year's festival and we are already engaged in intense marketing of the event in Spain and the UK. As part of our vigorous marketing campaign of this event it is interesting to note that last year the festival achieved a radio audience of two million in the UK, commercial radio outlets and seven BBC radio channels between Scotland and the Channel Islands featured the festival and included extended interviews with a couple of the main speakers.

70 Mr Speaker, I wish to thank our principal sponsor, Gibunco and all sponsors who by doing so make the event viable and contribute to enriching our culture through it.

Also, we have upgraded and rebranded our marketing strategy and this is also contributing to our success. We have an excellent tourist product, Mr Speaker and we want to show it off and we are continually looking for more efficient and effective ways of marketing ourselves.

75 We actively participate in various fora and are continuously looking to establish new partnerships such as the ITT conference that I attended in Tel Aviv last month. We will be hosting the Med Cruise conference next year, another wonderful platform for promotion.

80 Mr Speaker I am delighted to report that we have already seen return on our investments and growth in the sector. Our figures are up year-on-year so clearly the improvements that I have outlined have had a positive effect on our visitor numbers. I am pleased to say that the last published statistics show that arrivals at hotels have increased; in fact we have the highest numbers since 2007.

85 We are achieving our objective, Mr Speaker, and our transformed tourist product is translating into growth. The most notable growth since we were elected has been seen in

aviation. This sector continues to report very healthy findings, in all categories, catering for the needs of both the business and the leisure traveller. Inbound and outgoing air passengers on established routes have increased in the past 12 months. Today we have more flights to the UK than ever before. Just last Sunday we saw the arrival of the inaugural easyJet flight from Manchester. Indeed, Mr Speaker, when I was at the Airport last Sunday, I was delighted to see the departure lounge busier than I have ever seen it.

The additional flights and new routes we have secured are: Monarch's Birmingham flight, the new easyJet routes to Bristol and Manchester along with Royal Air Maroc's service to Tangier and Casablanca. These have generated extra passengers. In specific terms, Mr Speaker, this summer alone we have seen a 40.8% growth in capacity and a weekly flights increase of 31.5% compared to last year, which in itself was a record year. (A Member: Hear, hear.)

Among other highlights of this past year has been easyJet's achievement in attending the tremendous milestone last August of carrying a million passengers on the Gibraltar-London Gatwick route – and we look forward to welcoming another million, Mr Speaker!

The Gibraltar-Bristol link carried 35,000 passengers in its first year and is proving extremely successful. I am also delighted to report that easyJet is set to provide extra seat capacity between Gibraltar and London Gatwick by 15% this summer season with an additional 13,000 places being made available since March this year. Overall this airline will operate 18 weekly flights to Gibraltar this summer season, up from 14 last summer. We are extremely pleased about the close working relationship that we have established with easyJet of late, which has enabled us to establish new routes. Given the commitment to Gibraltar we continue to work closely with them on further growth and look forward to being able to introduce new routes in due course.

Additional capacity has also been provided by another long standing partner of ours, British Airways, with two extra weekly flights the London Heathrow-Gibraltar, flights which commenced on the 1st May this year, bringing the total number of flights on this route to 13 a week. Monarch also launched their London Gatwick-Gibraltar route in May this year, offering four flights a week, and this is the airline's fourth UK destination from Gibraltar.

In summary, Mr Speaker, over the summer months, Gibraltar will offer: 17 weekly flights from London Gatwick – up from 11 last year, 13 weekly flights from London Heathrow – up from nine, five weekly flights from London Luton, six weekly flights from Manchester – up from four, four weekly flights from Birmingham – up from three, three weekly flights from Bristol, two weekly flights to Casablanca and Tangier. This represents no less than 50 flights a week – up from 37 in the summer of 2015. Mr Speaker, you will be pleased to know that we recorded our busiest summer in 2015 and in the period July to August we recorded over 45,000 passengers each month. This represents an increase of 12.7% against July 2014, and 10% above the August figures, importantly, visitor arrivals by air increased by 7.1 % in 2015 over 2014.

Mr Speaker, we have recorded an increase of 22% in passenger growth in the first five months of 2016 compared to the same period in 2015. May was already a record month with 49,583 passengers processed, beating even the record number from last August. With the main summer holiday period still to take place, further records are expected to be registered in the next few months.

Mr Speaker, I wish to emphasise at this juncture that the substantial increase in airline activity has come as a result, principally, due to our ability to generate demand for Gibraltar bound seats, and on a broader scale, on our political foresight in making tourism a priority and our success in developing and massively upgrading our local tourist product. It is *not*, as the opposition would have you believe, due to the new airport terminal on which they grossly overspent – I take it they agree, Mr Speaker, because they are nodding.

Gibraltar is one of the most diverse ports in the Mediterranean. Any objective observer closely following the development of Gibraltar's cruise industry in recent years would agree that the Rock is experiencing a golden age of cruising. In 2015 we ranked third in terms of countries that experienced an increase in the number of cruise port calls with a growth of 12.7%.

Our extraordinary accomplishment on this front is backed by hard evidence, as the number of cruise calls, cruise inaugurals and passenger visits continue to grow year after year. We really do have something to offer for all types of customers and visitors in Gibraltar. In 2015 we had 13 cruise inaugurals, 204 cruise visits and 295,922 passenger visits. In 2016 Gibraltar Port is scheduled to receive 225 cruise calls, a 10.3% increase on last year, carrying an estimated 344,415 passengers to the Rock, and no less than a record of 18 inaugural cruise calls.

Arrivals by sea have this year increased by 14.2%, and that includes yacht arrivals that have increased by 8%. The robust upward trend reflects the healthy state of the industry and consolidates the growth registered in 2015, which was in turn a sizeable improvement on 2014's 180 cruise calls.

A notable development in 2016 is that Noble Caledonia has chosen Gibraltar as a turnaround port. This represents a major breakthrough, and there will be two turnarounds this year, one in October and another in November. It must be noted that growth also demonstrates that we can successfully handle some of the largest vessels ever built, including the Royal Caribbean's Ovation of the Seas. The progress demonstrates the confidence that the industry has in Gibraltar and we look forward to continuing our business partnerships with some of the most prestigious cruise lines in the world.

Mr Speaker, in 2015 visitor numbers to the Upper Rock registered an 8% increase in respect of 2014, reaching the record breaking figure of 858,508. To end May 2016, visitor numbers to the Upper Rock have increased by 13.64% over last year. April, this year, is the only month to have shown a decrease. This we attribute to Easter falling at the end of March, which showed a significant increase on the same month the previous year.

Mr Speaker, it is clear that – whether it be arrivals by land, increased air travellers or cruise line passengers – it can be said that the international leisure industry firmly has Gibraltar in its sights. Gibraltar has strengthened its position in the global market as a leading short break destination and port of call in the western Mediterranean. Mr Speaker, we will continue our determination that this sector grows as an economic driver and, of course, we are committed to work tirelessly on this front with our partners and stakeholders to stimulate further growth and expansion. We are determined to ensure that the positive outcomes experienced in the past 12 months continue unabated. We will continue to diversify and, of course, without a shadow of a doubt, the message is clear insofar as tourism, as with every other part of our strong and successful economy – Gibraltar remains open for business.

Turning to housing, Mr Speaker, I am proud to say that this past year has indeed been a landmark year on a number of fronts.

In my speech last year, I referred to the affordable housing schemes that we were constructing and this year those have become a reality. Earlier in the year, we saw the completion of two magnificent affordable housing projects at Beach View Terraces and at Mons Calpe Mews. The homes are spacious and the standard of construction is indeed very high. Many families have already moved in and I receive frequent reports of how happy people are with their new homes: Exciting times for many, Mr Speaker.

The ingenious idea of constructing for co-ownership, thereby making it affordable and as such so successful, and enabling people to get on the property ladder, was developed by the GSLP when we were first in office, and we will continue so as to ensure that the acute demand for housing that we saw snowball in the last 20 years are not repeated.

The construction of a further at least 1,500 flats in the next phase of construction of affordable housing at Hassan Centenary Terraces and Bob Peliza Mews has already shown incredible interest, this, Mr Speaker, demonstrates that there is an overwhelming desire to own property.

Furthermore, I am just as proud to be part of a government that will deliver purpose built flats for the elderly, 142 to be precise. The concept of building flats for the elderly is a great one; such flats are in high demand. We have taken it to the next level in the new developments at Charles Bruzon House and Sea Master Lodge, by consulting with every single relevant

190 professional who have been collaborating in the planning and design to achieve the best design of these flats, and learning from the mistakes of the existing accommodation for the elderly. These flats incorporate the latest accessibility features, spacious showers, colour contrast for the benefit of the visually impaired, non-slip tiles and individual panic buttons. The design of the building takes account of wheelchair users; includes ramps, automatic doors and lifts.

195 Regrettably, Mr Speaker, you will recall that we had to go to considerable expense in alterations to remedy defects preventing accessibility in Albert Risso and Bishop Canilla Homes, as well as converting baths to showers so as to make those flats more comfortable for the elderly tenants. Our purpose built flats will make an incredible improvement to the quality of life of our elderly community and will help them remain at home with dignity, comfortably, safely and independently for longer.

200 In turn, a considerable number of larger accommodations will be returned to the Government's rental housing stock. The first of those, Mr Speaker, Sea Master Lodge at Mons Calpe Mews estate, has just now been handed over to the Government, and we shall embark on the process of allocation to applicants very shortly. So in no time at all, Mr Speaker, those individuals who have applied for these flats will be hearing from us.

205 All in all, the first phase of construction of flats by our Government have given the people of Gibraltar in excess of 1,000 new homes, needless to say that this will in turn have a considerable impact on the housing waiting lists. In addition, there will also be flats returned to the rental stock by individuals who have purchased or who may be moving into the flats for the elderly.

210 In addition to the new construction, we continue with our extensive refurbishment programme of existing government rental housing estates, which as we heard on Tuesday, the enhancement has converted these into assets by way of investment.

The major refurbishment works at Glacis and Moorish Castle estates are virtually complete, and have undeniably contributed to visually transforming what was previously dreary and neglected architecture at Gibraltar's land entry point.

215 Phases I and II at Laguna Estate are practically complete and phase III is already being staged in. Again, the improvement to this estate is plainly visible.

Refurbishment works to Alameda Estate also continue, and the blocks remaining will be completed in this term of office.

220 An extensive refurbishment programme is also underway at New Police Barracks at Willis' Road.

The general embellishment, road resurfacing and parking rationalisation works to Varyl Begg Estate is now complete.

225 Mr Speaker, refurbishment works to other major estates will also continue. We are committed to an ongoing programme of maintenance and improvement of our rental housing stock. We have invested, and we will continue to invest, in the maintenance and upkeep of our estates for the benefit of the families who live in them.

230 Mr Speaker, the Chief Minister announced on Tuesday that housing rent will be increased for the first time since 1984. Mr Speaker, you will be aware that the Ombudsman, in his report, called for the need to review housing rents. Since the announcement by the Chief Minister, this step has been widely accepted and indeed welcomed, perhaps more on a matter of principle than the value of income that it will generate. After all, Mr Speaker, the increase is relatively minimal and modest by all accounts.

235 I will take the liberty of reminding the House of the statistics that the Chief Minister provided on Tuesday: average earnings in 1984 were £126 per week. Average earnings in 2015 were £555 a week. That is a rise of 340.5%. Inflation in that time has risen by 153.5%, therefore the increase in rent, 3%, is therefore considerably lower than if it had been increased in line with inflation.

240 I will continue to look at the figures and provide an income statistics versus affordability comparison – In 1984 rent at £18.70 was 14.8% and at income rates in 2015, the cost of the same rent, because of course it never changed, was 3.4%. On this basis, if the same proportion

of income was expended on rent, the rents in 2015 should now be £82.14 per flat per week and if rents from 1984 had been adjusted for actual inflation in 2015 they would have risen to a level of £47.40 per flat per week. Mr Speaker, it is all relative too, as £100 in April 1984 is the equivalent of £253.36 today.

So all in all, Mr Speaker, a very modest increase indeed, on average will translate to an increase of 60 pence a month. And the increase in rent, Mr Speaker, of 3% will take effect as from the 1st September this year, and tenants will be notified accordingly.

As an aside, Mr Speaker, but important, tenants paying rent by direct debit, standing order or other methods of deduction must remember to make arrangements for the payment of the new rent once due and to adjust their payment mandate, otherwise Mr Speaker, heaven forbid, we would not want anyone to inadvertently fall into arrears on the increase, otherwise an average of 60p will be accrued accidentally each month. In any event, of course, the Housing Department will be checking this and assisting people.

On the subject of arrears, Mr Speaker, perhaps the most notable achievement in the Housing Department this financial year has finally seen the implementation of procedures to recover arrears of housing rent, a long standing problem that has been festering for far too long.

Before I go any further, Mr Speaker, I wish to make one thing very clear at the outset, we are certain that there must be a distinction between those who cannot pay rent and those who do not wish to pay rent, without any reason for not doing so. (*Banging on desks*) Thank you, because firm action has never been taken in the past, it has unfortunately become the norm for the latter not to pay rent. The Department is sympathetic to individuals who genuinely are unable to, or have difficulty to meet their monthly rental instalments, and officials try to be as helpful as possible. Unfortunately, there will always be people who are genuinely unable to pay rent, and in these circumstances it is our duty as a community to assist. They are not the priority in our strategy for recovery of arears.

Now, Mr Speaker, I sincerely hope that the Principal Auditor is listening because I think that he will be very pleased with what I am about to explain. He will also now have to change the template that he has been using in the auditor's report in respect of the Housing Department for the past, I would say, 15 years. Mr Speaker, I am proud to announce that the problem with the accrual of rent arrears and failing to collect these is no longer.

Upon my appointment as Minister for Housing, just over a year and a half ago, I made it my first priority to tackle this issue that had for a long time spiralled out of control and as such, suffered from the ostrich syndrome. I make the point at this stage that this is in no way a criticism of my predecessors, my friends, the late Charles Bruzon, and Minister Paul Balban. Indeed, I have been fortunate to benefit from their hard work as they had already set about dealing with the other housing priorities which were, of course, to lay the foundations for the construction of additional housing and plan the major refurbishment works, the results and benefits of which we have already seen.

Mr Speaker, it is absolutely unconscionable that we find ourselves in this situation in relation to rent arrears. For too long, far too many people have considered the payment of rent as optional, or have seen it as an interest free loan which they would never be required to repay. They have been allowed to think this and get away with it, as there has been no action taken or even an attempt to recover and no consequences for failure to pay. The collection of arrears, Mr Speaker, is about people understanding their duties. Paying rent is about taking social and moral responsibility and therefore if this is not done, it is right and just that we pursue this debt. Not just because we are contractually entitled to, but it is right that we do so because we have a duty to all other tenants who pay their rent dutifully and on time and to all who meet their mortgage repayments and to those taxpayers who are otherwise having to subsidise those who choose not to pay rent.

Mr Speaker, it took me the better part of a year to organise the Housing Department's databases and IT systems so that we could have clear information to formulate a good recovery strategy and then work on the strategy itself so as to have a clear picture on our plan of action in

the most efficient and effective way. We were finally able to embark on the recovery strategy and implement it in earnest in January this year, with a new team within the Housing Department dedicated, almost exclusively, to the recovery of rent arrears, so the majority of the figures that I am about to report are from the progress from that date. Next year, Mr Speaker, I will be able to more properly report back for the full financial year. More or less at the same time as we started collecting arrears, the Government's Central Arrears Unit was formed and we have also called upon them from time to time for assistance.

We have a fluid strategy, Mr Speaker, and I meet with the dedicated arrears team almost weekly, to ensure that we consolidate the process and keep the momentum going. Every week we review the position and brainstorm as to how we can improve the process further. Given the large number of debtors, we have broken them down into bands depending on the size of the debt and have varying strategies for the recovery of each band. The priority has been to recover from the top 25 debtors and everyone who owed under £1,000, as we wanted to deal with this while the debt was still manageable for them.

In most cases we ask tenants to repay a lump sum and then enter into a repayment agreement for the balance. Importantly, Mr Speaker, in all cases of arrears, where agreements have been signed, repayment is secured by direct debit, standing order or deduction at source in the case of public servants. We have updated our systems and databases and updated a software system for rent collection, we have introduced a new monthly billing format which highlights the arrears, we have also introduced a revised rent arrears agreement. We have embarked on an awareness campaign and introduced a facility to make lump sum payments on line via the new e-gov portal of up to £2,500, so that people do not have to physically attend the Department to effect payment of arrears. No exchanges, inclusions or exclusions on the tenancy are allowed for people who are in arrears.

No parking spaces will be provided or renewed in cases where people are in arrears. And I will use Mid Harbours estate as an example, Mr Speaker, only because parking permits in that estate expired on the 30th June this year. For a number of months now we have been writing to tenants on a number of occasions, reminding them of the requirement that arrears be paid in full in order for the parking permit to be renewed. A fob is required to activate the barrier to the car park at that estate for those who are authorised to park. Those in arrears have been clearly advised, for a while now, that they would no longer be authorised to park beyond the 1st July. On 4th July we deactivated the barrier fobs to all those in arrears. And, Mr Speaker, on the basis of our strategy to collect rent on arrears in relation to this estate, which historically has suffered from big arrears problems, the total figure in arrears of which just exceeds half a million pounds we have collected in this period £90,411, and that is just in a few months, Mr Speaker. Thirty nine tenants from Mid Harbours have settled their arrears in full, amounting to £84,085, and these are figures that I have as from yesterday.

So, Mr Speaker, that is just by way of example to show that the strategy is working. These figures say more about the willingness to pay rent than the ability to pay rent because these 39 individuals have all paid what they owed in a lump sum. So, Mr Speaker, the situation at Mid Harbours is well on its way to being improved.

Similarly, Mr Speaker, we have applied the same strategy and not allocated any sheds or berths in the new small boats marina in cases of arrears – of those offered berths at the new marina, 32 people were in arrears, of those 26 people have paid in full and in this way we have recovered £42,747.94 (**A Member:** Well done.) (*Banging on desks*) in a short period of time. And 11 debtors have actually foregone the opportunity of a new berth because they have not been willing to pay arrears.

Requests for non-essential works are not accepted by the Department for people in arrears. And importantly, Mr Speaker, as from 1st September it will be compulsory for all rent and arrears to be deducted at source for all public servants, unless payment is already being made by direct debit or standing order without default. It is totally unacceptable that people who are in



employment should be indebted to their employer, this should never have been allowed and for years no one has implemented any mechanism to prevent it. We now have, Mr Speaker.

Since January to date, in addition to issuing bills in the new format, which highlights that the tenancy is in arrears, the Housing Department has issued a total of 2,599 letters to debtors. This figure includes up to three or four letters in some cases. And in the same period, Mr Speaker, this year since January, the Department has arranged 414 appointments with debtors, of which 313 have attended. Officers meet with tenants individually and try to establish the reason for the non-payment and offer assistance with a repayment plan. Meetings are amiable. Officials consider the individual circumstances and try to assist genuine cases of hardship as much as possible. Close liaison with the Department of Social Security quickly verifies whether rent relief may be offered. And in cases of unemployment we have also established a seamless referral system to the Employment Service, which luckily just happens to be next door to the Housing Department. At the moment we have two teams of officers who see people daily. There are, Mr Speaker, a further 687 meetings scheduled. So as you can see a very live process and people are engaging well. So far, Mr Speaker, 196 repayment agreements have been signed since January this year.

This has secured arrears in the sum of £766,447.99 – payment is mostly secured by deduction at source and standing order. Essentially so far we have secured the sum of £21,569.77 a month in respect of arrears via repayment agreements. In addition, and I would say more importantly, we have secured the payment of monthly rent going forward in the sum of £16,012.14, every month. Of course, that number will continue to increase as the team continues to see people. We have introduced a mechanism in the software that immediately advises us upon a default in repayment of the arrears agreement and a letter is issued immediately. The Department is now working closely with a number of other Government Departments to update information on tenants. Working together to safeguard arrears by public sector workers and other mechanisms will be introduced for those who work in the private sector. But first and foremost, Mr Speaker, while the figures that I have quoted are important, the most important thing is that there is a clear strategy on arrears collection which is being pursued by the Housing Department and is constantly under review with a view to improving.

This debt has been allowed to accumulate over a period of 20 years. It is still early days in our strategy, but it is clearly working in a very short period of time. The strategy, Mr Speaker, is twofold. Of course we aim to recover the existing debt, but even more importantly, we want to stop it from escalating further and by introducing the new mechanisms we are securing the monthly rent going forward. That is, not only have we reduced the figure of the debt, had we not implemented the new system it would have continued to grow beyond £6 million.

Mr Speaker, I am delighted to report, that since the answer to the last Parliament Question on the balance of arrears, i.e. people who owe in excess of three months' rent as at the 31st May, the balance of arrears as at 30th June has again reduced to £5,425,830.21. Mr Speaker, the debt accrued is not something that can easily be resolved overnight; after all it has taken 20 years for it to reach where it is.

It must be recalled, Mr Speaker, that when the GSLP left office in 1996, arrears were £655,031 and it was under the GSD's watch that rent arrears passed the one million mark and increased steadily and by about 600% by the time they left office, leaving behind a debt of almost £4m by 2011. While it is a matter of fact that the debt continued to grow on the same trend while we were unable to change the system at the outset, we are now addressing the matter and I am relieved that the balance of arrears is, for the first time, in steady decline.

An important factor, Mr Speaker – and I am sure that those opposite, in particular Mr Clinton, will be glad to hear – this strategy has been implemented without any additional human resources expense. We have done this by restructuring the Department and redeploying people internally, so no additional personnel have been employed, and there has been no need and therefore no expense incurred in overtime.

Mr Speaker, it is still early days, but the important point to note is that there is a plan of action. The plan is in place and it is working. The most valuable achievement is ensuring that going forward tenants do not continue to default in their arrears, and I am confident, Mr Speaker, that my report at the end of this financial year will show significant improvement, and I look forward to reporting back to this Parliament a year from now.

Mr Speaker, at this stage I must publicly recognise the commitment and hard work of the arrears recovery team at the Housing Department for their absolute dedication to the process. Previously, unfortunately, they had no mandate to do this despite them wanting to embark on the recovery of arrears, as the diligent public servants that they are. This year they have vigorously pursued the arrears recovery strategy, have seen hundreds of people – and not all meetings are pleasant, Mr Speaker, as you can imagine – they have processed hundreds of payments accurately, and on time, and all with a turnover, vigour and efficiency that you would have thought that they were being paid on commission on the amount recovered, which incidentally they are not, Mr Speaker.

On a final note on housing and a reference to the Ombudsman's report; for the last few years the Ombudsman has noted a downward trend in housing complaints and enquiries. I am pleased that this trend continues, to the extent, according to the Ombudsman, that we should see housing issues being removed from the top of the complaints league. Housing has always been a very difficult sector, but it is indeed very gratifying to read such an acknowledgement because it is even more gratifying that the logical effect is that we are assisting more people and more people are happier with the service.

Turning to equality, Mr Speaker, as a Government we have demonstrated a strong track record on equality in our first term and this will, of course, continue our work as we strive for a more inclusive community.

Mr Speaker, having introduced the civil partnership legislation in our first term in office, the most live issue at present is our manifesto commitment with regard to amendments to the Marriage Act to make it equal for all. As you are aware, in our manifesto we set ourselves a commitment and a time-line for June. We have already undertaken the consultation process, but given the results of the Referendum, we have been overtaken by events and we seek the indulgence of the electorate for a little longer, but that does not mean that we have lost sight of this matter at all.

In July last year the Equal Opportunities Act was amended to include transgender individuals as a class protected from discrimination and we are working with other Government Departments on progressing policies in this regard as appropriate.

A lot of work, Mr Speaker, has been undertaken on the implementation of the UN Convention on the Rights of the Disabled, including substantial consultation with stakeholders and we are finalising documentation to be able to give this effect. This is not the only progress on the rights of people with disabilities and we continue to make progress to assist individuals with disabilities and have introduced various important measures throughout the year, already.

There has also been substantial training, both for the private and public sector, on accessibility to premises as we prepare for the introduction of regulations to make buildings accessible compulsory. Importantly, as part of our work in life planning for the disabled, the Department is spearheading an inter-agency working group with a view to formulating a strategy for people with autism and assisting, as well, people with other learning disabilities.

I also continue to undertake work on gender equality, and this year numerous awareness events have been arranged while we continue to work on the substantive matters on this front. Mr Speaker, this is an area where I am greatly assisted by the support of professionals and groups in the voluntary sector with whom I work very closely, and I wish to thank all those who have provided professional and practical guidance.

Mr Speaker, my final portfolio is, of course, Social Services. The development in this department is ongoing. In the same way, the needs of our community and society change, the service ensures that it adapts and models its services to reflect this. The users of Social Services

encounter in their lives issues which affect many facets and dimensions and the inter agency teams that work to support them have embraced this.

450 I am happy to report that there now seems to be a deeper understanding that Social Services does not work in isolation from other Government Departments. The Social Services Department of the Care Agency provides for children, vulnerable adults, adults with learning disabilities and individuals suffering from addiction.

455 The driving force in Children's Services is the understanding that children want to grow up within their families and the opportunity to grow up in a safe, healthy, family unit is what Social Services aspires for every child. It is for this reason that the dynamic of Children's Services has now changed to promote early intervention to avoid future difficulties such as criminality, substance abuse and domestic abuse from arising.

460 One of the flagship successes, which I am very proud of in the service this year, has been the Adoption and Fostering Service and its development as a way of providing a family life for children who cannot live with their own parents. The Care Agency celebrated its first Fostering and Adoption Awareness Week in October 2015. The success of the campaign has been reflected in the number of children placed with foster parents and family placements in the last few months, as opposed to institutional care. This is a great achievement for children. Training of  
465 potential foster and adoptive parents has greatly improved and it helps individuals cope with the sometimes contentious issue of fostering within a small community. The success of the fostering initiative has had an effect on Residential Services, which is undergoing a restructure, as the team there work very closely with the family placements to ensure their success.

470 The process for leaving care children has also been greatly improved, thereby achieving a better result for children who grow up and leave the residential service, but for whom there continues to be support from Social Services where necessary to assist them with their transition to adulthood and independence.

475 The team from Adult Services, who assist vulnerable adults, aged 18 or over, principally support individuals to live safely and independently in the community. This is generally achieved through a multi-disciplinary approach with social workers, carers and other agencies. This year, the service received a total of 472 referrals for social work assessment and support. There is an increasing amount of referrals from the public and self-referrals, and this is as a result of the growing confidence in this service.

480 They are also responsible for the running of the day centre for the elderly at Waterport Terraces, such a valuable investment, Mr Speaker, for the benefit of our elderly community who are able to spend time in this warm and caring environment.

Domiciliary care, of course, continues to be provided to assist vulnerable, elderly or infirm people at home. We constantly monitor this service for clinical standards as well as to ensure that it runs on a cost efficient basis.

485 Social workers are now integrated in hospital and multi-disciplinary teams and bed management meetings which ensures better planning of services and a seamless approach to care. At present, we have 220 individuals receiving care at home through Social Services. This enables elderly people to remain at home safely and independently for longer and in line with their wishes.

490 During this financial year, the focus of the Disability Service has been the emphasis on continued improvements to ensure the highest standards and quality of care are provided at St Bernadette's and Dr Giraldi Home. We have engaged the services of an external consultant to assist in the development of the service and assessment of individual service users. We have refurbished St Bernadette's to improve it and make it more accessible and completely  
495 refurbished the sensory room, which is so core to our service.

Finally, turning to addiction rehabilitation and outreach and community services provided by the Care Agency; this Government, Mr Speaker, and all of us who are responsible for drug and alcohol abuse treatment in different ways, are totally and equally committed to assist those who may suffer from this.

500 Mr Speaker, the hon. gentleman opposite yesterday mentioned that he has met with addicts in recovery and is learning from what he hears. Mr Speaker, that is so important, and that is exactly what I have been doing for over four years. And Minister Linares, as well, who held this portfolio last year, because this is how we have shaped our policies and led the service to where it is. What it is, Mr Speaker, is a far cry from what it was when we first came in. And I am sure that what I found in 2011 is not what Mr Corby, who initially set up Bruce's Farm, left either. I know what we inherited, Mr Speaker. I was there, I saw it – an empty, dilapidated Bruce's Farm, forgotten and neglected by the GSD, and I am not referring to the building, I am referring to the people who needed it at that time. But I do not wish to dwell on the past, Mr Speaker, because we have to move on and we have to move forward, and that is not what this service is about.

510 In previous answers to questions I have stated that occupancy levels at Bruce's Farm are higher than ever. Well, guess what, Mr Speaker? Last month I was delighted to be faced with the problem that it was full to capacity. This had not happened for at least 12 years, and it shows that the system is now working and help is being provided. Incidentally, Mr Speaker, on that occasion I asked the staff to immediately buy bunkbeds as a temporary measure as I wanted to ensure, as I always have, that people who ask for help and seek to be admitted always are.

515 Beyond Bruce's Farm we have important manifesto commitments to meet on a wider strategy. We are working very hard to achieve this, and once our ambitions are implemented, we will transform how drugs misuse and its damaging consequences are dealt with in our community.

520 This is certainly an area where inter-agency working together is crucial for success, as is engagement with charities and the voluntary sector, with whom I meet frequently, and they know they have an open door and my full support.

The significance of the progress of the Care Agency is the overall improvement over the past few years. This has been achieved principally through the employment of staff in a service which never had a full complement, of either professionals or administrative support. And, Mr Speaker, it is also very important to note that the administrative support in the Care Agency is the backbone and the essential support to the professionals.

530 Social Services – as an essential service – has seen growth posts of key staff in our first term in office and we are clearly seeing the results of this valuable investment. One of the key functions outside the day-to-day professional work is the outreach careers work that is undertaken by staff to encourage, especially children in schools, to consider a career in care, whether it be as a social worker, in care or nursing. We are keen to invest in the future of this service.

535 Finally, Mr Speaker, I would like to give credit to Mr Albert Bruzon who retired as the CEO of the Care Agency at the end of last year. Albert is a kind man and someone who holds strong principles and values and has dedicated his career to working in the public sector. Albert stepped in as CEO of the Care Agency over three years ago, at a very difficult time, and helped steer the ship and give it the balance it has today. Being at the helm of this incredibly challenging and demanding organisation is not an easy task, nor is it putting up with a most demanding part of it, Mr Speaker, and that is yours truly. After a short period of retirement, Albert has agreed to return to work with me again, but in my ministerial office on a part-time basis. I am grateful that he has, and I look forward to working with him again, his role will now be different, but no less important.

545 This year has also seen the retirement of Debbie Guinn, the Head of Service of the Adult Social Work Team. Debbie is a true professional, a kind and gentle lady, who has dedicated her career to helping others and has done a lot for social services in Gibraltar, and from whom I have learnt a lot. I wish her well, but ask that she does not go too far, either.

550 It just leaves me to thank everybody who works with me, Mr Speaker, either on a daily basis or in my departments or in the departments that I call upon for support from time to time. I have numerous departments that I am responsible for, Mr Speaker, and I work closely with senior management and officials to progress each service for the benefit of those relying on it.

So I could not make progress without their support. My portfolio is vast, varied and very demanding, with very real and live issues and of late also requires a lot of travel.

555 So, Mr Speaker, my team, particularly those in my immediate ministerial office, while a very small team, are very hardworking and dedicated, and help me keep everything together. They provide me with day-to-day support and also co-ordinate with all the departments and sectors that I am responsible for. Together, Mr Speaker, we will all continue to work hard in order to deliver what we have committed to in our manifesto.

Thank you. (*Banging on desks*)

560

**Mr Speaker:** The Hon. Lawrence Llamas.

565 **Hon. L F Llamas:** Mr Speaker, I am proud and privileged to be delivering my maiden Budget address. The past seven months have been a defined learning curve for me. Sitting on this side of the House is certainly proving advantageous. Mr Speaker, I shall be taking your advice from question time and making a short and important statement.

570 I have to start my speech with what I feel is the most important issue that is depriving people of basic human rights in our society, and even though we keep on hearing promises: that is the delay in bringing to this Parliament the Disability Bill, adopting the UN Convention. With a Command Paper having been issued months before the last general election, to further delay bringing the Bill to Parliament – given it is a 2011 manifesto commitment – is unjustifiable. Any continued stalling will only harvest bucket loads of sour lemons. (*Banging on desks*). It is simply reprehensible for Government to drag its feet on this one and reply with their rhetorical answers.

575 Yes, it is easier to blame a previous Government for delays, but we are not here to question previous administrations, we are here to progress by working with and scrutinising the administration of the day. I do not have to shoulder the blame of past administrations, in the same way as you are not reminded of historical issues. (*Interjection*)

580 The UN Convention was published in 2006. The person on the street does not care who did what and when; what the person out there wants to hear is why is it taking 10 years for Parliament to bring this legislation. (*Banging on desks*)

585 I must stress that, when it finally makes its way through these doors, I expect it not to be the watered-down version published in the Command Paper and, instead, it takes on board the hard work done in preparing the Disability Bill between 2006 and 2011, which Government wants to pretend never existed even though all stakeholders have copies.

I understand that representations have been made to Government by stakeholders with their concerns and advice, and I truly hope Government listens and adopts the UN Convention in its full version.

590 On the other hand, I am able and pleased to congratulate Government on its achievements in making public areas, such as playgrounds, inclusive for those with disabilities. It is gratifying to see playgrounds where children of all capabilities are having fun. I hope to see more of this in the future.

I welcome the estimate item to finally include a lift in Parliament House. I know of a particular person who will be making continuous use of that lift.

595 Returning to another area of pussyfooting is the delay in providing a Family Centre, which was an issue of concern for this administration during their terms in Opposition and which has fallen down the waistline, with one parliamentary term having already elapsed and yet not seeing the opening of this centre.

600 Another important area which is proving difficult to assess is the situation which I believe exists in the Care Agency but is almost impossible to scrutinise, and that is the influx of subcontracted workers. I have, however, been able to identify that 48 subcontracted workers were working under the disabilities umbrella as at February 2016 out of a potential complement of 95. Astounding though it is, this means that more than half of the personnel is subcontracted.

I make this point on the basis of the limited information I have, and which is publicly available, in the hope that the Members opposite can prove me wrong during this parliamentary session. This would make a welcome departure from the smokescreens and diversions to which we have become accustomed from the other side of this House on this subject. (*Banging on desks*)

These workers receive basic training and are entrusted with tending to the needs of the most vulnerable members in our society. It now transpires that there is no independent regulator and that Government regulates the contracted parties. This is wrong in any sector, but when we are talking about the most vulnerable people in our community, it is completely and utterly intolerable and shocks me to the core. Government should not play a surety part in this venture at all. There should be a robust body – such as the FSC in its jurisdiction, as the GRA in its jurisdiction, as is the Environmental Agency in its jurisdiction – that can professionally and independently review this sector without fear or favour.

We understand that annual leave, maternity leave and sick leave may give rise for a need to seek assistance from recruitment agencies in order to keep the services running. However, this should not be in lieu of employing and training long-term staff. Furthermore, there is a bigger issue than just long-term employment for workers, but also the long-term continuity for the service users. There are service users who cannot tolerate sudden short-term changes, and these should be avoided at all cost. Cover should be sourced from the existing team of staff and not externally.

This also gives rise to a slow-developing workforce, who are not trained as they evolve but rather become stagnant and unmotivated. As a result, the sector is run on a continuous firefighting mode instead of having a robust human resources' policy and management, which not only guarantees continuity of service but also factors in long-term training requirements.

I strongly believe a Care Quality Commission is pivotal to the success of the Care Agency, Elderly Care Services, the GHA and Domiciliary Care. It monitors and assesses the quality of the care being delivered and rates it accordingly. It does so with full independence and freedom. This, coupled with an individual Carers' Support Plan and supportive carer policies, would truly take Gibraltar to a different level, in line with other modern, forward-thinking societies around the world.

Stay-home, unpaid carers should be recognised by Government in as many ways as possible, from enhanced employment conditions, respite, financial benefits, training and advice. Some of these may be available to certain carers who have sympathetic employers, but it is important to provide an accessible legislative framework in this area so that it is open to scrutiny, clear, and available to all recognised care-givers. We should be working together on cross-party policies that are for the benefit of those who elect us – beyond elections, beyond administrations, and beyond party politics.

On a more positive note, I am pleased to see an item in the estimates for Project Search. I am surprised it has not been mentioned in this Budget session, even though it is in the Budget book. We strongly believe this to be an improvement on the current Supported Employment Scheme (SEC) given its tried and tested structure in the UK.

It will enable young adults to grow within a framework, whilst at the same time supporting employers in each individual placement. It is all about creating awareness and destigmatising the employment of individuals with learning and/or physical disabilities in the private sector. I look forward to seeing the progress made by this initiative in the upcoming months and trust that those currently employed under the SEC scheme will be transferred onto Project Search so they may also benefit from this initiative.

It has also been encouraging to see and I welcome the awareness campaign in fostering and adoption. This initiative must be maintained and expanded in order to achieve the results we all want to see, and are currently seeing.

As well as the evident usage of fertility clinics revealed in last week's question and answer session, IVF services, formally introduced by this administration for those unable to naturally conceive, is proving successful.

Moving onto the administrative aspect of the Health Care, the Primary Care Centre, we understand and accept it is a work in progress. No administration has got it 100% right; however, it is important for Government to listen to both complaints made directly to them and from the Opposition benches. The system is leading to many cases left unattended for days and weeks, long waiting times on the phones and complicated systems which our elderly in particular find difficult to comprehend. This, inevitably, has a knock-on effect on the overuse of the A&E Department and causes unnecessary delays there.

We also see a huge amount of cancelled operations. We have no reason to doubt the Hon. Minister for Health when he suggests that the majority of cases are not due to the GHA's inability to perform the surgery, but the fact remains that the number of cancelled operations due to bed shortages is staggering. I hope that these will diminish with the eventual opening of the long overdue Dementia Residential Facility.

Once this is opened, it will inevitably not be enough. We are living longer and the older generations need to have infrastructure and policies to cater for their needs. One example which we need to materialise is the accessibility of older people in private accommodation who are unable to access Albert Risso, Bishop Canilla and the upcoming houses. I hope Government initiates, in this area, a user-subsidised residential accommodation where this demographic can enjoy their independence albeit in a suitable infrastructure. *(Banging on desks)*

I have to congratulate the Government on their MS Nurse initiative, which I understand is providing the support and accessibility MS sufferers so needed.

Additionally, we fully support and congratulate the Government on the organ transplant program, which this Government has initiated and enacted on, seeing already one successful case.

We also look forward to the Oncology Centre being in operation and hope it provides the treatment to as many sufferers as possible so they can avoid the added inconvenience of travelling outside Gibraltar for treatment.

Moving on to Tourism, which I feel is an important area for Gibraltar regardless of which political party is in Government and where we should therefore try and develop ideas and steer away from partisan politics as much as possible.

The Government prides itself on the upward trend, but this is following a sharp drop during their first term in office. The Government have spent £4.37 million on tourism marketing over the past four years. One would expect to see tangible results as a result of this level of investment in the tourist sector.

I will accept and congratulate the staff involved in the increase of air passengers and reiterate the fact that the new terminal has allowed for air connectivity for the expansion which could simply not have been possible from the old terminal, let alone parking the planes in the old layout. However, what Gibraltar is crying out for are more connections to cities in mainland Europe. I hope this will become a priority for those involved and wish them all the best in achieving these exciting results.

In cruise passenger figures, I note with pleasure the work carried out in order to restore the levels of passengers that were enjoyed during the GSD's golden age period in office. *(Laughter)* I would now urge those concerned to motivate cruise liners to stay for longer.

Looking through the statistics, there are many cruise liners who only spend a few hours in the port, meaning that passengers have limited leisure and retail time. In many cases, because of their early arrival, in the early hours of the morning, the time available to them in Gibraltar does not even coincide with the opening hours of the Upper Rock Nature Reserve – as well as stifling potential tourist expenditure, the true Gibraltar experience is minimal.

In terms of land frontier figures, there is a drop of 15% between 2011 and 2015. This drop is sufficient to stifle the overall figure of tourists entering Gibraltar. This downward trend is also the case in tourist expenditure, where we are seeing a 29% drop from 2011 to 2015. If the levels of tourist expenditure seen in 2010 and 2011 had been maintained, this would translate into a

tourist expenditure loss of £300 million over the last four years, and all this Mr Speaker, whilst spending unprecedented levels of investment in marketing.

710 These figures are important, Mr Speaker; they cannot be ignored. This trend affects traders and businesses in our streets, which is why I have made the point in the past that the tourist sector is a pillar of our economy; one which can grow in a sustainable manner but not to be meddled with irresponsibly; one that must be handled with care. We can throw all the money you want at marketing, but if we do not have the root and branch planning, organisation and infrastructure, the tourist experience is soured and the long-term vision is impeded.

715 For example, Mr Speaker, we have always maintained, from our first press release following the foreign vehicle ban to the Upper Rock, that we agree with this measure. We were providing ways in which this policy could be implemented in the best way possible for all concerned, with the tourist experience at heart. Additionally, we were urging Government to exempt those with disabilities from the ban. The latter is claimed to have been taken on board, even though there is  
720 nothing on the Visit Gibraltar website to indicate that this is the case, and I quote from the website:

No unauthorised private vehicles are permitted in the nature reserve, however a number of walking, taxi or bus tours are available.

On this basis, Mr Speaker, unless you are on an organised tour, you are unable to visit the Upper Rock, and clarification needs to be provided.

Of course, this will impact negatively on the level of revenue to Government from the Upper  
725 Rock site entrance fees, but where is the infrastructure and the tourist experience? Yes, we have seen unprecedented levels of investment in the Upper Rock: £1.8 million investment on flashy gimmicks between the Suspension Bridge and Mount Misery Lookout – which at a personal level I love as I am an adrenalin junkie; I really, really like them. However, we are still seeing filthy water habitats for the macaques and inadequate priority and foresight to improve the basic  
730 health and safety for tourists by introducing balustrades. Whilst we are encouraging tourists to walk around the Upper Rock, this is an accident waiting to happen.

Europa Point is another tourist hot spot; it is visited by millions of tourists every year. It is an idyllic location, overlooking the majestic Straits of Gibraltar, yet the old shop that was demolished has been left there as an eyesore – a simple provisional landscaping of the site could  
735 have at least brought the land in line with the rest of the area – not to mention the state to which the popular playground, built by the GSD Government, has been allowed to deteriorate. What is the point, Mr Speaker, in permitting the destruction of a popular area which is enjoyed by so many Gibraltarians just to score cheap political points? Surely the community comes first, or do the Members opposite care only about votes at election time?

740 Moving on to another of my assigned portfolios, the Port. The Gibraltar Port recurrent revenue is coming in at staggering downward figures. The tonnage dues once enjoyed by Gibraltar of £4.3 million at a peak in 2012-13 have disintegrated to £2.6 million estimated for 2016-17. If the up-going trend up until 2012-13 had at least been levelled and maintained, Government would have had an extra £4 million to play with, more over the last three years and  
745 £6 million by this time next year. Where is this money going to? Our neighbours across the bay?

On a lesser scale, the same can be said for the bunkering revenue, from nearly breaking the million pound mark in 2010-11, the forecast for 2016-17 is a measly £400,000 in comparison. It is safe to say that approximately £1 million of revenue has been lost, probably due to migration of business across the shores, meaning local businesses are also losing out in these trades. It is a  
750 worrying downward trend and I genuinely hope to see an upward trend in both these areas.

Still, Mr Speaker, we have a beautiful small boats' marina, coming in at £24 million. Seven hundred lucky owners have been gifted berths to the tune of £34,000 each, in exchange for which they are liable to pay service charges to a sinking fund for the maintenance of the same.



If this is not a clear example of the culture of entitlement we have so often spoken about, I do not know what is. The cost of each berth, which has been gifted to each user, is roughly equivalent to the 50:50 mortgages which the new homeowners have had to obtain under the recent affordable housing schemes. It simply does not make sense.

It is not all bad, though: it has brought back recreational fishing as we used to enjoy in the North Mole, and I am happy for those who have obtained the berth – good for them. I hope Government will publish the successful applicants so that the electorate can see that it has been a fair process.

As a stand-alone project, it clearly has its merits. In the context of prudent management of our economy, particularly with the threat of an EU referendum looming over us at the time, I am convinced that there are much more meritorious projects which could have been prioritised, such as the dementia facilities, St Martin's School and all the other schools for that matter. **(A Member: Hear, hear.) (Banging on desks)**

I must say, we welcome the new yacht registry being prepared – it will see the requirement for vessel insurance amongst other important prerequisites – together with welcoming the Fast Launch Act amendment. I highlighted both issues recently in a Viewpoint programme where I stated that these measures should have coincided with the opening of the Midtown marina before owners began to purchase their vessels. Having said that, I must say we were actually told about the amendment on the Fast Launch Act by a seller up the coast who already knew that this was coming into force before it was even published. *(Interjection)* No, it is not consulting; it is people volunteering information.

Moving swiftly on to animal welfare issues, it is sad to note this Government's abysmal failure in respect of investing in dog parks. The £25,000 investment out of an earmarked £50,000 last year at the Alameda Gardens has seen an attempt to convert a footpath into a park, but unfortunately it is still a long way away. As highlighted back in January, the surface needs rethinking as well as the basic fencing and gating of the area. Unfortunately, I can only say it looks like a waste of money from where I am sitting or standing. Looking from the Estimates Book, it looks like no further investment will be directed that way in the current financial year leaving the gloomy area as it is and the plans shown to the public as a mirage – something which will inevitably not go down well with dog owners in Gibraltar, especially in light of the 500% increase in dog licenses and 250% hike in dog registrations as from November. Clearly, you are better off owning a boat than a dog! *(Laughter and banging on desks)*

I understand that the increase in licenses is to subsidise the DNA testing to match dog fouling to its owner: a measure which I fully support; however, it is sad to see that this model which has been mimicked from the Island of Capri will not be met with the equivalent fine for offenders of €2,000 as exists in Capri. The money from irresponsible owners should be subsidising this venture and not just the responsible owner.

I hope to be given the opportunity to work with Government on issues of concern and adequate management and care of feral street cats, breeding and sale of pets, welfare and neglect, and all other areas in which we are underdeveloped and need modernising.

Finally, Mr Speaker, I wish to thank you, the Clerk, and his staff, for the help and support you have all provided me with in the short time as a Member of this House.

I would like to end by reminding the House that I come in good faith to hold the Government to account, as well as to ensure that its policies and commitments are fulfilled effectively and justly – and congratulate them when they do so.

Thank you. *(Banging on desks)*

**Mr Speaker:** The Hon. Steven Linares.

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805 **Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Mr Speaker, it is an honour and privilege to deliver as Minister for Sports, Culture, Heritage, Youth and Civic Rights my fifth Budget speech to this House.

The Civic Rights aspects of my portfolio are two main areas. The first is that of the Office of the Ombudsman and his team. We provide guidance and support when required.

810 The second is the Citizens Advice Bureau, which is known as CAB for short. Both these offices are run as independent entities. However, they are funded by the taxpayer, therefore it is my duty to monitor their expenditure and their role; and for this reason I am accountable to this House. This has been the procedure since the two organisations were established.

815 Since mediation was introduced in Gibraltar in 2010, UK Mediation has partnered with CAB to develop and grow mediation services locally. Four staff members from the Gibraltar Bureau are now accredited and trained mediators after obtaining the Mediation Practitioner's Certificate which is accredited by a number of UK institutions. This certificate equips them to resolve disputes and complaints involving employment, consumer, neighbourhood and family issues.

820 CAB is running the Here2Help website. This website is being used to spread the word through social media networks and showcase volunteer and community needs. They have inspired charities to work together and advise how people can volunteer for their respective organisations. This gives members of the public an opportunity to find out what roles are on offer, to allow them to take part in events and to take inspiration to help communities through volunteering.

825 Their website's address is [www.here2help.gi](http://www.here2help.gi)

CAB has also initiated a Money Advice Clinic as part of the services that it offers; this has increased client contacts this year. The aim of this clinic is to help clients stabilise their financial situation so that they can safeguard their homes and their belongings, have sufficient money to feed and clothe their families, and pay their debts at an affordable rate.

830 Mr Speaker, the Money Advice process is a systematic way of working with clients to achieve this aim. CAB works in partnership with the Utility Companies and it uses Community Care officers with a financial or banking background to assist clients in this process as part of their community care duties.

835 CAB staff have been engaged in giving presentations and talks under their 'Staying safe with Advice' campaign. This covered energy saving advice and other safety information. The campaign targeted senior citizens who feel more comfortable in their own homes, those in elderly accommodation or elsewhere. However, this comfort can also reduce awareness of hazards that could lead to injury. Accurate information, advice and planning are essential to their well-being. The Bureau was joined by the essential services in this campaign. Together, 840 they issued wallet-sized cards with useful numbers to senior citizens for them to call in the event of an emergency.

Mr Speaker, I now move on to the Office of the Ombudsman.

845 In the past year the Ombudsman's Office has been given responsibility to handle GHA complaints. The Office now also deals with ADR and reports on complaints against Government Departments and related bodies.

The Ombudsman assumed responsibilities for health-related complaints from May 2015. This was in accordance with our 2011 manifesto. Government also provided funds for two extra members of staff. An office sited at St Bernard's Hospital, to provide an *in situ* service to deal with complaints and enquiries, was also provided.

850 This new task has proved to be quite challenging with a very steep learning curve. The aim of the Ombudsman and his team is to meet the expectations of the service user whilst never forgetting the GHA staff themselves. It is important to point out that in the vast majority of instances the staff provides an excellent service and standard of care.

May I take this opportunity to congratulate the Ombudsman and his team for the professional manner in which they have handled complaints against the GHA.

Mr Speaker, in June 2015 the Consumer (Alternative Dispute Resolution) Regulations 2015 came into force. The Public Services Ombudsman was named as the Competent and Reporting Authority for Gibraltar. The responsibilities of the Ombudsman grew as a result of this and the Office attracted an increased workload. Government has made available an extra officer to be redeployed to assist the Ombudsman with this task.

ADR is a means by which a consumer may wish to resolve a dispute with a trader or service provider. These provisions are aimed at consumers and have no effect in disputes between traders.

Ever since the Ombudsman first became operational in Gibraltar this office has always aimed to deliver the best possible service to those who seek their assistance. To this effect members of staff as well as the Ombudsman continue to travel abroad to learn about the service which is provided elsewhere. The Ombudsman regularly attends ombudsman meetings, conferences and seminars.

The Office in Gibraltar belongs to different organisations and this contact is used in order to keep abreast of the developments in the Ombudsman world. Their stated aim is to consistently make their office a beacon of not only good administration but also of excellence in the delivery of service to the people of Gibraltar.

Mr Speaker, as a result of these meetings, the Ombudsman has recently introduced a Systems Improvement Officer – called a SIO. He has designated a member of his staff to undertake the responsibilities of SIO which will include, amongst other things, ensuring that the Ombudsman's recommendations have been put into effect and actioned. Other aspects of this role will include undertaking a review of their own internal working methods and procedures.

The Ombudsman is always conscious that they owe a duty of service to those who seek their assistance and is therefore keen to ensure that their service delivery is on target, or whether it needs improving.

Mr Speaker, I will move on now to the Youth Service. Over 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 with more young people, and we are also reaching out to other Government Departments, agencies and NGOs. The Youth Service is working with them by advocating an improvement and better services for young people in our community.

The administration for the Gibraltar Youth Service continues to be based at the main offices of the Ministry of Culture where the staff continues to provide support for the Youth Service. The professional complement at the Youth Service consists of a Principal Youth Officer, two Senior Youth Workers and five Youth and Community Workers.

Since September 2015 all Youth Service staff members have completed a consultation with Unite the Union, the Human Resources Department and Government legal officers. In November 2015, as a result of that consultation, the Gibraltar Youth Service produced a set of policies and procedures called 'Delivering Youth Work in Gibraltar'. These sets of policies and procedures have now been adopted by all staff members who work in the Youth Work team.

Mr Speaker, the Youth Work team is complemented by supply Youth Support Workers who provide backing to the full time Youth and Community Work team. The Youth Service has worked very closely with Human Resources in regularising the employment status of all employees.

The Service has continued to work closely with Human Resources and Unite to ensure that we support our employees by putting measures and systems in place. These measures and systems have ensured that we continue to maintain and raise the standard of our Youth and Community Work team as we aim for best practice.

Mr Speaker, in addition to supporting the work carried out at the Youth Clubs and Youth Projects we have once again offered the locally recognised and assessed course in

‘Understanding Youth Work’ to volunteers and prospective Youth Support Workers. This year, trainees were given a choice between the assessed or the non-assessed route. The non-assessed route offered the trainee a certificate of attendance along with the chance to volunteer their services to various youth work projects.

910 Due to the success of their training, plans are at an advanced stage to offer Understanding Youth Work training to anyone interested in working with young people from October 2016.

Mr Speaker, the Youth Service is committed to personal professional development and it constantly continues to update its skills audit of all its employees. All full time employees and some Youth Support Workers have undergone training in the following areas: Safeguarding  
915 Children Tier 1, Health and Safety, First Aid at Work, Basic Fire and Rescue Training. In addition, two Youth Support Workers have recently completed Food Hygiene Courses.

The Youth Service is a member of the Child Protection Committee and, following a request by the Care Agency in November 2015, the Youth Service agreed to join the Safeguarding Children and Young People training team as from January 2016.

920 In January 2016 all Youth Service staff underwent a very successful and inspiring weekend of personal professional development training organised by the Youth Service itself. This was delivered by Moira Smith and Lesley Buckland who are renowned academics from the YMCA, George Williams College.

The Government, Mr Speaker, has invested in people and in facilities and during the past year  
925 both Dolphins and Plater Youth Clubs have undergone significant refurbishment. In addition to their current facilities, these now have new modern and up-to-date kitchens for young people to use and learn necessary life skills.

On Thursday 17th September 2015 the Youth Service and the Royal Gibraltar Police signed a Memorandum of Understanding to consolidate the areas of joint working which both  
930 organisations carry out. This has allowed the two organisations to build a professional relationship of trust to address any issues that young people may have in the actual youth clubs and also in the wider community.

The Youth Advisory Council has been expanded; the Duke of Edinburgh Award, Guides and Scouts have provided advice to Government about issues that affect young people. In order to  
935 improve services for young people we have included representatives in the Council from the RGP, the Department of Education, the GHA, the Care Agency and also the Drugs Co-ordinator.

As Minister for Youth, I felt it important to give young people a voice in our community. The Youth Service set up a Youth Forum and a number of meetings were arranged which included members of this forum where these young people raised any issue that they wanted. As a result  
940 of the meetings, young people have had the opportunity to meet with my colleague, Minister Sacramento, and I at the Youth Centre and to discuss a number of matters. This went very well.

Mr Speaker, the Youth Service is working closely with young people and advocating on their behalf so that the issues raised by them are taken seriously and acted upon. Members of the Youth Forum also met the GHA General Manager, Mr Darion Figueredo and the Director of  
945 Education, Joey Britto. This forum will continue to expand. There will be more meetings arranged in order to give our young people the opportunity to raise issues that concern them.

Mr Speaker, the Youth Service has a well-established working relationship with the Department of Education. We have worked very effectively together with Bayside and Westside Schools and with the College of Further Education. In order to reach out to more young people  
950 the senior team held a meeting with the Director of Education recently. They agreed that the Youth Service would start work with the school Year 7 pupils from all middle schools. This initiative has been extended to private schools with a view to offer the services of the Department and to reach out to as many young people as possible in our community.

Mr Speaker, the Youth Service has been involved in organising many events for young people.  
955 These events have included residentials, attending outdoor pursuit trips, fundraising, projects such as Healthy Lifestyle, environmental awareness, and performing and production. The aim is

to make our young people conscious of their rights and responsibilities and that they are an important party of the society that they belong to.

Mr Speaker, the Youth Service is an extremely busy Department which has been leading on and successfully achieving many projects, thanks to the very committed workforce. With the new Youth and Community Workers in post, and as the team continues to develop their profession they hope to continue their successes. The Government looks forward to an even busier and more promising year ahead where the needs of young people will always be at the top of the agenda.

I would like to take this opportunity to thank the management and staff of the Youth Service.

I would also like to thank the Luce Foundation which helps out the Youth Service by helping them fund many of the projects that they deliver.

Mr Speaker, I move on now to Heritage matters. Throughout this busy year we have been consolidating existing works in anticipation of future projects. The Department has committed itself to securing and following through on a number of important projects. The Museum-led World Heritage bid for Gorham Caves and the surrounding area is progressing well.

The Gibraltar Museum team has been working tirelessly to finalise our bid, its contents and its public outreach components. To this end, a whole new wing of the Museum was recently inaugurated on International Museum Day. This new wing exhibits ground-breaking Neanderthal models, state-of-the-art interpretation panels and previously unseen items from over 20 years of research at Gorham's Cave.

This year the museum open day was a resounding success with over 1,700 visitors, which is a new record.

On the ground itself, access to and protection of the caves has been guaranteed through the construction of new walkways. A partial approximation of the Neanderthal environment has been reconstructed with the successful introduction of tamarisk plants. This will be extended in the coming years.

It is a tribute to the museum team led by Prof. Clive Finlayson and Dr Gerry Finlayson that they have been able, almost single-handedly, to bring together the necessary expertise, drive and knowledge to produce this world-class bid. Whatever happens, there can be no doubt that this is a world-class site of outstanding universal value.

Professor Gabriel Cooney – the World Heritage Site Evaluator on behalf of ICOMOS – was suitably impressed by the exceptional progress of the site. As part of the ongoing five-year management plan supporting the bid, they produced a film called 'Making of the Neanderthal models'. The film will assist to give publicity to the growing Gibraltar Neanderthal experience. This has been aided by new cutting-edge documentaries by BBC and GBC, a brand new website, as well as ongoing research at the cave complex.

Although the final result of our bid will only be known within a few days, our commitment to exhibiting and enhancing our Neanderthal past will endure.

Mr Speaker, the Ministry for Heritage has continued to refurbish the City Hall, following the opening of our National Art Gallery. I can now inform this House that a lift has been installed and that plans are afoot to consolidate the façade of the building as well as refurbishment of the Mayor's Parlour. In subsequent years we will be able to count on an even bigger and better National Gallery and a fitting hall for our mayors and their functions. This will include the housing of all the Government's collection of artworks and the development of the third floor, once Gibtelecom moves out to its new premises.

As we said in our 2011 manifesto, the City Hall will be a cultural building.

Mr Speaker, a monument to Gibraltar's fallen from both World Wars was recently erected at the National Arboretum in the UK. Carved out of our own limestone, conceived by Mr Joe Brugada and designed by Mr Anselmo Torres, the monument stands as a fitting tribute to those Gibraltarians who gave their lives in these conflicts. As the living witnesses of these past conflicts fade, their names will live for evermore. They fought against oppression in the past, for a better future.

Mr Speaker, in this year's estimates we have provided funds for a monument to women in Gibraltar. This has been a project that has gone out to public participation in the form of a competition and which we will be commissioning in the next few months. The monument will also fulfil another manifesto commitment.

The Government is looking to finalise the Gibraltar Heritage and Antiquities Act. I am happy to report that this legislation is now near completion.

The public consultation period is over and we have received many insightful comments. These have been looked at, often amending the Bill as it stood. The process has considerably improved the end product. I would like to thank all those who sent their views and visions concerning our heritage. The final Bill will be a combination of many ideas. The role of the Government has been to temper hope with reality, conservation with mitigation.

As I said last year, and I reiterate on this occasion, this Bill will set an important benchmark, bringing Gibraltar firmly into the twenty-first century insofar as heritage best practice is concerned. Aside from greatly deepening our heritage protection, we will have in place comprehensive and exacting listed-building legislation, protection of monuments and a legislative framework for developer-funded archaeology and heritage recording.

Mr Speaker, through the efforts of the Heritage Department working closely with the Government's Planning Department, much of the proposed legislation has already become commonplace guidance for the day-to-day running and recording of our heritage. In this, the private sector has also been instrumental. Where we have led, they have followed; and I can honestly say that the future prospects for the protection of our heritage is better now than at any point in the last twenty years.

During 2015 and 2016 we have worked together with developers to combine development with conservation. The results could not be clearer, from the restoration of previously neglected World War Two structures, the undertaking and standardisation of archaeological watching briefs and the increasing frequency of historical desk-based assessments means that we are recording our past at an unprecedented rate. And I hasten to add that this is being done without restricting the building developments that Gibraltar demands and needs.

In the last year we have shown that heritage protection does not hamper development, indeed it enhances it by helping to preserve the past in our construction of Gibraltar's future. Needless to say, this would not have been possible without the unstinting support of the Gibraltar Heritage Trust who have advised, remonstrated and broadly agreed with our views. Their vision and impartiality is much appreciated.

As for the future, we have an exciting year ahead of us which will see the completion of the Wellington Front refurbishment and numerous other projects. For instance, we are looking into management plans to restore our walls to their ancient standard. We aim to start small but envisage a three-year plan where, working closely with the Department of the Environment, we will start removing plants and tidying up our city walls. This will complement, and work in close tandem with, the Government's urban regeneration programme which aims to consolidate and enhance our Old Town product.

Mr Speaker, in collaboration with the Gibraltar National Archives we have started a project entitled 'Mapping our Past', whereby all the old maps of Gibraltar will be scanned and placed online for all to be able to access. Not only will this aid developers in their own plans, but it will be of great service to all those interested in the development of the city of Gibraltar. A first teaser of the potential of the 'Mapping our Past' project has now been developed and it should be online shortly.

Mapping our Past will also serve as the keystone product that will enable us to pursue the setting up of a Historical Environments Record. A Historical Environments Record is the cornerstone of any Heritage Department. It aims to provide as complete as possible a catalogue of all the heritage assets in a given place. We are currently studying the feasibility of undertaking this together with other Government Departments.

1060 Mr Speaker, our collaboration with the University of Cambridge on the study of human remains from the ex-St. Bernard's Hospital continues for another year. Our research in 2015 has shown that the cemetery located here dates *not* to the 16th through to the 18th century, as was originally assumed, but it actually dates to the mid-15th century – which is in itself significant, as the time when the Moorish occupation of Gibraltar ceased. In effect we might well be looking at the last Islamic or the first Christian cemetery on the Rock.

1065 Well-preserved human remains from this period are rare and, beyond the University of Cambridge, this discovery has already interested scholars from Germany, Spain and the United States of America.

1070 Mr Speaker, we expect great things from these collaborations and it serves to understand the international research potential that Gibraltar holds. We may be small but our vibrant history, and especially its study, enthral experts everywhere.

1075 Mr Speaker, on the cultural front no-one can deny how, in the past five years since we came into office, events, facilities and cultural development has moved forward in leaps and bounds. We have been able to export our culture as well as expose our cultural identity with high-quality exhibits and events.

We hosted, in Gibraltar, the Little Constellation Network project – 'The Voices of the Sirens'. The final exhibition brought 14 international artists to exhibit in Gibraltar. A Voices of the Sirens book which is about the project held in Gibraltar has been launched in London and in Milan.

1080 We participated in the Tourism and Culture Expo in Tangier to promote cultural links with Morocco. Gibraltar Cultural Services has been instrumental in producing and organising a Retrospective Exhibition with Royal Academicians: Anne Desmet, Ann Christopher and Barbara Rae. This is part of our ongoing cultural development initiatives and this is the first time that any Royal Academician has exhibited in Gibraltar.

1085 We have supported the participation of local artists in competitions abroad, such as the Royal Academy Summer Exhibition and backed a Gibraltarian artist doing a residency with the Island Games in Jersey in 2015.

Further, we are currently in the process of organising the Gibraltar-Berlin Art Residency which will start this month. This will see a Gibraltarian artist taking up a residency in Berlin, and a Berlin artist doing a residency in Gibraltar.

1090 As we promised in our 2011 manifesto we opened the Mario Finlayson National Art Gallery in June 2015 and the Gibraltar Exhibition for Modern Art Gallery (GEMA) in November 2015, giving Gibraltar its first two permanent National Art Galleries. A total of 34 artworks have been purchased during the current year.

1095 The Annual Drama Festival held in March 2016 was the biggest to date, with 14 entries and over a whole week of theatre.

Support was given to the GNDO to organise the European Show Dance Championships in October as part of our event-led tourism initiative. Over 700 dancers participated and the show was seen by over one million viewers online via website and live stream throughout the four days of competition.

1100 The Gibraltar Cultural Services who run many of our cultural events together with, and at times on behalf of, the Ministry of Culture are not only involved in organising and/or monitoring events they are also involved in managing all the facilities in which these events take place. We have seen the vast improvements to the John Mackintosh Hall and works to the courtyard to extend the cafeteria and the installation of a new gutter system have been completed. This included all new appliances for the cafeteria.

1105 Repairs were made to the external walls and ceiling of the private High School area. The entire John Mackintosh Hall Theatre roof, which had not been maintained for years, has now been replaced. The theatre now boasts a number of new technical upgrades, from new PA systems to lighting equipment.

1110 The refurbishment of the theatre with new flooring and seats is currently taking place and should be complete by the end of summer. The library at the Mackintosh Hall has seen 400 new

books added to the collection. The library catalogue is now digital and can be accessed online. This went live on 3rd March 2016. Book titles, authors, and subjects can be searched remotely; members can also reserve books or extend the lending period online.

1115 Additional furniture for the children's section has also been purchased. The Central Hall and the Retreat Centre have also seen much-needed refurbishment carried out.

GCS have also taken on the responsibility of maintaining many premises held by cultural, sporting, charitable associations and clubs. This never used to happen with the previous administration – in fact what we had when we came into Government in 2011 was a claim from  
1120 a tenant for damages caused by water penetration from windows and the roof. This made us survey all the premises owned by the Government and during the last five years many of these premises have now been upgraded and therefore this should now avoid any future claims.

I would like to thank the staff at GCS especially Mrs Angela Bula who is very proactive in maintaining the Mackintosh Hall, Central Hall and all the other venues I have mentioned.

1125 Mr Speaker, after hearing the Hon. Member, Mr Clinton, reference the GMF: it is disappointing to hear from him that the GSD Opposition will not be accepting the invitation of the Government as organisers to attend the Music Festival this year. He will nonetheless receive an invitation, as will all Members of the House. We encourage them to attend, as they have every other year. (**A Member:** Hear, hear.) (*Banging on desks*) Indeed, I am surprised that he is  
1130 so entirely calling into question the judgement of his colleagues who have previously attended.

**A Member:** And boogied with all of us!

**A Member:** I agree!

1135 **Hon. S E Linares:** You see, Mr Speaker, it is completely wrong to think that attending the Music Festival is a jolly of any sort for us on this side of the House. Perhaps he could ask Mr Feetham, Mr Hammond, Mr Reyes and Mr Bossino, to name but a few of the Members of the Opposition who accepted the invitation and attended.

1140 For Ministers, the Music Festival gives us, the Government, more work to do. We spend the time there dealing with problems which are ... You might laugh, but it is true and if you want you can come to the actual festival and follow me all day, and 24 hours and 48 hours that I am organising it. Follow me, and you will realise, and then you will laugh.

I spend a couple of days organising and not having a grand time. The other Ministers spend  
1145 their time attending to those who are attending from outside Gibraltar, in particular the gaming and financial services companies that bring their international boards to Gibraltar for the weekend and who want to have their many issues dealt with and resolved on the day – this actually happens. It is called networking, problem-solving and engaging with the people who bring business to Gibraltar. We also spend considerable time with MPs and MEPs, briefing them  
1150 on all aspects of the Gibraltar issue, and building relationships.

The GMF is many positive things for many people, Mr Speaker, but for the Ministers, it is hard work; he can ask those of his colleagues who have been there with us. It is also true that, for the Opposition, it is none of these things. They come and enjoy themselves and they do not solve problems for the Festival, and they do not solve problem for the gaming and financial  
1155 services' company boards, and they do not meet the international boards of these companies either. For the Opposition, Mr Speaker, it is really a jolly. It is. (*Interjections*) It is really not work for them k at all.

Mr Speaker, he would certainly be right to say that attendance at the GMF is a jolly for the Opposition. It is, in fact, one of the examples of the way that they "stick the nose in the trough"  
1160 – (*Laughter, interjections and banging on desks*) as his former colleague in the executive of the GSD, Mr Bossino, used to describe the cocktail parties to which they always were so keen to be invited.



In addition, Mr Speaker, I have to tell him that the approach to innovation he has shown suggests that, under the GSD Government in which he would be the Minister for Public Finances, there would be *no* Music Festival.

**A Member:** Within budget!

**Hon. S E Linares:** There will be no Music Festival: what a pity, because it is not a festival which costs £2.25 million, as he suggested (*Interjection*) I will give him the explanation: it is one of those that also produces much more than that amount, almost for the whole of Gibraltar.

Let us look at the wider picture, which Mr Clinton's myopic view does not reveal, because the Hon. Member, Mr Clinton, is a classic case of knowing what the cost of things are, but not the value. I was told that by the previous Chief Minister when we used to criticise the Theatre Royal. The only thing there is that there was loads of costs and no value, because we ended up in a hole. (**Several Members:** Hear, hear!) (*Interjections and banging on desks*)

First of all, the worldwide exposure (*Laughter and interjections*) that the Festival buys us is almost incalculable. (*Interjection*) Okay, I will give you the formula ... We appear in massive numbers of media, and the name and the image of Gibraltar goes further and wider as a result of the GMF – some other festivals, we establish and support – than we could afford to pay for in advertising terms. Surely he recognises that at least. Just that benefit is probably worth close to millions in advertising. I will give him an example later.

From the data obtained from the GMF, we can see that many businesses in our economy benefit massively from this event. The attendance was 14,000 last year. Indeed, last year was our first two-day festival. We carried 65 acts on four stages.

Online survey data indicated that all Gibraltar hotels were sold out for three days – that is unusual and is of course hugely important. That is not a week when we usually fill up the hotels. All flights were sold over the weekend; again, not something that has happened before. From the tickets sales we can see that 85% attended both days. 95% rated the event as 'very good' and 'excellent'.

As a result, let's see what the Music Festival does for Gibraltar. (**A Member:** Hear, hear.) There were 4,500 tickets sold overseas. So, that means that we received at least that number of visitors in Gibraltar for those events, and that does not include the people from outside who have tickets purchased for them by those inside Gibraltar, like the members of the boards or the directors of gaming companies who I referred to before and who hold their international board meetings in Gibraltar for that weekend. That is a huge bonus in numbers of people visiting and spending in Gibraltar.

According to UK music reports of 2014, the overseas music tourist spends an average of £750 per event, with hotel accommodation, food and drink, merchandise and other costs thrown in. This means that during the GMF weekend, people from overseas spent approximately £3.4 million, although this is obviously not direct income for the Government.

Spending inside the GMF facilities has also been analysed and I want the Hon. Member to see the benefit of this information that I have been provided by the organisers. The catering industry benefitted to the tune of £154,000; local charities and clubs by £32,000. In addition, of course, Calpe House had an additional £23,270 from the Government's donation of the amount left over from the bracelets, bringing the total to £55,000 of benefit for charities. Arts and crafts and merchandise: £26,000. One thousand people were employed on the two days of the GMF and benefitted and also enjoyed the event. This is what spending on these events means to the whole of the economy.

Events-led tourism works and, as we get more and more data, we can see that this policy is beneficial. We work closely with the Tourist Board to market events abroad. An extra benefit is that people from overseas attend the event, and most of the time come to Gibraltar on other occasions.

In addition, Mr Speaker, the fact is that, even more directly we will see how we directly recover the £2.25 million. You see, Mr Speaker, we do things with a business plan and our business plan sets out how we are going to not just recover these costs, but also cover future costs directly, and not just indirectly. The cost to the taxpayer this year is the high point of costs in an eight-year plan which will see us take the Festival into profit in the seventh year, from which we start to repay the expenditure to the taxpayer. It would not be easy to predict the period of repayment, but it is not unfair to imagine payment in the following two to three years.

That is long-term planning, Mr Speaker, which will see us recover not just the £2.25 million, but all of the monies invested by the taxpayer so far in respect of this event – but this is direct recovery.

For all the reasons I have already talked about, it is clear that indirect recovery starts almost immediately, given the huge numbers of visitors and their average expenditure which I have already mentioned. So, Mr Speaker, instead of just looking at the headline-grabbing cost, which he has done today, the House will want to understand the massive wider benefits to Gibraltar and the way in which we have designed the Festival in order to ensure that it pays for itself in the context of the business plan we have established.

Indeed, with potential sponsorship and other deals in the offing, it could be that the Festival pays for itself sooner and adds even greater benefit to Gibraltar plc. This is the case with the best chess open tournament in the world that attracted 450 participants; the Gibraltar Darts Trophy, where over 100 participants, officials, attended and over 200 spectators to see the tournament.

The same can be said with: the World Music Festival; the International Song Festival; the Backgammon Festival; the Gibraltar Snooker Championship; the Ten Pin Bowling Tournament; the Literary Festival; the Jazz Festival and many more. But the value is not only that people come to enjoy these events, the real value is that most, if not all, of these events are televised, streamed, or programmes are transmitted worldwide. This exposes many different facets of Gibraltar.

I will give the House an example of the value of these events in relation to coverage these have attracted. The Snooker Championship was televised live on Eurosport 1 and Eurosport 2 for 22 hours of broadcast and had a total reach of 13.6 million viewers throughout the whole of Europe. The Chess Festival was reported on the main Indian and Chinese channels, as well as CCTV sport channels, as well as on South African Channel. The exposure for Gibraltar, since they reported by going to different locations ... And it is important that the programmes that they do, they do go to different locations in Gibraltar and they film the whole of the Rock. They are actually doing a tourist programme for us. It is incalculable, the value that has. The exposure to Gibraltar plc is worth more than placing an advert on those channels, which could cost approximately £20,000 for a 30-second slot.

Mr Speaker, I now move on to sport. The Bayside Sports Complex construction and refurbishment project was completed and inaugurated in March 2016.

It consisted of a number of areas:

(1) The construction of an extension of the Boat House Centre to provide a dedicated single-storey facility for stay and play activities for those with additional needs. The facility was designed with the needs of specific users in mind and followed a period of consultation with some of the agencies who would eventually utilise the facility. The extension incorporates soft wall finishes, adaptive lighting and dedicated sanitary facilities incorporating proper equipment. The facility was handed over in time to be used for the 2015 Summer Sports Stay and Play Programme during which it was considered a welcome addition to the general facilities at the Bayside Sports Complex. Since then, the extension has been used regularly by the Guardian Angel Foundation. I am glad to say that they have also used it, and they are using it currently very successfully this year as well.

(2) The relocation of the existing lecture rooms and the cafeteria in the administration building: these works have seen the relocation of the existing ground floor lecture rooms to the

first floor together with the additional boardroom. On the ground floor a basic shell was prepared for use as a cafeteria, which was subsequently fitted out by the end user. The lecture rooms/boardroom were completed by the end of summer 2015 and since then have been used by the GSLA and other entities.

1270 (3) The provision of eight, first floor rooms in the hockey stands by inserting mezzanines in the excessive headroom of the existing shower and sanitary facilities to make the best use of the structure: the works included the erection of an external steel walkway/stairs, and fitted with a lift for all areas to be accessible. These works have required phased working as only two sanitary facilities could be handed over to the contractor at any one given time. The Government  
1275 welcomes that some association headquarters that were housed at the Retrenchment Block, well away from the place where they operate, have now moved to these excellent facilities. They can now administer their sports where they actually practice the sport.

(4) The construction of an Annex to the original Victoria Stadium main building as well as some minor conversions to this. The Annex comprises three floors in which one can find – and I  
1280 will not go through the whole list, but they are things like: players' first aid room; doping control facility; medic centre; TV studio; spectator bar facilities; VIP lounge; TV camera platform; additional needs viewing platform and many other things.

I welcome everyone to go and see it whenever they wish to. I am sure the staff there will allow you to go and see it.

1285 The Annex, now known as the Elizabeth II Sports Annex, was originally conceived as a means of bringing the stadium's facilities up to a standard to permit specific categories of international football matches to be played. In order to achieve this, the UEFA Stadium Infrastructure Regulations were used as a basis for the design brief. However, it is clear that the facility can be used by any other sporting organisation requiring access to such facilities. The building is used  
1290 several times a week by recreational groups and was recently the organisational centre for the EuroHockey Challenge III women's competition, which was hosted locally. In addition, both the basketball and rugby fraternities will make use of the facility when hosting international events in the very near future.

In all areas of works, use has been made of LED lighting, much of which is controlled by occupancy sensors, which will result in a more efficient use of energy. Apart from this, the  
1295 Annex's main water and heating system incorporates heat pumps to minimise energy waste. All areas of the works have been designed with open access for all, and to facilitate this lifts have been installed.

Mr Speaker, this is the important aspect of these four projects: these four projects were  
1300 costed before it was commissioned to the tune of £4.4 million and I am glad to report to this House – although I have overspent on one, I have underspent on the other, or at least in this case – that the overall cost of the four projects has been approximately £2.9 million. So, basically, £1.5 million below what was originally costed.

The main contractor has been Sharrock Shand Ltd and the project manager, contract  
1305 administration and clerk of works' roles being provided by the Government's Technical Services Department.

Mr Speaker, I now move on to the swimming pool. The major refurbishment works to the renamed 'Accessibility Swimming Pool' started 26th May 2015 and were completed early into the summer season the same year.

1310 The project included the installation of a photovoltaic system and dehumidifier that replaced the previous system which was getting close to a complete shut down and was beyond economical repair. It had not received any sort of maintenance since the facilities were inaugurated. The new system has now: improved air quality and water temperature maintenance that were bordering on inadequate; provided savings in terms of water, electricity  
1315 and fuel; conformed to HMGoG environmental policies regarding carbon footprints, etc.; reduced overall maintenance costs.

In addition, the interior of the facility underwent a much need refurbishment that included: essential attention to poolside issues; refurbishing of changing rooms; reconfiguration of easy access/family changing rooms ; replacement of flooring; general facelift.

1320 Mr Speaker, the overall cost of the project was £510,000. However, a third of the costs regarding the air treatment system will be recovered through the European Regional Development Fund: approximately £120,000 – long live the European Union! The project was approved by the EU Secretariat with all applications submitted accordingly. The savings we are currently making will pay for this project within three to four years.

1325 This project is in addition to the one undertaken in the 25 metre pool the previous year and thus has resulted in both pools receiving attention during this administration's terms in office.

Mr Speaker, as far as energy saving is concerned, the combined projects have resulted in the production of 368.54 MWh of renewable energy as of 10th May 2016. In addition, the fact that there is no longer a need for diesel fuel as the main source of fuel has also resulted in a reduction of consumption from 36,189 litres of fuel – which in money value was £26,118.11 for the financial year 2013-14 – to 4,000 litres – which is £3572.50 in the financial year 2014-15 – to 1,000 litres – which is £596 in this financial year, 2015/2016. Basically, from paying £26,118 every year in fuel, we are now paying £595 and that £595 is a necessity because it is a backup, just in case the photovoltaic system stops.

1335 Phase two of the Bathing Pavilion project was completed and the facility opened to the general public during the summer months. The issues regarding the main pools were solved with the main contractors absorbing the costs, and this resulted in an improved swimming environment with positive feedback received from end users.

Improvements have now been made in terms of accessibility to the sea and pools and the general public will now be able to enjoy a fantastic facility year on year.

1340 HM Government of Gibraltar, via the GSLA, have been involved with the following events, both at a logistical and financial level: the UEFA Champions League, which we had yesterday and for a couple of days; the FIBA Europe Under 18 C Division Championships Men and Women; UEFA Futsal Champions Cup Preliminary Rounds; World Snooker; Netball U17; PDC Darts; Tradewise Gibraltar Chess, which we support and sponsor; the 6th International Junior Chess Festival; the first International Backgammon Tournament – and that seems to be going very, very successfully this year and we are oversubscribed to that one; the Gibraltar Squash Open; the Gibraltar International Regatta; the Ten Pin Bowling; International Dog Shows – which I am sure the Hon. Member is usually involved in and likes and gets a lot of help from the GSLA; 1345 Harley Davidson's Rally; Classic Vehicle Rally; and the Gibraltar Amateur Boxing Association bout.

1350 Mr Speaker, I would like to take this opportunity to congratulate the Gibraltar Amateur Boxing Association for hosting a very successful boxing bout locally and for their win at this event.

1355 In addition, the GSLA offers logistical support and facilities for local sports associations to complete their league and development programmes throughout the year as well as assisting schools in fulfilling their PE curriculum, both at the Bayside Sports Centre and at the GSLA swimming pool complex.

Mr Speaker, the Summer Sports and Leisure Programme 2015 proved to be a great success again. The programme ran for six weeks and recorded almost 9,000 attendances throughout its different elements. The Sports Train offered sporting and leadership activities every weekday morning for seven-year-olds to 14-year-olds. The Children's Corner offered appropriate sport and recreational activities three days per week for five-year-olds and six-year-olds.

1360 The Stay and Play programme offered sport, physical, arts and leisure activities for children with special needs, five days per week. The new purpose-built facility added to the already excellent quality of delivery and made the surroundings much more comfortable for both 1365 children and leaders.

The GSLA also worked in partnership with the sports associations – 25 in total – to provide a wide range of sports coaching courses and taster sessions for children and young people. Other

positive leisure providers, including HM Government's Department of Culture and Heritage, the RGP, St John Ambulance and ChildLine, also offered the children and young people a diverse range of activities including arts and crafts.

Mr Speaker, the Government, via the Gibraltar Sports Advisory Council (GSAC), administered by the GSLA, has continued to support local athletes and teams when travelling abroad to official international competitions.

The GSLA advocates the fact that it is not purely enough to be a member of the international governing bodies, but local entities need to be active within them via participation at events and competitions or by participation at congresses or annual general meetings.

The sports development initiatives have been supported with a view to increasing the qualifications, knowledge base and experiences of local coaches and administrators, whilst some funding has also been provided to associations in order for them to effect vital improvements and adjustments to their facilities.

In addition, some individuals have presented cases for financial support under the 'elite athlete' categories and have been supported, after applications were considered on a case by case basis. Total funding provided under sports grants – and that includes all of them – is £507,979.83.

GSLA/GSAC have also been working on revamping and updating the criteria booklet that regulates the funding highlighted above. Particular emphasis has been made on minimum requirements in terms of background checks and police vetting with regard to those who work with young children. A GSLA representative sits on the Child Protection Committee and lessons learned, as well as policies implemented in this forum, are being adapted to the sporting association and how they are regulated.

Mr Speaker, the Island Games: as the Ministry for Sports and the GSLA have worked alongside the Gibraltar Island Games Association (GIGA) and supported them in submitting Gibraltar's successful application to host the NatWest Island Games in 2019, an opportunity presented itself after the initial host Island pulled out of organising the Games and GIGA, together with HMGoG, decided to submit the application. Since then an organising committee has been formed, subsequent contracts have been signed, and the wheels are firmly set in motion.

GIGA and the GSLA have already hosted two visits from the International Island Games Association (IIGA). The initial familiarisation visit was followed by the IIGA Executive Committee's decision to hold their Annual General Meeting in Gibraltar and subsequently they visited the proposed venues. The feedback received was very positive and the Executive Committee was particularly impressed with how advanced the local associations are with their respective preparations at this early stage and how enthusiastic Gibraltar in general felt about the Games.

The GSLA and GIGA have already met all the associations who have submitted their initial requirements and work has started in earnest regarding this aspect of the Games. Both the CEO of the GSLA and the chairperson of GIGA returned from Gotland where the 2017 Island Games will be held and gave presentations to all islands on the Gibraltar Games. They are both confident and satisfied that our facilities and preparation are well scheduled and that we will be able to produce an excellent Games.

Mr Speaker, all in all, this last financial year 2015-16, in relation to the portfolios that I am responsible for, the Government has been able to fulfil manifesto commitments. It has also achieved many goals in many of the areas that I have highlighted. For this, I would like to thank all the staff of the Ministries, companies, authorities and offices that I am responsible for; especially, I would like to thank the staff at the City Hall who go beyond the call of duty and, at times, against all odds.

Mr Speaker, the organisation, attendance at different events and running Ministries such as Sport, Culture, Heritage and Youth is not just a nine to five job but one which heart and soul must be devoted to. The management and staff have succeeded with flying colours.

Thank you, Mr Speaker. *(Banging on desks)*

1425 **Chief Minister (Hon. F R Picardo):** Mr Speaker, in order to allow those who supported the arrival in Gibraltar of Lord Monckton some years ago, and to demonstrate how right the Hon. the Minister for the Environment has always been about climate change, can I invite the House now to recess for a short comfort break and for people to see how badly it is raining in summer. I propose that we should be back very quickly indeed, in five to 10 minutes.

1430 **Mr Speaker:** We will have a short recess and then I will call upon the Hon. Mr Edwin Reyes and then the Hon. Marlene Hassan, whereupon the House will adjourn until tomorrow for the Chief Minister to exercise his right to reply. I think it is going to be tomorrow at about midday.

1435 **Hon. Chief Minister:** Mr Speaker, yes that is my intention. I was going to give Hon. Members an indication of that.

**Mr Speaker:** The Chief Minister will make his right to reply, then we return at about 3.30 p.m. in the afternoon when we go into committee to consider the estimates in detail. I think Hon. Members are now in a position to make their plans for today and tomorrow.

1440 **Hon. Chief Minister:** And for committee, if only Mr Clinton and Mr Bossano want to turn up, I think that is perfectly all right with all of us, Mr Speaker. *(Laughter)*

*The House recessed at 12.01 p.m. and resumed its sitting at 12.13 p.m.*

**Appropriation Bill 2016 –  
For Second Reading –  
Debate continued**

1445 **Mr Speaker:** The Hon. Edwin Reyes.

**Hon. E J Reyes:** Mr Speaker, sir, this happens to be the ninth consecutive year I address this House in what is commonly known as the Budget Session and in all these nine addresses, on whatever side of the House I may be sat in any particular year, my contributions under the section dedicated to sports and leisure have always been the most enjoyable at a personal level.

1450 As a firm believer in unity, where possible, for the benefit of Gibraltar's greater interest I am glad to see that Government continues with the long existing policy to assist all local sporting bodies to overcome any foreign government's politically inspired attempts to block our membership of international sporting bodies. In the past we have rejoiced together in respect of landmark achievements and this year we have yet another memorable achievement to rejoice about – namely the acceptance of the Gibraltar Football Association as a full member of FIFA. *(Banging on desks)*

1455 The policy of assisting Sporting Associations will certainly continue to receive the Opposition's wholehearted support and I sincerely wish other sporting associations, such as Rugby and even the long standing claim by the local branch of the IOC, amongst others, all the very best in their continuing battles to obtain their respective international memberships which are rightfully and legally theirs.

1460 The GSD Opposition wishes the Gibraltar Football Association all the very best in building its own stadium, especially now that they are moving to an alternative site, rather than Europa Point. I am particularly pleased to hear of the latest developments which indicate that the GFA will receive substantial funding which covers almost the entirety of the costs of building a new

UEFA, hopefully Category 3 stadium. However, irrespective of what the GFA does or does not build, the GSD believes there is a need for more and better football facilities to be provided for the benefit of our community at large and across all age groups. I believe Members of this House should work together in order to provide our football fraternity with adequate facilities in which to train and from where a serious programme of youth development may take place. It breaks my heart to see so many football teams having to go into Spain in order to be able to train and prepare for local and international matches. Indeed, more facilities are very much needed if we are to continue to aspire to progressing to the second rounds and beyond of the qualification stages in respect of European Champions League and the Europa League in order to proudly face, at home, legendary teams such as the Scottish champions, Celtic, and the likes from other countries.

Another summer sports season is already upon us, Mr Speaker, but as yet the Gibraltar Cricket Association still has no permanent home of its own and has to make do by playing its competitions in the limited and inadequate facilities available at Europa Point.

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 commitment of theirs, and I quote:

to monitor the demand for additional facilities for all sports to ensure that existing facilities are developed further in line with our community's needs.

The Government is committed through its election promises to provide renewed facilities for the playing, teaching and development of both cricket and rugby at the Europa Point area but, unfortunately, these have still not materialised despite having been first promised through their 2011 elections list of commitments.

Gibraltar is now set to host the Small Island Games once again in 2019 and we look forward to the announcements of refurbishments and/or construction of new facilities which will serve our local community beyond these 2019 games.

Mr Speaker, although I am a firm believer that individual Sports Governing Bodies should be allowed to manage their own affairs with no political interference, I once again urge the Minister for Sports, in his capacity especially as Chairman of the Sports and Leisure Authority, to take a particular interest to ensure that publicly owned facilities are used in a fair manner for the benefit of all sports lovers. There is both a duty and moral obligation for the Sports Authority to ensure that, where desired by a club or individual citizen membership in their relevant local sports governing body is open to all in an equal and fair manner. I offer myself to sit down and discuss with the Minister for Sports possible avenues which may be looked into in order to set up a special independent body tasked with matters pertaining to and requiring arbitration especially related to local sporting issues. Some disputes have been dragging on for a bit too long now and I am hopeful that by working together with all affected parties, solutions can and should be found.

Mr Speaker, through the collective celebration of social events, participating Gibraltarians contribute towards reinforcing our identity, culture and history as a people and a community. Both the performing and fine arts fraternities always prove themselves to be very proactive within their own specialised areas and I take this opportunity to congratulate all the groups and individuals who have done Gibraltar extremely proud through their international participations and, especially, those numerous cases where we have obtained top grades. It is always a personal and collective pleasure to be able to say how proud we are of the international achievements of our fellow Gibraltarians.

During their last term in office, Government purchased both the Queen's Cinema and Queen's Hotel sites for the development of a theatre and related activities. However, there are somewhat mixed feelings among the local community as to how these sites will be developed and at what cost. Given that Government has pledged to make the old Queen's Cinema complex

a venue for touring productions, 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 words, is enhanced.

1515 If Government can afford to set aside in the Estimates £1,500,000, which actually resulted last year in a gross expenditure of £3,600,000 or net of £2.25 million to subsidise a mega-concert, then surely our local performers and entertainers are entitled to ask for a theatre which is fit for purpose so that they too may offer live entertainment and in turn develop their own skills. (*Banging on desks*)

1520 Mr Speaker, in respect of repairs and refurbishments of Government rental homes, what has happened over the last few years is that an ever increasing number of home refurbishments are contracted out to private companies without going through any type of clear, transparent and accountable tender processes. Unfortunately feedback from tenants who have had remedial works carried out in their homes indicate that, at times, the quality of the finished product  
1525 leaves somewhat to be desired.

The Ombudsman, in his latest Annual Report, says that his Office continues to face difficulties when seeking information related to works which have been passed by the Housing Authority on to the Gibraltar General Construction Company Ltd (GGCC), which is the entity tasked with repairs to rental housing stock.

1530 When the works will be undertaken or, indeed, who will carry out the works, is not information available to the Ombudsman directly from GGCC. Sadly the Ombudsman had to add in his report:

It is very often a very tedious and difficult exercise to obtain information via the Housing Manager who in turn finds it difficult to obtain information or indeed even replies from GGCC. The above situation prevents the Ombudsman from providing a good, efficient service to those who have lodged a complaint, which in general are in respect of delays as to when works will be undertaken.

Mr Speaker, these difficulties which the Ombudsman highlights in his report coincide with the feedback I receive when I meet tenants during clinics held with them. Indeed I have even  
1535 had cases where tenants claim to be holding back payment of rents as a sign of protest in respect of the length of time they have been waiting for essential repairs to be carried out in their rental home.

Mr Speaker, the Opposition agrees with Government that action needed to be taken in order to ensure that all tenants are up to date with any rents due. Indeed, I go further and congratulate the Minister for Housing for having commenced a programme of agreements which will ensure all debtors are up to date with their rents within a given period of time.  
1540 However, it is also equally just that tenants should have remedial works carried out to an acceptable standard and within a reasonable period of time. If the Ombudsman finds it difficult to get answers to his questions, one can only imagine what it is like for a tenant trying to obtain  
1545 any answers directly by themselves.

Mr Speaker, both the Ombudsman and Action for Housing have expressed concern at the manner in which housing allocations are currently being made. Government had a 2011 Manifesto commitment to provide a home to everyone on the Housing Waiting List, and on the pre-list, as at 9th December 2011, all of that will happen before the next general election. The  
1550 pledge was to eliminate the then existing waiting list and pre-list. Unfortunately this target was not met by the time the 2015 elections came along and from the statistics available in January 2016 there were still 413 applicants awaiting the allocation of a home, despite their names having been on the waiting lists prior to 9th December 2011.

The Government's website that gives a breakdown with statistics by Department was last  
1555 updated in February with figures in respect of Housing matters, and that is with figures as at the end of January 2016. This information is therefore now six months old and I would welcome an update of statistics which I know and hope Mr Speaker would also appreciate, as it curtails Questions which I otherwise have to pose at Question Times and these questions are purely of a statistical nature.



1560 Based on the January 2016 figures, there were 1,566 applicants on the waiting list with an additional 520 on the pre-list, giving us a grand total of 2,086 applicants.

As at January 2016, the Minister for Housing informed this House that she expected 21 rental homes to be returned to the Housing Authority upon completion of all co-ownership homes. Given the extremely small number of rental homes which will become available for applicants  
1565 who cannot afford to purchase co-ownership homes, I recommend that Government takes a serious look at constructing new rental homes, not just for senior citizens, worthy as these are, but we must address the housing needs of all current applicants.

The Opposition had suggested prior to the last general elections that rents in respect of rental homes should be means-tested. Therefore, we note and welcome the views expressed by  
1570 the Ombudsman that there should be periodical reviews of rental charges. Not everyone is able to obtain a mortgage and therefore purchase their own home through the co-ownership scheme. However, there are many who do and yet they opt out of purchasing knowing that their monthly rents are a pittance when compared to the level of their personal wages.

Mr Speaker, many new home owners have expressed to me their sense of unfairness as the  
1575 only way in which they could obtain a home in keeping with their family requirements was through co-ownership and this in turn brings with it new financial burdens. Their claim of unfairness is that not only do they now have a mortgage to pay of say around £200 a month for an average two-bedroom home, but they additionally have to pay community fees or service charges which at current rates are even greater than what a Government rental tenant pays in  
1580 rent per month. Indeed Mr Speaker, there are more and more people asking why should the taxpayer have to subsidise rental homes, given that the annual cost of expenditure for upkeep of these homes is greater than the sum received from rents due.

Mr Speaker, I would be grateful if Government were able to explain why despite the recently announced increases in House Rents, of which no notice of intention to introduce increases was  
1585 given at election time, the estimated revenue under this heading for 2016-17 is now estimated to be, from a net of £2.9 million, to about £300,000 only, therefore less than the forecast for last year. Likewise, Mr Speaker, given that six rental housing estates have been recently mortgaged by Government, can these tenants be enlightened as to whether they remain Government tenants or are their new landlords now a company or some other entity?

Mr Speaker, there are now many Gibraltarians who have very recently moved into their new co-ownership homes. I have had an opportunity to see some of these homes myself and I am happy to report that many aspects of these new constructions are very welcome by their new owners. However, there are some aspects which I would like to bring to Government's attention in the hope that the relevant Minister will be able to look into this further.

Mr Speaker, numerous purchasers at Beach View Terraces have brought to my attention their concerns in respect of the quality and reliability of the lifts installed. A recurring example of why the new lifts already give cause for concern is the unfortunate frequency with which they seem to break down. I sincerely hope that this will be looked into with some priority and that, likewise, proper monitoring during the installation of lifts at the existing rental estates which are  
1600 currently having refurbishments will be monitored as and when the lifts are being installed.

Before I conclude, Mr Speaker, I would like to ask the Hon. Minister to spare some time and look into the new problems which have arisen within some homes in the estates where refurbishments are presently being undertaken. I have received information from a few tenants, some with photographic evidence, showing that as a result of the cladding and installation of  
1605 new roofs, they are now suffering from water ingress – an issue which had never occurred in the many years they have been living in the same home. In wishing the Minister all the best and hoping that refurbishment works are completed on time as per the schedules she has already provided through answers to questions I have posed in this House, I appeal to her that new remedial works such as those I have just given examples of are also completed within the same  
1610 time span as all major works are due to be finished.

Mr Speaker, the Chief Minister has already in the past given a public indication that he will carry out a reshuffle of ministerial responsibilities at some stage after this year's Budget Session. In anticipation of this I wish to restate – as I have done on previous occasions – to all my colleagues currently sitting on the Government benches, in particular those Ministers whom I will have the honour and privilege to shadow, that I remain always ready to work collegiately within this House when embarking upon reasonable, responsible and, above all, affordable initiatives so that together we improve the quality of life of this precious community of ours. I sincerely hope Government will accept this genuine offer of mine in the spirit it is intended. (**A Member:** Hear, hear.) (*Banging on desks*)

Mr Speaker, I know I repeat myself as in previous years but I cannot sit down without thanking you, the Clerk and all the staff here behind the scenes because although the general public rightly think that parliamentary work is the sessions that they are able to follow through the media, a lot of work does happen on days when there is no official sitting and especially I know the opposition can be a bit of, as they say, a pain in the neck when we come here and keep on asking the Clerk for information and so on!

So Mr Speaker I thank them all and especially I thank the Clerk for the lovely birthday cakes he shared with all of us yesterday. (*Laughter and banging on desks*)

**Several Members:** Hear, hear!

**Mr Speaker:** The Hon. Marlene Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** Thank you, Mr Speaker.

Mr Speaker, before I commence my address, my young son has told me that I must mention today here in Parliament last night's event at our very own Victoria Stadium, where Gibraltar's champions, Lincoln managed to win their first round game and are now drawn against Celtic from Scotland. (**Members:** Hear, hear.) (*Banging on desks*) This is a great achievement and we will now be able to host Scottish fans in what I hope will be a great event for Gibraltar.

Mr Speaker, it seems that since the referendum result, Gibraltar and Scotland seem to be making huge strides together!

Mr Speaker, it is an honour for me to rise to deliver my first budget speech as an Independent Member of Parliament. When I was first sworn in as a Member of this House, I felt not only a strong sense of privilege, but also one of immense responsibility in keeping with this Chamber's long and close association with the history of democracy in Gibraltar. And it is with the confidence of the mandate that was given to me at the last general election that I stand here today, determined as ever to meet these responsibilities as a minority Member, as indeed a number of independent parliamentarians have done before me. It is their passionate commitment to the people of Gibraltar, Mr Speaker, that I hope to reflect in myself. And it is in this spirit that I would like to state my first response to the Government's Budget.

This budget and its reflection Mr Speaker, follows a bruising Brexit campaign and result. The conviction to remain part of the EU unified people of Gibraltar across political party lines, religions and economic sectors – across all traditional divides. Now that the result is known, it is important for Gibraltarians to focus their attention on its growth engine – the economy. It is a time to work with the Government of Gibraltar in its quest to find the best solutions for a post-Brexit Gibraltar. Until the UK itself comes into solid ground though, as to what are the effects and new stipulations of a Brexit within the EU, any pretence that there is a clear policy to offer with regards to Gibraltar's place going forward would be purely speculative.

While talks and ideas for a redefining of the UK is underway, I wish to add that I have no doubt, Mr Speaker, that Gibraltar will continue to thrive and reinvent itself as it has always done, in order to move forward with the times and continue to be a successful economy for generations to come. We have seen this so often in our history and this latest challenge, Mr Speaker, should be no different.

Mr Speaker, I am aware that there will be some overlaps with what has been discussed this week. However, I am hopeful that my unique position will offer a different insight.

1665 I would like to start with the people of Gibraltar, for whom the budget has a direct impact on their daily lives. I am glad to report that my invitation to Gibraltarians to provide me with their issues and queries was heeded by many concerned citizens. As I have committed, I will start with some of the main concerns and comments. I will in due course be sending a letter to the Chief Minister in which I will articulate their suggestions and concerns.

1670 Mr Speaker, over the years, Gibraltar has seen a spate of lifts being installed in many estates around the Rock. I am pleased for those in our community who are now finding mobility easier as a result of these lifts being installed. However, I have been made aware that such facility has not yet been extended to those living in many areas of Gibraltar.

1675 I was recently approached by residents of Sandpits House, where many are struggling up and down flights of steps while they wait for their promise of a lift to be materialised. As people living in these estates get older, Mr Speaker, and their mobility is reduced, so is their independence as a result of this delay, something which is greatly affecting their quality of life. I therefore call on Government Mr Speaker, to honour their manifesto commitments and complete the installation of lifts in estates around Gibraltar as soon as possible and within the 1680 2016-17 financial year.

With regard to the cemetery and its upkeep, Mr Speaker, it has also been brought to my attention that people are aggrieved for the condition in which their beloved friends and relatives are lying to rest. People would like to know whether there is a structured maintenance programme in the cemetery, and although I do note the hon. Member, Minister John Cortes 1685 saying yesterday that there was a plan and structure in hand, I am sorry to say that up until now, the cemetery has not been dealt with by way of priority. Mr Speaker, if we really are the caring society that we purport to be, we need to be reflecting this by restoring dignity to our cemetery, a place of peace, solace and comfort, as a matter of urgency.

Mr Speaker, I will, if I may, now touch upon the topic of tax arrears, which is another issue 1690 that is distressing many in our community, some of those who are in arrears, others whose employers are not paying their taxes for them, and a few who are waiting for their rebates.

On 7th June, arrears stood at £28.71 million or 4.86% of Government estimated revenue for 2016-17. Since first being published for 2011, the tax arrears for individuals have remained fairly static. The breakdown only provides for four categories – namely, individuals, self-employed, 1695 companies, and PAYE – and does not afford an understanding of the aged debtors. In order to gain a sense of how realistic the expectation would be for Government to be able to collect the tax arrears, I call on the Government to release a schedule of aged debtors.

From my dealings with many employees, I have a particular concern with PAYE, which is withholding tax on income payments to employees. As I understand, PAYE means that the tax 1700 was deducted by the employer from its employee's salary, but not paid over to Government. This means that on 31st March, 51.72% of tax arrears were attributable to companies. Is there a relation between the company tax arrears and PAYE arrears? As I understand it, the collection of PAYE is a function that Government transfers to companies, so companies act as their agents. So if the companies do not pay over the PAYE, they have effectively taken money due to 1705 Government. What sanctions does Government impose on these companies in these instances?

And Mr Speaker, during last week's Chief Minister's Questions and Answers, the hon. Member, the Chief Minister, alerted this House to the fact that £30 million is owed in refunds to the taxpayer. Various people over the last few months had approached me with a view to voicing their need to receive these rebates, something I believed would be forthcoming in the 1710 not-too-distant future, or that it would not be an issue, Mr Speaker.

However, after noting that Government have only budgeted £10 million for the current financial year to allocate for rebates, I have to ask, on what basis can this be justified? Last year £7 million was budgeted for rebate but even then, £560,000 was held back from being returned. 'Is this the new and improved rebate mechanism put in place?', I ask.

1715 There is no excuse for the delay in refunding people's monies, Mr Speaker, especially when the sums are extortionate and in effect being borrowed by Government but not included as part of its Public Debt – a Public Debt figure which would have broken the legal limit approved by this House had it been accounted for. **(Several Members: Hear, hear.) (Banging on desks) (Interjections)** Mr Speaker, I ask Government, would not rebating at this rate inevitably  
1720 compound the rebate amount while people await their money indefinitely?

Mr Speaker, this delay seems unfair on the public and unfair on the staff at the Income Tax Office whose will to solve the problem is stifled due to Government budgetary decisions. And having said that, Mr Speaker, I hope that there is or will be a process in place to ensure that people who are in arrears on their rents do not get a refund, should such be due to them.

1725 On the subject of rent Mr Speaker, I am pleased to note the increase, however small it may be, on rental charges, but hope that Government has thought through a mechanism to ensure how those in arrears will be complying with such a rise as well as paying those outstanding arrears. I also hope that Government intends to have annual or regular increases on rent, to catch up for the last few decades. At this point, I think it is important to recognise the work of  
1730 the Hon. the Minister for Housing for working tirelessly and firmly to decrease Housing arrears, and putting this mechanism into place, something that needed to be done desperately, but a thankless task that is not easy or popular to see through. *(Banging on desks)*

On the subject of arrears, Mr Speaker, we have not even begun to discuss arrears in electricity, which actually stand higher than rental arrears, at over £6.6 million. I call on  
1735 Government to explain to this House how it plans to retrieve this other large arrears sum.

As highlighted, Mr Speaker, the general feedback I have been receiving, the feedback that matters, the feedback from our community is, in part, the result of my shout-out through my press release of 6th June stating that it is important that Gibraltarians from all walks of life be involved in, and are able to participate in, the compilation of the Budget.

1740 An interactive budget is more than just cameras and extra parliamentary sessions, Mr Speaker. What is important is that all Gibraltarians should understand the budgetary process and for their voices to be heard. No contribution should ever be trivialised or rejected out of hand. It is with this intent that I am pursuing my call that this, and all future Budgets, honour the trilogy of evaluation – namely transparency, accountability and probity.

1745 In addition, the Budget should be acknowledged as a living document. It should be a process rather than an event. Following its delivery, we should not need to wait 12 months for another. I am proposing and calling for the introduction of a biennial Budget review – a six-month review, if you will. The United Nations (UN) adopts such a budgetary process – its Office of Programme Planning, Budget and Accounts. This budgetary process allows the UN to implement, monitor,  
1750 evaluate and provide feedback on the budget.

Similarly, in the UK, we see each year what is known as an 'Autumn Statement' some time in November or December, when the Chancellor of the Exchequer provides an update on the Government's plans for the economy based on the latest forecasts from the Office for Budget Responsibility. In a world where the only constant is change, we no longer have the luxury to wait 12 months, Mr Speaker. The budgetary process needs to be as resilient as we Gibraltarians  
1755 are.

Mr Speaker, while on the subject of planning and interaction, this House will recall the Chief Minister's announcement, on 4th May 2015, of the creation of an Economic Advisory Council, named 'Gibraltar 2025 – In Partnership', to assist the Government in:

its development of a ten-year strategic economic plan in partnership with the private sector and unions.

1760 More than a year has passed since this announcement, so I would ask the Chief Minister to give us an update on the progress of this Council.

Mr Speaker, let me offer my reflection and observation on Gibraltar's tax base. According to the Estimates Book, Import Duties and Income Tax are estimated at £150 million apiece, or

1765 collectively at 50.78% of total revenue. Company Tax is estimated at £105 million, and inclusive of Customs Duty and Income Tax it equates to £405 million or 68.55% of total revenue. Should one add Group Practice Medical Scheme of £25 million, these four taxes equate to 77.35% of total revenue. There are 110 revenue items, so three or 1.82% of the revenue items accounts for 77.35% of total revenue.

1770 It is quite evident, Mr Speaker, that Gibraltar has a very narrow tax base. Though this ought to be of concern to all Gibraltarians, more concerning is that very little is, for instance, known about the nature and extent of the revenue collected by means of Import Duties – the tax on imports.

1775 The most recent import statistics are for 2014, as contained in the Abstract of Statistics 2014, which was released in December 2015. However, there are a few concerns with this dataset. For one, and I quote:

The source data for 2014 is incomplete and will be revised once all the declarations have been processed by HM Customs.

The 2015 dataset is, as yet, not available. The partial dataset then also excludes petroleum products. Why is that?

1780 Then, there are no statistics as to the products being imported, nor of the aggregate Import Duties that they attract. So imports tend to be a closed book, despite, as mentioned by the Chief Minister, a substantial growth in Customs staff. I call on the Government to release more detailed import and export statistics; as do I require clarification as to how, for instance, Government is able to budget for Import Duties when these datasets are not complete.

1785 I must say however, Mr Speaker, it was refreshing to note the Government's removal of Import Duty on nappies, tampons and sanitary towels. While I, and I think I speak for all women in Gibraltar between the ages of 12 and 50, congratulate the Government on their decision to eliminate Import Duty on these essential items, lament the fact that this was necessary in the first place, it is however, comforting to see Mr Speaker, that these vital products are no longer considered luxury items and that they are no longer bunched up in the same category as hair extensions! *(Banging on desks)*

1790 And Mr Speaker, now to Government Companies – wholly owned Government Companies, are normally confined to page X in the published Approved Government of Gibraltar Estimates of Revenue and Expenditure for a given financial year. I call on Government to publish and include additional pages containing the names of all companies in which the Government has an interest, inclusive of minority shareholding, and also for all Commissions and Agencies which it has established. If past practice is anything to go by, then the Estimates Book, will contain the standard diagram of the 'Government Companies (wholly owned)'.

1800 In essence it consists of two holding companies, namely Gibraltar Investment (Holdings) Ltd and Gibraltar International Bank Ltd. The expenditure item 'Contribution to Government-owned companies' accounts for 4.99% of total expenditure, or £25 million. So what do we know about these companies? Where are the revenue and expenditure reflected? Would one not expect it to form part of the Budget? **(A Member: Hear, hear.)** *(Banging on desks)*

1805 Then, do these companies submit annual returns? And if so, to whom? And are these annual returns available for public scrutiny? Do we know if these companies have boards? If so, who are the members of these boards, and what is their remuneration to serve in such capacity?

Also, to who are these board members and companies accountable to, and what is the sanction if they do not fulfil their mandate? These are but some of the questions which I call on Government to clarify and answer in the name of transparency, accountability and probity.

1810 I would have expected, Mr Speaker, that since the Government is allocating expenditure, which is essentially the redirection of revenue to these companies, namely in the figure of £25million, as announced for this year, that these companies should have accountability to this House.

While having just dealt with Government Companies – wholly owned Government Companies, of which this House has at the very best, very little, if any financial information – in the Chief Minister’s address a couple of days ago, yet another has been created, via Gibraltar Capital Assets Ltd, a newly incorporated subsidiary of the Gibraltar Development Corporation.

This latest development – the £300 million new institutional investment – raises many more questions, and a matter which I ask the Government to provide more details on to this House.

Mr Speaker, I would like to clarify exactly what this is, so the man on the street understands in no uncertain terms that when the Hon. the Chief Minister refers to institutional investment of £300 million, what he is in fact referring to, is a long-term loan – additional Government borrowing of £300 million, secured against six Government estates where ordinary people live. In short, a massive mortgage.

So the question is: on what terms has Government entered into an agreement of this magnitude and is it right to commit future generations to such an agreement? I call on the Government to inform this House how the structure works, inclusive of the source of finance for repayments. In addition, I would also ask Government to explain to this House and Gibraltarians what would happen in the event of the Government defaulting on any of its commitments. Because, Mr Speaker, in the trying times facing Gibraltar, people want to and need to feel safe about our nation’s financial arrangements and decisions, so more disclosure on this latest agreement would be very welcome.

I also ask Government to explain to this House and to the people of Gibraltar how it could enter into an agreement without consultation of this House – an agreement that binds Gibraltar for such a long period of time. A period of time that would conceivably extend well beyond this administration’s term of office. Although the Government might profess this to be a better strategy than ‘selling off these prized assets’, Mr Speaker, what it is doing is to borrow against these prized assets, while acting as facilitator employing a wholly owned Government Company, which finances are not reported to, or receiving the scrutiny of this House.

This is why I ask for clarification as to why money needs to be raised, particularly in light of the recurring Budget surpluses that the Government have been recording, and the glowing testimonial given on the performance of the economy.

Mr Speaker, people are asking me why is an amount as large as £300 million required, an amount equivalent to 50.78% of estimated revenue for 2016-17? Is the intention to use the full amount and offset the net public debt at £345 million?

Why is this amount needed, particularly when the Chief Minister, in his address stated that, and I quote, ‘We have the liquidity necessary to deal with the issues that do confront us and we have the liquidity necessary to deal with the issues that could confront us’? I await the Chief Minister’s answers to all these questions.

Mr Speaker, on a personal note, and to recap what I have been doing in the last seven months since being elected to Parliament, I would like to remind you and the House of a few of my endeavours. In Education, I have highlighted concerns by teachers and parents ranging from the practical to logistical, questioning manifesto commitments, which have now turned into consultation exercises like school lunches, to matters of health, safety and security in the new schools that we eagerly await to be built.

Likewise, in Health, I have brought to the House people’s concerns with the current system at the Primary Care Centre and St Bernard’s Hospital, as well as those of doctors, for example, in connection to the upcoming implementation of the General Medical Council, a dynamic and ambitious move, but one that sadly I feel has not been properly thought through and could have negative repercussions for the Health Authority if we do not get it absolutely right.

In general, Mr Speaker, I have spent much of my time talking to, but most importantly listening to, constituents and bringing their causes and concerns to Government, this House and responsible bodies. And on that note, I would like take this opportunity to thank the Minister for Health for collaborating with me when he has been able to do so, for having always given me the time to present to him the cases that I have come across when shadowing the Health portfolio,

and listening to the constituents who have approached me needing action to be taken. To this day, the hon. Member, the Minister for Health has always been willing to help me to help others and I thank him for this. *(Banging on desks)*

I would love to see more cross-party collaboration for the good of the average Gibraltarian who needs to be heard and helped.

In order to, in future, facilitate a more conducive and productive budget deliberation, I call on the Government to next year release the full copy of the Draft Government of Gibraltar Estimates of Revenue and Expenditure 2017-18 to this House, including the information it provides in the copy which is only subsequently published for public consumption.

In accordance with my commitment to foster a culture of an open Budget, I have written to a number of international institutions which champion this cause. I believe that much could be gained from Gibraltar being an active participant in these initiatives.

I call on the Government to adopt a biennial Budget review, making it a living document, increasing transparency and including all Government Companies (wholly owned), joint ventures, agencies and commissions in a single Government Budget, presented to this House.

By way of conclusion Mr Speaker, I want to reiterate, that I still have a responsibility to the electorate to form part of an effective Opposition that is so essential to the democratic process. Mr Speaker, I want to work in partnership with the majority party in Opposition to hold the Government to account, but for me, it is also important to hold the majority Opposition to account when I feel that their sense of perspective may be distorted. **(Several Members: Hear, hear!)** *(Banging on desks)*

And Mr Speaker, I would like to remind the people of Gibraltar that I am here as their voice in Parliament, to represent them and bring their causes and concerns to this House, and to try and help the vulnerable and those in need in any way I can.

I would also thank the Leader of the Opposition, the Chief Minister, the Clerk of the House and his wonderful staff and in particular you, Mr Speaker, for helping me ease into my first year as a parliamentarian. And despite the upheavals between myself and some of my former colleagues, I would like to reassure them that they, as well as all other Members of the House, shall remain on my Christmas card list! *(Laughter and banging on desks)*

And if there are any doubts to my loyalties, Mr Speaker, then I would like to make it clear that my loyalties today, as they have always been, are to democracy, to this House, and to the people of Gibraltar. *(Banging on desks)*

**Chief Minister (Hon. F R Picardo):** Well, Mr Speaker, after hearing a veteran give his contribution and hearing a maiden give her contribution which sounded very much like a veteran's contribution, I now propose that we adjourn till tomorrow at midday, when I will exercise my right to reply to everybody else.

**Mr Speaker:** The House will now adjourn till tomorrow at 12 noon.

*The House adjourned at 12.57 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**FIRST AFTERNOON SESSION: 12.05 p.m. – 2.55 p.m.**

**Gibraltar, Friday, 8th July 2016**

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# The Gibraltar Parliament

*The Parliament met at 12.05 p.m.*

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

[CLERK TO THE PARLIAMENT: C McDonald *in attendance*]

## Order of the Day

**Appropriation Bill 2016 –  
Debate concluded –  
Second Reading approved**

**Mr Speaker:** I now call the Chief Minister to exercise his right of reply on the Second Reading of the Appropriation Bill.

5     **Chief Minister (Hon. F R Picardo):** Thank you, Mr Speaker.

Well, we started on Tuesday to debate this Bill and it is already Friday – doesn't time fly when we are enjoying ourselves!

10     The Appropriation Bill this year has been held in the context of the result of the Referendum, now exactly two weeks ago since we heard that result – the context of 14 difficult days for Europe; 14 difficult days for the United Kingdom; and, of course, 14 concerning days for Gibraltar. And I think that has had the effect of tempering the way that perhaps this Appropriation debate has gone.

15     I want to thank hon. Members for that, although I have detected some element of the partisan in some of the things that were said in the context of the debate; and I am afraid I am going to have to respond to those aspects of what was said and ensure that the record is not in any way tarnished by some of the incorrect – and frankly misleading – statements that we have heard in the context of the debate in this House. Mr Speaker, despite the moment in which we live it is important that *Hansard* should not rest with those incorrect references in it.

20     For most of the Members on the other side, I think this was their first Budget debate and I want to congratulate them all without exception for their maiden speeches. In 2003 all of us who were new on the other side were congratulated – bar one – and that one now replies for the Government. And I was not congratulated, obviously, because the greatest Gibraltarian of all time – as the Hon. the Leader of the Opposition referred to him – did not like to single me out for praise on any occasion.

25     Well, Mr Speaker, I thank him for the whip that made me strong enough to be able to usurp him from his position five years ago.

They made maiden speeches which contained many, many rookie errors and I will have no alternative but to deal with those to correct the record, of course.

30     Mr Speaker, in 2003, the year that I made my maiden address from those benches, I reminded the House that Gladstone had observed in Westminster that:

Finances, as it were, are the stomach of the country, from which all the other organs take their turn.

Well, this is a very healthy country indeed, because the finances of this nation are now stronger than ever and anybody who cares to look at the state of our finances and analyse them with a critical eye, but without a view of simply denigrating for the sake of it, would take exactly that view. (A Member: Hear, hear.) Thank you!

35 In these difficult, challenging times it is absolutely right that it should be that way; and the management and the stewardship of the economy for the past five years – and of the public finances in particular – is what brings us to that moment.

But, Mr Speaker, the debate about public finances that hon. Members have engaged in, and the way they have addressed issues in the past three days has been little different to the attitude that they took during the general election. And when I say ‘hon. Members’ and then I say ‘Members opposite’, I do not mean to include the Hon. Independent Member whose contribution I will address on its own at the end because she shadows all of our portfolios. I am referring to the current official party of Opposition.

Well, Mr Speaker, that debate that we have had not since last Tuesday and in fact, not since last November – we have had that debate since the Hon. the Leader of the Opposition took the leadership of the Opposition three years ago – is one which is really based on attempting to present an excessively negative view of everything that relates to the public finances of Gibraltar, simply for the purposes of trying to create a fear in people that the Government is somehow not managing finances properly.

And I say, Mr Speaker, in the three years since the Hon. the Leader of the Opposition took over in the leadership of the GSD, because it could not have been thus under the former Leader of the Opposition – the Hon. the Backbencher, as we used to know him, in the days before he left, but the former Chief Minister, the oft-referred to greatest Gibraltarian of all time. The first meeting that we had in this House in 2011 when we came here as fresh-faced Ministers, the lot of us – except for the veteran, Joe Bossano – to take over Government, we heard ... and it is important that Members opposite understand this because this is the political moment which they inherit and which they still live. We heard the Hon. Sir Peter Caruana tell us that under the GSD administration which had ended days before, they were burning so much cash on projects that they were about to hit the ceiling of debt and that he would therefore support a GSLP/Liberal Government bringing a motion to the House to *exceed* the ceiling of debt.

So, Mr Speaker, the prudence that they have pretended to make their own since the Hon. Mr Feetham became the Leader of the Opposition, is one which ill befits them because the inheritance ... what the Hon. the former Deputy Leader of the Opposition used to say with his usual smirk, was ‘the golden legacy of the GSD’ which Mr Llamas has now taken to referring to.

65 The golden legacy of the GSD was an abject surrender, Mr Speaker, on the day of the ceremonial opening – not on the first day for questions, not on the first day for debates, not at the first Appropriation debate ... on the ceremonial opening! We were just giddy with having got into Government and still trying to work out that when they said ‘Chief Minister’ I was the one who had to stand up and not him!

70 He was saying to us, ‘I recognise that the cash burn rate is so high that you are going to exceed the ceiling of debt and so if you bring a resolution I will support it’.

Now, Micawber would be happy to know, Mr Speaker, that in fact what we did was *not* accept the invitation to breach Gibraltar’s ceiling of debt because of GSD spending – we stopped it! We stopped every single GSD project until we were able to analyse it, until we were able to make it more affordable, until we were able to ensure that Gibraltar did *not because of the GSD’s administration of our public finances* have to breach the ceiling of debt by Resolution of this House, as the former Chief Minister had invited us to do.

So, Mr Speaker, with that context ... let alone with the ‘doomsday memo’ from Dilip Dayaram, the then Financial Secretary telling us that we were running out of money if we did not bring the motion. With that context, the things that they have said today – and, again, I am talking to the current official party of Opposition, not to the Hon. Lady – ring hollower than the inside of a drum. Because, you see, there was talk of there being elephants in this room.

And I have to take issue with that, Mr Speaker, only in one particular respect: *there is not an elephant in the room*. It is nonsensical for hon. Members who have referred to *an* elephant in the room – there are 10 elephants in this room ... ten elephants that have a memory that will not allow Members opposite to forget what happened when *they* were in charge of the administration of Gibraltar's affairs. Ten long memories that will not allow them to get away with pretending to be prudent when in fact they are spendthrifts – absolute spendthrifts!

I am going to deal with those issues in detail as I go through their contributions – in particular I am going to deal with the issue of Mr Clinton saying, 'Oh, but the interest rates are lower now than they were before!' Well, interest rates may be lower now – and do the analysis that he does not need me to do about LIBOR and the Bank of England rate which he probably understands but which just was not convenient to deal with the reality of in the context of the speech that he wanted to make.

But it is true that today, as six months ago ... and that is probably in six months from now, if the hon. Member went to DFS to buy a sofa he will see from the advertisements on the Sky News channel that you can probably get it with 0% interest if you finance it over 10 months. But that is not what a nation financing over 30 years through its company structure is going to pay – as he well understands, and I will deal with that. And that is why 3.85% was such an excellent deal; but I will deal with that in detail as well, Mr Speaker.

I would prefer, like the CIA – rather than elephants – we do not forget, either the things that they say now or the things that they used to say under the banner of GSD in the past four years, or in the past 16 years.

I want to start, however, with an excellent contribution in one of our daily newspapers by a gentleman by the name of Jonathan Jeffries. I do not know whether hon. Members read his contribution, but it deals with all of the issues that we have been dealing with in this House since the Hon. the Leader of the Opposition took over the current official Opposition party, the GSD, and his attempts to taunt us, or trick us, into the road of austerity versus the road that we have pursued – which is of investment in Gibraltar, investment in public services and ensuring that our community prospers as it has.

And it starts like this, Mr Speaker, from yesterday ... I am sure hon. Members might have read the first few sentences and decided it was not worth going on. But I think it is worth them hearing it from me because it is important that this letter be on *Hansard*, Mr Speaker.

'Spending Taxpayers' Money' is the heading of the letter:

Dear Editor, I wish to congratulate the Government of Gibraltar on their budget for Brexit.

I guess they stopped there, Mr Speaker, but it gets very good.

The Government of Gibraltar has made a sound judgement in not following the United Kingdom in its austerity plan. I do have concerns about the economic judgements made by the Opposition in particular in relation to the Government of Gibraltar debt.

I wanted to point out by way of this letter to Gibraltarian voters how important it is that a government spends money. In the context of Gibraltar, the Government pays for many things like Mount Alvernia, the Health Service the Victoria Stadium, the buses, schools, housing estates and now, in the summer, the Bathing Pavilions. All these things are important to have.

If the focus was to pay the debt then there would have to be spending cuts. To the ordinary worker or pensioner spending cuts would be like living in America where you have to pay for everything after paying tax, rather than the tax to be used by Governments to pay for things that people need to have fulfilling lives.

Even where the government debt exists governments borrow –

*they borrow –*

that money at a cheaper interest rate than any citizen going to their local bank and asking for a loan or having to use a credit card There are no fixed dates or times that the debt would have to be paid. Plus a government can have the ability to increase taxes, let's say on businesses or tourists to keep finances stable –

But if you do it really well, like we do, Mr Speaker, you can actually bring taxes and costs down.

If you look at the UK the experiment that is austerity has been sold to the working class as the need to cut government debt in a hurry or else you mortgage the country's future. So for the last six years the Government has been cutting its spending and therefore increasing the university tuition fees that now students have to pay to the tune of £9,000 per year of study. You now have to pay for your own social care or sell your house to pay for it. Children's centres providing subsidised childcare have closed. Libraries and swimming pools have also been closed.

Or in the case of my college, making half of the teaching staff redundant, closing down courses and not having had a pay rise for 6 years.

Contrast that to the position in Gibraltar where we have just opened our University.

Yet taxpayers are paying more tax than ever and there has been no cut to the UK Government debt – in fact, it has increased.

As spending cuts have led to job cuts in the public sector and less investment in the private, so less tax is paid. No wonder the cuts in Government spending have been linked to a rise in mental health problems as people feel they have to pay more for things with less money.

So I would argue to voters in Gibraltar to be cautious about *el cuento* of the Government debt. Those that argue about the debts, to my mind, only want to cut services to allow business to pay even less tax. Good government means investment and spending in areas where the people and the economy need it the most – that is why workers pay taxes, because it makes common sense and you get something back for it.

So enjoy your publicly taxpayer-funded summer nights in the knowledge you do get something back.

120 I am tempted to sit down and commend the Bill to the House! And, in addition, in Gibraltar in the context of business costs going *down*, as well.

I know they would wish me to do that, Mr Speaker, for then I would not spend the time I am required to spend, correcting everything they said which just has absolutely no basis in fact. They should be so lucky, Mr Speaker.

125 Well, in fact, I am not surprised that 'Danny and the Yes Men' do not want to come to the Music Festival this year – they are not an act that we were thinking of signing anyway, and they do not want to hear what I have to say!

And, seeing the new configuration I am almost reminded of that great old poem The Charge of the Light Brigade ... 'Yes man to right of him, yes man to left of him, volleyed and thundered' – as he is about to be.

130 Although I must just pause to give an element of advice to hon. Members opposite because, having sat in this place since 2003 – but by no measure the longest-sitting Member of this House because I am of course of the age that is the pedigree of Joe Bossano – he has been here for 44 years, I have been *alive* for 44 years so I am very far from being able to claim to be the longest-sitting person here.

135 I have been here for all the time that the Hon. the Leader of the Opposition has been here, because he arrived in 2007 and I had arrived in 2003. And I have to tell him ... and, in fact, I have to tell Mr Hammond and Mr Phillips, that if they go back and look at the photographs at the people who have sat next to Mr Feetham since he arrived here in 2007, have not come back after the following election because they have either been left out by the voter – (*Interjection*)  
140 on both sides – or left out by the executive committee that might have selected them. So, their seating arrangement is a matter entirely for them, but I think this is more than a coincidence, Mr Speaker. (*Interjections*)

Maybe Mr Phillips should have stayed in the 'rocket chair' at the end of the row.

145 Mr Speaker, I am going to go through doing the analysis – whether 'Danny and the Yes Men' want me to or not – and I am going to ensure that I deal with the issues of Government rents, etc. which they have raised as well. They seem to want us to increase rent further and we have been very careful with how we have increased rents because we do not want to increase rents in the way that is punitive, for the reasons that Mr Phillips suggested that it should be punitive. I detected in him a desire to see people pay more. And that should never be the attitude of  
150 people in administration.

In my initial address on the Appropriation Bill I said that in Gibraltar's history we are now in the time for extraordinary people to do extraordinary things. I heard very little from the official

Opposition that suggested that they were ready to be our partners in doing so; but they did say some extraordinarily contradictory things in the context of the six speeches that they delivered.

155 They demonstrated, Mr Speaker, that there was very little vision in their approach. There was very little positive critique – there was much more petty critique. And at a time when we do need substantive understanding of what is going on and substantive contribution from different sides of the House.

160 This is a time of great challenge. Indeed there is a fantastic quote from Lenin, who is not somebody who one should often quote, (*Interjections*) although the Hon. Mr Bossano might take issue with that! But Lenin is reputed once to have said, no doubt in his mother tongue:

There are decades where nothing happens; and there are weeks when decades happen.

And I would say that in the past two weeks, decades have happened.

Mr Speaker, the Hon. the Leader of the Opposition started his contribution in effect trying to say that whatever we might have done in this Budget – because I think he had written the contribution before he knew what I was going to say, so he tried to do it in the way that it might have gone in either direction. In effect he was laying for us a Gordian knot: whether I raised costs or whether I lowered costs in Gibraltar, of doing business or of taxation, I would be doing the bad thing.

170 Of course, if I *raised* costs then his attack would be because the cost of business was going up or because taxation was going up, etc.; and if I lowered costs then I was being Father Christmas and I was not responsible. And it would have been a good tactic if it was not so transparent.

But it is not a question, when you are dealing with a sophisticated community like the one we are dealing with, of being either Father Christmas or Scrooge. It is not that easy; it is about careful calibration.

175 But he never gives us the advantage of saying that we have got it right. Although I did hear him through gritted teeth congratulate us for this year's economic performance. Through gritted teeth, Mr Speaker, of course because you see he congratulates us for this year's economic performance which demonstrates that three years of his performance as Leader of the Opposition has been based on a false prospectus – namely, that the economy was going to fail the minute that the election happened.

180 So, what does he do? He recognises that he has been wrong for three years, but he says, 'Ah but this year I am going to be right' and comes back to his mantra of us not being prudent and we are about to run out of money, etc. – which is what he has been saying since he took over as Leader of the Opposition.

185 I am not going to tell him the story of Santa Claus because he does not want to be known as the person who wanted to kill Father Christmas; I am not going to tell him the Christmas Carol, because I am sure that the only person who will feel characterised by Scrooge on that side is not him. But I am going to tell him the story about 'The Boy Who Cried Wolf', because he has been crying Wolf now for so many years – that we are going to run out of money – that he has now recognised through gritted teeth that the performance of the economy for the year ended 31st March 2016 was magnificent.

190 So, Mr Speaker, he has to accept that at least in financial years 2012-2013, 2013-2014, 2014-2015, 2015-2016 he got it wrong!

195 He could say, 'Well, chaps, you know what? We have no choice now we have stuck our colours to the mast. Even a clock that is broken is right at least twice a day – let's stick with it.'

Well, on this issue, Mr Speaker, the clock will never be right, not even once.

200 Last year, to set things in context – and I will come back to this issue later on – the whole debate was not just about, 'You are about to bankrupt Gibraltar' ... and if hon. Members who were not here last year, who would be excused for not listening into a whole budget debate if they were busy doing other things, would care to go back and read the *Hansards*, they will see that the accusation was that we were about to bankrupt Gibraltar. The hon. Members felt that

they were a moment away from a general election and scaring people was the only way that they thought they could produce the votes. A bit like *Monsters University*.

205 I do not know whether Members opposite have seen that fantastic cartoon where the monsters scare children and the children's screams are what produces the energy and, in that way, the monsters power their university.

Well, the scaring did not work. But they were not just scaring on the financial side; last year we had probably the most acrimonious debate in respect of the Appropriation Bill, over the issue of whether or not we were going to blow up Gibraltar!

210 The CIA on this side, the elephants in the room, have not forgotten that last year the accusation was dual – it was two-pronged. On the one hand we were going to bankrupt Gibraltar and this would be seen the minute the election was over, and the real numbers were there; on the other hand, we were going to blow up ... And in one of the moments of greatest gusto that I saw the Hon. the Leader of the Opposition on television pointing to one of his charts with the  
215 Hon. the Air Traffic Controller – they were pointing to most of the north-western side of Gibraltar being potentially erased from the map!

Now, I know that they lost the election ... well, they did not just lose it, they *thumped* it – they really did lose it. But we have not heard them say for one moment after the election, that there was a danger with the LNG plant and the power station. And I commend them for it, Mr  
220 Speaker, because it demonstrates that they knew they were wrong throughout the process and they were *only saying that*.

Obviously, if it were true that we were going to blow up Gibraltar the debate is not wiped clean even if seven out of 10 Gibraltarians rejected them ... (**A Member:** Hear, hear.) I would have expected that there would have been at least six members of the Opposition chained to  
225 the gates of the new power station works.

Mr Speaker, I must tell him that if I, or John Cortes or any other Member of this side of the House believed that they in Government were about to install a plant that was going to potentially blow up all of the north-west face of Gibraltar – whether I was elected or even if I was completely rejected and left out of the three who fall off from the 10 being elected ... If I  
230 was Kim Karnani, Robert Vasquez or Chris White that would not matter to me, I would still chain myself to the gates to stop the irresponsibility of bringing to Gibraltar a plant that would blow up the north-west face.

And so, Mr Speaker, they either have not got the courage of their convictions or they never had their convictions – which they have demonstrated because eight months after the election  
235 all of those complaints were dropped. But I will come back to that later.

The Hon. the Leader of the Opposition wanted in his address to ... well, I assume he had written, at least he must have had the prescience to write both, but I do not know with him ... to either have written the speech that said, 'I can't believe Mr Picardo is going to tell us he is going to deliver on his manifesto commitments' – if I had recommitted myself to them. Or the other  
240 one, which said, 'I can't believe Mr Picardo has said he will *not* deliver on his manifesto commitments – he should never have won the election because he never intended to do that.'

I would have thought he would have written *both*. He delivered the first one, 'I can't believe Mr Picardo is going to commit himself to deliver his manifesto commitments, he should not have done so, this is a time to pause and reflect.'

245 Although I see that he adopted my language of 'pause and reflect' in an interview with the fantastic *Daily Panorama* that I have read today – or at least, Mr Speaker that is what the interview says, unless he is suggesting that the *Panorama* reporter has put the words in his mouth. Something which I am sure would not be the case.

Of course the problem he had was that I said we would be looking constantly at the  
250 performance of the economy to determine what we could and could not do. But I think that what will become evident during the course of my response is that the five others did not get the memo.

You see, whereas Mr Feetham went on television to say, 'I cannot believe that the Chief Minister has recommitted himself to his manifesto commitments' – we were then treated to five speeches telling us that it was dreadful that we had not yet completed on our manifesto commitments ... never mind the fact that we are only six months in!

So I think, Mr Speaker, what must have happened at GSD Headquarters ... and it appears that there is an element of disarray there since the Hon. Lady left their ranks. She must have given them the speech saying, 'Budget debate: push them on their manifesto commitments'. Then gone home, taken better advice and been told, 'Prepare to tell him that he should *not* comply with his manifesto commitments' – and then he forgot to press 'send' on the email telling the others to change tack.

As we will see, this has been a Budget debate where the Opposition contributions have been inherently contradictory *inter se* – and in a way that I have never seen in this House. I have never seen it in this House. But that is what happens, Mr Speaker, if there is not leadership.

The Hon. the Leader of the Opposition said, 'You must stop the projects; you must not deliver the manifesto commitment'. John Cortes said, 'Look, we have got an issue with the sewage waste treatment plant; it is an easy obligation. Where are we? There is Brexit – pause.' Daniel Feetham said, 'That is not enough. It is not enough to just pause in respect of the waste treatment plant.'

He said this, Mr Speaker – on page 9:

Indeed the GSLP/Liberal Government has announced that the sewage plant will be put on ice in order to save funds in the event of a full Brexit, while adopting measures that would encourage start-ups on the Rock with more than five employees. But the GSD Leader feels more needs to be done.

More needs to be done! So it is not enough that we have put the sewage treatment plant on ice and, yet, the hon. the air traffic controller, Mr Hammond, chastised Mr Cortes in respect of the sewage treatment plant. He said it should be done; it should be a 'priority' for this term!

Mr Speaker, I cannot understand how it is that two people who sit so close to each other do not co-ordinate their messages. I just cannot understand it.

Then, Mr Speaker, we were subject to complaints about dog parks, and 'build more for rental', and 'build more rental for the elderly', and 'where is the theatre?' Well, Mr Speaker, it seems to me, that the Hon. the Leader of the Opposition Party is not singing from the same hymn sheet as him. We are not doing enough, according to him, for putting the sewage treatment plant on ice, and yet the others are saying that we are not doing enough because we must complete on all of these commitments.

Well, look, Mr Speaker, it is a very good thing, too, that one of the first things I do when I get into the office every morning is to read *Panorama*. It is a very good thing too, because I am going to come back to some of the things that the hon. Gentleman has said there, to demonstrate just how out of kilter most of their contributions are with each other.

In any event, Mr Speaker, didn't they all hear the consistent message from this side of the house, which is that we are constantly reviewing where we are going because of Brexit – not for any other reason. But it is really, Mr Speaker, quite something to see how not joined-up the other side is and how, from contributor to contributor, the goal posts were moving.

Mr Speaker, it was clear to me in the context of the contribution of the Hon. the Leader of the Opposition that he does not understand how the commutation of pensions work. He was suggesting that, if we were not doing that or we were doing it out of Government, somehow better results would be yielded. Well, Mr Speaker, he is wrong on both fronts. First of all, the Government still pays Credit Finance Company Limited the amount of the pensions that we would have paid the individuals who commuted, so there is no flattering of the Government accounts in that respect. The pensions are paid, even in the context of a pensioner who has commuted, in the same way as they would have if that person had not commuted, but, of course, they are paid by assignment of the pensioner to Credit Finance. We gave him a copy of the assignment, Mr Speaker.

Now, Mr Speaker, we had a very detailed debate about how, nonetheless, the accounts might be flattered in the small amount, in the context or not of having to pay the 25% commutations that might have been paid before. He can go back and read them, Mr Speaker, because we had a sensible, reasonable, careful debate, where we dealt with every penny of this issue in the presence then of the Hon. the former Chief Minister, who understood the issue and then accepted how it was being done. It was a sensible debate; in the same way as we had a sensible debate with the then backbencher in the context of LNG and risk and de-risking: a very sensible debate, which I think really helped people to understand what the issues were and clarified the cloud that the hon. Members were creating.

Mr Speaker, he also does not seem to understand how the Community Care issue worked and why it is that an amount is given by the Government in respect to Community Care, and why the surplus is also given so that the total amount given this year is in the context of £27 million. But, of course, if Community Care were not able, in any particular year, to pay the Household Cost Allowance and the Government were not able to contribute, it would have the kitty from which to pay. That is why, in part, it is a Rainy Day Fund.

But, then, Mr Speaker, he got up to reply to me – and I think the only bit that he had done on his feet, although I was not sure because I thought he was reading it – was his analysis of Community Care as not being a rainy day fund. Here, again, Mr Speaker, his analysis lacks complete consistency.

I will explain to him in ways that he can understand why that is the case. You see, he says, ‘I am with Bossano.’ Bossano created the rainy day funds and before 1996 and that is what he would have wanted to be doing now, and, ‘Look at you. You are throwing money away.’ Because, of course, ‘Community Care is not a rainy day fund; it is not accessible.’ Well, Mr Speaker, doesn’t he know that the rainy day funds that he prays in aid, in the context of this argument ... I know that he does not like to listen to me, Mr Speaker, but this is actually an important thing for him to understand – it is up to him. What he prays in aid, in the context of this analysis are the rainy day funds Joe Bossano created before 1996, which were Community Care; which were the Reserve of the Savings Bank. Of course, Mr Speaker, there was then the Sinking Fund for payment of debt, which the GSD got rid of, and, Mr Speaker, even before the Hon. Mr Clinton – who I will come to in a moment – was in this House to recommend that we should bring it back, we brought it back.

Mr Speaker, these were all the rainy day funds which the Hon. the Leader of the Opposition nostalgically refers to. They are the rainy day funds which are back today and the ones that he today says, ‘Well, those are not really rainy funds; they are the ones that Bossano had, not the ones that Picardo has today.’ Well, look, Picardo has the benefit of having – thank God – someone like Bossano next to him to help to understand these issues and to create the same rainy day funds. So, if he wants to enjoy the benefit of some lustre, pre-1996, of the GSLP, he has to realise it is the same lustre that shines on us today as GSLP/Liberals in respect of those sinking funds.

Mr Speaker, the £300 million loan, as they like to call it; mortgage, as they like to call it; financing arrangement, which they now appear to be gearing up to say is the worst thing since sliced bread. Well, look, they really must think that the people of Gibraltar are very stupid indeed – and I have so much more respect for voters, Mr Speaker. I think that voters here have the most analytical eye in Western Europe, if not the world. They see through things, Mr Speaker. They see through gas clouds that ignite and blow up north western districts; they see through threats of bankruptcy; and they see through the idea that this is the worst possible thing. Because you see, Mr Speaker, when you say to people. ‘You see, we have created this financing arrangement; we have raised this money as an alternative to selling it off’ – I come to the detail of it in a minute when I answer Mr Clinton. I will give the detail, Mr Speaker, that I gave already, which is more detail than we would ever have got from the other side. Because the stated policy of Members opposite, when they were here ... I know they do not like history, but I will come to that too, Mr Speaker. There are two of them who were here; two of them who



were doing these things from these benches. They were going to sell off every single post-war apartment that the Government of Gibraltar had, including the ones at Mid Harbours! Every single one! They were going to alienate ownership of those assets from the people of Gibraltar and lose them forever.

The hon. Members have to realise that they have said something that I am going to remind them of for the next three and a half years, mercilessly, if they think that this is going to be an issue they can use in the General Election. They said we are 'mortgaging the family silver'. Well, Mr Speaker, you know what we are doing if that were the case – which it is not – at least we are keeping the family silver; they were going to sell the family silver for less and never have recourse to it again, whilst we get to keep the family silver in the family. Everybody in the family gets to use it and we have raised cash for the community against it: a much, much better deal by any analysis.

When they come to analyse the transaction, Mr Speaker, they need to remember and set it in the context that GSD policy was to sell those assets, but whilst retaining a responsibility to maintain them for 12 years. Mr Speaker, I do not think Micawber would have thought much of that, when he was pulling out his pencil to do his *cuenta la vieja*.

Then, Mr Speaker, I heard the Hon. the Leader of the Opposition say that we had 'distorted the accounts of the Government'. He used the words 'he distorted the accounts'. Well, look, Mr Speaker, I try my best to do my job to the best of my ability, every minute of the waking day: my job as Chief Minister; my job as Minister for Finance; my job in respect of all my ministerial responsibilities; and my job as a son, husband and father. The one thing he knows, Mr Speaker, that I would never claim to be is the person that puts together the Estimates' Book. I do not put together the Estimates' Book, Mr Speaker. When Joe Bossano was Minister for Finance as Chief Minister, he did not put together the Estimates' Book, Mr Speaker.

We have professionals in the Ministry of Finance and in the Treasury who put together the Estimates' Book; who give us the numbers. So, Mr Speaker, any allegation that there has been a distortion of the numbers in this Book is a gross allegation against the professionalism of the professional men and women who work for the Government and these Departments. Mr Speaker, on their behalf, I deprecate it. They do not deserve it.

Mr Speaker, in the context of what he was going on to talk about, he has to remember as well, in terms of the cost of doing business in Gibraltar, that one of his electoral commitments was that he was going to means test the subsidy in respect of electricity and water. I mean, it went down like a lead balloon when he explained it as one of his key commitments at the GFSB question and answer session, because, of course, the cost of doing business in Gibraltar would go prohibitively through the roof. At the moment, before the new LNG facility is completed, with the systems we have in place today, if you were not to subsidise electricity and water, we would probably lose most of the international businesses that we have if we charged the full amount of producing electricity and water, in the context of the oil prices as they have been and the hedge that we have, Mr Speaker. So, when he wants to talk about the cost of doing business in Gibraltar, Mr Speaker, I will mercilessly remind him of what businesses would be paying in respect of electricity and water if he had put a foot into Convent Place – other than by invitation of mine, for a few moments, and in a very ring-fenced capacity, Mr Speaker.

Mr Speaker, the hon. Gentleman has given this interview to *Panorama* where he has set out, in some way, what the message that he wants his Budget address to be remembered for. He said, talking about the increase of GDP to debt ratio under the law:

Bermuda did the same thing and is now in huge financial difficulties, ....

The Hon. Mr Clinton called the Bermudians, 'our cousins', Mr Speaker. Well, Mr Feetham said this:

... wishing that borrowing would have remained at 80% of current income as has been the case on the Rock before the coalition came into office.

400 Mr Speaker, current income is £590 million. Eighty per cent of that is £456 million. Net debt is £350 million. We are well below 80% of current recurrent revenue, with the coalition in power, Mr Speaker.

I gave him a calculator, Mr Speaker, in an act of supreme political generosity two years ago. He needs to use it more often, because you see, Mr Speaker, with income at closer to £450  
405 million and net debt at £520 million, in net debt terms, when we took over, the GSD were nowhere near 80%. Even if you went to gross debt at £447 million, Mr Speaker, £456 million is above that. So we are well below, in gross and net debt terms, 80% of current income.

Mr Speaker, the readers of *Panorama* will not be pleased to have seen the attempt to have the wool pulled over their eyes in this way. I am sure they, with their calculators, will be able to  
410 do the maths more easily than he has.

But, Mr Speaker:

It is not true that the GSD is advocating austerity measures which would lead Gibraltar into a recession.

I do not know where he gets that from. It is clear that he wants to cut spending and not deliver manifesto commitments. That is austerity, Mr Speaker, full stop. He has been advocating it before Brexit, before the Conservative Party won the 2010 General Election in the United Kingdom and the referendum was even on the cards. He has been advocating austerity since he became Leader of the Party: totally contrary to the position that the former Chief Minister was advocating.

‘We do not have information about the £400 million in Community Care, now in Credit Finance.’ ‘Now, they do not want to tell us more about the £300 million that they borrowed.’ Mr Speaker, the hon. Gentleman needs to understand that he, as Leader of the Party, went to a  
415 general election arguing *inter alia* bankruptcy explosions, raising the debt limit to £900 million – or is it that they have forgotten? Their argument in the general election was, ‘We will take the debt up to £900 million and then we will pay it down from there. £900 million: look, I do not see what it is that now makes them concerned, because in the context of the information that we have given them of what Credit Finance does – which we do not have to give them, but we give  
420 them – they can see how much Credit Finance is loaning to third parties, which is part of creating income; it is a business. They can see how much it is doing in respect of commutations – and I will deal with more detail in respect of commutations in a moment, answering Mr Clinton. They can see that, Mr Speaker.

They can see what our plans are to reduce debt; they can see what the ratios are. But, Mr  
425 Speaker, look, to say in November 2015, ‘We are going to put the public debt of Gibraltar up to £900 million’ and to now say, ‘There is a problem with the borrowing’ is really to be inherently self-contradictory.

Mr Clinton said that he did not want to talk about the past. Well, Mr Speaker, it is really quite incredible that a shadow spokesperson for heritage does not want to talk about the past.  
430 *(Laughter)* It really is quite incredible, Mr Speaker, but I am not surprised. I am not surprised that this is happening on the Opposition benches, because he is sitting next to Mr Phillips who said in a fit of pique during Question Time, ‘We are not here to defend anyone’s record. The past is the past’. Well, look, the attitude that history will teach us nothing is very dangerous indeed and it is not one that the community is going to accept being duped into by Members opposite. Of  
435 course, what they have disclosed by saying that is that they realise that their political past, the GSD’s political past – for which they will remain answerable in this House, whilst they have Mr Feetham here, Mr Reyes here, who are vestiges of the GSD in Government and therefore answerable for its actions – is littered with so many political problems that they would rather not be referred to it.

Well, look, Mr Speaker, he wants to talk about preserving things today, but he does not want  
440 to talk about the GSD’s destruction of the Rosia Tanks. Mr Speaker, I suppose that this is the sort of thing that the Hon. the Leader of the Opposition used to say to me was a ‘Clinton moment’

because he spent much of the last four years saying to me, 'The Hon. the Chief Minister is having a Clinton moment'. Well, Mr Speaker, I suppose this is what he meant. I could not quite work out what it was, Mr Speaker.

Mr Speaker, we have disclosed Credit Finance's balance sheet and we will disclose it monthly. In respect of the £300 million financing, we have disclosed that in a speech by the Chief Minister at the first sitting at Parliament after the transaction was closed. Both of them are things that the law does not require us to disclose, but we are disclosing them. So where is the secrecy and the lack of transparency that hon. Members want to talk about?

What about the things that we found out, Mr Speaker, only after we were elected? What about those? What about the way that the balance sheets were dressed up before 2011? These Micawber principles, Mr Speaker, brought me in mind of that fantastic novel of Dickens and how Micawber used to work alongside Uriah Heep, with his 'cloying humility', his 'insincerity' and snake-like attitude. *(Laughter)* That is the description of the character, Mr Speaker, in the novel. *(Laughter)*

Mr Speaker, all of that was said by the Hon. Mr Clinton in the context – he said – of surpluses getting smaller as we go forward. Mr Speaker, look, he of all people, I thought, understood the Book, but he clearly does not. He of all people could have looked back and seen that this was the third highest surplus in history. To try to denigrate it and to say, 'You still owe this; you still owe that' – I will go through the detail of that in a minute – is absolutely ridiculous, because that happens in every single year and would have extinguished most, if not all, of the GSD's surpluses.

So, Mr Speaker, we have to compare like with like, and the third highest surplus in our history, especially at this moment, is something to crow about, not something to denigrate. I will show him, as well, why it is not dressed up, because we are not in Bermuda: a people who I am warm to, who I respect and who I work with. They have their own issues and they have their own advantages, and we have our own issues and our own advantages, and all comparisons are odious.

Mr Speaker, to get up in this House and to say, 'How can we trust that these budget surpluses are not actually hidden deficits?' 'Are the surpluses real?' 'Do they reflect all Government expenditure?' 'Have payments been slowed down before 31st March?' Mr Speaker, does he think that the job of Chief Minister entails receiving the bills, checking them through, stamping them as correct and saying, 'Pay not before 1st April so that my surplus is dressed up'? Does he really think that? Does he think that the people who work for the Government of Gibraltar, aka, the people who work for Gibraltar, would allow a Chief Minister – this one, or the one before, or the one before the one before, or the one before the one before the one before – to dress up the accounts and to pretend that a deficit is a surplus? That is the worst sort of insult that he knows he can level to people who work with numbers and who do their job so seriously. It is beneath him, Mr Speaker. I am sure that next year, when he comes back to this debate, at last with an element of experience – with one year's experience – in dealing with public finances ... He can have all the experience that he likes as an accountant and as a banker, but he has zero experience of public finance and he will not level that sort of accusation against the people who do such fantastic, hard work for Gibraltar, Mr Speaker – incredible.

Then, Mr Speaker, he wants to put on his hair shirt and talk to us about how we must do less, and there must be less merriment and there must be less spending on frivolities. Well, Mr Speaker, can he send the memo to those who are arguing that we should be spending money on dog parks and on theatres, because it seems to me that they are not really in the same Party. Of all the things that we could be talking about, in the context of Brexit and the challenges our community is facing, the adequacy of dog toilets is not something that I think is top of the agenda – but I will come to that in a few minutes. *(Laughter)*

The hon. Gentleman will say, 'Well, how is the Power Station going to be built? How is it going to be paid for?' Again, the mortal sin of writing one's speech before one hears what is going to be said, because he had already had an explanation in that respect. I guess it is a rookie

error in his case. The Hon. the Leader of the Opposition does not have the benefit of being able to pray in aid the rookie's error, but he does, Mr Speaker, because he is a rookie – a complete rookie – when it comes to public finances, as he has demonstrated and been at pains to demonstrate in the way that he addressed this House.

At last the Power Station came up: 'How are we going to deal with it?' Look, he needs to go back and see where we were last year in this debate; the things that were being said in this House. In fact, Mr Speaker, hon. Members might recall that I had to adjourn the debate of this House last year. I had to leave here to have a meeting with the directors of Spark in my office. It was really not the circumstances in which one wanted to be in. We had had repeated, unexplained power cuts. It is one thing to have a power cut; it is quite another to have an unexplained power cut, Mr Speaker – quite another. I will be as careful as I want to be and not as careful as you want me to be.

Unexplained power cuts: something that this community had never suffered before and has not, by the way, ever suffered again once Spark has been out of the equation. I had to adjourn and go to meet the directors of Spark. One of the professionals who acts for the Government of Gibraltar in this field has said to the Government that we have never in this community, in our history of power generation, experienced power cuts like the ones that we have experienced with Spark, which are unexplained. Of course, there have been power cuts before, lengthy ones: somebody goes through a main cable, you have a power cut, but you know what it is, you fix the cable. But unexplained power cuts: that had never happened in our history before.

I had to go to my office to meet with the directors of Spark. But I want to inform the House, Mr Speaker, of what happened in the context of that meeting, given that I had to leave the House to have the meeting. Mr Speaker, I wish I had recorded that meeting, so I could play it back to hon. Members here. I wish I had recorded it so I could literally press play and let the people of Gibraltar hear what happened in that meeting.

I met with Vladimir Kusch and Damian Carreras at No. 6 Convent Place. I told them that I could be a very good friend in good times and a very, very bad enemy to have in bad times. I told them that they had lied to my face about the commissioning of the Lloyds' Register report – they could have been free to commission whatever report they wanted; it was not a matter for the Government. It was really quite something to lie to the face of a Chief Minister, especially about something that was becoming so politically relevant and which was at the core of the issues that were effecting our nation last year.

I told them Mr Carreras, in particular, had sat in my office a week before and told me that he had not been responsible for the commissioning of the report and that he had not shared it with the GSD who he had no contact with. I told him, Mr Speaker, that people who lie to my face are people I never trust again – something which I commend to every Member of this House, in the interest of the people of Gibraltar, because we do very serious business here.

I told them I got up in front of the whole Parliament to suspend the Budget debate – something that had never happened in the history – to explain to the people of Gibraltar that the report which had been trafficked by the Opposition as a report which was independent was actually prepared for them, for Spark: one of the parties seeking to have a power station; a failed bidder in respect of LNG Fuel in Gibraltar and a failed bidder for a power station in Gibraltar.

I told them, Mr Speaker, I had the Financial Secretary with me, who controls payments; the Attorney General, who deals with prosecutions; and the people who were in charge of electricity, because I had Manolo Alecio with me, Mr Speaker – that fine man who was in charge of the GEA as Chief Executive until that time.

I reminded them that section 413 of the Gibraltar Crimes Act makes it an offence, punishable by five years' imprisonment, to waste or divert electricity – and, by the way, Mr Speaker, I peppered this with a good element of expletives, as you can imagine.

I told them, if it came to my attention in the slightest that any of the power cuts that we had suffered in Gibraltar over the past four weeks were their responsibility and which had been

brought about intentionally, and if they did not tell me about it, then I would make sure that the Government laid a complaint through the Attorney General to prosecute them to the fullest extent of the law.

550 I said, Mr Speaker, I hoped that they understood that and what that meant. I told them I was looking at them – and Mr Carreras in particular, because he was the one who lied to me. He came to the office of the Chief Minister of Gibraltar – I said to him – and ‘You lied to me, to my face’. Nobody should want to get away with lying to the Chief Minister of Gibraltar, Mr Speaker. Nobody should get away with lying, full stop, but certainly not to the elected representative of  
555 the people of Gibraltar.

I told them, if I found out that they had endangered our community and if they had interfered with critical national infrastructure, I would make sure that the Government would be responsible for pursuing them to the full extent of the law.

Hon. Members need to know that if it had not been because the Hon. the Minister with  
560 responsibility was particularly careful – with those who advised him at the time who were, as usual, totally responsible – we could have had a power cut during Calentita when a number of thousand people are in Casemates and its environment – with children, with young people, with open fires! But we took care, Mr Speaker, and we put specific generators to power Calentita.

And, lo and behold, Mr Speaker, no sooner had the sun gone down and the dark come, that  
565 Casemates lost power from the Spark Plant. They would have endangered, Mr Speaker, hundreds of lives, but we took care to ensure that did not happen.

That is why, Mr Speaker, I was so annoyed on behalf of the people of Gibraltar. I told them that was their last chance to explain the reality of what had happened and that they had better accept that from me, and that I had got confirmation from Lloyds Register of what was  
570 happening.

I really wish, Mr Speaker, I had recorded that meeting and was able to play it to the people of Gibraltar.

I told them that they needed to understand, therefore, where we were in respect of that relationship between us and Spark; I wanted them to understand where it was going. I told them  
575 I did not want any more electricity from Spark for the people of Gibraltar; I wanted it from Energyst – who are the supplier that provided it – because I no longer trusted them. I told them I would not take £1 million from them if they gave it to me now to maintain that relationship. It was a complete breakdown of trust. It was a relationship that was no longer worth having.

I told them that that breakdown of the relationship between us – which I had expressed to  
580 them in trenchant terms with the odd expletive here and there – would be pursued in writing by those Government’s officers or lawyers who were able to pursue it in writing in the appropriate way.

I told them they would never have anything to do with any Government organisation I was involved with, ever – because they needed to understand how I felt, Mr Speaker – and that the  
585 people who were responsible for running Gibraltar’s affairs would be in touch with them in respect of the termination of that agreement. Then I told them to get out of my office.

Mr Speaker, since then and since the relationship with Spark was terminated, we have not had any unexplained power cuts in Gibraltar. We have had power cuts: somebody went through a main cable in naval ground which connects north and south, but we knew what it was, Mr  
590 Speaker – and so did the poor fellow who went through the cable, as you can imagine – but nothing unexplained.

I am sure, Mr Speaker, that the people of Gibraltar would have felt exactly as I felt in respect of that matter.

Mr Speaker, luckily, we are now in a much happier place. The power station is under  
595 construction, Energyst is providing reliable electricity in the context of the period and, if there is a power cut, we know why it is happening and we are able to fix it – although electricity generation is always a complex thing; you can never say it is an exact science and anything could happen at any time.

So, the Hon. Mr Clinton, when he raises power and the cost of power in Gibraltar – the Power Station – he needs to put it in context of where we were, not just there but where we were under the GSD, with a power station that was going to cost near £140 million, with a loan that was going to be financed off-balance sheet: that which, to him, seems such an offence and sin. Yet, to the greatest Gibraltarian of all time, their former leader, the man who threw him out of Europort for having the temerity to read the *New People*, the man who when he challenged his reading of the *New People* he had the gumption to walk out on, Mr Speaker – (*Interjection and banging on desks*) because a right riveting read it is. He wanted to do the £140 million off-balance sheet – that was what we were letting ourselves in for – and he supported the GSD in that general election, Mr Speaker.

But it was not just a borrowing off-balance sheet, through a Government company; it was a borrowing off-balance sheet with a 5% per annum escalator in the consumers' electricity charge to go up 100% from where we were in 20 years, and 100% increase in the cost of doing business in Gibraltar in terms of your electricity bill; and 100% increase in the cost to every home owner in Gibraltar, Mr Speaker. That is the off-balance sheet transaction that they were planning.

That is where we were in respect of power, not where we are today with the £55 million payable over 10 years without the need for a commitment to raise electricity prices from where they are in respect of subsidy, Mr Speaker – which is where they put us.

He says that we need bigger rainy day funds than the ones that we have today. Well, look, Mr Speaker, he needs to understand that the rainy day fund today is bigger than the rainy day fund that we inherited. Community Care was at zero; the Savings Bank Reserve was at zero, Mr Speaker; the rainy day fund was not there. We turned up, Mr Speaker, to find, in No. 6 Convent Place, a little piggy that had had a hammer put through it and nothing left, with a memo inside from a very worried Financial Secretary saying, 'The clock is ticking: £28 million left.' That was their rainy day fund. The Hon. the greatest Gibraltarian of all time might as well have left me a note saying, 'Sorry, there is no money left', which at least is what it is reputed one junior Treasury Minister in the last Labour Government did to his successor in the Treasury.

But, Mr Speaker, to say that we need a sinking fund to repay debt, etc. and to have missed that we have one is really quite something for somebody who purports to be learned in numbers.

I think he was very disappointing, because he just delivered the easy speech, Mr Speaker. He delivered the speech about the hair shirt, about spending less, about austerity: 'I am the one who will save. I am the Scrooge. Look to me in these difficult times.' It was the easy speech, Mr Speaker, and I must say so – because I have known him for many years – that I think he let himself down considerably, especially in the eyes of those in this community who expected him to do a better analysis.

Mr Speaker, he asked about the context of the increases in Government rents and how those were related to capital assets. Well, look, Mr Speaker, he needs to understand that minimum wage did not exist in 1984. It was a measure introduced by Mr Bossano: another one of the many prescient things he has done for this community, amongst scholarships, Community Care, etc. – and I will come to that in a minute, Joe will be happy to know.

But, the minimum wage, introduced in 1988 by the first GSLP administration: in 1984, with a weekly salary of £126 a week, based on a five-day week and an 8-hour day, the minimum wage was about £3.15 to today's £6.28. That is a 100% increase, let alone the 340% increase in average salaries from £126 to £555.

In respect of the people who we are working with in relation to this transaction, I gave him the names: Babson, M&G, for example. M&G is one of the largest financial institutions involved in property financing, in the world. I sometimes see him having lunch with his beige friend, the *Financial Times*, Mr Speaker. Well, look, M&G were on the front page of the *Financial Times* on Wednesday or on Tuesday. Babson is even bigger. It is probably one of the largest property funds in the world, managing approximately £20 billion, if not more.

He said, 'You are paying much more than the base rate of the Bank of England of 0.5%. You have not done a good deal.' Mr Speaker, I think instead of quoting at us Micawber from David Copperfield, he should have quoted to us from a Tale of Two Cities, because they seem to live in one and we seem to live in another. They live in the one where we cannot make ends meet and any day the whole of it is going to crumble, and we live in the one where we are doing careful financial planning, getting the best products in for this community, spreading it over the longest period of time, which is what he, as a banker, would know is the safest and best thing to do, but what he, as a politician, is saying is 'mortgaging generations to the future'.

Mr Speaker, that is, he knows, irresponsible, and I would ask him, if he wants to be taken seriously – as he believes he should be because of his experience – then he needs to act responsibly in the analysis that he does in respect of these issues. Otherwise, Mr Speaker, he is not going to be favourably characterised as the man who says, 'Bah humbug' in respect of every spending – another Dickensian character who I mentioned earlier.

He can talk about saving and about not spending unnecessarily and the growth of the public sector if he moves his chair slightly to his left and sits next to the Hon. Lady, with her, but he cannot sit in the same political grouping that went to a general election promising to undo the Housing Works Agency Agreement – which had cost millions of pounds in terms of the exit packages, based on two out/one in – to say that you were going to bring them all back and spend even more millions there, but say that you are looking at how we save pounds, shillings and pence. Because you are either saying, 'I did not agree with the Leader and with the Party manifesto' or 'We were saying it for the sake of saying it, for the sake of trying to dupe them into voting for us, but we had no intention, whatsoever, of delivering it.' It is either one or the other, Mr Speaker.

It is not unfunny to think of him as Scrooge and to think of the Hon. Leader of the Opposition running around after Father Christmas, trying to cut his head off – which is what he himself said on Newswatch he felt he was doing. Mr Feetham said, 'I feel like I am the man trying to kill Father Christmas.' Well, they do not make for a happy Christmas carol, together, Mr Speaker.

Although, Mr Speaker, I must say that his criticisms in respect of the Music Festival were so politically naive that I thought that he would have better nous, because, of course, I saw Mr Feetham enjoying it last year. I saw and had, as usual, convivial conversations with Mr Hammond there last year. I think I saw Mr Reyes there last year. Mr Bossino was there with us last year. But, if there is one thing which is absolutely true – and the Hon. Mr Linares has already said it – we really do spend most of the time working there rather than doing anything else. I spend most of my time glad-handing members of international boards of gaming companies and financial services companies, talking to them about the Rock; dealing with issues; making notes; sending emails, etc; let alone the analysis the Hon. Mr Linares did of how the income for Gibraltar is generated, what the business plan is like and how we deal with it – and I think some potentially even more exciting announcements in respect of that going forward, Mr Speaker – but anyway.

It is so easy to put our hair shirt on, Mr Speaker. I wonder if he would assist me with a nod or shake of his head, but I do recall – of course not on the Government's billet – that I saw him there last year. *(Interjection by Mr Speaker)* I am sure you did, Mr Speaker – because I did not invite him, that is for sure. *(Laughter)* But he was there, Mr Speaker.

You see, I just wondered, Mr Speaker, whether he was going against the Festival because he just does not want to go? The hon. Gentleman and I have known each other for many years and, perhaps, I ungenerously categorise him as the sort of person who would, on Mastermind, choose as a specialist subject, the operas of Wagner, rather than the Spice Girls and any of the acts that are coming this year. Although, given that he is the shadow Minister for Heritage, perhaps instead of Mastermind I should have said How Much Do You know chaired by the legendary Charles Hunt.

It may be, Mr Speaker, that he just does not want to come to the Music Festival, he does not like the music, but, look, there are other ways of doing that, instead of trying to persuade

everybody not to come, because we have to do a job for Gibraltar. They will be lots of MPs and MEPs there; there will be lots of gaming companies there; lots of insurance companies there, so I think he should reconsider his position. There is a job of work to be done there and I ask him to join us doing that job of work. Because, otherwise, what he is going to demonstrate is that, as we often used to be told by the greatest Gibraltarian of all time, Mr Speaker: that he knows the cost of everything but the value of nothing. Every time we attacked the huge spending that we were seeing from hon. Members, we were told, 'Oh, this lot on the other side, you know the cost of everything, but the value of nothing.'

Mr Speaker, what we are doing is growing Gibraltar and just nitpicking and trying to find issues where there are none is not going to help Gibraltar grow. The hon. Gentleman surely must understand these things. If he were not there and he were here, Mr Speaker, with me, with Joe Bossano, with Albert Mena, with my Ministerial team, he would know – as he knows today, but of course it is not politically expedient to say – that we are doing exactly the right thing. This is how we are building a nation, Mr Speaker.

Mr Speaker, you see, you can be very pennywise and very pound foolish if you are not careful. If he lifts his head from that pennywise and pound-foolish attitude, he will have me as a partner in working together across the floor of the House in issues which are in the interest of the community. But if all he is going to say is, 'What is the exact price of the Panadol that the GHA are purchasing?' he is not, because that is not going to take this community forward.

It is important to understand the price of Panadol; it is important to get Panadol for the best value for the Taxpayer, but there are some very good people who help us with that.

He is not a person who I think is devoid of talent, but I think he has demonstrated that he is devoid of judgement in the way that he has approached this Appropriation debate. He has really taken the attitude of just the bookkeeper, Mr Speaker. I work with many accountants and I work with many bankers and I work with many economists. They are not boring bean counters. Many of them are imaginative and they point to things that can be achieved and how they can be more self-financing. To take the attitude of a junior bookkeeper, Mr Speaker, is not going to assist him in this House and it is not going to assist us to do the job of Government in Opposition that we need to do together.

You see, Mr Speaker, people do not elect bookkeepers; they employ them. People do not need to go to an election to elect a bookkeeper. We need people of vision; people who understand where the community is going; that know how to take that community forward in the context of the public finance available – of course; that know how to save money and not waste money – of course; but it is not a question of electing bookkeepers, Mr Speaker.

You see, if that were the case, Mr Speaker, and if that were what his party stood for, what would he have done as bookkeeper to Peter Caruana's £9 million hole in the ground where the Theatre Royal was? What would he have done? Mr Speaker, as bookkeeper and Minister for Heritage – as I assume he would have been in that Government – I would have thought he would have been completely apoplectic. He destroyed a heritage asset and it cost £9 million for nothing. Those are the labels he carries here: GSD. Those are the labels – forget the Rosia tanks for now – £9 million to destroy a heritage asset like the Theatre Royal.

Or, if he were the junior bookkeeper who was told, 'Here is the project for the new airport: £24 million' and to have the project manager come back with the bill of £84 million. £84 million: a £60 million overspend on one project! How does he feel – as a member of the GSD, who supported the party in the election before and after that debacle – with his bookkeeping view?

Or what about the Leisure Centre? The Leisure Centre cost £9 million just to demolish and prepare walls, Mr Speaker, let alone the additional cost of preparing it – linked to the Midtown, which we will come back to in a minute, because we have had accusations about us selling land, Mr Speaker.

The deal at the Midtown did not go out to tender, by the way. It was just done and the premium was paid by the £10 million of preparation of the Leisure Centre. When are we ever



going to get the £9 million from the Leisure Centre back? Never, but it is a prized asset, an important asset for this community, for families, for leisure.

755 I do not know, Mr Speaker, as bookkeeper for the GSD, how he feels about those things? We will not get anywhere if his attitude is that of a 1970s colonial bookkeeper, Mr Speaker. We will not get anywhere like that. This community has moved on from people who did sums for our colonial masters at the dockyard.

I must say, Mr Speaker, I would have had to go on at greater length in respect of the hon. Gentleman's contribution if it was not for the Hon. Mr Costa's magnificent way of dealing with it.

760 Let me just deal with one particular issue: 'There is very little evidence that you are a transparent Government' he said. Mr Speaker, in the context of the Government's record of which he defended and defends, we are positively see-through. I am going to come to some of the things that we found out when we were elected, Mr Speaker, to demonstrate to him just how see-through we are.

765 The Hon. Mr Clinton has accused us of window dressing, Mr Speaker: window-dressing by curtailing spending before 31st March. Now, if we do not curtail spending, we are spendthrifts; if we curtail spending, we are trying to dress things up or it is austerity. 'You see, they are curtailing spending. It is austerity, which they said they were not going to do.' Mr Speaker, the public can see that it is an obvious silly trap.

770 'Disguised deficits', 'pending bills hanging over', 'has Mr Picardo lost control?' 'He has not a clue' he said. Well, Mr Speaker, doesn't the hon. Gentleman realise that, if I had been doing that, if all of the public officers of Gibraltar who have responsibility for the accounts of Gibraltar were to hock themselves to me and allow me to control them in so perverse a fashion, and if I had done it in the first year and the second year and in the third year and in the fourth year and in the fifth year, where would I be now? I would have had to be retaining five quarters of bills. My payments would be a year and a quarter out.

Doesn't he realise, therefore, that it might be, for him, his first Appropriation session of this House; it might be, for him, his first Estimates' Book, but it is our fifth as a Government. If we had been holding bills over, if that was our way of doing things, it would have caught up with us by now. The surpluses would have been affected. Perhaps I might be declaring the third lowest surplus in our history, not the third highest surplus in our history.

775 I could have done the £25 million in another way, but I accepted the advice from the first moment I was elected: to take £25 million out to give to the companies to deal with the issue that we inherited in the companies when we were elected. If I had not taken the £25 million out, I would be declaring the highest surplus in the history of this nation. This is not a disguised deficit, as the hon. Gentleman has purported to suggest.

780 At this careful and difficult time of our history, he comes to this House and, instead of praising the economic performance – which at least the Leader of the Opposition did, through gritted teeth – he says, 'Could this be a disguised deficit?'

790 What signal does he think he is sending the rest of the world about the economic stability of Gibraltar? I think it is obvious, but it is very serious. This is not a dressed-up deficit. This is an understated surplus which, with the £25 million extra, would have been the highest surplus in the history of our nation.

795 In fact, Mr Speaker, I am informed by the Treasury that, prior to the last year end, the Treasury had its usual flurry of payments – not of withheld payments, of payments. This is the argument about whether spending is done in the fourth quarter, which has to be done, or unnecessary spending. They had a flurry of spending, so there was control, but there was the usual flurry of payments that had to be made before the end of the financial year. So it is actually quite the opposite: there is pressure for things to be paid before the end of the financial year, not after the end of the financial year. But then again, there is his inexperience in respect of matters of public finance. He does not understand that, Mr Speaker.

800 I am told, Mr Speaker, that this year they actually, in the Treasury, set a record for payment vouchers processed in the period which was above their monthly target for payments. So, in

fact, the payments were not decelerated, payments were accelerated and we are still declared the third highest surplus in the history of our nation – and without the £25 million, the highest surplus ever in the history of our nation. So he might care, Mr Speaker, to send the signal to the world that whether he is GSD or GSLP or Liberal Party, he does not believe that Gibraltar is a place where the Estimates' Book, where the public finances, are fiddled with in a way that is set to mislead the world and that actually our public finances are sound, Mr Speaker. Because that is the best message he could send the world today, not the message he purported to send.

Mr Speaker, if any invoice has been held up for payment – and there may be one or two – it may be because some invoices are challenged. He would not want to us to pay invoices which are to be challenged if we do not accept an invoice, simply because we should be paying it before the end of the financial year. He should be saying to us, no doubt, 'Of course, if you want to challenge an invoice, you challenge it in the usual way.'

But I must tell him that in a recent meeting with the executive board of one of the largest building companies that is building in Gibraltar, which is not a Gibraltarian company, it was put to me – and it is something of which we should be very proud indeed – that the Government of Gibraltar and the Government of Germany are the only governments that this company deals with that pay in 30 days, and that everywhere else they find it difficult to get payment in 180 days, even when invoices are accepted. So this community does not have public finances where deficits may be masqueraded as surpluses – as the hon. Member purported to suggest, to endanger our economic stability if that analysis were to catch fire. This community has public finances that are able to pay on the nail like only Germany does in respect of the experience of the board of directors of this particular company: something to be sincerely proud of.

But, if the Financial Secretary or any controlling officer is questioning an invoice, they are absolutely right to do so and they have my full support in doing so. Anyway, if there are payments which are going to straddle the financial year; for example, if an invoice comes in late in March, provision is made for it in the accounts in the following year and you can see that, for example, in the I&DF.

Mr Speaker, I am left with the impression that, in fact, the only thing in the context of the House's debate on this Bill which is window-dressed was his statement because actually the numbers demonstrate just how healthy our public finances are.

Mr Speaker, we saw earlier in the analysis how the Hon. the Leader of the Opposition has said that we should be 'pausing and reflecting' – to take my language – in respect of manifesto commitments; that we should not be 'committing ourselves to deliver', etc; and how others are saying something different. Well, Mr Speaker, I would have thought one who might putatively, from the outside at least, be considered to be the top of his team might have got the message right, but Mr Clinton went on to chastise the Hon. Mr Cortes for the failure to finish the refurbishments at Glacis, Laguna and Moorish Castle – which on Monday they denigrate and on another day they like. Then to question why the dementia facility, the residential care facility, is not open; and 'When are we going to do the 1,000 low-cost housing units which are on our manifesto?' So, which is it? Do you want us to do them? Do you not want us to do them?

I really do not understand what side they are on, Mr Speaker, or whether it is, that actually behind the veil of the GSD there are divisions that one cannot even imagine from the outside, Mr Speaker. Because certainly they seem to be singing from entirely separate hymn sheets.

The Hon. Mr Clinton then says that we should have a comprehensive debt management plan, Mr Speaker. It would be very good advice indeed, Mr Speaker, to rationalise our debt and to have a comprehensive debt management plan. Of course, it would be very good advice if it was not what we already have and if it was not obvious, Mr Speaker. And if it did not suggest, simply in advising it, that none of the professionals who work with the Government would not already have in place, with the Government, a comprehensive debt management plan to rationalise debt.

Now, Mr Speaker, he might have thought that, as a GSD supporter, knowing that the GSD got rid of the Sinking Fund to pay debt. But with an eye to the estimates he should have spotted that

that fund is back, and that we are in the process of rationalising debt and having a comprehensive debt management plan. So I am surprised that he is going to give us advice that is obvious that we are already implementing.

860 Mr Speaker, our job on this side of the House is to govern; to ensure that this community progresses; to ensure that we take this country of ours where it needs to be. There's, Mr Speaker, of course, is to oppose and to question, but it is *not* to throw pebbles and to talk about lack of transparency where there is complete transparency. Where there is, for example, in relation to community care, they have the details; we give them on a monthly basis the  
865 numbers, Mr Speaker. We put them online! At the first meeting of this House after we have done the £300 million transaction I have come and talked about it. At the first meeting of this House, where we have done the public power station deal, I have come and talked about it, the £55 million.

But what a difference, Mr Speaker, on the question of the £300 million institutional  
870 investment in Gibraltar: the approach of Members opposite, with the approach from the market – because in the market, Mr Speaker, all we have had is sincere congratulations for having been able to close such a transaction. It closed in May, the last day of May – to close such a transaction with the Brexit vote looming. That transaction would not happen today! The risk built in to the cost of interest over 30 years would probably be 20 basis points higher now,  
875 probably closer to 6%, 5.85%, than 3.85%. That is why if he was not where he is sitting now, if he was where he used to be sitting before he would have picked up the phone, he would have called Albert Mena, he would have called Peter Montegriffo and he would have congratulated them for having done an absolutely excellent deal for the people of Gibraltar. Not mortgaging to future generations, but assuring the future of future generations. Not selling the family silver;  
880 *retaining* the family silver.

There has to be something wrong, he says, if you can go and borrow £300 million without asking my permission first – that is what he said. It is absolute nonsense, Mr Speaker. He wants to rewrite the Rules of this House. He wants to rewrite the rules of public financing, not just for Gibraltar but for most of Europe. To come here before we do it – look, Mr Speaker, the  
885 obligation has always been, in relation to Government financing, to lay on the table after it is done. This is not Government financing; this is Government company financing. There is no obligation. And yet he gets the information, which he has scribbled down dutifully I see – he has even scribbled down the dates on which I told him it had completed, Mr Speaker. He has got the information. So what is he complaining about?

890 He is pretending – as they will spend the next three and a half years – pretending and complaining that there is a lack of transparency, where there is absolute clarity, Mr Speaker, absolute clarity.

All of that: the context of the £300 million, the context of the £55 million for the power station, all of that has been brought to the House in the context that I have illustrated at the first  
895 meeting of the House after the transactions have completed, Mr Speaker. Is that what they would have done, I ask myself? Of course, the Hon. Mr Clinton does not want to talk about history. Of course Mr Phillips does not want to defend anybody's record, because that is what they did *not* do when they were in Government.

We were not told about the deal to mortgage all of the car parks. We were not told about the  
900 deal to give 1% of the £1 billion transaction to a particular company that was close to the former administration, in breach of European Union rules. In fact, we were not even told that there was advice that it was in breach of European Union rules. We knew because I had raised in the House that it was. And the Hon. the former Chief Minister did not want to answer.

But he asked us, 'why weren't we told that the estates were being sunk into companies?' He  
905 suggested that we should have come to the House and defended that and explained to the House why Government estates were being put into companies and at what price had they been put into companies. He wanted to know, had they gone in at nil value?

Mr Speaker, the Government estates have been put into companies at nil value by the GSD, not by us, and we know not because we were told in this House, but because we found out after  
910 we were elected, so I can understand why Mr Clinton does not want to defend Mr Feetham's record in Government, why Mr Phillips does not want to defend Mr Reyes's record in Government, because their record in Government is of having done all the things that he condemned during the course of his speech. Having put Government estates into companies, at nil value, without the permission of the House and without informing the House, so neither  
915 before it was done to seek consent, neither after to seek to inform. So, Mr Speaker, I hope he knows a little more of what his party was up to and of the initials that he currently defends in this House actually represent.

If he wants to make the points that he is making, shuffle up a little to the left, abandon the initials that represent everything that I have just gone through and stand for the things that he is  
920 pretending to stand for. Then, Mr Speaker, when he says that looking at the Bank of England base rate and looking at the 3.85%, nobody can say that the 3.85% is the best rate going, that *really is beneath him*, and he knows exactly why it is, Mr Speaker. Of all the shots he took, that is the cheapest shot he took. He knows it was a cheap shot, he knows it is absurd.

And, Mr Speaker, the hon. gentleman is a chartered accountant. He is a banker with many  
925 years' experience. He led one of the top banks in Gibraltar. He knows, Mr Speaker, that the overnight lending rate of the Bank of England is not the lending rate available for 30 years. But if he does not know that, Mr Speaker, and with the Bank of England rate at 0.5% today, as it was when they were last in administration, he needs to explain to me how 3.85 is not a good deal, when all *they* got when they mortgaged the car parks and the Bank of England rate was exactly  
930 the same as it is today, 0.5%, they got 7%. (**A Member:** Shocking!)

Well, Mr Speaker, and to think that Mr Feetham calls him 'El Guru'! (*Laughter*) I think I have been unfortunately able to demonstrate that he has gone from high financier to an effective colonial bookkeeper in an hour analysis! (*Laughter*)

And I am not going to give him, Mr Speaker, every balance sheet of every management  
935 account of every payment that the Government does at the end of every month, because we are not here to give the management accounts of the Government. No company does that. Mr Speaker, the shareholders in Gibraltar plc, who all of us represent, would not want to see the management accounts of this company, and if we were a company they would not be entitled to see the management account of the company. But nonetheless, we are going to give them a  
940 million times more information than they ever gave us when we were in opposition.

Mr Speaker, in respect of Credit Finance, which we have used to invest in Gibraltar, do they not understand when he is criticising the commutations – because he criticised Credit Finance and commutations are part of Credit Finance ...? Do they not understand, Mr Speaker, that the  
945 hon. gentleman to my left – and the hon. gentleman to my left is always on the left, he does not change – has created in Credit Finance in respect of the commutations one of the most ingenious and positive things that could have happened to this community?

When the Hon. the former Chief Minister was here he used to say one of the biggest problems that we have in Gibraltar is the pension scheme of the Civil Service. After 16 years in Government, the last thing he did was end it, and there was an element of controversy as  
950 whether it should also end for hon. Members opposite, the final salary scheme. But in Credit Finance the Hon. Mr Bossano, through the payment of commutations, has given people what they want in commutation of their pensions, on the formula, I think, of 12. You have seen the documentation.

But, of course, what has he done? Because the Government keeps paying the pension. He  
955 has created a new kitty, a new Sinking Fund, because Credit Finance keeps getting that money. But hon. Members opposite just do not understand it. They do not see the ingenuity. They do not see the benefit. I think, from the debate we had, that the Hon. Mr Caruana did see it by the end, absolutely understood it, Mr Speaker. And if they care to please be careful and analyse

things in a way that is appropriate, they too would understand it and understand just how good it is in the context of open-ended final salary schemes and increased life expectancy.

People can now live 30, 40, 50 years on their Government pension, and yet everybody is very happy to take their commutations, or a large number of them are very happy to take their commutations, invest it for themselves, have control of their own destiny. That gets rid of a huge problem.

If he is going to tweet instead of listening to me, I will not bother to explain it him, Mr Speaker, because this is really important!

But that gets rid of a huge problem for the Exchequer in a way that is ingenious and creates a long-term benefit for Gibraltar, both for the person taking the commutation and for the Government of Gibraltar. And just for that, Joe Bossano deserves huge recognition except that there is so much more that that brilliant idea, which deals with such a growing problem, would probably be a footnote compared to everything else that we say about him going forward, which is even more deserving of praise.

Mr Speaker, the fact that Credit Finance has given loans is a very good thing too, because Credit Finance is managing the money in the Savings Bank and we have to pay interest to the depositors in the Savings Bank because not Isola, Licudi, Balban, Bossano, Picardo, Garcia, Costa, Sacramento, Cortes and Linares chose to do so. Because the GSD in 2008, when the Bank of England rate came down said we will pay 5% to our pensioners and lower amounts to others so that we insulate this community from the big problem that there is in the context of saving and income from savings. We would give 5% to our pensioners, which we have honoured, we have lowered the other rates, but we have honoured that.

Does the hon. gentleman know how that was paid before? I did a very careful analysis of this in my budget speech last year, so he should look at it because I did all the ratios; but it was paid *out of Taxpayers' money*. The Taxpayer literally put his hand in his pocket. You give me £10; I, the Taxpayer, will give you the interest on it, on a Government bond, which we transferred to the Savings Bank. The Taxpayer was paying for that 5% in effect as the cost of borrowing from pensioners on Government bonds.

The Savings Bank, where we have transferred the product, is going out and trying to make the money work to pay the interest rate. So we always charge more than we pay so that the money works for us. Now, this is an area where he does have experience, this is banking.

When the concept of banking is born, when the Medicis and the Rothschilds start the business, they do not take money for people and put it in a safe. They take money from Peter to lend to Paul at a fee. Look, there can be moral issues with this, it is called 'usury' as well, but it is modern banking! *(Laughter)* And what we are doing in that way is guaranteeing further the future of our pensioners, because we are making a turn on the money, ensuring we can pay them, and if we ever have to put our hands in our pockets that is what the Savings Bank Act says we have to do. But they put their hands in their pockets every month to pay the interest. The Taxpayer was paying the interest every month, Mr Speaker. So look, as a banker unless he did not just leave the profession, he also decided to turn his back on its principles, he must be telling us that we are doing the right thing.

No financial institution would ever take £100 from somebody, put them in a safe, and from its own resources pay them 5% interest. It would take the money, put it to work and use that to pay the interest. And in terms of Credit Finance, that is what Credit Finance is doing with £70 million. He will see from the breakdown. Loans, Credit Finance loans and then the other amount is the commutations. And if the money is going or part of the money is going into what is happening with Gibraltar Investment Holdings, he says, why are we not seeing these accounts? Well, Mr Speaker, look, I recognise that we have not yet filed the accounts but he cannot pretend not to understand why.

When they were in Government, the party that he currently sits with was in Government, the initials that he currently defends were in Government, they stopped filing the accounts! They stopped filing them.

Now we need to rebuild those accounts, because you have to go back. The hon. gentleman will know if you are doing this year's accounts, it is not difficult. But if you are having to go back, you cannot do this year's accounts if you have not done the accounts 10 years ago, because it is a cumulative process.

1015 Anyway, Mr Speaker, I hope that this has resolved some of his concerns, but he might care to look at what Sajid Javid has said this week, also on page 2 of his beige friend, where he has asked for the United Kingdom to have a fund of between £100 billion and £150 billion to 'grow Britain' in the period of instability in respect of Brexit, and he might better understand, Mr Speaker, why it was absolutely right to ensure that we were able to have investments in Gibraltar looking forward.

1020 On tax refunds, Mr Speaker, the position is extraordinarily clear. These are not refunds that the Government is holding back in any way, and in fact the Head – and this applies to the question the hon. lady raised – has not been there before. There has been money for payment but we have added a Head and we have added the largest amount ever given to that Head to repay. But it is not true to say that people at the Income Tax Office want to repay this money and the Government does not give them enough to repay. This requires a lot of work to do, Mr Speaker, and that process is being undergone. And it is not a question of window dressing. As I said on GBC, I do not want to keep anybody's money, I would quite happily give it back, as soon as we are able to in a proper and rational way in keeping with the advice that we have from the Tax Office, Mr Speaker. But we are in a much better position than we were, when the opposite was true, which Members opposite surely will also not defend. When the taxpayers you owed a much larger amount.

And so, Mr Speaker, frankly to have started in the process of saying that this was window dressing I think was really to suggest that we were trying to hide the truth of our accounts, and that is a *much deprecated* allegation that he made.

1035 In the context of the company accounts, the hon. gentleman will allow me to say that even if they do not want to go back and look at history, even if they do not want to go back and learn the lessons of history, we are not going to allow them to go away from the reality of what they did when they were in Government, because the general public does want to learn from history. The general public does want to understand what the GSD stands for. And the general public will want to look at what the GSD says in opposition versus what it does in Government.

Mr Speaker, those of us who have memories like elephants remember that in 1996 the GSD was elected on the ticket of getting away from Government companies and doing what they called 'the web', publishing all the accounts of the Government companies and when they were elected, Mr Speaker they made the web of companies bigger than it ever has been before. The companies started to trade, which they had never done before, they just held assets and they failed to publish the account of the companies. So if they do not want to look back at history, Mr Speaker, we will ensure that the people of Gibraltar realise that the GSD says one thing in opposition and then promptly goes and does the complete opposite in Government, Mr Speaker.

1050 And whilst he sits with the GSD, that is the record with which his contributions will be infected and with the spectacle through which we will see every contribution that he makes.

Mr Speaker, the Hon. Mr Hammond started by saying that parking had never recovered from the loss of parking at Commonwealth Park. Well, Mr Speaker, the ugly pharaonic project costing £15 million, as he described the magnificent new Midtown coach and car park does not provide 355 spaces, as the hon. gentleman well knows. But that is what he said, he said we would never recover from the loss of Commonwealth Park, although the park is lovely and Mr Figueras who used to sit there used to say exactly the same thing – 'I am against the park, but I am in favour of the park because people love the park so I do not want to be the person who is against the park. I love the park, but I wish I could park there.'

1060 Look, Mr Speaker, despite that nonsense which he has tried to perpetuate, because you are either in favour of the park or you are against the park, the idea that parking has never

recovered from the loss of Commonwealth Park's 355 spaces lost, might have been something he could have written when he started to think about what he was going to say the morning after he was elected in November. But it was something he should have struck out of his book before he came to the House this week. Not something we could have an argument about where one of us may be right and one of us may be wrong, Mr Speaker.

On this I am going to be claiming to be speaking from what was St Peter's chair, because the answer is empirical. I am going to take him through it – does he have a pencil, Mr Speaker? There were 342 spaces in the place known as Commonwealth Park now. There were 233 spaces at the little car park at Naval Ground, on the southern side of Naval Ground. There were 47 places at Wellington Front and there were 369 places at the Regal House Meccano car park – that much criticised car park that the GSD insisted they were going to demolish their first day after the 1996 election, and which we demolished last year. Another thing to put in your list of things the GSD say versus the things the GSD do.

Did he get those numbers? I am assuming that he did. It is 991. Can I just remind him, Mr Speaker, that of those 991, in a deal that never saw the light of day, in an annexation of land which was never put to tender or to expressions of interest, which was the Midtown deal, Gibraltar would have lost the 369 car parking spaces at the Meccano car park – 991 minus 369, 622. We would have lost additionally the 45 at Wellington Front, because the GSD project at Wellington Front also included no parking – 622 minus 47, 575. And we would have lost the 233 at the Naval Ground as well, as part of the secret Midtown deal which was not advertised and involved an annexation of land, which was not put to tender – 575 minus 233, 342.

So, Gibraltar would have been left, under the GSD, with 342 parking spaces because Midtown would have parking but it was going to be private paid parking. I do not know whether he has understood what I have told him, Mr Speaker, but if he goes backwards, what I have done is I have demonstrated to him that the 342 spaces at Commonwealth Park, where Commonwealth Park happily now is, are all the parking spaces that were going to be left.

Now, does he know how many parking spaces there are at the magnificent Midtown coach and car park? 1,041, Mr Speaker, of which 715 are totally free for residents of Gibraltar. In political terms it does not get worse than to have attempted to make the calculation that the hon. gentleman attempted to make. Because he said that we had never recovered from the loss of 355 car parking spaces. I am not including there the car parking spaces at Coaling Island that we now have, which we recovered. I am not including there the number of parking spaces that were at the King's Wharf, Mr Speaker, because that is now going back into private hands. We were using it whilst we were building the Midtown. And those 715 may be fewer because there is huge pressure – I do not know whether he is on the list – but people want us to sell them more of the parkings and rent some of those parkings for the people who live in the area of Edinburgh House – who of course were the people who were having to fight for parking spaces around. The people who the GSD would have left with 342 parking spaces.

So, Mr Speaker, everything else that he says, which is empirical, in particular in relation to something as complex as particulate matter, has to be seen in the context of the way that he has failed to do his maths on car parking spaces. It was an easy one, I do not know why he did it.

But the one thing I am not going to do with him, Mr Speaker, is to try and establish bus routes in the Parliament, Mr Speaker. I think this Parliament needs to be looking at other things in greater detail than establishing bus routes for Gibraltar.

What I will not accept, Mr Speaker, is any suggestion from him that the Government is playing fast and loose with public money. That is one of the most serious allegations levelled across the floor of this House, Mr Speaker: fast and loose with public money. I do not know whether the hon. gentleman opens his mouth and says things he does not know the meaning of, but if he does, Mr Speaker, that is a very serious allegation indeed.

Because if anybody was paying fast and loose with public money, it was the party, the initials of which he currently represents in this House, that did a deal to give somebody 1% of a £1 billion transaction, without going to tender, without going to expressions of interest. It is a

1115 Government, Mr Speaker, that he defends the record of in this House, that alienated the whole of the Naval Ground, without going to expressions of interest, without going to tender in respect of the Midtown. *That* is playing fast and loose with public money. Breaching EU rules, Mr Speaker, and having legal advice that *told* them they were breaching EU rules. That is absolutely a disgraceful playing fast and loose with public money.

1120 Not, Mr Speaker, selling buses that you can only sell to people with a specific type of licence for the maximum that you can sell. Or is it that he thinks that we did not want to make more money from those buses? Was it that he did not hear or read the press releases that the Hon. Mr Balban had cause to issue at the time that he raised it, or is it just that he wants to play politics, say things that sound bad and hope that some people believe them? If he does, Mr Speaker, he will find that the voters in Gibraltar are such astute analysts of what their politicians say to them, that he is going to be toast sooner than he thought.

To accuse those who were involved in the development of the Midtown parking of 'poor project execution' really hits a new low. It hits a new low in respect of the magnificent work done for this community by Gibraltar Joinery and Building Services (GJBS) – a company that the person sitting next to him tries to praise once in a while, a company that the former Chief Minister went, during the course of a general election campaign, in breach of every rule in the book and gave a 16% pay rise, in the middle of an election campaign, because they are so good. Yet, now the GSD has said, by the mouth of Trevor Hammond, they are responsible for poor project execution. I will make sure that the directors of GJBS understand what his view of their ability to deliver a project is.

1130 But, of course, they did not work alone, Mr Speaker. They worked, also, with the group that was involved in developing the Midtown; that was involved in delivering King's Warf; the group to which the GSD granted Coaling Island – also outside of a tender process as a swap for King's Warf; the group, Mr Speaker, whose project execution the GSD and therefore he thought was so magnificent that they gave them, without procurement, a 1% deal on a £1 billion transaction – a £1 billion transaction! And he says that group are responsible for 'poor project execution'. My goodness, that is playing fast and loose with public money when they were in Government or fast and loose with people's reputations today and not caring what he says about people's professional reputations or fast and loose with his own reputation because nobody, I think, will be able to recover from having said something as magnificently irresponsible as that.

1140 When he accuses us of a 'piecemeal' attitude to resurfacing, I must say that I am shocked that he has once again not bothered to go and look at the numbers, because, Mr Speaker, if hon. Members care to do their homework with all the publicly available information that there is in the library of Parliament here, they would be able to see how much has been spent on highway maintenance and resurfacing in every year at least going back to 1995, 1996.

1150 Our 'piecemeal' approach to resurfacing has produced £5.3 million of investment in the past four years, not including this one. The former administration spent £5.2 million – less money – in the four years before, and £3.3 million in the four years before. It is about one point something million each year, except, of course, for the years in which the least money ever was spent in resurfacing: 1997-98, when they spent only £31,000; 2004-05, when they spent £308,000 or 2005-06, when they spent £468,000.

1155 Mr Speaker, the people of Gibraltar are paying him £34,000 a year not to come here and say what he likes, but to do his work; to research and to not make allegations which are completely unsustainable; to at least get out his abacus and count how many parkings there are; to realise that he cannot make allegations that less is being invested now because less was invested when they were there; and to understand whose reputation he is shredding with the allegations that he is making, because in the end it is his own.

1160 The idea, Mr Speaker, that we are creating a concrete jungle in Gibraltar because of the way that Queensway is developing is also quite fantastical. Doesn't he remember that the development of the area at Eurotowers was approved under them and that we had people – children – approaching us in tears because they were going to lose their carpark? Doesn't he



remember that Midtown – which I have now reminded him of – was actually much higher? It was like a needle in the centre of town, and it was granted in secret to a consortium, without tender, without expressions of interest, and planning permission was given by a secretive DPC that nobody got a look into. Doesn't he remember that the same is true in respect of King's Wharf?

Doesn't he therefore realise that the concrete jungle that is Queensway was one that they created and that we modified because we brought the heights down? In the context of our negotiation, we took away a third of the land that Midtown had, and we required that the next King's Warf tower be lower.

Shouldn't he therefore stop trying to mislead people in the way that he has done? Because, Mr Speaker, to pretend that Rooke is the last large plot available in Gibraltar for development and ignore that the largest plot available in Gibraltar for development was Naval Ground ... We at least went out to expressions of interest. We have said to the community what we are going to do. We are negotiating with them. It will have to go to an open DPC. Yet, they gifted Midtown, without expressions of interest, without tender, and now they complain about what is going there, which is lower than what was there when they approved it.

Mr Speaker, this is 'Carry On Opposition'. *(Laughter)* I am surprised that Sid James does not come in now and sit alongside them – perhaps Barbara Windsor would be a better sight!

This is not about coming in and criticising and stifling every plan. This is about doing a careful analysis. You do not come in here and say, 'There is less parking than there ever was' because there is a pond and grass where you used to park, you do the calculation. It is all public. Disgraceful, Mr Speaker!

Didn't he hear me say, Mr Speaker, that we have to build more in this House; we have to build more in Gibraltar? We have to build more because one of the big issues now is whether people will be able to house their employees: the gaming company employees, the insurance company employees. I am going to be introducing a measure at the end of my address today, Mr Speaker, to deal with those issues, because the House will be very happy to know that I have had more detailed discussions even since I presented the Appropriation Bill in the First Reading. I am now minded to bring to this House, for approval, a new measure, Mr Speaker, that will be even more advantageous for the growth of Gibraltar and to ensure that the gaming and insurance companies we have here are entirely satisfied that their needs will be catered for.

Mr Speaker, in that context, to have heard the hon. Gentleman say that the Hon. the Minister for the Environment has, in effect, done nothing, because his Government has done nothing and he is just relying on reports from GOHNS. Again, if he had done his homework, he would have realised that those GOHNS' reports were completed before 2011 – when we were elected – and that the Hon. the Minister was the author of them. *(Laughter)* His dreadful accusation, therefore, is that John Cortes is relying on his own work. *(Banging on desks)*

Then he says there is no provision in the Improvement and Development Fund for the Power Station or the Sewage Plant, but I had given a speech before saying how we were going to fund the Sewage Plant and I had given the speech explaining how much we were going to spend from the I&DF in respect of preparation of infrastructure for the Power Station. So, when he talks about air quality and I have to choose between his analysis or the analysis of John Cortes which comes down to interpreting data, given the way that I have demonstrated he is incapable of interpreting even numbers of car parking spaces, on something as important as this particular matter I am going to side with Mr Environment, John Cortes. I am not going to think he is an abject failure for not having been the one who issued the press release on the balloons, because his position has been clear throughout and he has been one of the forces for good in that respect.

Neither do I think that John Cortes is ever 'lost in a sweetshop', because you just have to look at him to know he knows exactly what he is going to eat *(Interjection)* and he ensures that he takes a good portion of it, and I wish I was there with him but I am not allowed any more, Mr Speaker. *(Laughter)*

1220 Just because we have not finished the most complex re-engineering of Gibraltar's traffic does not mean that we have not started and that we have not had the courage to be the ones who started doing that work. Just because we have not kept the most expensive cadre of highways enforcement officers that the GSD created does not mean that we are not committed to this – and watch this space, Mr Speaker. Just because residential parking has not happened yet does not mean it is not going to, but you do not implement one thing unless you are implementing the whole of the holistic plan, which is what we are doing now.

1225 Mr Speaker, given the analysis that I have done of a number of parking spaces at the Midtown, I think people in the town area and people driving into the town area and the Strategic Plan will all benefit hugely from the car park that he denigrates. Because he knows it is an absolutely magnificent thing and he has nothing to say about it other than he does not like the look of it, Mr Speaker.

1230 In respect of speed cameras, etc., that is something that is going to happen very quickly. There needs to be an amendment to the Traffic Act. It will be happening as soon as possible and in the Autumn, no doubt, we will have that. But to hear him then say that because we do not yet have the speed cameras, we have little regard for public safety – words that rolled off the tongue, because that was what he spent most of the first six months before the election saying, 1235 although he no longer has the gumption to say it about LNG and Shell – it is really quite something because I seem to recall that we were the ones who had to get rid of the *quita muchas* helmets; we were the ones who had to enforce legislation for the right helmets to be used, not the GSD who were obviously in a position of little regard for public safety, Mr Speaker.

1240 So, when another member of the GSD says that what he is going to say is not designed to 'score politic points', I am going to be forgiven for at least being sceptical. The hon. Gentleman knows I was unable to be in the House for his address, but I was able to hear most of it and I have been able to read most of it. I am grateful that he sent a copy to the press. If he deviated from the text and I was not listening at a particular time, I may have got a thing wrong.

1245 He says that, 'some commentators' described the Future Job Strategy as a Soviet-style employment system. (*Laughter*) Now, although, of course, Mr Bossano would think that is a very good thing, Mr Speaker, (*Laughter and banging on desks*) he was not saying it in that vein. He was trying to pretend that was actually a very bad thing. But I am not going to let him get away with saying that 'some commentators describe the Future Job Strategy as a Soviet-style 1250 employment system'. Now, I do not know whether he knows who the commentator was, because I do. You see, Mr Speaker, those with memories like elephants recall that he was not in the GSD at the time, that he was in the PDP at the time, that his Leader was then the highly esteemed Mr Keith Azopardi, now the Chairman of the Bar, and that he was very deprecating indeed about the man who is now his Leader, Mr Feetham. But, of course, it was the man who is 1255 now his Leader – at least in name – Mr Feetham, who said in the press conference – which they hastily convened to try and undo what was clearly another brilliant suggestion from Joe Bossano – that this was a Soviet-style employment system – or maybe it was in a debate, Mr Speaker.

It is absolutely misleading of this House to come here and to say that some 'commentators' describe the FJS as a Soviet-style employment system. You can say, 'Look, we, as your political 1260 opponents have described it that way.' 'We' because you are now together – before you were not; you could not stand the sight of each other, politically – but it is not some independent ... This is not Daniel Finkelstein in *The Times* who has brought an independent mind to the analysis – come on! Mr Speaker, maybe he can share with us – in one of his sponsored Facebook messages that must cost him a bomb to try and get somewhere near the top of people's 1265 readings lists – who he thinks the commentator was.

Mr Speaker, that sort of 'I am here; I am there' and a stab here and a stab there, that sort of thing has not stood people well in the past couple of weeks in English politics. He needs to be careful to be pretending to say one thing when in fact it is another.

1270 Anyway, how does he explain to people who are now happily in jobs, who were not in jobs when the GSD was in Government; who have gone from the Future Job Strategy start into full-

time employment in the private sector, how does he explain to them that he, even now, is against the Strategy that got them to work? If he was dying to make this speech in 2011; if he had been elected into Opposition with us in Government and he wanted to hammer the FJS, I would have understood it. The FJS has had five successful years of operation now. These guys work in the private sector, Mr Speaker. How does he explain this? This is nonsense, Mr Speaker; absolutely nonsense.

In fact, this is an impressive plan which created employment opportunities and which created opportunities in companies in the private sector. The sort of thing he keeps talking about but which we never see because, if he is genuine about not wanting to score political points and working with us and if people in companies have approached him to create impressive opportunities, why is it they do not approach us? Why is it that he cannot tell us who they are so that we can take up those impressive opportunities? If there are people who are unemployed today who could take advantage of those opportunities – and there not many unemployed today – shouldn't he want to help them? Or is he saying to them, 'Wait three and a half years. I think we will win the election and then maybe you can get a job'. Frankly, that would not be a duty of a loyal Opposition. More likely, Mr Speaker, it is just nonsense and double speak. It is just, 'What shall I put in my speech?'

Of course, one of the things one can always put in one's speech is a little bit of *peloteo* to the Attorney General and to the Chief Justice. It stands one in huge good stead if one is in the profession, I imagine. I could not come away from the thought that the sycophancy that I saw in that speech was really quite dramatic; I never quite heard anything like that. Although Mr Dudley and Mr Llamas deserved all the praise that he heaped on them, it was really quite something to see how it was being heaped on. I just wonder, Mr Speaker, what it is that the hon. Gentleman has pending in court at the moment? (*Laughter*)

Mr Speaker, he encourages us to have the political courage to raise rents *even* more. He seems to want to see people pay more and be means-tested. But does he not know that there is already a means test, by the way? In all of this talk of means-testing, does he not know that we have something called 'Rent Relief', that the most deserving in our community already get; that the elderly in our community who deserve it get; and those who cannot pay their rents already get. We do have a means test already, to stop those who cannot pay.

Look, he encourages us to put rents up higher. We have said it is going to be going up annually; it is something that has got to happen. We think that we can do it in the way that is as demonstrably not going to affect people's ability to pay as what we are doing now.

At the same time we are tackling arrears, because everybody should pay and those who have not paid must pay and they must pay current rent too. The hon. Lady is doing an absolutely magnificent job in that respect, if I may say so. A rent hike which is, for example, the equivalent of having to give up your *Panorama* – something which I recommend people never do, and that they should pay their additional rent *and* buy their *Panorama* – to be able to read the dross that the Hon. the Leader of the Opposition has tried to get past the journalists, who will no doubt be able to point out that he is not going to have the wool pulled over the people of Gibraltar. It is a good measure by which to demonstrate that rents are going up, but not in an unaffordable way.

As I said before, Mr Speaker, the first thing I do every morning is read my *Panorama* so I certainly would not alienate my purchase of that magnificent newspaper because of the rent hike.

Mr Speaker, the Hon. Mr Llamas said, in a much more affable tone, that he was not here to answer questions for those who had been here before; he was not here to shoulder their burden and that we are not reminded of the history of our Party. (*Laughter*) Well, Mr Speaker, he must have taken tea breaks at all the appropriate moments in the short time that he has been here or not ever listened to Parliament before he was here.

Mr Speaker, I will take at least the affability of his tone and try and return it in this way: all of us care about people with disabilities – all of us. I am not going to pretend that people care more or care less because I do not think there is a Member in this House who does not care about

people with disabilities, but the hon. Lady has done a magnificent job in that respect. She has really reinvented the Department. She has brought to it her usual vigour. People are very happy indeed with how things are going. People want more; she wants to give more. We have to make sure that we do more in the appropriate way. But, when the hon. Gentleman says, 'This should have been done 10 years ago', Mr Speaker, for six of those 10 years, it was them that were in Government. It was Mr Netto who he is criticising.

He says he has not got to shoulder the responsibility. Look, I tell him what I tell Mr Clinton; what I tell Mr Phillips; what I tell Mr Hammond and what I will tell him: whilst he sits with the GSD, he is infected with the things that they did; whilst he sits, in particular, with Mr Feetham and Mr Reyes, he is infected by the fact that they were part of the Government that did all the things that I am telling them and did not do some of the things which he says they should do. I will accept from him that he must have been able to do the calculation that 10 years puts him firmly in GSD territory and that he was therefore being entirely non-partisan, entirely straight with the community, accepting a criticism of his own side and asking and encouraging us to proceed. But, the hon. Lady – he can be assured – is the strongest advocate of those with disabilities in a Government that is already very caring and wants to ensure, not just that we give to people, but that we encourage people to do more. This is not just about handouts; this is about mechanisms for people to be able to do more than that.

The very ungenerous reference to 'sour lemons' in his introduction is one which really was beneath the affability of his tone, because even those who for reasons of wanting to illustrate a point suggesting that the Hon. Minister should have sour lemons, said that in every year that she has been elected, she would have had punnets of strawberries for the work that they had done. I think, if only they had stopped to talk to us about some of the work that is coming, they would have, once again, visited upon her punnets of strawberries, because in the context of that analysis, Mr Speaker, for Samantha Sacramento it really should be strawberry fields forever.

But he said, Mr Speaker, in the context of looking at care, that we should not have people from agencies involved. Well, I have asked for the statistics so that he understands it. We have 332 people from agencies. This is a number that fluctuates: on some days we have more, on some days we have less. The requirement changes: we need people to leave hospital, so we give them care for a couple weeks; that care is extended domiciliary-wise or not extended. But, Mr Speaker, 332 people from agencies.

Let us just do a very simple calculation. If we were employing these people in the public sector, as he has suggest that we do, for the money that we pay, we could afford about 100. So he is denying 230 people care, because that is what it means.

People who come through agencies are employed on agency terms and they are paid private sector rates. We are very comfortable with that. We have put the minimum wage up considerably since we were elected. I think the minimum wage has gone up something like 15% in the past four years. But, if we do not do it that way and if we do what the GSD is proposing now, for the money that we have – which they already say is more than we should have spent on everything – we would be able to pay for 100 instead of 332. That is not an accurate calculation; it might be 150, it might be 90. A public sector worker costs us about three times what an agency worker costs us. So, if you want to spend less, you cannot do it, Mr Speaker, and the problem is you are dealing with people's care here and people would lose their care.

And, of course, he did not get the memo from the hon. Gentleman saying, 'I am going to be complaining that they employ too many people in the public sector.' Because he has just proposed to me that I should either employ more than 332 or at least 100, depending on how he wants to do the analysis once I have done it. Mr Speaker, of course, these are additional to the people employed in the public sector. So, you have got all the people employed in the public sector – who are in all of the areas where we provide care – and an additional 332, because we can afford them, because we can pay for them in this way.

Mr Speaker, Project Search was not mentioned in my speech because it is in the Book and we will be dealing with it and making an announcement when the time comes.

1375 With issues like the Care Quality Commission, for example: look, that is creating a new public  
body, at a new cost, which involves employing more people and spending more money. I think if  
he goes to his pigeonhole at GSD HQ, he is going to find a memo from the Leader of the  
Opposition saying, 'Do not suggest employing more people; do not suggest spending more  
1380 money, because I am going to say they should not deliver on their manifesto commitments and  
that they are spending too much and they are employing too many people.' Otherwise, it is all so  
inherently contradictory that nobody knows what it is that they stand for. *(Phone rings)*  
*(Interjection)* Yes, that is the one! *(Laughter)*

But if he felt so passionately about the Care Quality Commission, in the same way that he  
said to me, 'You did not mention Project Search but it is in the Book' I will say back to him, you  
1385 are talking about the Care Quality Commission, it is on your manifesto.

Although, I am grateful, Mr Speaker, that he recognised the good work that has been done in  
respect of fostering and adoption, which is important work that is being done in this community,  
which has been promoted by the hon. Lady and which I fully support and encourage.

But, when it comes to IVF, Mr Speaker, this really was a thing of this Government; it is  
1390 something that was denied by the former administration. It was brought in by the Hon. Minister  
for Health. I do not know whether he meant to recognise that but, if he did, I am very grateful  
that he did. When the hon. Members have said, in campaigning mode, that 'the new dawn never  
happened', I am very, very proud indeed to say, Mr Speaker, that the new dawn did happen,  
because I have met the new dawn. She has got a name; she has got a surname; and she is  
1395 running around Main Street now because John Cortes introduced IVF – and she is not the only  
one; she was just the first one. There are very many more, Mr Speaker.

When it comes to bed shortages in the hospital that lead to cancellations of operations – I do  
not know whether the hon. Lady also mentioned this – look, you have to understand – although  
this does not apply to her now, because she has moved away from the contagion. Those who  
1400 still wear the GSD sticker need to understand that they reduced the number of beds in St  
Bernard's in the move down from old St Bernard's to new St Bernard's; there was one ward less.  
So every day that there is a bed missing, I will say, 'They cut the numbers of beds'. The idea of  
putting or building accommodation for the elderly in terms of private, is something that we are  
looking at in detail, but it is not something that can be done publicly. In other words, we cannot  
1405 now create – in the same way that we create for those in public tenancies – tenancies for the  
elderly who are in private accommodation.

I see him nodding his head in agreement, although, of course, he does not know, as I do, that  
the GSD made a commitment to house one person in such a home who was going to be allowed  
to sell his private property and go into one of the Government rented elderly accommodations,  
1410 and he was an ex-GSD Minister. Mr Speaker, I was very disappointed when I saw the letter, and I  
told the hon. Gentleman who it was that I did not think it was appropriate to honour that  
commitment because it was an unfair and inappropriate commitment and that, if necessary, we  
would got to court over it. It was one of the commitments of the former administration I did not  
honour, because I thought it was improper; I thought it was immoral; and I thought it was illegal  
1415 and outside the rules.

I do not think, Mr Speaker, that a new airport allows for connectivity with other places. I  
think an apron does and we have an apron. We could have gone to other places with a  
refurbished old terminal; we could have built a different sort of terminal; we could have built a  
terminal for £24 million instead of saying it was going to cost £24 million and spending  
1420 £84 million on it, Mr Speaker. Therefore, Mr Speaker, he will understand, in the context of what  
I have been saying during the course of this morning, that I do not believe that there is a golden  
GSD age in office, Mr Speaker, and that in fact if there is a golden age coming, it is coming soon  
under the GSLP/Liberals.

I do not want to go into the detail of what he said about the bridge and the skywalk, although  
1425 I think he will find that it was fairly ungenerous for him to say that they were just 'flashy  
gimmicks', Mr Speaker. To say, simply because the water for the apes is dirty, that things are not

going well in the Upper Rock ... Mr Speaker, the water is sometimes very clean indeed, but the monkeys dirty it themselves because they jump in it, and they get up to things that I have sometimes had to shield my children's eyes from what they are doing to each other in the context of those Upper Rock baths.

But there is one thing that is certainly not going to happen: we are not going to permit destruction of areas. That is why there are already balustrades in the Upper Rock in different areas, in new areas. This is something that we have invested in. The neglect that he sees is the neglect of not one penny invested in the Upper Rock between 1996 and 2011. I recognise that he is not suggesting that the contrary happened.

What happened at the Lighthouse was not that John Cortes decided to go and destroy all of the plants; it is that John Cortes advised, before the 2011 General Election, that the plants being put there would not survive and, lo and behold, at the end of that winter they were gone.

Although I must say that he does not endear himself to me in his analysis of the bunkering revenue and the tonnage dues, because he does not understand what he is talking about, for this reason: the tonnage has nothing to do with the work that is being done in Gibraltar; it has got to do with other states changing their rules. We had a lot of German fleets registered in Gibraltar. The Germans have now changed their rules for registration, and German fleets have left Gibraltar, Singapore, and other registers to go back onto the German register.

The bunkers, Mr Speaker, are only going in one direction, and that is up. So he does not need to think ... he said, 'Is the tonnage going to our neighbours across the bay?' Look, Mr Speaker, Algeciras does not have a register that is recognised by anyone. These fleets are not going to Algeciras, they are going to Germany.

Mr Speaker, publishing lists is not something that one is now able to do because of data protection, so he is not going to get a list of who got the berths. But he does not need one because this is not something that is given, like the mid-town was given, on the quiet, Mr Speaker; this is something that is given based on a list not by Ministers but by people who are officials at the Port. It is something that he can see in broad daylight. He can go and sit there and see who has got the berths. And it is a very convivial place to sit; it is very inviting, in fact, and he can fish – as he recognised, we have brought back fishing. It is a lovely place to sit, Mr Speaker, and you can see who got the berths.

I do not know if there are friends of mine there, no friends of mine, relatives, no relatives; I do not know who has got the berths, Mr Speaker. I get a better indication of this when I put on Facebook, but he must not think that we have been directing berths to one or the other.

But to say that we should have prioritised St Martin's over the berths is really quite something from the party that said to the people who represented the children of St Martin's that they were not going to do a school for them; and to say that we should have pushed the fast launch changes even quicker so that we could have done that in time for the small boats marina and the legislation in insurance etc. Well, Mr Speaker, doesn't he know that this House has not sat for six months because of the Referendum? Otherwise all of that could have been done.

He wants the cost of owning a dog to go down and the cost of owning a berth to go up. Mr Speaker, the reasons for that are so transparent, I am not even going to go further into them. *(Laughter)* But I congratulate him for his *chutzpah* in that respect!

I also congratulate him, Mr Speaker, for not waiting for the Government to install zip lines on the Upper Rock for quickly politically mounting it, Boris Johnson style, and letting himself go down the zip line that was his contribution. I think we all look forward to seeing those in the Upper Rock sooner rather than later.

Mr Speaker, I saw Mr Reyes, in his usual style, his veteran style in this House, play the trick of saying both something and nothing so that he is very difficult indeed to grasp at the moment of deciding how to respond. But he did encourage us to complete the stadium for the GFA in one place or another. Of course, something that I do not know whether the Hon. Leader of the Opposition was so keen on; but, given the disjointed style, I am happy to see him suggest it, I am

happy to see him suggesting we should continue with our plans for the theatre, also against the background of the Hon. the Leader of the Opposition, suggesting we shouldn't complete our manifesto commitments.

But I thought it was a little brave of him to complain about works done in people's houses and how those works might in some instances require correction, when in fact when we arrived we inherited thousands of pending jobs. People had been waiting in some instances five years, ten years for a change of shutter. Ten years! The GSD had been in power 16! Ten years! Now we are down to almost no waiting list. So, Mr Speaker, look, I think it is a bit rich to say that, 'You do thousands of jobs, some of them need correcting'; well, fair enough, you do no jobs, none of them need correcting! That is absolutely clear, Mr Speaker. I have made the point on the Housing Works Agency, so I am not going to make it again.

I am grateful that he was generous in his congratulations of the hon. Lady for her collection of arrears. I think it is absolutely right that she should be congratulated for the work that she has done, but I do not think it is right to make complaints about allocation; the allocations have now been made and the way that we have done them is entirely in keeping with the rules and with the commitment that we gave in our manifesto that we would prioritise those who were on the waiting list in 2011, at the time that we were elected.

He encouraged us to build more rental homes. Mr Speaker, I have to pause there because that is an important aspect that Mr Reyes touched upon and it deals with issues raised by the Leader of the Opposition, by Mr Phillips and by Mr Clinton.

We were told to build more rental homes because not everybody can afford to buy. Mr Phillips said something slightly different, about people being forced to buy if they can buy and not being given rental homes. But of course all of this is in the lexicon of understanding of the GSD, which would be selling all of the post-war properties. They were going to sell all of the post-war properties *and* build new properties for rental!

So what we have done, Mr Speaker, is we have built new properties for rental by the elderly, which moves them out of their existing post-war properties, frees them up for new families to use, and we are keeping all our post-war property with an excellent finance arrangement that we have. I want him to understand that, because I think, of all the people who contribute in respect of this debate, he is the one who is usually fairer in his analysis and if he has understood the point I think he will be with me on it, Mr Speaker.

We take the point in relation to the minor snagging suggested in respect of Beach View Terraces. No doubt we will have to look at that. But nothing compared to what has been the case before. But, look, this is an issue that afflicts all governments and what there has to be is a commitment to fix the things that go wrong, if we are a developer – full stop.

If he says that there are issues affecting people who have had the new cladding and refurbishment in the estates, if he was so kind as to write to me and tell me who they are – or to the hon. Lady – we will immediately pursue those, because we have of course complaints about work not being finished; everybody wants things done quickly on their block first, but it is sometimes very difficult to ensure that. Of course what we would have is the happiness then when it is done; we are not being told that there is water ingress where there was. If he tells us then we shall ensure that we look into it.

I move now on, Mr Speaker, from the official Opposition to the hon. Lady who is independent. She now shadows all portfolios, not just those which had been entrusted to her by her former Leader, Mr Feetham.

Mr Speaker, she started by reminding us all, rightly, that we should congratulate the Lincoln Football Club for their magnificent success in qualifying for the second round of the Champions League. I think all of us on this side of the House want to join her in doing that. I think they have really done Gibraltar proud and this is only the beginning of, I think, the work that Gibraltar can do in football.

She understands, obviously, the synergy that there is with Scotland and I want to make clear, because it appears, from what the Leader of the Opposition said in *Panorama* today, that he has

not quite understood the point, that this is only one potential solution for us going forward, in that we must explore *all* potential solutions going forward. (*Interjection*)

Mr Speaker, I am reminded by a veteran player of the GFA, the Hon. the Minister for Justice – although I did not know the result – that Europa FC also qualified yesterday for the second round of the Europa League. (*Banging on desks*) We have been in for two years and we are already in the second round! In 15 years, the Champion League and the Europa League will be in Gibraltar for sure! (*Laughter*) If not this year!

She spoke of the association of this place with democracy in Gibraltar – words which I want to associate myself with. I thought she rose above the partisan debate at the beginning of her address when she talked about how Gibraltar will thrive if we are able to work together as a community. I talked about that she knows extraordinary people doing extraordinary things and I think she captured what I was trying to say in that respect.

She has told me that she is going to write to me about some concerns that citizens have. As she knows, when I receive her communications I will be dealing with them, in respect, in particular, with this issue of lifts which had not been installed. One of the issues that we have is that to install lifts we need to put in something called three-phase electricity.

That is taking longer than getting the lifts there and that is also an issue that makes it impossible to install lifts in an affordable way in some estates; and, indeed, some of the building and the architecture of some estates make it impossible to install lifts in some blocks. Sandpits is actually one of the ones where a lift will be installed and it is just a question of getting enough people to install three-phases in the other estates which are ongoing, to then install three-phase in Sandpits and then be able to give effect to the lift.

But we cannot do everything at the same time. The hon. Lady knows we have a finite resource. We could bring people in from around the world so that at the same time we can put three-phase into everything; it would then all be done in a week, it would all then cost a huge amount of money and it would not be in the interests of the community.

We all agree on this side of the House that the cemetery needs better upkeep and the Hon. Minister has already explained what work is being done there, because that is, Mr Speaker, the only tenancy we all are going to have in common at the end of the day. As the hon. Lady's much appreciated, father used to say, 'That place is full of people who felt that they were so important,' Mr Speaker. So she is absolutely right to care about that.

On the issue of tax arrears, I think I have dealt with the questions that she raised in the context of my other addresses, but, look, in PAYE if somebody does not pay PAYE it is a theft, Mr Speaker, it is a criminal offence and there is specific provision in the law in that respect and the Government is never going to tolerate that; and the Commissioner, in particular, does not tolerate that. Some of the problem that there is, is that the accounts are sometimes littered with old arrears of PAYE, of companies that have gone on liquidation – issues that we dealt with before, and one of them is flattering accounts or dressing them up; this is actually untidying accounts and making them unnecessarily seem to be large, and that has to be dealt with.

In arrears of electricity, there is actually a lot more movement, Mr Speaker, than she might think. There is a lot of work done, but sometimes arrears build up in any event. As you are dealing with old arrears, new arrears are coming up and the totals sometimes do not seem to move; but we have been very aggressive in that respect with cutting people off and, unfortunately, in some respects it is the only thing that works.

I recognise her welcome in respect to the rent arrears and her clear view that it should be annual, which I have already said it will be, Mr Speaker.

When she talks about feedback from the community in respect of the Budget, I am grateful that she is undertaking that work. The Hon. the Deputy Chief Minister and I were very keen to get the cameras in here, to get people to be able to see what is happening. She is right that it is about more than just that, but this is at least a beginning and part of a process; although I heard, with interest, some of the things that she said.



She said, 'You should never even have had to take away the import duty from women's sanitary instruments,' so I looked into who had put them in. I put in what Government had introduced them and I am sorry to say that it predates 1988, Mr Speaker. I will leave it at that!

1585 *(Laughter)*

The hon. Lady called on us to publish and include pages which relate to GIH accounts of the companies of the Government etc. These are public. They should be even more public than the hon. Lady has suggested! In other words, they should not be public and confidential for three months for Members of the House. These accounts should be public and they should be public in the Companies Registry so that everybody can see them online, Mr Speaker – as they will be. But of course, when we have caught up with the huge delay that the party that she used to be infected by created, which means that we are having to recreate accounts and it is costing a lot of time to be able to do.

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I think I have given a lot more details now of GCA, but people can feel entirely safe, Mr Speaker, because their homes are not at risk at all. Nobody's home is at risk at all in respect of GCA, which is the issue that she raised. I think that will be something that she will be pleased to hear, given the question that she raised.

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We have not turned any special commitment into consultation exercises, although she was sitting on the other side with the other representatives, the GSD, that might have been at least speaking or singing from the Hon. the Leader of the Opposition's hymn sheet if we had done that, so I would complain that she was accusing us of something that the Leader of the Opposition was inviting us to do. But actually in respect of one of the commitments that she wrote or talked about, the commitment was actually to carry out a consultation exercise – if she looks at our manifesto.

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I was grateful, Mr Speaker, for the mature approach from her that saw her recognise the sterling work done by Samantha Sacramento and John Cortes, but I did not understand the point that she said that we should bring the things that are in the final book into this book. This book is an estimate and the final book reflects the agreement of the House to things etc.

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The White Book, as we sometimes call it, then becomes the Blue Book, Mr Speaker, or sometimes different colours, and that is the book that is the final account. So the hon. Lady will receive a book which is not draft estimates but Government estimates, which is fine.

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I was very heartened to hear, Mr Speaker, that she sees herself as an effective opposition to the Government and also as an effective opposition to the Opposition where necessary, and I salute her independence in that respect.

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Mr Speaker, before I move to conclude, I want to announce a new measure as a result of meetings I held this week after coming to this House and the very positive progress that I believe there will be in the market to build homes for key workers in Gibraltar sooner than I expected. So therefore I announce a new budget measure today, that where any property is constructed in the next 30 months from 1st July 2016 and that property is rented for residential purposes, the owner of that property will receive a tax credit equal to the tax payable on the profits earned on the first 24 months of rent occurring in the first five years after the completion of construction of that property. The tax credit is not refundable and can be offset against the tax payable to extinguish any liability to tax.

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Mr Speaker, this is not just a Government of colleagues, this is a Government of friends. We understand each other well, we work together well and that is why we are a team. Perhaps that is what has already caused a fracture to happen on the other side and might in future cause others. We are not just colleagues, Mr Speaker, we are friends, we are part of a team; as are the people who work with us – the civil servants of Gibraltar who have helped us to deliver these results; the civil servants in particular who have been so insulted at the Treasury and in the Ministry of Finance, with the suggestion that we might be able to prevail upon them to somehow present an untrue picture of the accounts of Gibraltar. They do the work, Mr Speaker; we are not the masters, we work with them and, as President Jimmy Carter once said at one of

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the G7 meetings, 'Thank you, Mr Speaker, to all of them for allowing us to take the credit for their work.'

1635 I also hope that we will have friendships across the House, Mr Speaker, in these four years, as I said at the ceremonial opening. Let us not see the Members opposite adopt a sixth form debating style, as they have in some instances in the course of this debate, which is neither helpful nor edifying.

1640 Mr Speaker, if they look at the work that this Government has done and this Government is doing and they think at the moment in which Gibraltar finds itself now, they will agree with me that there is no better team to broach the next 24 to 36 months.

Mr Albert Isola has been doing fantastic work in the gaming and financial services industry. Gilbert Licudi has probably delivered more projects single-handedly in four years than any Minister, with a university, two new schools and a marina, Mr Speaker. Paul Balban has finally  
1645 had the courage to seek a wholesale plan in order to deal with the traffic problems there are in Gibraltar, who has dealt with housing, who has dealt with the Port. Joseph Garcia, who is lobbying with me around the world, who is the backbone of my Government with me, Mr Speaker.

Neil Costa, who works tirelessly every hour that God sends, that does not allow one moment  
1650 to pass without hard work. Samantha Sacramento, who is dealing with tourism, who is dealing with housing, who is skidding the problem of arrears at last, who has introduced the first hike in rents in 30 years. John Cortes – Mr Environment – who is dealing with health like it has never been dealt with before, who is carrying out under him more operations than have ever been carried out before. And Steven Linares, a man who introduced the Music Festival to Gibraltar,  
1655 the Jazz festival and so much more. Gibraltar is not the place it would be if it was not for this team.

All of us of course, Mr Speaker, building on the work that Joe Bossano started in 1988 when it was first time to turn around Gibraltar's economy when the MOD were leaving Gibraltar. That was a time of great challenge. Who better to have in the team now than Joe Bossano, again to  
1660 face that challenge! Those who have criticised them, I now sense are starting to change their attitude and instead of trying to criticise Joe Bossano, what they are trying to do is build him up, Mr Speaker, in some way to try to suggest that those of us around him might feel that we are less than him. Well, Mr Speaker, you know what, we all know that we are less than him; we all know that we are building on the legacy that he has started to build for Gibraltar from the minute that he arrived here in 1972 and started the battle for parity, to today when he is still creating ingenious new funds, ingenious new rainy day funds – exactly the sort of medicine that  
1665 Gibraltar needs to navigate these difficult Brexit waters.

These are the team that Gibraltar needs, Mr Speaker. I am not one of them, but they are part of the extraordinary people doing extraordinary things; and to only hear petty party criticisms  
1670 from some of the Members on the other side was really very unedifying. Now is not a time for party political electioneering; it is not a time for spin. As I said before, this is a time for substance, but unfortunately that is not what we got from them.

Mr Speaker, instead of joining us – and, I must say, perhaps also the hon. Lady – in raising our eyes beyond today to look out for our common tomorrow, unfortunately we have seen them  
1675 looking back to try to replace some of the arguments that lost them the election with the worst defeat ever suffered by a party in a two-horse race in the history of democracy of Gibraltar. Mr Speaker, nothing, unfortunately, seems to be changing in their approach: more crying wolf, more talking Gibraltar down – nothing extraordinary, no one extraordinary; just the same old, same old which the nation has already rejected.

1680 Nothing I have heard, Mr Speaker, persuades me to do anything other than to commend the Bill to the House. **(A Member: Hear, hear.)** *(Banging on desks)*

With that, can I propose that we return at 4.30 p.m.?

**Mr Speaker:** May I? I have to put the question. **(Hon. Chief Minister: Oh, sorry!)** *(Laughter)*

1685 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 2017 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

The Hon. the Chief Minister. (*Interjections*)

1690 Sorry, I think the Clerk should now say ... I can say it on his behalf: the Appropriation Act 2016. The Chief Minister.

### COMMITTEE STAGE AND THIRD READING

#### Appropriation Bill 2016 – Committee Stage and Third Reading to be taken at this sitting

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

Unfortunately, Mr Speaker, I have got your crib not mine, but –

1695 **Mr Speaker:** You have mine and I have yours.

Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

1700 **Hon. Chief Minister:** Mr Speaker, I now move that the House now recess until 4.30 p.m. this afternoon.

**Mr Speaker:** The House will now recess until 4.30 this afternoon.

*The House recessed at 2.55 p.m. and resumed its sitting at 4.36 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**SECOND AFTERNOON SESSION: 4.36 p.m. – 8.00 p.m.**

**Gibraltar, Friday, 8th July 2016**

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# The Gibraltar Parliament

*The Parliament resumed at 4.36 p.m.*

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

[CLERK TO THE PARLIAMENT: C McDonald Esq *in attendance*]

## Order of the Day

### BILLS

#### COMMITTEE STAGE

*In Committee of the whole Parliament*

#### **Appropriation Bill 2016 – Clauses considered and approved**

**Clerk:** A Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2017.

Clause 1.

5

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Clause 2, Head 1, Treasury; subhead 1, Payroll; subhead 2, Other Charges.

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**Mr Chairman:** Stand part of the Bill.

**Hon. R M Clinton:** Mr Chairman, may I? (*Interjection by Mr Speaker*)

I beg your pardon? (*Interjections*)

No, no; on Treasury 1.

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**Mr Chairman:** Clause 3, I have received notice from the Hon. Mr Clinton that he wishes to move an amendment and I have circulated this to all hon. Members.

The Hon. Mr Clinton.

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**Hon. R M Clinton:** Thank you, Mr Chairman.

The amendment I would like to make to the Bill is in respect of clause 3(1), that clause 3(1) be amended by the deletion of £32,501,000 at the end of that subclause and that be substituted thereof by £7,501,000.

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Mr Chairman, my thinking behind this is, at the moment we are blind as to what that £25 million is intended for. There is nothing that I can see in the Estimates Books that gives a breakdown as to how that money would be expended and furthermore, as I understand it, the Government is not yet in a position to provide any audited accounts for any Government

companies that may require this supplemental funding; and, on that basis, I would propose that amendment.

30

**Mr Chairman:** The House may wish to focus their attention on Rule 33 – Bill in Committee, subparagraph (4) about preference to an amendment there; subparagraph (5), as well.

The question may arise as the Hon. Mr Bossano was telling me privately, there was a view taken in the past under the old constitution that no amendment could be moved, certainly to the Appropriation Bill, but certainly that would result in increased expenditure from the Opposition – that was out of the question.

35 But he tells me that on one occasion even a reduction was proposed and again the ruling – and, in those days, the Attorney General was a Member of the Government and was sitting on those benches – and the ruling was that that was not allowed.

40 When I received the amendment this morning, I looked through this section on the Appropriation Bill, Bill in Committee and obviously there is no suggestion that no amendment shall be moved. But, no amendment can be moved which is inconsistent with any clause already agreed upon.

My limited knowledge of accountancy does not allow me to make a ruling on the matter and that is why I took the precaution this morning of giving a copy to the Financial Secretary so that he could have a look at it.

**Chief Minister (Hon. F R Picardo):** Yes, Mr Speaker, but there is an issue also with section 35 of the Constitution.

50 Section 35 of the Constitution says that:

Except on the recommendation of the Minister with responsibility for finance, the Parliament shall not –

(a) proceed upon any bill (including any amendment to a bill) that, in the opinion of the person presiding in the Parliament ...

Mr Speaker that is you –

... makes provision for imposing or increasing any tax, rate or duty, for imposing or increasing any charge on the revenue or other funds of Gibraltar, or for altering any such charge, otherwise than by reducing it, or for compounding or remitting any debt due to Gibraltar; or

(b) proceed upon any motion ...

and of course, Mr Speaker, an amendment is a motion,

... (including any amendment to a motion) the effect of which, in the opinion of the person presiding in the Parliament, would be to make provision for any of the purposes aforesaid.

55 Now, Mr Speaker, in my submission, although this looks like a reduction, and not the imposition or increase of the revenue or other fund of Gibraltar, of course that £25 million will go somewhere else and that may result in an increase somewhere else.

I think therefore, at first blush, my view is that it is possible that the proposed amendment is unconstitutional before you even get to the Standing Orders and Rules of the House.  
(Interjection)

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**Hon. D A Feetham:** Mr Speaker, our position is very simple, this is a Bill – perfectly entitled to amend a Bill, the rules provide for it – and, of course, Mr Speaker is not in a position to make a ruling on the constitutionality of something.

65 At the end of the day, this is not a court of law and from my reading of what the Hon. the Chief Minister – I do not have it in front of me – but what he has read to me, it does not appear to infringe the Constitution.

But of course with these things and, being a lawyer myself, these are not easy things; and I am just not sure that Mr Speaker is in a position, quite frankly, to make a ruling based on the interpretation of the Constitution and something that is not straightforward.

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**Mr Chairman:** There is something that can be done for the moment.  
Would hon. Members look at subparagraph 6 in the Rules:

A clause may be postponed, unless the decision has already been taken upon an amendment thereto. Postponed clauses shall be considered after the remaining clauses of the Bill have been considered and before new clauses are brought up.

That gives us an element of time if we wish to involve that rule.

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**Hon. Chief Minister:** No, Mr Speaker –

**Mr Chairman:** But ultimately, what we cannot do is to have an impasse here and leave the matter in abeyance. I am not a constitutional lawyer, I am not an expert and I certainly do not think the deliberations of Parliament on this Appropriation Bill should be delayed whilst we get a constitutional expert to advise me on the ruling.

80

I do not think we want to proceed down that route.

**Hon. Chief Minister:** Absolutely and if I may say so, Mr Speaker, the Hon. the Leader of the Opposition has said that there is provision in the Rules for amendments etc.; well, he needs to read the section that I am talking to him about, which deals specifically with Bills – which are Bills which relate to finance and this is *in the Constitution*, Mr Speaker, and it is very clear.

85

My interpretation is that somewhere in the context of what is being considered here there will be a consequent increase of £25 million potentially or an uncovering of it. Therefore, Mr Speaker, I would urge you to rule that this motion, which is what it is, or an amendment to a Bill which is specifically provided for, is unconstitutional and outside Section 35 of the Constitution.

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**Hon. D A Feetham:** Mr Speaker, I just really do not understand that point.

How an earth the Speaker of the House, who is not a lawyer, can rule that if something is unconstitutional is beyond me, Mr Speaker, I have to say.

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**Mr Chairman:** The Speaker of the House, whether he is or is not a lawyer, is empowered to make rulings and does so. I have done so; Major Robert Peliza did so on many occasions, and so on. (*Interjection by Hon D A Feetham*)

Not on the Constitution, on what is before the House – given the reality of what the Constitution says about the Appropriation Bill and that is what we are involved in this afternoon.

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**Hon. Chief Minister:** And not just that, Mr Speaker, the hon. Gentleman has just raised another issue.

How can the Speaker of the House rule that something is unconstitutional?

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Mr Speaker, because the Constitution says that he shall; the Constitution says that the person presiding in the Parliament determines that and this is the Constitution that he came back with from London, Mr Speaker.

**Hon. D A Feetham:** Yes, Mr Speaker. Of course you can make a ruling on the Constitution if you take legal advice, Mr Speaker.

110

But, for you to rule on the hoof as to whether the Hon. the Chief Minister's interpretation of section 35 of the Constitution applies here ... well, I really think that it is placing Mr Speaker in a completely invidious position.

115 The proper way to proceed with something like this is as follows: Mr Speaker can, in my view, in my humble opinion – and I know that the hon. Gentleman does not like to listen to my opinion, but I am the one expressing it at the moment – in my view the way to proceed is, we will just take a vote on the amendment, the Government is going to vote it down with the majority because we all know the Government is going to be voting it down, but it is an important point; and then Mr Speaker can take advice on this.

120 I think that the danger here, Mr Speaker, is for Mr Speaker to be making a ruling on the hoof on something that actually may arise later on without the benefit of legal advice, it places Mr Speaker in a disadvantageous position and it places everybody in an invidious position.

**Mr Chairman:** I am not afraid to face issues.

125 I helped this morning, the Hon. Mr Clinton in drafting the amendment knowing that I was going to have to have a look at the Rules and knowing that the amendment might not or should not be allowed; and, knowing that there was that possibility, that did not stop me from giving him the help which he needed in getting an amendment that could be understood by all hon. Members.

130 Now, obviously the easy way out – and I also thought of that – in any case the amendment can be put, I am sure I have heard the Government was not going to accept it; and if that is the case and he seems to think along the same lines, that would be the end of the matter as far as the Appropriation Bill is concerned.

135 Now if there are issues arising from that – and perhaps there are – then they can be referred to, and eventually I will get advice and make a ruling on the matter.

**Hon. D A Feetham:** I think this is –

140 **Hon. Chief Minister:** No, Mr Speaker, with respect, the hon. Gentleman does not like to listen to my opinion but given that he has just given us his, he might give me the benefit of sharing mine with the rest of the Members, Mr Speaker.

145 We are talking about the Constitution of Gibraltar. We are talking about the overriding and empowering enactment which allows us to progress, Mr Speaker. This is not something that, because Mr Clinton has decided to move a motion which he has failed to understand, is covered by the Constitution, we are simply going to allow to go and then take a vote, Mr Speaker, because it would be a precedent (**Mr Speaker:** Absolutely.) to determine, constitutionally, that this can go forward and we can take a vote and just vote it down like that.

150 The Government is not satisfied with that, the position under the Constitution is clear, Mr Speaker, and I invite you to find that the motion is therefore not one which cannot be proceeded upon. It is exceedingly clear, Mr Speaker, and I invite you to find therefore that the motion is not therefore one that can be proceeded upon so that the House can continue with looking at the detail of the Estimate if hon. Members want to.

155 As the Hon. Member has said just now, this is about making a point and they know that they are going to be voted down. This is how they make points; they now decide that instead of raising them, they make points by way of motion. Mr Clinton has made a number of points when I invited him to do so by way of contacting the Government if he wanted to make a motion which would enjoy support, Mr Speaker, he could.

160 But he does not want to do that; he wants to make his point, he wants to get his headline, he wants to get his air time by doing something which is not what he has to do.

160 If he wants to make the point he can make the point when we get to the item and he can tell us exactly the same thing he would have told us in the motion, in the context of pointing to the figure and giving us that view. He just wants more air time, he wants more headlines and that is all that this is about.

165 The Constitution is an overriding and principal enactment and we *have* to respect it, otherwise everything is up for grabs.



**Mr Chairman:** Personally, I am not satisfied that it is correct to proceed with this amendment. I am not satisfied that that is the case.

I am not saying that it is out of order but I am not satisfied that it is *in* order, which is a difference.

170 Therefore, my preference would be not to proceed with it and we carry on with the Estimates. In all the years that I was a Member something that never happened, no-one from the Opposition ever *dared* do anything akin to this – it has not happened in the intervening time. (*Interjection*) We have a Constitution that you have to have regard to the provisions of the Constitution, before you come up with an amendment here at this stage.

175 All these matters have to be looked into carefully.

As I say, I am not satisfied that we ought to proceed with this amendment. Really, I am not satisfied, I am very much in doubt about it; but, as I say, subsequently if that is the view of the Leader of the Opposition he himself, can seek advice from the Attorney General from a constitutional lawyer and the matter can be ventilated subsequently.

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**Hon. R M Clinton:** Mr Chairman, if I may?

Would I be correct in saying then that there is no way that the Opposition can in any way, shape or form influence any of the numbers on the Appropriation Bill?

185 **Hon. Chief Minister:** Mr Speaker, this is something that happens quite often.

We are going to have a detailed debate now; we are going to look at the numbers together. If the hon. Members spot an error, for example, and it has happened before, I have spotted errors; we have had pages replaced when the hon. Members were in Government. We have had new pages brought to us because there have been errors which we have spotted and shared with Members opposite.

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But this is the proposal that we are making in respect of the Bill going forward. If there were to be a proposal which is required to be brought by way of amendment, then the Constitution is clear. Hon. Members have to persuade *me*, in effect, to bring the amendment and then it is brought and the change occurs – and Mr Bossano can probably enlighten us more about when those things have happened.

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**Hon. D A Feetham:** Mr Speaker, it appears to me that there are two separate points here, with respect. One is Mr Speaker's concern as to whether it is in order or out of order.

The second point, which concerns me more than the first, quite frankly, because if Mr Speaker had said, 'I am not sure about this, I want to rule it out of order for these reasons' ... it is Mr Speaker's ruling at the end of the day; and Mr Speaker draws in aid, for example, past practice and Mr Speaker makes a ruling on the basis of past practice and the Opposition accepts that.

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What concerns me more about these exchanges, Mr Speaker, is that the Chief Minister should read to you, a non-lawyer, a section in the Constitution where the Leader of the Opposition who is also a lawyer – and I have got a lawyer next to me as well who has also read it – and we are reading and it says:

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... for altering any charge otherwise than by reducing it ...

And we have our doubts and I put it no higher than that because I have been practising law long enough not to state opinions on a 100% basis, particularly in relation to interpretations of the Constitution.

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But what I do not want, Mr Speaker, is for Mr Speaker to make a ruling about the constitutionality of something without taking advice; because that, I think, would not be the proper way to proceed.

215 **Mr Chairman:** I am certainly not going to make such a ruling.

As I said my reservations were clearly as in the first instance and I am certainly not going to be here listening to legal opinions from the number of lawyers that we have (*Laughter*) otherwise, Mr Bossano and I who are not lawyers will probably come to the same conclusion: *a plague on all your houses!* (*Laughter*)

220 So, as I am not satisfied, we are not going to proceed therefore with the amendment and if other issues arise they can be ventilated as appropriate; but I am going to give the Hon. Mr Bossano an opportunity as well.

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr  
225 Speaker, the reason why I brought this to your attention when I came in was because I was stopped once from making an amendment, from the Opposition, to reduce somebody's salary – which was a reduction and not an increase.

This was in the previous Constitution where it said that you could not make any change without the consent of the Financial and Development Secretary, which was replaced then in the  
230 new Constitution by the Minister for Finance.

As far as I can tell the text is the same except that now it is the Minister for Finance instead of the Financial and Development Secretary – and it is quite obvious why that was there historically. It was there historically because of course the control of public spending, going back to the 1969 Constitution ultimately the person that had the last word was the Financial and  
235 Development Secretary – and you will remember, Mr Speaker, in the old days he was the one who answered for what was in the Appropriation Bill.

I think now that function and that role and that responsibility was for the Minister for Finance and that is why it requires the consent of the Minister for Finance, whereas before it required the consent of the Financial Secretary.

240 But I can definitely tell Members that what I proposed at the time from the Opposition was not an increase, it was a reduction and it was about reducing by £1. (*Interjection*) I think you might have been on this side at that time. (*Laughter*) Yes.

**Mr Chairman:** It was a view generally held that if you were not satisfied with the  
245 performance of the public servant or of a civil servant, one way to register that view was by reducing his salary by £1; and when he tried it he was not able to succeed.

So let's carry on.

**Clerk:** Clause 3  
250

**Mr Chairman:** Clause 3, stands part of the Bill.

Clause 4, stands part of the Bill.

Clause 5, stands part of the Bill.

Clause 6, stands part of the Bill.

255 The Schedule, which is a book, Head 1.

**Clerk:** Head 1, Treasury; subhead 1, Payroll.

**Hon. D A Feetham:** Mr Speaker, as the Chairman, you have left out 7.  
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**Mr Chairman:** I have left out 7? My apologies.

Clause 7, stands part of the Bill.

The Schedule, Head 1, Treasury.

265 **Clerk:** Head 1, Treasury; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Now, when he calls Payroll, for the benefit of the new Members, you can ask any question and you can raise any matter in respect of the items listed under Payroll.

I will pause for a moment in case any Hon. Member wishes to ask something; otherwise we will then proceed to Other Charges. Again, the same procedure, you may ask any questions that you wish and then at the end of it all, I will move that it stand part of the Bill.

So Hon. Members, on Payroll or Other Charges in Head 1; are there any questions? Head 1, Treasury, stand part of the Bill.

**Clerk:** Head 2, No. 6 Convent Place; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** No, do not call the subhead Other Charges until we have dealt with Payroll. Payroll first.

Head 2, subhead, Payroll.

**A Member:** Mr Chairman, I do not think we have done –

**Mr Chairman:** Any questions arising from –

**A Member:** Sorry, Mr Chairman, I do not think we have done Other Charges of Treasury. *(Interjections)* Oh, you did it together, sorry. *(Interjections)*

**Mr Chairman:** The Hon. Roy Clinton.

**Hon. R M Clinton:** Mr Chairman, on the Payroll side of No. 6, I assume the Establishment numbers of Chief Secretary is under No. 6, Establishment?

I could not help but notice on the green pages at the end, on the salary scales, that the Chief Secretary seems to be getting a pay increase of 28% from £123,219 to £157,978.

Is that correct? *(Interjection and laughter)*

**Hon. Chief Minister:** Yes, Mr Speaker, I think this was giving effect to a commitment of the former Chief Minister in respect of the salary of the Principal Auditor, which is connected. These salaries are all connected, they are all in a grid – the Attorney General, the Chief Secretary. They were all connected under the former administration and this is a historical undertaking that had been given by the former Chief Minister which was given effect to.

I can write to him and let him have the details if he likes, because it was something that was brought to my attention, I think, by the Auditor or by the Chief Secretary himself on behalf of the Auditor; and with the consequent effect which he explained to me also that his own salary would rise as a result of it, and he was transparent at the time.

But I am quite happy to let you have a note that sets out how it arises.

**Hon. D A Feetham:** Yes, I think that I recall that in fact the Chief Secretary's salary – it was the Chief Secretary or Attorney General I think, the Financial Secretary's salary – they are all on the same level.

Does that mean that all of those three post holders, their salaries have also gone up, because we have not actually seen that reflected in the book?

**Hon. Chief Minister:** Mr Speaker, I understand that they are all connected, I do not know which of the three or four that are connected but I understand that there is a connection. But I am quite happy to let them have a note, a copy of the note that I got at the time explaining why it was and whose commitment it was that it would rise. *(Interjection)*

I do not know whether mine goes up or not; I do not know whether the allowance goes up or not.

**Mr Chairman:** Any other questions?

320 Other Charges.

**Clerk:** Subhead 2, Other Charges.

325 **Hon. E J Phillips:** Yes, Mr Chairman, I have got just one question in relation to No. 19 on the co-ordination of the fight against illegal drugs.

Given that in Item 18 Project SEARCH has been given a healthy amount of £10,000 I was just wondering, given the commitment by the Government to the fight against illegal drugs, whether that is just a nominal figure or whether there will be further amounts dedicated towards the co-ordination at No. 6?

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**Hon. Chief Minister:** Mr Speaker, £1,000 when it appears in the Book is usually a nominal amount, as it is here. There is an amount in respect of the fight against drugs in another section in the Book. This opening of the line is in order to be able to work together in the process which the hon. Gentleman knows we are embarked upon.

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**Mr Chairman:** Other Charges continue on page 26 and page 27.

340 **Hon. T N Hammond:** Mr Chairman, just with respect to Other Charges on page 26, I believe it will be paragraph 5(f) Maintenance Agreements and Licences, Contracted Services, I notice the total for Maintenance Agreements and Licences goes up by £400,000 by about 40% for the coming year as an estimate.

Is there any particular reason for that? I am assuming it is not an inflationary increase, with inflation being so low?

345 **Hon. Chief Minister:** Mr Speaker, the reasons for the increase are as follows. The discount which was given to Governments, local authorities etc. around the world by Microsoft, has now been reduced so we get less of a discount from Microsoft.

350 The additional licences required for the server firm, the additional licences required as a result of the audit undertaken by the suppliers of this equipment, and changes to Microsoft licensing procedures that has made us carry out benchmark testing with our suppliers to achieve the most cost effective solution possible in respect of software.

Also, new contracts for Rendezvous software, backups of exchange databases, the maintenance of the Government website and preventative maintenance equipment which has been required.

355 So it is all IT-driven.

**Hon. D A Feetham:** Mr Chairman, on the same clause we have got the forecast outturn for Travel, Protocol and Entertainment and we have got a figure of £1.2 million, and then the estimate next year £650,000 – £500,000 for travel and £150,000 for Protocol and Entertainment.

360 Now I understand that factored into that – I do not know, maybe I am mistaken about that – but probably is the downsizing of the Gibraltar Day in London of making people pay in relation to that.

365 But given that we are in a post-Brexit situation and no doubt there is probably going to be more travel rather than less, is it realistic to suggest that travel and entertainment is actually going to go down? It is going to be halved?

**Hon. Chief Minister:** Mr Speaker, the hon. Gentleman is right, these are pre-Brexit estimates – and I am happy to give notice now so that it is clear on the record – it maybe that those numbers have to rise because we may be travelling a lot more than we expected to travel and we may be taking people with us who we would not usually take with us on trips.

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And in any event, Mr Speaker, the creation of the august office of the Deputy Chief Minister which now has its own pages, will have a part of the travel etc. because the Deputy Chief Minister, of course, does his own travel and therefore the hon. Gentleman will see part of the cost is there as well.

**Hon. D A Feetham:** And also, Mr Chairman, if we go to number 9, we will see that the forecast outturn for the end of this year was £1.5 million in grants and donations, and that has been reduced by over two thirds to £420,000.

Can the Hon. the Chief Minister explain the considerable reduction in expense in relation to that particular Head?

**Hon. Chief Minister:** Yes, Mr Speaker, the Hon. the Chief Minister found he was often criticised for a lot of the costs arising for No. 6 Convent Place which in fact related to other Departments.

So those charges which related to other Departments are now in the other Departments; and a number of them related to matters relating to Health, for example, and the hon. Gentleman will see that those Departments are now carrying their own costs rather than subjecting the Chief Minister to those unfair and entirely inappropriate allegations that were made before.

**Mr Chairman:** Any other questions?

**Hon. T N Hammond:** Mr Chairman, in the same section on page 26, paragraph 11, Research Development Studies and Professional Fees, I note that the forecast outturn is almost double the estimate of £450,000 rising to £870,000, and the estimate for the coming year is £500,000.

Just two questions on that: is the £500,000 realistic based on this year's outturn? And is there an explanation for such a significant overspend in that particular area?

**Hon. Chief Minister:** Yes, Mr Speaker, this is a head that is usually demand driven. If the hon. Gentleman looks at the Actual in 2014-15 and the Estimate, and then the Actual now, the Actual would have been more demand led than anything else and the Estimate should not be any much larger, so much more increased than the Estimate for last year was, other than trying to see that we keep it within that. But if there are professional fees, then we have to meet them and that is how the outturn is usually larger.

Those professional fees may not be related to No. 6 Convent Place but we are still a bit of a bucket, despite my best efforts, for other people's professional fees as well, because if there is an agreement that something happens and there needs to be advice taken, very often there is not the budget in the other Departments and it has to be dealt with out of No. 6.

**Mr Chairman:** Anything else on page 26?

**Hon. T N Hammond:** I do have some more on page 26, but just mainly on that point.

Can I ask, Mr Chairman, if the Chief Minister is saying that the £500,000 is likely to rise as it has in previous years and therefore would it be sensible to put a higher estimate to reflect the likely true figure there?

**Hon. Chief Minister:** No, Mr Speaker, what we are saying is that we think that £500,000 is the right figure. If you look at 2014-2015 it was closer to £500,000 than to £870,000, and so there must be an attempt to keep it towards the £500,000 and not to allow it to increase. But there may be demand-led reasons why it has to increase.

For example, I am looking at some of the fees which relate to the current year and I can see they are all about professional fees incurred in the context of some of the issues that the hon. Gentleman may have read about in the paper, and where we have had to take advice and

understand what Gibraltar's rights are internationally etc. and that comes out of this head very often.

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**Hon. T N Hammond:** Yes, I understand that, I think the only point I was trying to make was obviously an estimate tries to reflect a reality rather than an aspiration, and so if the expectation is that the ... certainly in the last year it was a significantly higher cost. Unless the Chief Minister is telling me that he is not anticipating a similar year coming up, and in the Brexit scenario obviously I think we can expect to have – certainly in terms of professional fees – the significant potential there, whether it would be wiser.

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But I do accept the Chief Minister's point and I will not press that any further.

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**Hon. Chief Minister:** Mr Speaker, the book was done well before Brexit and it may be that there is a need to take further advice and we may exceed the amount, or we may be taking a lot of advice from other sources that do not come out of this head.

So I am not one for encouraging people to think that there is more money available; and it is also a tool in my negotiating arsenal to say to people, 'I have not got money in the head', so I can try and get better fees.

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So I would not encourage him to give succour to those who would take us for suckers.

**Hon. D A Feetham:** Yes, Mr Chairman, two items at 14, Government General Advertising and Official Notices.

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If the Chief Minister looks at the Actual for 2014-2015 it is £1.1 million. I would be very surprised if that did not actually come above the estimate for that year but certainly, if you look at the Estimate for 2016 was £600,000, the forecast outturn is £900,000 and now we have got a figure which is £500,000 which is less than what was estimated last year.

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Unless the Government has taken a conscious decision to really decrease the level of Government General Advertising that is likely to increase isn't it, during the course of this year, to an Actual probably closer to the £900,000 in the forecast outturn, bearing in mind that if you look at 2015 it was £1.1 million.

That is one. Secondly, in relation to 17 there is an ex-gratia payment there of £460,000 in the forecast outturn for the end of 2016. Can he explain what that is when the Estimate last year was £25,000?

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**Hon. Chief Minister:** Well, Mr Speaker, whilst the information on 17 is provided, in line 14 what he is seeing is another one of the effects of the Office of the Deputy Chief Minister being created, because one of the largest areas of expenditure was property in relation to property advertising, Mr Speaker. So he will see, for example, that one of the lines that is open in respect of the Office of the DCM is a line in respect of Land Advertising and Official Notices which is now going to be dealt with there, Mr Speaker.

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Different rules will apply in relation to advertising so that it is controlled in the way that we think is more appropriate. So if the hon. Gentleman looks at the Estimate for last year and he looks at the Estimate for this year based on what I have told him, he will find that we are estimating the same amount and we are going to continue the exercise of trying to keep the cost down. But again, with the caveat that this was a pre-Brexit book and that *these* areas may be areas where more expenditure is required.

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In relation to ex-gratia payments, Mr Speaker, he needs to be very alive to the fact that it is a plural, it is ex-gratia *payments*, and there are nine payments which are the ones that make up the £460,000, including the £25,000 which was the approved estimate so it is an overspend of approximately £435,000.

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But this is again demand-led and this relates to a settlement in one Department; all of those settlements come to No. 6 Convent Place for payment. The other Departments, I think, apart from the GHA, do not have a head for ex-gratia payments so they all come here.

475 There is the argument to put £1,000 in as a line rather than £50,000. There are some years when you find you are entirely underspent on the line and there are some years where you are overspent on the line, it depends on settlements.

**Hon. T N Hammond:** Mr Chairman, if I just may take us back to paragraph 15, Media Monitoring Services. Again, I notice that the Actual for years 2014-15 was £450,000, the forecast outturn for the last financial year was £550,000, and yet the Estimate for the coming year is £180,000 – quite a significant cut.

485 It has never been absolutely clear what those Media Monitoring Services are, but whatever they do presumably it costs money and has cost £550,000. Why is there an expectation that that budget should be cut by a third this year?

**Hon. Chief Minister:** Mr Speaker, we do not talk about what the details of that is, but I will give him the confidence that none of it is national, so I do not pay anyone to tell me what he tweets. This is all about outside of Gibraltar and I think that has been made abundantly clear.

490 Mr Speaker, we had an expectation that the services we were going to need outside of Gibraltar were going to be considerably reduced. Nothing has changed in that respect except Brexit.

495 So the aspects that we thought we were going to need regarding – if I may put it this way – the more traditional issue that we have consistently had, is adequately dealt with in the context of the reduction, because we are now able to do things in a slightly different way; technology changes and therefore those who were doing things for us can do them in a slightly different way. But Brexit may require us to change our view in respect of that figure as well.

500 At the moment it may be that we are talking a lot about Brexit costs, etc. and that we may not incur a lot of that in this financial year, it may be that the real work in respect of what we need to do internationally comes later because this is a process that is not necessarily going to be over in this financial year – we may not even see an Article 50 notice given by the United Kingdom in this financial year, or we may.

505 So it is either something that is going to start to affect our costs in the three-quarters that remains of this financial year, that may affect the following financial year, or may continue to affect us even into a third financial year.

For now all I can say is that we will nonetheless seek to stick to these estimates wherever possible in all matters that are not Brexit-driven, because I think it is important that we should try to.

510 **Mr Chairman:** Any other questions?  
Head 2 stands part of the Bill.

**Clerk:** Head 3, Customs; subhead 1, Payroll.

515 **Mr Chairman:** Any questions?

**Clerk:** Subhead 2, Other Charges.

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

520 **Clerk:** Head 4, Broadcasting; subhead 1, Payroll; subhead 2, Other Charges.

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

525 **Clerk:** Head 5, Income Tax; subhead 1, Payroll; subhead 2, Other Charges.

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

**Clerk:** Head 6, Parliament.

530

**Mr Chairman:** Stand parts of the Bill. *(Laughter and banging on desks)*

**A Member:** Hear, hear.

535

**Clerk:** Subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Stands part of the Bill. We can carry on in business.

**Hon. E J Reyes:** Mr Chairman.

540

**Mr Chairman:** Yes.

**Hon. E J Reyes:** I was just trying to ask a question –

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**Mr Chairman:** Yes, go on.

**Hon. E J Reyes:** On Other Charges, 2(a) about the Commonwealth Parliamentary Association. I see that a token of £40,000 is standard.

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It is just that looking at the forecast outturn we seem to have hit the nail on the head and I thought there might have been a saving this year given that, for reasons of security mainly, the hon. Lady and myself along with I believe, most of our regional representatives, did not attend the Islamabad Conference.

So maybe the actual outturn may even be slightly lower. I am asking if perhaps the hon. Lady can enlighten us.

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**Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):** Mr Chairman, to set that off Gibraltar did host a CWP Conference; while there was a saving because we did not travel to Pakistan last year, Gibraltar did host a conference in February for CWP.

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**Hon. E J Reyes:** Yes, that more or less puts to rest the suspicion I had. I am glad to see that.

And obviously, Mr Chairman, I think the hon. Lady and myself are happy to report that there might even be a saving this year, although in the following year there will have to be an increase because Gibraltar will actually be hosting – very proudly hosting – and this is where we certainly prove that we can work together for the benefit of Gibraltar. We will be hosting the regional meeting and I wish those Members who still have not had an opportunity to get themselves well acquainted with CPA matters, that they take advantage of the one that will be held in Gibraltar and therefore we can get more people on our side because we are very much part and parcel of the Commonwealth family. *(Banging on desks)*

565

**Hon. R M Clinton:** Mr Chairman, I just have just one question.

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In relation to Item 2.2(f) Recording Equipment, I notice that the outturn is £2,000 and for this coming year we are talking about £26,000. I wonder if somebody could explain that for us.

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**Hon. Chief Minister:** Mr Speaker, I understand this is the new maintenance contract for recording equipment – the original one expired and this is the new one. Of course the equipment is now outside of its initial purchase and maintenance agreement period so this is, I think from memory, the first total maintenance agreement which is not linked to the acquisition.



**Mr Chairman:** Any other questions?

580 Head 6, Parliament, stands part of the Bill.

**Clerk:** Head 7, Human Resources; subhead 1, Payroll; subhead 2, Other Charges

585 **Hon. E J Phillips:** Mr Chairman, just one question in relation to 2.4 Funding of University Students – Summer Jobs.

I note there is a decrease in the Estimate for 2016-2017. Does that represent a reduction in the number of opportunities or summer jobs available to students? I would have thought that the number of students would have remained the same, or at least around the same figure.

590 But I would just like some clarification as to whether the funds available for summer jobs have been reduced.

**Hon. Chief Minister:** Mr Speaker, in fact what we wanted to do is to ensure that people who came to work with us had something meaningful to do rather than simply give people dead end jobs for which they were paid to be around, which hon. Members across the floor have repeatedly said they do not want to see us do, and we do not want to see people do.

But we inherited a system when we were elected, which had been introduced the year before the election – surprise, surprise – that whoever wanted to have a job for summer, had a job for summer and we found many idle and bored students hanging around Government.

600 So we made provision for less of them to be employed this year, well at least to have the same number to be employed but to be divided between the two months. In fact, just very few over the number that we had allowed for have applied, so we have allowed everyone who has applied to actually have the opportunity.

605 I think this will make for a much more engaging period with the Government during the summer, so that those who are with us are actually doing something with us, not to have such a large number that they are sitting around idle. I sincerely hope that this is a process that they continue to engage in as Gibraltar students because I think we get a lot out of having the opportunity to have them with us in the Government if we have them in manageable numbers.

**Hon. R M Clinton:** Mr Chairman, just one question.

610 In relation to Other Charges 2, item 5, Early Exit Schemes: I notice that seems to be creeping up year-on-year. I was wondering if an explanation could be provided as to what these exit schemes cover. What it is in respect of – other than, obviously, exit?

615 **Hon. J J Bossano:** Well, Mr Chairman, the early exit package originally was introduced in respect of the Housing Works Agency, and then it applied to the Public Works Garage; now we have made it available in other areas where we had representations from the Union where people have got a number of years ahead of them, and we are giving them similar exit terms on the basis that they are jobs that are not replaced, so that eventually the cost that appears here will be offset by the savings in the salaries of the job that disappears.

620 So the early exit package is in fact a voluntary reduction in numbers employed in the public service.

**Hon. R M Clinton:** Just to clarify for my own information, this would only apply to civil servants, yes?

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**Hon. J J Bossano:** It applies to public servants, not just to civil servants. The Housing Works Agency were people who left the Civil Service.

630 The distinction made by the GSD was that people were paid to stop being civil servants, which is something which I explained earlier. So in the Public Works Department they were civil servants.

In order to sacrifice their status as employees of the Crown and become employees of the greatest Gibraltarian, clearly acknowledging how much worse that was, there was a 16% or 18%, 18% for craftsmen, 12% acknowledging that working for the Queen was better than working for the then Chief Minister. People had to be paid to make the move and therefore the exit was not available to civil servants.

Even now, strictly speaking, it is not available to civil servants. When we have somebody who wants to take the early exit package, we put them through the route of exiting the Civil Service first.

**Hon. T N Hammond:** Mr Chairman, still under Human Resources, paragraph 6 under Relief Cover: I note here also that there are ex-gratia payments amounting to, in the last financial year £169,000 and the year before that £113,000.

No estimate has been set aside for that in the coming financial year, so considering the last two years payments of in excess of £100,000 have been made, would it not be wise to place an estimate there?

**Hon. Chief Minister:** Mr Speaker, the hon. Gentleman needs to understand and I am not making any criticism, I know it is their first year, and I was probably much worse at understanding it in my first year than they are.

When it is in italics and indented it means it is a disappearing subhead so that head will not be there anymore. *(Interjection)*

And, as another little clue, if it goes somewhere else, it has a footnote and it tells you where it is going. If it does not have a footnote it is just disappearing.

**Hon. T N Hammond:** I thank the Chief Minister for that. The reason I ask the question is of course the footnote refers to the indented clause above it and it was not clear, therefore, that it also applied to the clause below. *(Interjection)*

**Hon. Chief Minister:** Mr Speaker, the footnote applies to the one above which is going somewhere else – the one above Contribution to GDC Staff Services is going to page 171; but the ex-gratia payments line is completely disappearing and that is why it does not have a footnote.

**Hon. T N Hammond:** Again, I thank the Chief Minister for that clarification. In which case, could I just ask for the last year as he provided the figures for the number of ex-gratia payments made under the Head 4 number 6, if he might do the same for this particular head in the last financial year?

**Hon. Chief Minister:** Eight ex-gratia payments, Mr Speaker.

**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.

**Clerk:** Head 9, Financial Secretary's Office; subhead 1, Payroll.

**Hon. R M Clinton:** Mr Chairman ... *(Interjection and Laughter)* with bated breath.

Head 1, Payroll Item 1(d) Temporary Assistance: I would be grateful as to what that temporary assistance was in respect of, seeing as it seems to be a permanent item?

**Hon. Chief Minister:** Mr Speaker, this is the amount that is paid in respect of the former Financial Secretary who continues to assist and has an arrangement to come in and help us with some issues where he is still involved.

685 The hon. Gentleman may want to go to the press release that we issued at the time which actually provided exactly for what Dilip continues to do for us. For example, he continues to be the director of some of the Government companies where I have asked him to continue doing that work.

690 He is a fantastically able man who has done sterling work in his career in the service and there was no reason why – if he would agree to continue to do that – why we should burden the new Financial Secretary also with that work; and that is the difference there.

**Hon. R M Clinton:** I thank the Chief Minister for that answer.

695 So I take it this is purely in respect of Dilip. Can I ask: is there a fixed term contract for Dilip?

**Hon. Chief Minister:** Mr Speaker, I tend to try not to use the names across the floor of the House, out of courtesy, but if he has worked it out accurately he has worked it out accurately. But just for the sake of the record I would rather not go down the road of using names.

700 Is there a fixed term contract? It is not fixed term, Mr Speaker, I have asked him to please continue; and at some stage Dilip – the former Financial Secretary – will say to me, ‘I would rather *not* continue.’

705 So it is not something that is indefinite but it is not something that is going to end this year, I hope. I sincerely hope that he will continue to assist me for the time that I am Chief Minister and I would hope that it is going to go on for a very long time indeed.

**Hon. D A Feetham:** Mr Chairman, are we talking about the £75,000 that relates to the former Financial Secretary or does that take into account more than one individual? Because in previous years there has already been temporary assistance in previous years, so the £75,000 may not relate to him alone.

710 **Hon. Chief Minister:** It does, Mr Speaker, but what I understand is that the issue is that we did not provide for the full year effect and so in 2014-15, the Actual period worked is charged. In 2015-16 the salary put in was not the full year effect but the outturn is the full year effect, and you can see the full year effect now, as well, going forward.

715 **Mr Chairman:** Head 9, Financial Secretary’s Office, stands part of the Bill.

**Clerk:** Head 10, Procurement Office; subhead 1, Payroll; subhead 2, Other Charges

720 **Hon. R M Clinton:** Mr Chairman, if I may?

I happened to notice, in just doing an analysis of headcount, that the headcount of the Procurement Office does not seem to have changed much over certainly the last four years.

725 I just wondered if there are any plans ... obviously there is nothing in the Estimate for 2016-17 and maybe it is not appropriate for me to ask now, but are there any plans to increase the establishment?

**Hon. Chief Minister:** Mr Speaker, is he encouraging me to do so? *(Laughter)* I am just trying to work out which wing of the GSD I am dealing with at the moment. *(Laughter)*

730 The answer is no, Mr Speaker, and – *(Interjection)* well, I do not know! Given your speeches, I do not know any more.

But the answer is no, there are no plans to increase in the Procurement Office. Brexit may have many consequences and, if we do not have to do EU procurement, it may be possible that some of the people who are in Procurement today may wish to work in other wings of

Government, where there may be more post-Brexit activity than there may be in others, where there may be less post-Brexit activity.

EU Procurement, as the hon. Gentleman may know, is one of the most demanding things that Government does these days.

**Mr Chairman:** Head 10, Procurement Office, stands part of the Bill.

**Clerk:** Head 11, Government Law Offices; subhead 1, Payroll; subhead 2, Other Charges

**Hon. E J Phillips:** Mr Chairman, just in relation to Other Charges 2, Operational Expenses (a).

I just wanted to know whether the Government had thought about online resources in relation to law books, or the replacement of law books for this cost with online resources; or whether, indeed, this £90,000 also includes online resources – legal resources, should I say?

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Chairman, yes, this is an area that is being looked at in terms of subscriptions and the law books and making the system more efficient and certainly, as the hon. Member well knows, having access to databases clearly costs money but makes it more efficient research and sometimes you do not have to buy the physical book.

But certainly that is something that has been in discussions and is in line.

**Hon. R M Clinton:** Mr Chairman, as a non-lawyer I wonder if the Minister for Justice perhaps could clarify for me, what is meant by parliamentary counsel officers? Are these people going to be available to Parliament and in what sort of capacity or is this a generic term common in the legal fraternity?

**Hon. Chief Minister:** Mr Speaker, in the context of Westminster, somebody who works to draft laws is called a Parliamentary Counsel and somebody who advises the Treasury is called Treasury Counsel but they are all lawyers who do all different things in the Government Law Offices.

And if the hon. Gentleman wants more detail there was a very detailed press release issued at the time of the reorganisation which detailed all of that and set out what parliamentary counsel were and all the rest of it.

**Hon. T N Hammond:** Mr Chairman, referring to the Payroll under Government Law Offices and I just may not have seen how some things have moved from one head to another here, so just requesting some clarification on the forecast outturn for the last financial year of £959,000 rising to an estimate this year of £2,437,000 – is that because extra resources are being shown from another head that has been transferred or is there another reason? It is not clear to me.

**Hon. Chief Minister:** This is the amalgamation of – in the same press release that I have just referred the hon. Gentleman to – the amalgamation of all the Law Officers that were in different parts of the book, they are now altogether in one part of the book.

I am told it is in the footnotes, Mr Speaker. This is a debate where the ‘devil is in the detail’ is really one of those things that is very true. It is in the footnote, Mr Speaker, I am told. If the hon. Gentleman follows up the footnotes 2 and 3 and throughout, it then sort of explains what is happening.

**Mr Chairman:** Any other questions?

Head 11, Government Law Offices, stands part of the Bill.

785 **Clerk:** Head 12, Office of the Deputy Chief Minister; subhead 1, Payroll; subhead 2, Other Charges.

**Hon. T N Hammond:** Mr Chairman, if I may just again ask for clarification. As far as I can see there are no travel or entertainment expenses as suggested by the Chief Minister under the No. 6 Head that we might find under the Head of the Deputy Chief Minister and which may have been shifted to explain for the reduction in those costs under the No. 6 Head. Is that correct?

**Hon. Chief Minister:** Mr Speaker, because the Lobbying Head carries a lot of those charges, I mean part of the lobbying work is travel costs. Now, let me just try and explain this in a way that is easy to understand.

Ministerial travel comes out of the Central Travel vote at No. 6. Not that they care, but every time that they unfairly accuse the Chief Minister of travelling more etc. – it is not just the Chief Minister, it is the cost of all Ministerial travel.

Lobbying includes the travel costs of third parties. So for example if you are bringing people over, you are moving people who are not Government Ministers then that travel cost comes out of there and so that is the cost that we are dealing with in that context.

**Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Chairman, there have been instances when we have invited for example, Members of the European Parliament to come to Gibraltar. That might come from the Lobbying Vote.

**Mr Chairman:** Head 12, the Office of the Deputy – *(Interjection by Hon. E J Reyes)* sorry –

**Hon. E J Reyes:** May I ask as well, on subhead 2(5) under the Archives, there are general expenses of £30,000 which is certainly a figure higher than what any other Department tends to have under that general heading. Is there any type of clarification? Because it could or could not include that there is a breakdown in other subheads such as rent or telephone charges or whatever. Here there is nothing except just a very general title.

**Hon. Deputy Chief Minister:** Mr Chairman, this relates to the digitisation programme going on in the archives, as I explained during my contribution.

**Mr Chairman:** Head 12, the Office of the Deputy Chief Minister, stands part of the Bill.

**Clerk:** Head 13, Civil Aviation; subhead 1, Payroll; subhead 2, Other Charges.

**Hon. R M Clinton:** Mr Chairman, may I ask under Head 2, subhead 4, Aviation Projects £105,000 – I would be very grateful for any clarification as to what that might relate to.

**Hon. Deputy Chief Minister:** Mr Chairman, yes. This relates to ongoing work into the possibility of setting up an aviation register for Gibraltar like we have a shipping register and a yacht register.

**Mr Chairman:** Head 13, Civil Aviation, stands part of the Bill.

**Clerk:** Head 14, Health; subhead 1, Payroll; subhead 2, Other Charges.

**Hon. R M Clinton:** Mr Chairman, I would be grateful under Other Charges for some explanation as to the grants item, £770,000.

**Hon. Dr J E Cortes:** They are the ones, Mr Chairman, that the Chief Minister referred to earlier that have been moved from his No. 6 to Health and if memory serves me correctly they include the Hospice and the Oxygen Therapy.

840 **Hon. R M Clinton:** I do not suppose that a sub-analysis would be possible. (*Interjection*)

**Hon. Dr J E Cortes:** The breakdown, I think the Financial Secretary just showed me it, I did not realise you needed detail – £468,000 for the Therapy Centre, £300,000 for the Hospice –

845 **Hon. Chief Minister:** Mr Speaker, we have given it now, it is 5.45 on a Friday afternoon. I dare say we are probably the only people listening.

I just caution hon. Members, if they want more detail of that I am quite happy to let them have it but not in public because we do not want everybody to think that they can ask for the same amount.

850 These are two important ones that have gone to the GHA and they are in a greyer area, if I may say so, but in respect of grants what we do we say, well I am quite happy to tell you what it is, but I do not want everybody else to know because then everybody says ‘I am also a *whatever*, *whatever* charity and can I please have because you give ...’ and so if hon. Members have that we can share that information in respect of any public grant in the future on a more private  
855 basis, not to encourage others.

**Mr Chairman:** Head 14, Health, stands part of the Bill.

**Clerk:** Head 15, Environment; subhead 1, Payroll; subhead 2, Other Charges.

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**Mr Chairman:** Head 15 – yes, the Hon. Trevor Hammond.

**Hon. T N Hammond:** Mr Chairman, just under the Cemeteries section, I note that the outturn for salaries is £123,000 and the estimate for discretionary overtime is £180,000.

865 I just question whether that is the best way of operating any kind of manning protocol or whether the Government should perhaps consider employing someone else, it may be cheaper I do not know.

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** The  
870 cemeteries are run virtually on a seven day a week basis so there is a lot of overtime involved. Also you never know when a funeral might be necessary and in Gibraltar because our correct tradition of having funerals as soon as possible, sometimes they are called on bank holidays and so on.

875 This is not always foreseeable and therefore this has always been like this, it is nothing new, it goes back to a former administration and probably the one before that. And that is really the reason why it is dealt with in that way, there is a lot of overtime because sometimes you just have to do it at awkward times.

**Hon. T N Hammond:** I appreciate that and obviously the Health Authority also runs on a basis  
880 where you have people seven days a week 24 hrs a day and normally you work shifts which do not bring overtime in.

885 If I may just finish, the reason I ask the question, it is a fairly unusual situation to have a circumstance where your overtime expense is actually a third again higher than your salaries and normally that would trigger a response by perhaps employing more staff to deal with the situation.

**Hon. Dr J E Cortes:** I do not think the Health Authority is a good comparison because there you know you are working 24 hours but it is predictable and people are on shifts. In the cemetery you cannot foretell and therefore you may have people who are on shifts who end up having nothing to do. So you know, it is not as simple as that.

**Mr Chairman:** Any other questions?

**Hon. Dr J E Cortes:** I assume that Payroll is okay then?  
I do not think we have called the Other Charges yet.

**Clerk:** Subhead 2, Other Charges.

**Hon. T N Hammond:** Mr Chairman, just relating to paragraph 4(f) Commonwealth Park, I note that the forecast outturn is £390,000 above the estimate of £100,000 and that the estimate for the coming year is £450,000 which clearly shows a higher than anticipated cost for what I assume is maintenance of the park. Is there a particular reason why the costs have gone up so substantially in the space of two years?

**Hon. Dr J E Cortes:** None other than what the hon. Member has said, higher than anticipated, more in line with the previous year which only had about half a year. There has been a considerable expenditure particularly in water in what was a very dry and very hot year last year and that can take a considerable amount, so it was just higher than anticipated and therefore we have provided for this year.

**Hon. T N Hammond:** Can I just clarify then that the additional cost is down to what would appear to be utilities rather than perhaps the assumption that the lawn may have to be re-laid each year?

**Hon. Dr J E Cortes:** No, no, absolutely not, absolutely not. The lawn in this sort of situation would probably have to have considerable relaying every two to three years but not because it is taken that it will happen every year.

**Hon. T N Hammond:** But may I assume the costs for the outturn, last year's outturn of £490,000 do include the cost of the new lawn.

**Hon. Dr J E Cortes:** That presumably does include the cost of the lawn. No that was capital, that is right yes; no it does not include that.

**Hon. R M Clinton:** Mr Chairman, if I may, under Item 3, on Other Charges, subhead M – Environmental Security Services, I was just wondering what that relates to and how it is that we have an outturn for this year of £296,000 and nothing forecast in the Estimates Book last year and why that has now dropped to £90,000 for the coming year.

**Hon. Dr J E Cortes:** We are reviewing the security operation there which last year included quite a large number of security officers around many different places including the Upper Rock, around town and elsewhere.

We are reviewing that this year, have not completely changed it yet but some of these things that they were doing for example in some of the litter hot spots and so on seem to have improved so that is under review and we suspect we will be able to cut costs there considerably.

**Mr Chairman:** Head 15, Environment, stands part of the Bill.

**Clerk:** Head 16, Utilities; subhead 1, Payroll; subhead 2, Other Charges.

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**Mr Chairman:** Head 16, Utilities, stands part of the Bill.

**Clerk:** Head 17, Collection and Disposal of Refuse; subhead 1, Payroll; subhead 2, Other Charges.

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**Hon. R M Clinton:** Mr Chairman, under Item 1, subsection 6, Finance Repayment and £90,000 showing up for this coming year, I would be grateful for some clarification on that number.

**Hon. Dr J E Cortes:** Yes, that is the purchase of a number of new refuse lorries which is financed I think by a loan and then is repaid. So that relates to new refuse lorries.

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**Hon. T N Hammond:** Mr Chairman, in the same section under Line 4, Employers' Contributions: I note that they do rise by approximately 20% for the estimate for the coming year. Is there a particular reason for that as the wages do not seem to go up so I am assuming there are no extra personnel employed?

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**Hon. Dr J E Cortes:** There have been more employees taken on, so I am assuming that is in order to take account of that.

**Hon. T N Hammond:** In which case I would have anticipated a rise in the estimate for the wages as well.

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**Hon. Dr J E Cortes:** Right, I am told that this is related to pension contributions. We were down on people so the wages are alright but because people will subscribe to the pension schemes and the Government has to match it so therefore the implication is that higher contributions of pensions which the Government then has to match.

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Again I am sure we can give a breakdown in slower time but I am advised that it is to do with the pension contributions which have to be matched by the Government under the Providence Scheme.

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**Mr Chairman:** Head 17, Collection and Disposal of Refuse, stands part of the Bill.

**Clerk:** Head 18, Gibraltar Health Authority, Elderly Residential Services Section; subhead 1, Payroll; subhead 2, Other Charges.

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**Mr Chairman:** Head 18, Gibraltar Health Authority, Elderly Residential Services Section, stand part of the Bill.

**Clerk:** Head 19, Technical Services; subhead 1, Payroll; subhead 2, Other Charges.

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**Mr Chairman:** Head 19, Technical Services, stands part of the Bill.

**Clerk:** Head 20, Driver and Vehicle Licensing; subhead 1, Payroll; subhead 2, Other Charges.

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**Mr Chairman:** Head 20, Driver and Vehicle Licensing, stands part of the Bill.

**Clerk:** Head 21, Port; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 21, Port, stands part of the Bill.

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**Clerk:** Head 22, Town Planning and Building Control; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 22, Town Planning and Building Control, stands part of the Bill.

**Clerk:** Head 23, Statistics Office, subhead 1, Payroll.

**Hon. R M Clinton:** Mr Chairman, just curious: Payroll costs, salaries, I notice the establishment is still eight, with the same mix but the outturn was £319,000 for this year ended and the estimate for next year is £285,000 which is lower. It does not seem to be right to me but I would welcome an explanation.

**Hon. Chief Minister:** One vacancy and two maternities, Mr Speaker.

**Clerk:** Subhead 2, Other Charges.

**Chairman:** Head 23, Statistics Office, stands part of the Bill.

**Clerk:** Head 24, Economic Development; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 24, Economic Development, stands part of the Bill.

**Clerk:** Head 25, Equality and Social Services; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 25, Equality and Social Services, stands part of the Bill.

**Clerk:** Head 26, Tourism; subhead 1, Payroll; subhead 2, Other Charges.

**Hon. L F Llamas:** Mr Chairman, I have a question with regard to Other Charges, 3(c) Consultancy. I would like to have a bit more detail as to what this £80,000 is.

**Hon. Miss S J Sacramento:** Mr Chairman, these are two engagements that the Tourist Board has. People are not employed as public servants but rather they are on contracts.

**Hon. L F Llamas:** Do I take it that it is a new item or is it – ? I cannot see it having been included in previous years.

**Hon. Miss S J Sacramento:** Mr Chairman, it is not a new item, it was included in previous years but it was included in a different head. So for accounting purposes we have just moved it from one to the other.

**Mr Chairman:** Head 26, Tourism, stands part of the Bill.

**Clerk:** Head 27, Housing Administration; subhead 1, Payroll.

**Hon. E J Reyes:** May I, Mr Chairman? On the Payroll, subsection 2(a) where it says Industrial Wages – Basic Wages, there is a provision for £24,000 we are having a forecast outturn the previous year of £17,000. There was no expenditure the years before that and if I ask you sir, could you please turn back a page to page 96 on the Actual Establishment, Industrial Staff was zero. So who are we paying if there is no-one in the industrial staff?

**Hon. Miss S J Sacramento:** Mr Chairman, this reflects something that was undertaken by the GSD when the Housing Works Agency was created and this represents a migration from the Industrial staff in the Housing Department to the Housing Works Agency but the fund comes under the Head of the Housing Department.

**Hon. E J Reyes:** I have not quite understood that. I can understand the part where we came to certain arrangements and in fact the Hon. Joe Bossano was even using that as an example. You were a civil servant and then you came to a package and you moved on to the Housing Works Agency and so on. Why in 2016-17 should we still have a charge for basic wages? That at the end of the day reflects as if we were paying a civil servant who is no longer there. Surely that person already received the ex-gratia payment and so on. I am not an accountant and I am not a lawyer; I am a simple school teacher like Mr Speaker, but we need some sort of clarification please.

**Hon. Miss S J Sacramento:** Mr Chairman, that is actually in relation to – if we turn to page 96 there is a ‘supernumerary staff – messenger’. *(Interjection)* Yes, Mr Chairman, he is an industrial, reflected as supernumerary staff and that is his salary. He has been transferred from another Department into the Housing Department.

To clarify, Mr Chairman finally, it is because the post is a non-industrial post and the incumbent is an industrial, which is why the salary is reflected where it is.

**Hon. T N Hammond:** Mr Chairman, just reference, no sorry ignore me, I have jumped to Other Charges.

**Clerk:** Subhead 2, Other Charges.

**Hon. T N Hammond:** I will have a go now. Under Other Charges, paragraph 2(f), I note again that there is quite a significant difference from Estimates to Actuals and forecast outturns to the tune of over £100,000 in the last two financial years.

Does again this represent a realistic estimate for the coming year or is it worth considering raising that estimate which may be more in line with the reality of the situation?

**Hon. Miss S J Sacramento:** Mr Chairman, this is the cost that we envisage for this financial year. Sometimes decanting can happen due to unforeseen circumstances. In particular years if we have a very bad storm it may require more decanting than if the weather is better.

This is the estimate that we foresee is reasonable if, due to unforeseen factors we require further expenditure, then we will deal with it at that stage. But certainly I would feel more comfortable leaving it as the lower end of the scale which is what we envisage and that is what we anticipate.

**Hon. Chief Minister:** The hon. Gentleman might like to know there is £9 million of supplementary funding built into the book which is there to enable these sorts of charges to be provided for. So it is not as if we are not going to have, in any event, a built-in contingency for these sorts of areas which traditionally tend to overspend on a demand-led basis.

But from the point of view from the time I have been here and I think from the point of view of others who have been here for longer, the more you put in, the more you will definitely spend. Better to put in less and allow the demand to be what leads to cost rather than anybody thinking that they can take something from a head that is likely to be underspent because it is higher and that year there may not have been storms.

**Hon. R M Clinton:** Mr Chairman, under Head 2(5), Rates and Government Housing Stock, I have taken note of Footnote 6 which says previously offset against Revenue Head 5, subhead 50, House Rents page 8.

1095 The accountant in me, I cannot resist asking the question, there is also a comparative missing for the forecast outturn for 2015-16 for the equivalent rates number for Government Housing Stock.

1100 If I were to, as it were – and I hate to use the words reverse engineer – but if I was to work backwards and effectively set the income to same methodology as the prior year, would be showing an estimate income of only £330,000 in terms of house rents versus £2.9 million last year. I was just wondering if I could be provided with the forecast outturn equivalent number for rates and Government housing stock which would be adjacent to the £1,670,000.

1105 **Hon. Chief Minister:** All that we are doing by adding this line is showing independently a line that was not previously shown. So the hon. Gentleman sometimes asks us to provide more detail in respect of some lines, this is the more detail or one of the elements of more detail in respect of that line.

1110 But if he is asking us will we go back and provide that more detail going backwards, because what I understood him to say is, will he give me the figure for the forecast outturn 2015-16, he has just given me a figure 2016-17, the answer is the line did not exist and therefore it was not there.

But I will certainly look to see if we have the figure and if I can provide it I will.

1115 **Hon. R M Clinton:** Mr Chairman, perhaps because also what we are talking about here is a net-off that would happen in previous years and now you are grossing it up. But would I be correct or perhaps the Chief Minister could confirm my assumption, if I was to net that off the income line on page 8, that the net amount to be comparable to the prior year for forecast outturn 2015-16 would be £330,000?

1120 **Hon. Chief Minister:** I cannot, because he is asking me questions as an accountant and I am a lawyer. But I am quite happy to look at it with somebody who would be able to answer it. We may not be able to do it now, but I am quite happy to reach a conclusion in respect of the question that he has asked me and give him the answer, if we cannot do it now.

1125 **Hon. R M Clinton:** Mr Chairman, with respect, it is just two numbers in the Estimates Book. I am sure the Financial Secretary could work this out in two seconds.

**Mr Chairman:** Any other questions?

1130 **Hon. E J Reyes:** May I, Mr Chairman? On 2(i) there is a new expenditure of £20,000 that says Office Rent and Service Charges. I have looked but I do not see any footnote and no expenditure for the year that has just ended. So are these new premises that have been acquired?

1135 **Hon. Miss S J Sacramento:** Mr Chairman, yes. The Housing Department moved from the City Hall to New Harbours in January of last year.

1140 **Hon. E J Reyes:** Yes, Mr Chairman, I suspected that. Therefore there must have been some expenditure between January and the 31st day of March 2016 and there is nothing here under forecast outturn.

**Hon. Miss S J Sacramento:** Mr Chairman, because that building was shared with other Government Departments. The Ministry for Culture was also there, then I suspect that the cost

was probably borne under another head and not necessarily reflected under the Housing Department.

1145

**Hon. E J Reyes:** So, just to make sure I understood it right, they have got the new premises since January which are physically in New Harbours and that before was being paid for by another Department, was it Culture you said? And therefore Culture has done like a swap.

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**Hon. Miss S J Sacramento:** Mr Chairman, both Culture and the Housing Department were in the City Hall so you had more than one Department in the same building. So that instead of being split was just being borne by one Department so that would be the Culture. That remains there so there will be no difference in the cost that is reflected under Culture because they still remain in the building.

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**Hon. Chief Minister:** Mr Speaker, the answer to the hon. Gentleman is that the £1,670 would have to be as he says added to the lines at Head 5, subhead 50 and then he would reach for this year, a figure of £3,600,000. The increase between the earlier year's figures and that figure would be accounted for in the context of the arrears that we are hoping to recover and the better payment of rent because he would then have rent and rates together in the blue pages.

1160

**Hon. R M Clinton:** Just to clarify, the rates are obviously an expense. The line at Head 50 is an income. If it was previously netted off and now we are grossing up rather than going up to 3.6 would we not be going in the other direction?

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**Hon. Chief Minister:** Mr Speaker, it is not as simple as he suggests so if he agrees, I will get to him the answer in writing.

**Hon. R M Clinton:** Thank you, Mr Chairman.

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**Mr Chairman:** Head 27, Housing Administration, stands part of the Bill.

**Clerk:** Head 28, Business; subhead 1, Payroll; subhead 2, Other Charges.

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**Mr Chairman:** Head 28 –

**Hon. T N Hammond:** Sorry, Mr Chairman, just under line 5, I notice the Business Nurturing Scheme which last year was funded to the tune of £250,000, there is an estimate this year of £20,000.

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Have the funds for that scheme or a similar scheme been diverted elsewhere within the book?

**Minister for Business and Employment (Hon. N F Costa):** Mr Chairman, the £20,000 is to service the interest of the £250,000 for this financial year.

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**Hon. T N Hammond:** So I understand the £250,000 effectively represents a loan to businesses or a loan.

**Hon. N F Costa:** Remember, I said in the course of my Budget Speech that there have been various applications and only so many businesses have been successful. If I recall correctly I think there were 18 applications and seven have been successful.

1190

There has been a second batch of applications which the Committee is currently considering. So £250,000 is the sum that has been put to one side in order to provide loans of up to £25,000

per application and the interest that we foresee paying this financial year on the lump sum is £20,000.

**Hon. T N Hammond:** How does that work? Sorry, to whom are you paying interest? I am slightly baffled.

**Hon. N F Costa:** Mr Speaker, we issued a press statement sometime back making it clear that the £250,000 had been loaned to my Ministry by Credit Finance. The press statement certainly made that clear.

I was surprised the hon. Gentleman opposite did not make an issue out of it when I issued the press statement, but there you are. (*Interjection*)

**Hon. J J Bossano:** The subsidy is on the rate of interest here like it is in the I & D in respect of loans that are made to estates, to management companies of estates. So the loan is made by Credit Finance at the normal commercial rate. The borrower pays a reduced rate and what we are subsidising is the differential in the interest rates. That is what is there.

**Hon. D A Feetham:** But the loans to estates, we do not know how much has been loaned to estates because that is nowhere. This at least is here.

**Hon. J J Bossano:** The item in the I & D that says 'Loans to Estates' is also the element of the subsidy, not the actual amount of loan, the same as it is here.

**Mr Chairman:** Head 28, Business, stands part of the Bill.

**Clerk:** Head 29, Employment; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 29, Employment, stands part of the Bill.

**Clerk:** Head 30, Social Security; subhead 1, Payroll; subhead 2, Other Charges.

**Hon. T N Hammond:** Mr Chairman, if I could refer us to Line 7, Contribution to Statutory Benefits Fund for the year 2014-15, there was an Actual of £7 million for last year there is no outturn and then we find for the next year an estimate of another £7 million. I am just not really clear where such a large sum of money is going to quite honestly.

**Hon. J J Bossano:** This is the amount that goes to the Social Insurance Fund to meet a shortfall between the contributions on the payments. It is the same amount every year.

**Hon. T N Hammond:** But there was no amount set aside in the previous financial year.

**Hon. J J Bossano:** It has got to be there... Because that is shown... The previous financial year...it is on page 103: Contribution to Statutory Benefits Fund and it is shown as disappearing this year because it appears somewhere else and there is a footnote.

**Hon. N F Costa:** If the hon. Gentleman were to go to page 103.

**Hon. T N Hammond:** I do see it on page 103, thank you. The footnote was not clear because it was not directly associated with that particular line.

1245 **Hon. R M Clinton:** Mr Chairman, just a quick question again, following up on the point from my hon. Colleague, am I correct in saying that the Statutory Benefits Fund does not appear in the Estimates Book or its own right?

**Hon. N F Costa:** Sorry, Mr Chairman, if the hon. Gentleman could repeat the question, I did not quite hear him.

1250 **Hon. R M Clinton:** Yes, just following on from the question, am I right in saying that the Statutory Benefits Fund itself is not part of the Estimates Book or there is no information on it in here?

1255 **Hon. J J Bossano:** Mr Chairman, it is not part of the Estimates, because we do not approve the expenditure. The expenditure is the entitlement to pensions, unemployment benefit and so forth and the revenue does not go into the Consolidated Fund. What we are approving is money that is being removed from the Consolidated Fund.

1260 The bit that is being removed from the Consolidated Fund is the amount of subsidy which is the £7 million we are voting.

**Mr Chairman:** Head 30, Social Security, stands part of the Bill.

1265 **Clerk:** Head 31, Postal Services; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 31, Postal Services, stands part of the Bill.

**Clerk:** Head 32, Education; subhead 1, Payroll; subhead 2, Other Charges.

1270 **Hon. E J Phillips:** Mr Chairman, apologies, one question in relation to Payroll D – Temporary Assistance to Prison Enterprise. I notice that the figure for Actual 2014 stands at zero and then £10,000 for the Estimate and then moving forward repeats the same pattern.

1275 Could there be some explanation as to what is meant by Prison Enterprise and in relation to the figure as well, please?

**Hon. G H Licudi:** Mr Chairman, there was provision there for the engagement of additional teachers, for example when we engage a retired teacher or a supply teacher to provide additional support.

1280 The reason it is zero is because this provision, this service which I mentioned during my Budget debate that there is full time provision of teaching services when there are juveniles in prison in particular, that is now being provided by a qualified teacher that is employed by the Department of Education who actually works in the Department of Education offices.

1285 He previously worked as a teacher in schools and now he is in the Department of Education offices and he is the one who goes up to the prison so he is already engaged as part of the complement and therefore because he was providing that service then the figure was zero. But we are making provision just in case we do need to engage either supply teachers or retired teachers as additional support.

1290 It has not been necessary because we have had the services of a qualified teacher whenever it has been needed this year.

**Hon. E J Phillips:** Just one further question, so that falls outside the expenses for prisoners which we come on to later at 34, but that falls outside workshop and rehabilitation for offenders, that is specifically for an education requirement at the prison.

I am grateful.

1295

**Hon. G H Licudi:** Yes, this is specifically under Education and it is being provided by the Department of Education itself.

1300 **Hon. E J Phillips:** Just in relation to Other Charges on page 116, 2(l), School Lunch Supervision. I was just wondering why there have been increases in relation to school lunch supervision. I would have thought that would have been a fairly standard cost across the board but it seems to have increased.

1305 **Hon. G H Licudi:** Yes, we do have somebody, in fact JBS carries out all the payroll in respect of this matter and they have advised that the projection for this year should be what it reflects there, £1,013,000 because that is to cover the average cost of not just the supervisors but supply cover, social insurance and pension contributions.

1310 **Hon. E J Phillips:** Just one further question in relation to (q), Hot Lunches for Schools. Obviously given the Government's commitment to provide lunches for schools, obviously now subject to consultation; I would have expected that figure to be higher.

1315 **Hon. G H Licudi:** It is a token amount that has been provided but what we have done is include the provision in the Book so that when we do need to carry out expenditure, then we can decide what additional expenditure will be required.

What we do not have at the moment, is Actual expenditure being incurred at the moment, nor do we know if it is going to be incurred next month in relation to preparation and provision of the service. And because we do not have a clear amount as to what we will incur, it is not appropriate to include in the Estimates Book but we have included a token so that we can start work on this.

1320

**Hon. E J Reyes:** Mr Chairman, on subhead 2.(12) there is a provision for students' support. That incurred an expenditure for last year forecast of £5,000 and now the estimate is six or seven times as much £33,000. Can we have some indication what project that is about?

1325

**Hon. G H Licudi:** Mr Chairman, this is to cater for additional support that we have announced and we are already carrying out which is particularly to do with the homework club which is being run by the Gibraltar College and the GCSE repeats.

As you know the homework club is carried out outside hours, it has been supported by qualified teachers and therefore either retired teachers or supply teachers come in to provide that support and this is the amount that we expect to incur during the course of this year in terms of that support which is given to school children outside of school hours.

1330

1335 **Hon. E J Reyes:** And therefore, Mr Chairman, should that not to a certain extent, so that we get the full picture, if we go back to subhead 1 where we have under Temporary Assistants, we have got all the breakdowns of specialists, special needs, learning support assistants and so on.

It would have looked a lot tidier, especially for us, Mr Speaker as our education list to see in the same way that I fully understand and I support what the Minister explained a few minutes ago in respect of the Prison Enterprise, that Student Support I get the impression is to deal with Human Resources expenses and the Hon. Mr Bossano might even be very supportive that it comes under that heading and is easier for all of us to keep tabs on what is actually going on in Human Resources as opposed to the general expenses or Other Charges which are nothing to do with Human Resources.

1340

1345 **Hon. G H Licudi:** I am not sure that I understand. Is the hon. Member saying that this would have been better reflected under the more general supply heading, Temporary Assistants?

1350 **Hon. E J Reyes:** Yes, Mr Speaker, sorry Mr Chairman, I think because it is actually expenses in respect of Human Resources, I think it would have been better reflected in a subsection under Payroll because it is not the purchasing of any equipment or the running of the teacher centre, for example ... and so on. It is actually payment to teachers to deliver something in the same way, exactly the same example the Minister gave before about the Prison enterprise.

1355 **Hon. G H Licudi:** Mr Chairman, I suppose it could have been included there, it has been provided elsewhere with a specific provision for this specific area rather than a general heading which caters for all types of student support.

I imagine the reason it is there is that Payroll and Temporary Assistants generally is related to additional cover like there is provision for maternity, there is provision for supply teachers, there is provision for SNLSAs. That is to cover during school time.

1360 This is a slightly separate provision and that is why it has been shown separately under Other Charges because it is outside of school hours for an additional provision, an additional enterprise that the Government has engaged in rather than the normal run of the mill cover, temporary assistance that is provided whenever teachers or learning support assistants are absent.

1365 **Hon. E J Reyes:** Yes, I understand that. I know I run the risk of being over pedantic but in the same way as for example under Payroll E, does that Temporary Assistant, Adult Education which is obviously taking place after school hours and so on, I just believe it looks tidier and easier especially for us educationists to understand if that one ... I suggest that for next year we consider ... The item came in brand new last year, it seems to have worked well and therefore  
1370 the Minister carries my support in taking it forward another year and even if need be to ensure we deliver the best educational product with additional expense, perhaps for the following year we can transfer it to Payroll and put it just below the Adult Education. At a glance, it gives us a better picture of what we are actually paying.

1375 **Hon. G H Licudi:** Mr Chairman, I take the point and will certainly be happy to consider that for next year.

**Mr Chairman:** Head 32, Education, stands part of the Bill.

1380 **Clerk:** Head 33, Policing; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 33, Policing, stands part of the Bill.

**Clerk:** Head 34, Prison; subhead 1, Payroll; subhead 2, Other Charges.

1385 **Mr Chairman:** Head 34, Prison, stands part of the Bill.

**Clerk:** Head 35, Gibraltar Law Courts, subhead 1, Payroll; subhead 2, Other Charges.

1390 **Mr Chairman:** Head 35, Gibraltar Law Courts, stands part of the Bill.

**Clerk:** Head 36, Justice; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 36, Justice, stands part of the Bill.

1395 **Clerk:** Head 37, Fire and Rescue Service; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 37, Fire and Rescue Service, stands part of the Bill.



1400 **Clerk:** Head 38, Civil Contingency; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 38, Civil Contingency, stands part of the Bill.

1405 **Clerk:** Head 39, Sport and Leisure; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 39, Sport and Leisure, stand part of the Bill.

**Clerk:** Head 40, Culture and Heritage; subhead 1, Payroll; subhead 2, Other Charges.

1410 **Hon. T N Hammond:** Mr Chairman, just reference Line 3.(g), Other Events – I note a steady rise in expenditure this year, an estimate of £110,000 has been set aside. Would the Minister be able to give us a flavour of what those other events are expected to be?

1415 **Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** No, Mr Speaker, it is to do with events we did last year, like the Winter in the Town, and other events we do in conjunction with the GTB for example, the Extravaganza at the Beach and we are looking at different things like that so that is why there is a slight increase there so that we have that income available, that money available.

1420 **Hon. E J Reyes:** And, Mr Chairman, if I may on 2.3.(h), under Academy, from an original estimate of £20,000 we ended up having an expenditure of £104,000 and yet for the current financial year we are just asking for £1,000.

What does it mean by Academy and an explanation of why such a big overspend and why no need to have anything else?

1425 **Hon. S E Linares:** Well, Mr Speaker, as the hon. Member knows, the Academy started actually that financial year. What happened was that we had put £20,000 originally because we did not know how much it was going to cost.

1430 In the setting up it has cost £104,000. The only thing is that the Academy has now got a revenue stream so we still do not know exactly how much the Government is going to have to contribute on an annual basis once it is set up.

1435 Therefore, we have left the head there as a token of £1,000 for this year because as I have been saying we have 360-odd students who actually pay in to the Academy so the accounts are not quite sorted out yet so we would rather put the £1,000 there so that when the accounts come in we will then know more or less exactly how much we will be giving every year.

**Hon. R M Clinton:** Mr Chairman, if I may ask, Item 3.(c), Mega Concert, this year projected to come in at a cost of £1.5 million, last year £3.6 million. Can we explain the decrease in cost?

1440 **Hon. D A Feetham:** A general election year.

**Hon G H Licudi:** Because you are not invited. *(Laughter)*

**Hon. S E Linares:** We will be selling his tickets actually at a very high cost!

1445 No, Mr Speaker, if he is actually trying to, because as I explained it is a business plan and therefore because it is a business plan we invested heavily last year because we moved from a one-day mega concert to a two day concert.

1450 The concept is what I went through in my Budget speech. It is better to have a two-day concert because people staying the night here in Gibraltar and spending. Therefore, what we have tried to do is we are going to offset expenditure and therefore that is why we are keeping the same as if it were £1.5 million last year. So it was not an overspend, it was an investment, we

are hoping to get more revenue this year, but we are trying to keep the production at that expenditure again.

1455 **Hon. R M Clinton:** Sorry, Mr Chairman, you say 'that expenditure again' [**Hon S E Linares:** The £1.5 million.]...for this coming year as opposed to the £3.6 million that just went by. *(Interjection)* Not me; the press! *(Interjections and laughter)*

1460 Mr Chairman, moving on to another item, Item 6 – Contracted Services – Culture and Heritage. Can he advise, is that one contract or several contracts, do we know who it is contracted to and what for?

**Hon. S E Linares:** Mr Speaker, it is two contracts. It is to do with Knightsfield Holdings and GCS. Those are the two contracts.

1465 **Hon. R M Clinton:** Could he explain, is that GCS Ltd, what is it?

**Hon. S E Linares:** It is Gibraltar Cultural Services, who are the employees and the company that is running in place of what was the old mess, the agency.

1470 **Hon. R M Clinton:** Would you be able to provide a split between the two or is that too commercially sensitive?

**Hon. S E Linares:** Yes, it is commercially sensitive.

1475 **Hon R M Clinton:** If I may move on to Item 9, Purchase Cultural Items, £1,000 is obviously a notional amount. Would I be correct in thinking that the £200,000 spent on the Marrache collection would appear there in the future?

**Hon. S E Linares:** No, not necessarily because it might be -

1480 **Hon. Chief Minister:** Mr Speaker, the one-off amount paid for the Marrache collection is not going to appear in the recurrent expenditure.

It is a one-off payment and you said, is it going to appear here in the future? This is a recurrent cost.

1485 **Hon. R M Clinton:** Perhaps you could clarify where it would appear?

**Hon. Chief Minister:** It would be in the outturn. The line provides for that sort of expense but it will not be next year, it will be in the outturn.

1490 **Hon. R M Clinton:** I think that was my point, Mr Chairman, I would expect that line to be used in that respect.

1495 **Hon. Chief Minister:** That is the line that would be used but there will be no provision for it next year because it is a one-off payment, we are buying it once.

**Hon. R M Clinton:** I guess, Mr Chairman, I was assuming that the purchase occurred in 2016-17 financial year. *(Interjection)*

1500 I guess, Mr Chairman, I assumed that the purchase will be occurring in the 2016-17 financial year.

**Hon. Chief Minister:** That is right.

**Hon. R M Clinton:** And it will appear in the outturn for that year on this line.

1505

**Hon. Chief Minister:** It will appear in the outturn for this year, but it will not appear next year. In other words... Next year there will just be £1,000 as an estimate.

**Mr Chairman:** Head 40, Culture and Heritage, stands part of the Bill.

1510

**Clerk:** Head 41, Youth; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 41, Youth, stands part of the Bill.

1515

**Clerk:** Head 42, Financial Services; subhead 1, Payroll; subhead 2, Other Charges.

**Hon. R M Clinton:** Mr Chairman, if I could on the charges at subhead 2.(b), no sorry, 4, Consultancy Services of £120,000, I would be interested to know what they would be in relation to.

1520

**Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Chairman, it is in relation to the engagement of a consultant who is assisting us in a series of areas relating to the fourth anti-money-laundering directive and for such work in that area.

1525

**Mr Chairman:** Head 42, Financial Services, stands part of the Bill.

**Clerk:** Head 43, Gambling Division; subhead 1, Payroll; subhead 2, Other Charges.

**Mr Chairman:** Head 43, Gambling Division, stands part of the Bill.

1530

**Clerk:** Head 44, Maritime Services; subhead 1, Payroll; subhead 2, Other Charges.

**Hon. T N Hammond:** Mr Chairman, referring to line or rather paragraph 2(b), Marketing and Official Visits. I note again that it is another of these lines that seems to differ in the reality from the aspiration insofar as again, the £100,000 has been spent in the last two years whereas consistently the estimate is £60,000.

1535

It is surely sensible in order to provide an accurate estimate of Government's overall spending, to actually reflect what has gone on in the past two years or hold whoever is responsible for that budget to account and ask them not to overspend by almost 50%.

1540

**Hon. Chief Minister:** Except, Mr Speaker, things are not ever really quite that simple and what we were dealing with – sorry, this is your Head – but what we were dealing with was a sponsor who pulled out at the last minute in respect of one particular conference and therefore the Government had to pick up the difference.

1545

So this was not somebody failing to deal with their budget as they were expected to do; this was somebody letting us down at the last minute and the Government having to provide the additional cost.

But I will let Mr Isola if necessary deal with other details.

1550

**Hon. T N Hammond:** And that happened on two consecutive years, I presume.

**Hon. A J Isola:** Mr Chairman, I can only speak, because it was my responsibility in the year that we are talking about now, and as the Chief Minister has just explained, there was an exceptional item having been let down at the last minute.

1555 Having arranged the Gibraltar Maritime Week with three days of full conferences, and therefore we had no choice but to pick up the shortfall which was as a result of the sponsor dropping out late and not giving us the time to be able to do it again.

So we do not envisage that happening again this year and therefore it is back to where we thought and will be this coming year.

1560

**Hon. T N Hammond:** And for the record, Mr Chairman, I would just like to say I am not actually criticising the level of expenditure either way here, I was just trying to understand why an estimate has been set when the reality has consistently in this, and other heads, not reflected that estimate.

1565

Therefore, in order to achieve a truer overall estimate for the year across Government Departments, it would be helpful if you tallied all these up to see just how far off – and of course we will find out next year what those are, but it would be helpful for me to understand what the overall estimate might be.

1570

**Hon. J J Bossano:** Mr Chairman, we are doing what they have been asking us to do for a year. *(Interjection by the Chief Minister)* And what we are doing is in fact is looking at the money that was provided this year, because if the hon. Member looks at the result of the year, which they congratulated us on, they will see that notwithstanding the fact that for example this is £100,000 rather than £60,000 there have been savings elsewhere.

1575

Therefore, if you put £100,000 there and you finish up spending £100,000 there it means that perhaps the savings can be used for something else. So it is more logical to try and look at the book as a whole and to see that what we have tried to do is, last year we achieved an extremely good result in terms of the overall expenditure being within a miniscule percentage of what was originally provided by Parliament and we want to try and do the same this year. So in fact, we expect that even if there are heads that go beyond what we are providing, there will be other heads or other subheads which come in under.

1580

Therefore, if each head that goes up in a couple of years was provided for then if the hon. Member looks back at the previous year, that has been a longstanding approach to putting the book together because otherwise in effect what you do is you finish up spending more than you asked the Parliament to provide originally.

1585

This is something that assists to keep public spending under control.

**Mr Chairman:** Head 44, Maritime Services, stands part of the Bill.

1590

**Clerk:** Head 45, Gibraltar Audit Office; subhead 1, Payroll; subhead 2, Other Charges.

1595

**Hon. R M Clinton:** Mr Chairman, Audit Office is always something I like to look at. I was just curious on the payroll the total cost has gone up by £236,000 compared to last year in this year's estimate and yet the head count has only gone up by one and in fact the mix of staff, there seems to be a change in the mix in that there are now five assistant auditors compared to nine and now four of what is described as an Audit Clerk.

I would just be curious to know why the increase in cost when there is only one increase in head count.

1600

**Hon. Chief Minister:** A senior officer has returned to the Department who had left for a period. The pay increase that the hon. Gentleman picked up in respect of the Chief Secretary, which I told him, alerted to him, was related to the Principal Auditor. So the post of Deputy Principal Auditor was covered on substitution, and now somebody is back substantively to the post; and there are a couple of re-grading of posts which have produced higher salaries.

1605

**Hon. R M Clinton:** Mr Chairman, just for clarification, obviously the Principal Auditor is a charge on the Consolidated Fund and will not appear here but the Deputy was there last year presumably.

1610 **Hon. Chief Minister:** On substitution. This was covered on substitution internally. Now there is a person back, Mr Speaker.

**Hon. R M Clinton:** No fine, Mr Chairman, obviously the Financial Secretary knows what he is doing in this respect.

1615

**Mr Chairman:** Head 45, Gibraltar Audit Office, stands part of the Bill.

**Clerk:** Head 46, Gibraltar Regulatory Authority; subhead 1, Payroll; subhead 2, Other Charges.

1620 **Mr Chairman:** Head 46, Gibraltar Regulatory Authority, stands part of the Bill.

**Clerk:** We now move to clause 3, Head 48, which is on page 154, Contribution to Government-Owned Companies. Subhead 1, Contribution to Government-Owned Companies.

1625 **Hon. R M Clinton:** Mr Chairman, as you know, this is the area specifically looking at my motion, but I will be grateful if the Government could provide a breakdown by entity in terms of legal entity, to whom they wish to make this contribution.

This is nothing new, this information was provided in 2013-14 and also the year before that in 2012-13 and then seems to have been dropped off in subsequent years.

1630 I was wondering if the Government would be kind enough to provide that information and also update the Estimates Book on publication with this information and the tabular format that was provided before in terms of outturn and estimate.

1635 **Hon. J J Bossano:** Can I just deal with the concept that the hon. Member suggested in his motion in wanting to remove this figure? The motion that we have not taken, to amend – *(Interjection)*

1640 **Hon. R M Clinton:** Thank you. May I just explain, that was a motion which, as I said, the reason being is that we did not have the information in relation to that head of expenditure, which is why I raised the motion in those words.

**Hon. J J Bossano:** Well, there is no reason why we should have that there if we had not taken the policy decision when we came in, which was to provide funding in advance for estimated losses in the companies.

1645 If that money was not there, then what would happen, which is what used to happen until 2011, is that the Consolidated Fund would make advances to the companies because the companies cannot be operating in the red. And those advances would not appear anywhere, because the figure of the Consolidated Fund would show what the balance was and there would be a note to the extent that an advance had come out of it.

1650 We originally started by correcting the historical position of the advances that accumulated and then we decided to put in a sum of money. The sum of money that is put there now is intended to be paid in the course of a year to Gibraltar Investment Holdings and then Gibraltar Investment Holdings will distribute it to its subsidiaries because in fact since they are wholly owned subsidiaries, it is in the consolidated accounts of Gibraltar Investment Holdings that the  
1655 ultimate deficit appears.

**Hon. R M Clinton:** So, Mr Chairman, would the Government be amenable to just put in a footnote saying 'contribution to Gibraltar Investment Holdings'? I presume this would be by way of purchase of share capital or preference shares or –

1660

**Hon. J J Bossano:** No, it is made as an advance from the parent to the subsidiary.

The money that goes into GIH is money that is being gifted by the Government because that is what is being voted in Parliament. What you are voting is not the purchase of shares, it is a contribution. So the Government previously contributed the money as an advance on the premise, theoretically that the companies would eventually become profitable and repay the Consolidated Fund.

1665

When we came in, I think it had reached something like £68 million and it is clear that although we would like the group of Government owned companies to effectively break even, we are nowhere near that yet.

1670

The reality of it is that at the moment what happens is that the Government puts an amount of money, that amount of money is in effect a payment to the companies to cover their losses and it goes to the parent company of the group which is Gibraltar Investment Holdings which is the structure that we inherited in 2011 when there was operating companies under Gibraltar Investment Holdings.

1675

And of course the kind of company we are talking about is the Bus Company which clearly made losses when the previous Government decided that people should not pay to go on the bus. No, if you are paying people to run buses, and you are paying people to buy fuel to run the buses and you are not charging the passengers, then the only thing that can happen is that the Bus Company loses money.

1680

If there were some companies in the group making money then ultimately in Gibraltar Investment Holdings, theoretically profits in one company could offset losses in the other. That is not happening at the moment and therefore the figure that we have got there is the figure at which we are trying to contain the collective losses of the group through the holding company which is GIH.

1685

**Hon. R M Clinton:** Mr Chairman, I am very grateful for that explanation. So this is a gift as it were by Government to the holding company in – he may or may not be able to answer this question – in the accounts of GIH this I guess would not even be a revenue item it would just be a balance sheet item of some sort of increase in reserves.

1690

Would I be correct in assuming that?

**Hon. J J Bossano:** I think in the accounts of GIH this comes in in the way that it is there as shown, this is contribution to Government-owned companies and on the receipt side of the company it has contribution from the Government. So the Government in effect contributes to the Gibraltar Investment Holdings £25 million to cover the losses that are sustained by the company.

1695

As I say, had we for example accepted the motion of the hon. Member, what would have happened would have been we would not be voting to pay £25 million, what we would find would be that our surplus would go up by £25 million which might look better, but in effect the money would be advanced to a company to cover the losses.

1700

**Hon. Chief Minister:** You have dressed up our balance sheet. *(Laughter)*

**Hon. R M Clinton:** Mr Chairman, again I ask, would the Government be amenable to a little footnote saying to which company this contribution is going?

1705

**Hon. J J Bossano:** No, Mr Speaker, we do not know anyway until the accounts of the companies are finished, which company is going to need what amount of money.

1710 But at the moment our position is that this is for Gibraltar Investment Holdings and that is what has been happening in the previous years and that is when it was originally advanced it was advanced to one company, to the Investment Holdings. So in effect we are giving the money to one company and that is the company that would receive the money.

As far as that company is concerned it will use that money to make advances to its subsidiaries to cover their losses. We are not providing a breakdown of those subsidiaries.

1715 **Hon. R M Clinton:** Mr Chairman, again I am grateful. I understand the point that the hon. Member is making, I am just saying in terms of the entity to which is going to be in receipt of this £25 million, regardless of the subsidiaries, whether a footnote may be appropriate just saying 'to Gibraltar Investment Holdings'.

1720 **Hon. J J Bossano:** I understand what the hon. Member was asking was the companies that the money goes to. Well that is the companies that are subsidiaries that are shown in the chart and those are the operating companies that have got employees and therefore have got expenses. There are companies that are just holders of assets and have no movement.

1725 **Hon. R M Clinton:** Mr Chairman, yes I understand what you are saying. I only had the last analysis available; I assumed perhaps incorrectly that the money was going to individual companies directly rather than via the holding company. I just made that assumption based on the analysis.

1730 All I am saying is purely out of information, for future generations, could we just put there 'paid to Gibraltar Investment Holdings'?

1735 **Hon. J J Bossano:** The Gibraltar Investment Holdings has been in receipt of the money from the Government all the time. That is to say not only since we have been making cash contributions but all the time including the period when it was receiving the money as an advance on the premise that it would go back.

1740 So the relationship in terms of the money is that it has only been paid to one company. That one company if you like loans money when the cash flow of a subsidiary requires it. In some cases we know that the example that I gave of the Bus Company, if it has no revenue then it means in effect that it is over running costs because it has no revenue.

1745 Other companies do have some revenue but not enough to cover the costs. For example the car parks get revenue but cannot cover everything so the companies that are covered are the companies that are shown in the chart and identified as being operating companies instead of asset holding companies. And the information we are providing, the money is being voted to be paid to GIH.

1750 **Hon. D A Feetham:** At what point in time does the Government know which of these operating companies make a loss and therefore there is a payment to the operating companies from Gibraltar Investment Holdings Limited?

**Hon. J J Bossano:** I think as I explained some time ago, the system that is operated is the system that was introduced by the previous Government which is that in practice, all the cash of all the companies and the cash of the Government is administered by the Treasury. In reality it is one pot of money and one bank account.

1755 On paper, as the accounts are progressed and eventually closed, there is an exercise of identifying where the money has actually been spent and therefore debiting the relevant account.

1760 But when I explained to the hon. Member that the cash advance of Credit Finance to GIH was part of that pool of managing, if you like, the public service cash flow as one single entity because it is done with one account with internal sub-divisions and done by the people in the

Treasury who deal with it as one thing, when the accounts are closed is when you know that if the Bus Company has lost £3.5 million then that £3.5 million has disappeared down that particular hole.

1765 **Hon. D A Feetham:** At what point, so it is at the end of the financial year? (**Hon. J J Bossano:** Sorry?) So it is at the end of the financial year that we would know how much, where this £25 million and I know that the £25 million is pooled with the money from, *inter alia*, amongst other things the Credit Finance money that has been transferred to Gibraltar Investment Holdings, it is pooled in the Treasury.

1770 I understand all that but at what point would the Government know where this £25 million has gone to, or part of?

**Hon. J J Bossano:** The final figure is known when the accounts of the companies have been closed. In practice, the whole Treasury accounting system is one that runs behind time, in the sense that revenue streams are inputted and they are credited but there are piles of invoices both in terms of Government direct expenditure, Government agencies, Government authorities and companies, all of which are debits on the cash flow.

1775 So where each item is going is known for example just like this book is not finally closed, what we have got here is a forecast outturn. The final figure of this book for the year that ended on 31st March is not really known until the end of December because it is then passed on to the auditor at the beginning of January. And there are, in effect, this is why it is a forecast and not a final figure.

1780 There are adjustments because something that should have shown up has not shown up here in time to go into the printed book, and if this is true of the accounts of the Consolidated Fund and the Improvement and Development Fund, it is equally true of the authorities, the agencies and the companies.

1785 Because in effect it is as if ... I mean this is what I referred to originally in my Budget speech about the consequences of the decision, the policy decision that was taken to fragment the public service into different units, for reasons that were never very clear from both sides of the House.

1790 If we go back in time to where a lot of these activities would have been in the Government, then it would have been not in different pages at the back where what we are doing is money comes into the Consolidated Fund and the money goes out of the Consolidated Fund and it goes into the Health Authority then comes out of the Health Authority. That movement in and out of money sometimes, the same money moving several times, has made the whole exercise more complicated and more cumbersome.

1795 But at the end of the day, nothing really can be if you like accurately identified until the Accountant General closes the accounts and sends it to the Auditor. And even in that period, not all of the companies would have been done. We started the exercise of compiling the company accounts in 2011 when the majority of them had not been done since 1996 and they were part of the system and they had been receiving advances from the Consolidated Fund.

**Hon. D A Feetham:** And in relation to the operating companies that this £25 million is basically being used to fund, are the accounts in relation to those operating companies because it cannot be as the hon. Gentleman said asset holding companies.

1805 Have those accounts been completed, are we up to date in relation to that?

**Hon. J J Bossano:** Not in relation to that, no. The company that has got its accounts most up to date is JBS which is not part of the system which was the only operating company that existed in 1996 and JBS in fact operated from day one in the eight years of the GSLP and in the 15 years of the GSD as a stand-alone with its own accountants, its own auditors and its own management



and its own bank account. But it is the only company that operates like that so they are able to produce their accounts because they are in full control of the situation.

1815 In some of the other companies where we go about the internal books of the company which clearly records ... I mean, every month they record what they spend on fuel, what they spend on repairs of buses and what they spend on wages and what they spend on insurance contributions and on pension contributions. All that is recorded in the internal but the actual finalised accounts of all these companies are all in arrears.

1820 **Hon. D A Feetham:** And I beg your pardon, Mr Chairman, but I think this is quite important.

Now in the past you have answered and you have touched upon it and we have touched upon it today, that the money from Credit Finance, it was over £300 million at one point and it went into the name of Gibraltar Investment Holdings.

1825 As I understand it, the name of Gibraltar Investment Holdings, kept by Treasury in a pool with other monies from the Gibraltar Savings Bank presumably it would have been. (*Interjection*) But that is not the point, it is this and in answer to a question that I posed to the hon. Gentleman, he said to me that the money was being used in order to fund the activities of Government-owned companies. It was being pooled.

1830 Now do we know how much over and above in past years, a proportion I mean roughly, you know obviously I am not asking for, you are not going to have the information. But what proportion over and above this £25 million, what kind of monies are we talking about over and above the £25 million that will go from Gibraltar Investment Holdings via Credit Finance Gibraltar Investment Holdings in order to fund the activities of Government owned companies? That is the –

1835 **Hon. J J Bossano:** As I pointed out to the hon. Member, the advances initially were made from the Savings Bank Fund and then they were repaid to the Savings Bank Fund and it was put into Credit Finance.

1840 The amount that was originally advanced was something like £350 million and I think the last figure that I saw it was down to £304 million so in fact the payments have been in the opposite direction. That is to say the payments initially were in one direction, there was quite a lot of movement in and out because I gave the hon. Member a schedule of the payments on a month which he asked me once from the Savings Bank Fund and there were, because it was about cash flow, I mean there were months when £50 million went in one direction and then the following

1845 month, £60 million came in another direction.  
Especially when there were things that were ... it is the kind of situation where you have got, for example, levels of expenditure which have got big movements in one direction or another and those levels of expenditure you are meeting through a short term overdraft not through long term funding. And that is in effect what Credit Finance did was to augment the cash pool of

1850 what is generated by Government activities, by authorities, by agencies and by companies on one side of the balance sheet and the money that goes out in terms of income and expenditure on the other side of the balance sheet.  
But the situation has been that for many years the extent of the reliance on that cash advance has been declining to the extent that we make the companies more efficient, that will

1855 be a reducing balance and it is going in that direction. The figure is constantly coming down, it is not going up.  
**Hon. D A Feetham:** Why put it in there? This is what I find hard to understand. I mean why put this £350 million in the name of Gibraltar Investment Holdings if effectively what you are

1860 telling me is that you are just simply pooling it with other Treasury money and using it for general expenditure rather than expenditure in the companies themselves as I understand it, from listening to what the hon. Gentleman is telling me now?

**Hon. J J Bossano:** Well I can see that the hon. Member has difficulty understanding it, but I can assure him this is nothing like the difficulty I have in understanding why they created the whole system in the first place, which is what I have explained to him.

Look, this system is a system we inherited, it is a system that he did, he was in Government for four years and he does not seem to know that this was happening.

They fragmented the public service (*Interjection by Hon. D A Feetham*) It was difficult to understand why it was created in the first place because I think it regrettably, you know the cost of creating that structure is an expense which we are going to continue to carry for many, many years because it is very difficult to undo and go back in the other direction.

**Hon. D A Feetham:** Yes, but it does not answer the question.

**Hon. J J Bossano:** No, I know it does not answer the question but what I am saying to the hon. Member is that if he does not understand this, then look, he does not even understand what went on in his time. When originally the advances started from the Gibraltar Savings Bank, my position as the Minister responsible for the Savings Bank was to say well look, this has got to be, this is not the same as the advances from the Consolidated Fund and therefore this has to be on the basis that Credit Finance advances the money but has to be paid for the cost of that money.

Therefore a relationship had to be created which was at arm's length between a company that was licensed to make loans and able to charge for it rather than the Savings Bank Fund being the Savings Bank Fund and it is a special fund for the Government.

I thought it was a better system and one that allows the Savings Bank to separate its activity from the role of being part of the cash pool.

**Hon. D A Feetham:** I understand that part of the equation but you see there are three parts to this equation. There is the Gibraltar Savings Bank that has the money. That is invested in Credit Finance and I understand why it is done in Credit Finance, Credit Finance is licensed by the Hon. the Chief Minister and basically it has provided a number of loans, amongst other things, one to the Sunborn which we know about.

I am asking why the £350 million in Gibraltar Investment Holdings. That is the answer that I ... and that is where the money has been placed, pooled I understand that, with all the other money, but in the name of Gibraltar Investment Holdings.

Why do that, why in Gibraltar Investment Holdings?

**Hon. J J Bossano:** Well, because Gibraltar Investment Holdings is the one that he was advancing money to from the Consolidated Fund even though he did not know it because he was the Minister for Justice. Why did he do it then?

**Hon. Chief Minister:** Collective responsibility.

**Hon. D A Feetham:** No, no, with respect, of course I know that Gibraltar Investment Holdings is the company that has stood at the top of the pyramid. We had this three years ago and I knew then and the company has always been funded from the Consolidated Fund.

If the answer is that the £300 million, all it is doing is funding other Government-owned companies underneath Gibraltar Investment Holdings, then I understand that is the answer and it is a simple answer and that is the answer.

Unless of course, that money is being used for something other than the funding of Government-owned companies because £350 million is an awful lot of money to fund Government-owned companies.

**Hon. J J Bossano:** The answer is, that is all it is doing; that is the answer.

**Mr Chairman:** Any other questions?

**Hon. R M Clinton:** Mr Chairman, I think we have had quite a comprehensive discussion on this. Just finally, I assume that although the money is of course going to Gibraltar Investment Holdings, whether the Government will be minded to produce this type of schedule in the future or do you think it is completely redundant?

**Hon. J J Bossano:** Well, if we are minded to change something in future we will tell him when we are minded to do it.

**Mr Chairman:** Head 48, Contribution to Government-Owned Companies, stands part of the Bill.

**Several Members:** Hear, hear! (*Laughter*)

**Clerk:** Head 49, Transfer from Government Surplus; subhead 1, Payment to Social Assistance Fund, Import Duty, Transfer from Government Surplus.

**Mr Chairman:** Stands part of the Bill – Head 49, Transfer from Government Surplus.

**Clerk:** Head 50.

**Hon. D A Feetham:** Can I ask a question in relation to this? The Hon. the Father – (*Interjection*) well, I am actually travelling to Seville as well, taking my wife for a birthday break so, but we have got to do our job here first.

The hon. Gentleman, this year, he was present last year – we are making progress this year! He was present to listen to my Budget speech! In the previous two years he has not been present. But in the last two years, I have been making the point that in 2014 the practice changed whereby the contributions that effectively go to Community Care, prior to 2014 were an expense because they were an expense that was paid into the Social Security Fund and from there to Community Care. The effect of that obviously, it increases expenditure reduces the surplus.

As from 2014 what has happened is that it does not appear above the line anymore it is now below the line and it is basically taken out of surplus. Can he explain the change of practice, please? Unless you want to massage Government figures!

**Hon. J J Bossano:** Well, there is no massaging, Mr Chairman. The position is very clear.

At the beginning we continued with a system that we inherited which was to put the money in the Social Assistance Fund and then from the Social Assistance Fund to pay it to Community Care.

We announced the policy in our election campaign and we put it in the manifesto that we would increase over and above that payment, capital grants – which is what we were doing before 1996 – and therefore what we have here is a capital grant which this year is 50% of the surplus and in the previous year has been 100% of the surplus.

Because the surplus is being handed over, it means that the need for recurrent spending of Community Care decreases as it has its own investment income from the reserves that are growing so it is not the case that what we are doing is replacing something with the other.

If tomorrow we were not able to make a payment, then Community Care would be where we left it in 1996 because it has got £100 million which it has invested. And after this it will have £120 million. It is not that we have taken the money that was in the Social Assistance Fund and stuck it in here, if the hon. Member looks at the –

**Hon. D A Feetham:** I did not say that.

1970 **Hon. J J Bossano:** Yes you have because you are saying we have massaged it by removing it from the current expenditure – no?

**Hon. D A Feetham:** No, what I said was that in previous years, up to 2014, the Government when it made a contribution to Community Care, paid into the Social Security Fund and then from there to Community Care. So therefore it appears in the accounts as an expense whereas now, it is basically taken directly out of surplus. It is not an expense, I am asking him to explain.

1975 I know what the hon. Gentleman's explanation is historically in relation to Community Care is. He says I created a fund in relation to Community Care right up to 1996, you stopped making contributions to Community Care, which meant that Community Care had to eat into its capital, in other words the fund. All that I understand, I am talking about the change in accountancy practice in relation to how the contribution to Community Care was accounted for.

**Hon. J J Bossano:** The money that we have got in front of us shows that we are voting a token sum of £1,000 right. That £1,000 is payment to the Social Assistance Fund from import duty okay. The forecast outturn is £20 million. If he looks at the Actual in 2014-15 it shows £30 million and there has been no change, it is payment to the Social Assistance Fund from import duty. Transfer from Government surplus.

1985 So it goes from the Consolidated Fund into the Social Assistance Fund and from the Social Assistance Fund into Community Care, the same route.

1990 **Hon. D A Feetham:** But the point is that it does not appear as an expense of the Consolidated Fund, as part of Departmental expenditure – that is where I say, maybe I have been harsh, using the words 'massaging a figure', but it is a change in accountancy practice that has an effect on Departmental expenditure by decreasing Departmental expenditure increasing in effect, the surplus.

**Hon. J J Bossano:** Mr Chairman, in Appendix K there is the £20 million transferred from Government going in, right? This year we have the recurrent £7.5 million, right?

2000 If we make a £20 million contribution at the end of the year then there is no need to make the £7.5 million which is what happened in the last year.

The reason for the change is that the payment of the capital grants are intended to make the charity self-sufficient so that it does not need to depend on recurrent grants. But we continue to make provision for recurrent grants in case we are not able to tap the surplus to give them the capital grant. And that is the change that he can see in Appendix K. So he sees in Appendix K there is a recurrent originally in 2014-15 which is no longer there because there is a transfer of £30 million.

2005 But the £30 million or the £7 million or the £20 million still goes as import duty into the Consolidated Fund and out of the Consolidated Fund by the Appropriation that we are voting. What we are voting is moving £20 million into the Social Assistance Fund in order to pay the money to Community Care.

2010 The estimated recurrent contribution this year is £7.5 million which compared to last year which was £7.35. In Appendix K he can see the movement.

**Mr Chairman:** Head 49 stands part of the Bill.  
2015 We move on to Head 50.

**Clerk:** Head 50, Contribution to the Improvement and Development Fund; subhead 1, Contribution to the Improvement and Development Fund.

2020 **Mr Chairman:** Head 50, Contribution to the Improvement and Development Fund, stands part of the Bill.

**Clerk:** We now move to clause 4, Improvement and Development Fund; Head 101, Works and Equipment; subhead 1, Works and Equipment.

2025

**Mr Chairman:** Questions on Head 101, Works and Equipment. It goes over the page. Head 101, Works and Equipment, stands part of the Bill.

2030 **Clerk:** We move back to page 153, clause 5, Head 47, Supplementary Provision; subhead 1, Supplementary Funding.

**Mr Chairman:** Still on clause 5, Head 47, Supplementary Provision, stands part of the Bill.

**Clerk:** We move forward to clauses 6 and 7.

2035

**Mr Chairman:** Am I correct, Head 102, Projects – is that where we are? Page 162, Head 102, Projects under Improvement and Development Fund Expenditure. I have not called that out. 102 stood part of the Bill.

So we are now on Head 102, Projects – any questions?

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**Hon. R M Clinton:** Thank you, Mr Chairman, in relation to Projects, Head 102, subhead 1, A(1) Tunnelled Road to North Front, outturn £8.5 for this last year, Estimates £4.5 million. In the light of the OHL settlement is this in relation to completing that tunnel infrastructure?

2045 **Hon. Chief Minister:** Mr Speaker, this book was obviously compiled before the settlement and provided for the cost that might have been incurred in the context of the works that were programmed at the time.

2050 **Hon. R M Clinton:** Mr Chairman, would I be correct in saying those numbers will change from the estimate?

2055 **Hon. Chief Minister:** Yes, in the context of what I said yesterday when I gave the figures in the context of my – well, not yesterday – in the context of my speech on Tuesday. And in fact the hon. Gentleman will have seen that there were more figures and more details provided in the fuller press statement that the Government made, I gave a summary to the House of the Statement because the item was on the pink pages.

2060 **Hon. R M Clinton:** Mr Chairman, in relation to subhead 3, Reclamation Projects, in light of the Chief Minister's Statement about Coaling Island reclamation, would we expect to see any expenditure on this line item for 2016-17? I note there is a nominal £1,000.

2065 **Hon. Chief Minister:** Mr Speaker, if the progress that we want to make is made we will see some progress very soon and we will either see it here or elsewhere, but this is a £1,000 cost, yes, which is put in as a nominal so that we can incur more charges if we need to.

**Hon. R M Clinton:** But, Mr Chairman, would it be specifically for the Coaling Island project or for other reclamation projects that he has in mind?

2070 **Hon. Chief Minister:** As I said during the course of my address, there are a number of different reclamations being looked at; Coaling Island is one of them.

**Hon. R M Clinton:** Mr Speaker, moving on to subhead 4(c) Old Naval Hospital Conversion Refurbishment works. I note there is an additional £3.1 million envisaged for this coming year compared to the outturn £1.4 last year.

2075 I am just wondering what additional works needs to be done in respect of the Old Naval Hospital since it seems to be substantially complete.

**Hon. Chief Minister:** Mr Speaker, the hon. Gentleman has to remember that the book is compiled in March and we are dealing with the expenditure that is incurred from 1st April. So what seems to be substantially complete is something that he would have seen substantially completed about that time but in respect of which payment vouchers are coming in as the works are being finished.

So this is payment for the process of completion.

2085 **Hon. R M Clinton:** I have possibly a similar question in relation to subhead 4 in relation to Item V – St Bernard’s Catering Facility at £1.2 million. With a forecast outturn last year as £3 million and in 2014-15 we spent £2.9 million that is £6 million already.

Is this £1.2 million in relation to anything new or is it in relation to a timing issue in terms of invoices?

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**Hon. Dr J E Cortes:** Yes, Mr Chairman, it is nothing new this is picking up invoices and so on which ran over from last year.

**Hon. R M Clinton:** So, Mr Chairman, on that basis are we saying the cost of this facility is coming in at something like £7.2 million?

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**Hon. Dr J E Cortes:** I do not know whether you can pick that up from here but that is probably about right.

2100 **Hon. T N Hammond:** Finally, Mr Chairman, reference subhead 4.(j), Sustainable Traffic, Transport and Parking Plan, I note £250,000 set aside as the estimate for this year, can I just confirm that is for presumably a project contained within that plan rather than for the development of the plan itself or the publication of the plan itself?

2105 **Hon. P J Balban:** Mr Chairman that is actually for the implementation of the sustainable Traffic Plan.

**Hon. T N Hammond:** So on the basis that it is for implementation of recommendations contained within the plan, the final plan will be published any time now?

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**Hon. P J Balban:** Mr Chairman, as I have said many times, just because the final plan is not there yet does not mean that we do not progress with the plan itself.

But yes, the intention is that the final plan will be available shortly.

2115 **Hon. T N Hammond:** Yes, I appreciate that because the whole point of a draft is that it can be amended at any point without commitment, whereas once you publish the final plan it is a final plan. Of course it can be amended, but it is a somewhat different scenario at that point.

**Hon. Chief Minister:** Like an LNG report.

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**Hon. P J Balban:** Just like an LNG report, as just highlighted! The hon. Gentleman will notice, the final plan itself will not teach a wonderful amount of new things. A lot of what is on the draft plan will be there on the final plan – in fact all of it, there are just a few other modifications.

2125 What the final plan will provide is a lot more detail as to what went down in terms of the research, all the public feedback comments will be there, all the statistical data, all the data collected will be there. But if the hon. Member is expecting anything great and wonderful, he may be disappointed.

2130 **Hon. T N Hammond:** I am not expecting a significant change from draft to final report, it is just that I think it is a significant milestone to move any report from a draft phase to its final published phase. That is the only point I am making but the point that I was originally making, reference this particular item being for the provision of projects within the plan is really what I wanted to know and the Minister has answered that and I thank him for it.

2135 **Hon. P J Balban:** That is correct.

**Hon. T N Hammond:** If I may also, Mr Chairman, for subhead 4.(y) – Commonwealth Park – I note a nominal £1,000 has been set aside.

2140 In view of the previous discussion under the Environmental Head for the costs of the Commonwealth Park, is it anticipated that there is going to be some significant change in the park that is going to result in some capital expenditure there?

2145 **Hon. Dr J E Cortes:** No, it is not going to be turned back into a car park. Again, this is a nominal amount there in case there is anything untoward, but we are hoping that we will not have to touch that at all this year.

2150 **Hon. R M Clinton:** Mr Chairman, in respect of subhead 5, Equity Funding, Government-Owned Companies, item (b), Gibraltar International Bank, I notice that the Government has contributed £25 million as previously stated into the equity of the bank. I notice that there is a £1,000 item still there for this coming year and I am interested to know whether the Government intends to make any kind of capital injection.

2155 **Hon. Chief Minister:** Mr Speaker, it is a token in the eventuality that there might be a need to make any injection of capital, but there is not any suggestion that this could happen, it is just an open line.

**Hon. R M Clinton:** Thank you. Mr Chairman, the last item down the list is the University of Gibraltar. I see a further amount of £3.25 million required for this coming year and £6.7 million for last year.

2160 Is this to cover capital, I presume it is capital cost, is this part of the overall £10 million funding originally announced to the university and is it envisaged that this will be the final amount that the Government will be contributing towards the university.

2165 And perhaps as a final rider, has the university provided any financial information to the Government as regards its funding requirement?

2170 **Hon. G H Licudi:** Mr Chairman, this is just a balance of £10 million which I had announced would be contributed by the Government to the university. We have made some capital expenditure and there is a contribution to the university which is ultimately going to reach £10 million and that represents the balance which is payable in respect of that £10 million which had been previously announced.

**Hon. R M Clinton:** Mr Chairman, thank you very much for that. Is there any reason why the full £10 million was not paid up front? (*Interjection*)

2175 **Hon. G H Licudi:** Simply because it was not necessary. The university did not need £10 million up front. It was originally a Government project and we were spending money on the project as and when we were required to spend those monies on the capital expenses and then on the recurring expenses once we started engaging staff.

2180 The university then became a statutory body and has become an independent institution and we now have a contribution to make to the university as and when they require the money, up to the £10 million which we had indicated we would be contributing.

2185 **Hon. R M Clinton:** So, Mr Chairman, would I be correct in saying that the £10 million would cover both the capital cost and initial running costs of the university and how many years would that cover in terms of running costs?

**Hon. G H Licudi:** Mr Chairman, that is correct. It covers the initial capital costs and the running costs of the university on the basis that it is a contribution to the University of Gibraltar Limited.

2190 As I explained when we launched the project, and in particular we brought a Supplementary Appropriation Bill, I seem to recall in respect specifically of the £10 million and I explained exactly how those – I appreciate it was before the hon. Member's time – how that £10 million was going to be split up.

2195 We anticipated that there would be largely around £6 million in setup costs and initial recurrent costs for the first year and the opening phase, and then approximately something like £2 million a year. So the £10 million was always intended to cover the initial start-up phase the first year and then two more years of operation thereafter.

2200 **Hon. R M Clinton:** Thank you very much, Mr Chairman.

**Mr Chairman:** Are there any other questions?  
Head 102, Projects, stands part of the Bill.

2205 **Clerk:** Moving back to page 153, clause 5, Head 47, Supplementary Provision; subhead 1, Supplementary Funding.

**Mr Chairman:** Clause 5, Head 47, Supplementary Provision, stands part of the Bill.

2210 **Clerk:** Moving forward to clauses 6 and 7, starting at page 170, Gibraltar Development Corporation.

**Mr Chairman:** Are there any questions arising?

2215 **Hon. R M Clinton:** Yes, Mr Chairman, perhaps more for the benefit of my education. The contribution to the Economic Development and Employment Company Limited in the order of £11 million for last year and this year, I would be grateful for some explanation as to what it is that this entity does. Sorry, that is in Item 17.

2220 **Hon. J J Bossano:** This is the money that has been voted every year to fund all the training programmes and the costs of operating the training programmes and the amount that is being paid to the individuals.

2225 We have been able to keep the costs virtually unchanged because although there have been pay rises in line with the minimum wage and the pay of the people who are employed to do training and so forth, the numbers have been coming down because there are less people unemployed and therefore there are less people going through the programmes.



**Mr Chairman:** Moving to the Appendices, page 179, Borders and Coastguard Agency as well? Then at page 182, Appendix D, the Gibraltar Health Authority.

2230 **Hon. R M Clinton:** Mr Chairman, this maybe simply a typo but on page 184 about halfway down the page on the Establishment numbers, I do not think the totals quite work for the comparative for 2015-16.

2235 As you can see it comes out £897 and then with nine people jumps to £1,308. I think that should be £897 and £82 and £856. I think it was just probably a slip of a formula in a spreadsheet somewhere.

**Hon. Dr J E Cortes** Yes, I think that was a typo ...

2240 **Hon. R M Clinton:** Yes and then I have just one question and that is the establishment and all the various grades here, would I be correct in assuming that they should all appear in Appendix Q?

**A Member:** Yes.

2245 **Hon. R M Clinton:** Yes. Mr Chairman, I cannot seem to find one grade and that is the Cancer Services Co-ordinator.

2250 **Hon. Dr J E Cortes:** That is an SEO grade. Perhaps that should be specified but it is actually graded as an SEO, Senior Executive Officer. It is that the job title has been included rather than the grade title but we can make that clear in the final document.

**Hon. R M Clinton:** Thank you, Mr Chairman.

2255 And just talking about the Dementia Care Facilities, Item 52 which is Contracted Services for Day Care, and I think that the rest is probably in the Elderly Care Agency, how is it that the estimated cost has gone from £400,000 to £954,000 for what I think is, if I remember correctly, a 90-bed facility or I may be wrong? And how is it that we have spent nothing on it in the last year?

2260 **Hon. Dr J E Cortes:** Well this has been the subject of several exchanges that for a number of reasons we were not able to open at the time.

Last year we had made provision for approximately six to seven months, or rather five to six months because we were expecting to open about half way through the year. The £954,000 is provision for what we estimated it would be for the full year effect.

2265 **Hon. R M Clinton:** Mr Chairman, I fully appreciate that a lot of healthcare is of course demand driven, but I cannot help but notice, certainly on the sponsored patients line 36, we tend to under budget for this cost, £12 million in the original estimate, £15 million in the outturn and yet for 2016-17, we seem to be going down to £11 million. Would it not be more realistic to put that number more in line with maybe even higher, maybe £18 million given the trend?

2270 **Hon. Dr J E Cortes:** I think we are trying very hard, as I think I said in my Budget speech, to repatriate a lot of services. Chemotherapy is about to come on stream, probably some neurology as well. So we are looking very carefully at how we spend sponsored patients money this year.

2275 So we are fairly confident that we can, well we are going to try very hard to make efficiencies in the way we do things rather than what we do in order to try and contain that expenditure.

**Mr Chairman:** Any other question on the Health Authority?

2280 **Hon. R M Clinton:** Just one question, your CT scanner, how much did it cost? What was the capital cost of that?

**Hon. Dr J E Cortes:** It was about ... *(Interjection)* Ah it is on the next page, I am told. *(Interjection)* Ah yes, it is there, £563,000.

2285 **Mr Chairman:** We then move on to Appendix E, which is the Gibraltar Electricity Authority, page [*Inaudible*]

2290 **Hon. T N Hammond:** My apologies, Mr Chairman. I thought we might stop at Health Authority, Elderly, which seems to be a different head in the Bill. *(Interjection)*

**Hon. T N Hammond:** Thank you for that education! *(Laughter and interjections)*

2295 **Mr Chairman:** Yes. *(Interjection)* Appendix F, we have the Gibraltar Health Authority – Elderly Residential Services Section.

**Hon. R M Clinton:** Sorry, Mr Chairman, have we gone through E – the Electricity Authority? *(Interjections)*

2300 **Mr Chairman:** Appendix G, the Care Agency.

2305 **Hon. T N Hammond:** No, Mr Chairman, I do have one question on Appendix F, please. It is under the Payments, line 31, Rent and Service Charges. The estimate this year is £78,000 from a forecast outturn for last year of £6,000. Can I just ask for clarification where the rise occurs from?

**Hon. Dr J E Cortes:** Yes, this is in relation to a number of initiatives including the renting of a stall and also service charges and so on related to the taking on of the new dementia residential facility, which is going to have considerable service charges, maintenance charges and so on.

2310 **Hon. R M Clinton:** Mr Chairman, coming back to the dementia residential facility, Item 30 – again is it the same explanation that we have £400,000 in the estimates and the outturn this year, not the outturn the estimate for 2016-17 £1.5 million, is that just pro rata or are there additional costs that were not originally envisaged?

2315 **Hon. Dr J E Cortes:** Yes, except that last year we were looking at about a quarter of the year which was about that and this year we are looking at about three quarters of the year. So we are roughly expecting it to cost about £2 million so this is a year, this is the pro rata.

2320 **Mr Chairman:** Appendix H, the Housing Works Agency.  
Appendix I, Gibraltar Port Authority.  
Mr Edwin Reyes' favourite, Appendix J, the Gibraltar Sports and Leisure Authority.

2325 **Hon. E J Reyes:** Yes, Mr Chairman, just one quick word. I did notice before that under Capital Projects and so on there is going to be an investment of I think it was £100,000 for the Europa Gymnasium and I have no query on that.

2330 But coming down to subsection 17 from the estimate last year of £12,000 we only spent £1,000. I just want the Minister to clarify, I think it was because it was a change of use and so on but looking forward, he is just making a provision for £2,000. Is that £2,000 a token figure with a safety margin or perhaps if he enlightens me now it avoids future questions in a couple of months' time.

**Hon. S E Linares:** Yes it is, it is to do basically with running costs. Water, electricity, stuff like that for the actual Europa Gymnasium so we are going to invest in it and the type of running costs like those, that is why we have got £2,000 because we do not know exactly how much it is going to be.

2335

**Mr Chairman:** Appendix K, the Social Assistance Fund. There is a breakdown there.

Appendix L, the Savings Bank Fund.

Appendix M, the Note Security Fund.

Appendix N, Gibraltar Coins Account.

2340

Appendix O, Scholarships ... *[Inaudible]*

Appendix P – is the last one.

Any questions? Right, so clauses 6 and 7 stand part of the Bill.

**Clerk:** The Scheduled Parts 1 to 5.

2345

**Mr Chairman:** Chief Minister? *[Inaudible]*

**Hon. Chief Minister:** Already Mr Speaker?

2350

**Mr Chairman:** The Schedule stands part of the Bill.

**Clerk:** The long title.

**Mr Chairman:** Stands part of the Bill.

#### **BILL FOR THIRD READING**

2355

#### **Appropriation Bill 2016 – Third Reading approved**

**Mr Speaker:** And now, the Chief Minister.

2360

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to report that the Appropriation Bill 2016 has been considered in Committee and agreed to, without amendments, and I now move that they be read a third time and passed.

**Mr Speaker:** I now put the question, which is that the Appropriation Bill 2016 be read a third time and passed.

2365

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

**Mr Speaker:** Chief Minister.

2370

**Hon. Chief Minister:** Mr Speaker, at the hour which we have reached, I have the honour to move that the House do now adjourn until Wednesday, 27th July at 11.00 a.m.

**Mr Speaker:** The House will now adjourn until Wednesday, 27th July at 11.00 in the morning.

*The House adjourned at 8.00 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**MORNING SESSION: 11.13 a.m. – 12.43 p.m.**

**Gibraltar, Wednesday, 27th July 2016**

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# The Gibraltar Parliament

*The Parliament met at 11.13 a.m.*

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

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

**Clerk:** Mr Speaker.

5

## **Congratulations to Mr Clinton on recent marriage**

**Mr Speaker:** The Chief Minister.

10 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I understand that in the period of the adjournment, one of the Members of the House has entered into a contract with a member of the public which is oft referred to as a nuptial contract. (*Laughter*) It is no doubt an occasion for happiness, and I am sure the whole House will want to join me in wishing Mr Clinton and his wife all the very best for years to come in every sense, except the political of course. (*Laughter and banging on desks*)

## **Personal Statement by the Leader of the Opposition**

15

**Mr Speaker:** The Hon. the Leader of the Opposition wishes to make a personal statement.

20 **Hon. D A Feetham:** Mr Speaker, I rise to deliver a personal statement and it is to give my thanks, not only on my behalf but also on behalf of my wife, Julia and my family, to the brave men of the Fire and Rescue Service, who the day before yesterday, at one o'clock in the morning, came to the Upper Rock in order to rescue my dog, Blue, which had actually fallen off a cliff opposite our house at the Genoese Battery. Anybody who knows the Genoese Battery will know that they are very, very steep cliffs indeed around the area. He had fallen 50 metres and had landed on a ledge and had he fallen off that ledge, it was a vertical slope downwards and he would have perished.

25 The operation took, Mr Speaker, five hours in total, involving seven firefighters, three of which had to go down with the use of pulleys and ropes, and I want to thank Station Officer Mañasco, Leading Firefighter Navarro, Firefighters Yeo, Cruz, Abudarham, Sivers and Buttigieg – in particular, Firefighters Yeo, Abudarham and Buttigieg who were the Firefighters who actually went down, descended and got the dog up. They were literally risking their lives in doing so.

30 Just to give hon. Members an idea, the dog is a Swiss Shepherd, which is the equivalent of a white Alsatian. It is a big dog, and Firefighter Yeo actually strapped the dog to his chest, a dog that was obviously very nervous, and with the weight of the dog, actually dragged himself up a cliff in order to save the dog.

35 I am just lost for words, Mr Speaker, in relation to the bravery that these men have shown in order to save our dog, and from the bottom of my heart and the bottom of the hearts of my family, I want to thank them and stand up and recognise their bravery today in Parliament.

Thank you very much, Mr Speaker. *(Banging on desks)*

40 **Chief Minister (Hon. F R Picardo):** Mr Speaker, can I, as the representative of those in public service, thank the hon. Member for his kind words. I think there has never been any doubt of the bravery of the Gibraltar Fire and Rescue Services, the work that they do and how essential it is and how delighted we are in this part of the House that they had the resources necessary in order to be able to do the rescue in question.

45 We pride ourselves, Mr Speaker, in funding our public sector to enable them to have the resources to do the work that they need to do, which on occasion involves the happy resolutions that the hon. Gentleman has alluded to in what is no doubt probably the least important work that the Gibraltar Fire and Rescue Service do in the scheme of things, but hugely important to those who benefit from it and to the hon. Gentleman's family.

50 So on behalf of the Fire and Rescue Service, thank you for the hon. Gentleman's kind words and on behalf of the Government, we are very proud indeed that we have been able to spend on the public services with the resources that they need in order to undertake these operations.

## BILLS

### FIRST AND SECOND READING

#### **Pensions (Widows and Orphans) (Amendment) Bill 2016 – First Reading approved**

55 **Clerk:** We now go back to the Order Paper and we carry on with Bills, First and Second Reading.

We commence with a Bill for an Act to amend the Pensions (Widows and Orphans) Act.

The Hon. the Chief Minister.

60 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that a Bill for an Act to amend the Pensions (Widows and Orphans) Act be read a first time.

**Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Pensions (Widows and Orphans) Act be read a first time.

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

65 **Clerk:** The Pensions (Widows and Orphans) (Amendment) Act 2016.

#### **Pensions (Widows and Orphans) (Amendment) Bill 2016 – Second Reading approved**

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

70 Mr Speaker, the purpose of this Bill is to enable former contributors to the Widows and Orphans Pension Scheme to apply, to resume contributions.

The scheme was closed off to contributions more than 25 years ago as new pension arrangements were put in place for the Civil Service. Contributors to the scheme were refunded their monies and these refunds were subsequently applied to the new pension arrangements.

75 Over the years we have received representations from numerous former contributors, some 200 to date in fact, who consider that the terms of the scheme suit them better than their current arrangements.

We have listened, Mr Speaker, and therefore propose to open up the scheme to these and only to these former contributors. The proposed legislation requires a contributor to first notify  
80 the Government of his intention to resume contributions and for the Government to approve such a resumption.

Importantly, the Bill allows a contributor's widow to make the necessary contributions in the contributor's stead if the contributor has notified the Government of his intention to resume contributions but then passes away.

85 Mr Speaker, this Bill allows those who were required to leave the Widows and Orphans Pension Scheme to help secure their future and those of their loved ones, and I commend it to the House.

**Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general  
90 principles and merits of this Bill?

I now put the question, which is that a Bill for an Act to amend the Pensions (Widows and Orphans) Act be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Pensions (Widows and Orphans) (Amendment) Act 2016.

**Pensions (Widows and Orphans) (Amendment) Bill 2016 –  
Committee Stage and Third Reading to be taken at this sitting**

95

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

**Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the  
100 Bill be taken today? (**Members:** Aye.)

**Limitation (Amendment) Bill 2016 –  
First Reading approved**

**Clerk:** A Bill for an Act to amend the Limitation Act.

The Hon. the Minister for Education, Justice and International Exchange of Information.

105 **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 Limitation Act be read a first time.

**Mr Speaker:** I now put the question which is that a Bill for an Act to amend the Limitation Act  
110 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Limitation (Amendment) Act 2016.



**Limitation (Amendment) Bill 2016–  
Second Reading approved**

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, I beg to move that a Bill for the Limitation (Amendment) Act 2016 be read a second time.

This Bill, Mr Speaker, implements one of our manifesto commitments by amending the Limitation Act to remove the limitation period for claims against the Government in cases of child abuse whilst under the care of Social Services and in respect of Mesothelioma alleged to have been caused by exposure to asbestos during the course of employment under the Crown.

This Bill also makes an amendment to dis-apply the Limitation Act with regard to proceedings initiated by the Government for the recovery of any debts owed to the Government. Certain types of Government debt, Mr Speaker, have gone uncollected for a number of years, especially with regard to housing arrears.

This has led to that debt becoming time barred under the Limitation Act. By dis-applying the limitation period for such actions, the Government is ensuring that claims for the recovery of debts owed to the Government will not in future be subject to the limitation period and also allow for the recovery of present debts allowed to the Government which had become time barred under the Limitation Act.

Mr Speaker, I commend the Bill to the House.

**Hon. D A Feetham:** Mr Speaker, before the hon. Gentleman sits down, can he give way?

**Hon. G H Licudi:** Yes, I will.

**Hon. D A Feetham:** Mr Speaker, I am grateful. It is just that I do not want to, in my reply, ask the hon. Gentleman questions. I would like to ask this question of the hon. Gentleman before I reply.

Has the Government taken advice in relation to the dis-application of the limitation period in a situation where effectively a debt is statute barred in the light, for example, of the Constitution and whether that infringes the Constitution in terms of rights to property and other such rights?

Because it strikes me that, effectively, a situation where a debt has become statute barred because it has not been pursued over a period of six years – some of these debts may go back years and years and years, even longer than six years – and then all of a sudden the Government comes back and says, ‘Well, actually now we can sue for all these debts’, that that may have Constitutional implications. I just wonder whether the hon. Gentleman can enlighten this House in relation to that. Because of course the Government would not bring a Bill to the House if it felt that there were provisions that were unconstitutional.

**Hon. G H Licudi:** Mr Speaker, that is most certainly the case: we would not pass legislation here which we believed, or had been advised, were contrary to the provisions of the Constitution. The point that the hon. Member makes is certainly a very valid point from the point of view of what we are doing in this case, and it is clearly something that the Government had considered.

I have made the point during the course of my intervention in moving that the Bill be read a second time, that this not only acts in terms of the future by removing the limitation period for any debt that might become time barred as from the commencement of this Bill, but it removes the limitation period in respect of all Government debt so that the Government can go back and recover and take steps to recover those debts.

There will be practical questions as to whether in practice it is possible to recover a debt that might have accrued say ten years ago and whether it is feasible, and those are practical considerations that the Government will have to consider in taking any steps.

As regard the issue of the legal point, we are aware that there are different opinions but the opinion that we have taken and the view that we have taken is that it is possible to dis-apply the limitation period, notwithstanding that that limitation period might have expired and therefore the debt might have already been time barred.

There is the issue whether somebody has essentially an accrued right because the limitation period has already expired and we have taken the view that it cannot be considered a right, it cannot be considered, somebody who has had a debt and who is simply taking advantage of the flux of time, of the limitation period having expired, and that debt not being enforceable as a result of that limitation period having expired, that is not a right which has accrued but simply taking advantage of a certain provision in the legislation which we are now undoing in respect of Government debt.

So for those reasons, we believe that it is not unconstitutional, that it is right that we can do this, there are practical considerations as I have said, but it can become a question which can be argued at a later stage. We acknowledge that it can become a live issue in respect of those matters, and that is clearly something that the Government may take into account in deciding what practical steps it takes in respect of any of these debts.

I give way to the hon. Member.

**Hon. D A Feetham:** Yes, I am thinking in particular for example a situation and I do not know whether such a situation exists, but I am thinking of a situation where the Government is currently suing someone.; that person by way of a defence files a defence saying, 'This debt is statute barred.' By us legislating now, effectively what we are doing is we are removing that person's defence, a defence that existed for that person.

Now that is something that would not normally be done by Parliament. Parliament would not, a Government would not normally pass an amendment to legislation, depriving a litigant against it of a defence. Certainly I can think of several arguments why we should not be doing something like that.

Does he know if such a case exists, for example, that someone is being deprived effectively of a defence, although I am conscious that of course everybody is going to be deprived of a defence who had a debt that was statute barred. But does he know of any proceedings currently afoot where the Limitation Act is being raised as a defence?

**Hon. G H Licudi:** Mr Speaker, I do not. Personally I do not believe ... our understanding is that there are no proceedings afoot in which a defendant might have taken advantage of the right to present a defence. Therefore, as far as we are aware, there are no such proceedings currently afoot.

But the point really is that whether a defence has been filed or has not been filed, the right to file a defence is being denied for future cases in respect of people that without this amendment to the legislation would have had that right. So are we denying a present right or are we denying a future right and are we entitled to deny that future right to file a defence in a prospective case in the future given, that our understanding is that there is no current case where such a defence has been filed?

The view that we have taken is that we have to show the community at large that this Government is serious about recovering Government debt. For whatever reason, debts have accumulated – they accumulated during the period that the hon. Members were in office and some debts have accumulated during our period as well – and it is important that the message is sent out that simply because the Government has not acted in a particular time frame, does not mean that those individuals who owe debts to the Government can get away with it.

That is the message that this Parliament is sending by passing this piece of legislation and I would hope that the hon. Members opposite would want to join us in sending that message to the community, that this community is serious, not only about recovering debt but about the whole issue of becoming indebted to the Government.

215 What we are trying to do is to discourage people from becoming indebted to the Government and making it clear, loud and clear, that where a person becomes indebted to the Government, that person can be pursued whether it is next year, in three years' time or in six years' time, which would not otherwise have been the case after six years had passed under the limitation period.

220 So that is the extent of the seriousness of the commitment that we are engaging and what we are trying to do is discourage people from becoming indebted to the Government in the first place.

I give way once again.

225 Let me just say, Mr Speaker, that I am happy to give way but the hon. Member will have an opportunity to make a contribution as part of the Second Reading and therefore instead of this exercise, I am happy if the hon. Member wants –

**Mr Speaker:** And in Committee as well.

230 **Hon. G H Licudi:** And in Committee as well, but he can make his contribution – (*Interjection by Hon. D A Feetham*) Right, but during the Second Reading he can make a contribution and I can answer all his points. If he wants me to give way before that I am happy to do that, but it is up to him.

235 **Hon. D A Feetham:** Just one more question.

**Hon. G H Licudi:** I am happy to give way.

240 **Hon. D A Feetham:** Mr Speaker, yes. The hon. Gentleman, what he is really saying and this would allay concerns on this side, is that whether or not this Act is effective in order to deprive somebody of a defence will be very fact specific, and it will depend on the facts.

For example, I can think of a situation where a debt has become statute barred, there may have been correspondence with the Government or the Government may have had correspondence with a particular individual. That particular individual through lawyers has said it is statute barred. That person may have changed his position to his detriment.

245 But what he is saying is, and I would just ask him, it is very fact specific and that it does not deprive any individual, should he be advised by his lawyers or should he be inclined, to effectively raise whatever constitutional arguments that he may have in relation to this.

250 And that there may be circumstances, we do not know whether that person may be able to rely on constitutional rights, we just simply cannot really foresee the circumstances at the present moment. We cannot cater for everybody at the present moment in time, but there is no intention here to effectively deprive anyone of constitutional rights that may have accrued.

I think that is important and it would allay our concerns on this side of the House.

255 **Hon. G H Licudi:** Mr Speaker, we can certainly say there is no intention to deprive anybody of any constitutional right. There is no ability by this Parliament to deny anyone of a constitutional right, even if we had that intention, which we clearly do not.

260 This does not stop anybody in the sort of situation that the hon. Member has mentioned from filing a defence, that the debt is in fact time barred and that that person has the right to raise the defence. And if that person raises that defence notwithstanding the amendment that we are proposing today, then the issue will have to be determined by the court.

265 So if that person is alleging a constitutional right which we clearly do not intend and cannot in any event take away from that person, then that argument can be presented to the court, we believe what we are doing is correct from a constitutional point of view. It does not deprive anybody of the ability to raise the point, raise the defence and say, 'I am entitled to put forward this defence because this amendment is invalid because it infringes the Constitution', and that

will be determined by the court, so the same point can be raised in any of these proceedings and the court will be the arbiter as to whether the Constitution is engaged or not.

270 The view that we have taken is that it is not and that is why we have proposed to go down this route. I sincerely hope that allays the hon. Members' concerns and that they will be able to vote with us to show that the whole House is united in the commitment to recover Government debt.

275 **Mr Speaker:** Does the Hon. the Leader of the Opposition wish to speak on the general principles and merits of this Bill?

**Hon. D A Feetham:** Yes, Mr Speaker, very briefly. Mr Speaker, I thank the hon. Gentleman. It has gone some way of allaying concerns – not all, but we will be voting in favour of the Bill.

280 In terms of the constitutional impact of a provision like this, when we talk about constitutional impact, there are two types of impact. One is whether the section itself is unconstitutional in the light of the fact that it seeks to deprive people of accrued rights in this particular case and an accrued defence, because that is what it is. The debt is due and owing. It is a defence to a claim, that is what this seeks to deprive. And that the hon. Gentleman has said he has received – or the Government has received – advice and the advice that the Government  
285 has received is that the section itself is not unconstitutional.

I would not expect him of course to come to this House, putting before the House any legislation that is unconstitutional, although there are mechanisms indeed, and in that context I note that the Government is going to be moving in due course, amendments to the Constitution Declaration of Compatibility Act. And I introduced the original Act and the purpose of that Act  
290 was effectively to be able to put in the hands of the court, any Act where there was a doubt as to whether it was constitutional or unconstitutional.

And in this particular case the Government must therefore feel very confident that this is not unconstitutional because otherwise it would have gone through that mechanism. I am very grateful for that and we on this side of the House also rely on the Government's view in relation  
295 to that.

Then secondly, there is the point about whether in any given circumstance the reliance by the Government on this section would deprive an individual of his constitutional rights. That is the point that I made earlier during the course of our earlier interventions. And in relation to that of course, it is almost impossible to predict because it is going to be very fact specific. There  
300 may be circumstances where somebody may say, 'Well look, this was determined some time ago in correspondence between myself and the Government.' And for the Government now to rely on this section is unconstitutional.

I think the hon. Gentleman is right that in relation to that obviously it is impossible to predict. It is very fact specific and it would just simply be an impossible task. Obviously I rely on the  
305 reasonableness of the Government in any given situation to do, obviously on advice, the right thing by individuals that are faced with that kind of situation.

As far as the general principle is concerned of this particular amendment, I say this: that on this side of the House, we have been consistent proponents of the principle that Gibraltar, and the Government and Opposition, politicians in particular, have got to be responsible and have  
310 got to tackle the culture of entitlement and expectation that unfortunately has gripped parts of Gibraltar society.

The fact that we have Government debts that accrue years into our years in Government, but also the hon. Gentleman – and I am grateful for that because it shows objectivity in his address – has accepted that it is also during their years in Government – but there are people who believe  
315 that they do not have to pay their debts to the Government, they do not have to pay rents for their homes when rents have been historically very low; that that is not right.

And there is always a balance to be struck between the state's duty to an individual and the individual's duty not only to the state but also to the rest of their fellow Gibraltarians, because

the person who does not pay, it then means that unfortunately everybody else is having to pay for them, and that is wrong. It is for that reason, Mr Speaker that we are going to be supporting this Bill today, whatever concerns that we may have at the back of our mind in relation to this particular amendment.

It is also right that the Government should bring an amendment in order to amend legislation to dis-apply a limitation period in relation to asbestos-related claims. I have had, in my professional capacity, cause to represent people who have been dying of cancer and who have since died of cancer as a consequence of handling asbestos, and I think it is right that the Government should take responsibility and should say, in relation to those types of claims, it is just simply not right that there ought to be a reliance on a limitation period, particularly when it is a disease that develops over time, sometimes over decades, and by the time that somebody knows that that person is dying of cancer, the limitation period would have expired.

So the Opposition will be supporting this Bill, we think that it is a worthwhile Bill to support and we will be voting in favour, Mr Speaker.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, it is a source of great pride to me that this Bill is moved by the Minister for Justice. In the time that I was in practice as a lawyer, I met a number of people who suffered from asbestosis and who had a very difficult situation indeed as a result of the limitation period affecting their ability to bring claims. It was as a result of that the executive committee of the party that I lead considered that it was appropriate that the 2011 manifesto should include a commitment to legislate to remove the limitation period in respect of such claims.

It has taken us some time in respect of this matter to be able to bring the amendment, which although it seems simple at first blush, has required a lot of advice indeed to be taken on the subject and we are now able to move the Bill, which apart from dealing with issues relating to debt, will also I think deal with this important area of personal claims that has been provided for, for some time, in the United Kingdom, but had not been provided for in Gibraltar. I am very happy indeed that the Government which I lead is bringing this Bill.

Mr Speaker, in relation to the issue of debt and the constitutional issues that the hon. Gentleman has raised, I must say I have been surprised to hear him make these arguments. Because he will recall, Mr Speaker, that the last time that we had this discussion in relation to the limitation period, it was when we were dealing with the issue of the arrears at Question Time and I was the one who raised the issue of limitation and how that affected some of the claims.

And the hon. Member opposite then, with the former Chief Minister, Peter Caruana, was making the argument that whether or not limitation periods had expired, we should not write off the amounts, that they should remain on the books and that we should use other methods of pressure to be able to recover those amounts.

So, Mr Speaker, to now hear him argue in favour of the constitutional rights of those who may have thought that they had got away without paying a debt to the Government, is to see him in effect in my view, argue for an entitlement not to pay the Government. That culture of entitlement that he says he is against but which at least in respect of those who have owed money for more than six years, he seems to be defending, Mr Speaker.

Because you see, really there is no constitutional right to owe money. There is no constitutional right, Mr Speaker, to see others around you pay and you get away without paying. There is no constitutional right, Mr Speaker, which this Government would ever trammel over. And we have very carefully taken advice to ensure that we are able to make this legislation, although of course, the ultimate arbiters of whether or not a constitutional right is infringed, as the Hon. the Minister for Justice indicated in his statement, are not the Members here either on one side of the House or the other; it is in fact the Supreme Court and the Judges of the Supreme Court who, if the defendant to any action brought by the Government were to assert that they had an accrued right, would then determine whether this Bill is able to undo that right

or not, given that the Constitution is a principle, an overriding enactment, as I do not tire of reminding the House.

And, Mr Speaker, in respect of the recovery of arrears, if I may say so, everybody in this House must value the work that has been done by the hon. Lady's Department and by the hon. Lady in particular, in driving down those debts in ensuring that at last the issue of arrears is being addressed.

In ensuring that despite the fact that we have been in Government for a much shorter period than they were, we are the ones tackling what he calls the culture of entitlement and I call a failure of people to pay their debts, a failure of people to understand the privilege that they have when they are in a Government tenancy at a low rent and the fact that this Government is tackling that which the Government that he was a Member of failed to deal with.

And, Mr Speaker, if I may say so, the hon. Gentleman also needs to get used to the fact that he cannot talk about those on that side of the House. I have the advantage, Mr Speaker, of being able to say, as do all my colleagues when we get up to present Government Bills and other motions, that we speak on behalf of those on this side of the House. He now needs to remember that he speaks for those on that side of the House that he represents. He no longer represents all of them.

**Hon. G H Licudi:** Mr Speaker, I am glad to see and to hear the hon. Member say that the Opposition will be voting in favour and will be supporting this Bill. I had a sense of uneasiness and concern when the hon. Member first stood up and put a little bit of doubt as to whether the Opposition would be supporting this or not. And although I did say, as the hon. Member has repeated, that debt accumulated during their period in office and there has been some debt which has accumulated during the time that we have been in office since 2011; but let us be clear about one thing: the only debt that today is time barred, in other words that is at least six years old, is debt created during their time in office.

**Several Members:** Hear, hear. (*Banging on desks*)

**Hon. G H Licudi:** And for the hon. Member to say that they were thinking of voting against this Bill so that we would not be able to recover debt accumulated during their time in office, really takes the biscuit!

**Several Members:** Hear, hear! (*Banging on desks*)

**Hon. G H Licudi:** The hon. Member has also spoken about ... so I am glad to see that they have finally come round to their senses and they will be voting in favour of an amendment which will see us recovering their debt.

The Hon. the Chief Minister has also spoken about this, the so-called culture of entitlement that the hon. Member refers to. We really need to show that this so-called culture of entitlement is no more than a myth. As the Hon. the Chief Minister said, there is no entitlement and there cannot be a culture of entitlement not to pay.

And there is no entitlement anymore for a berth in the small boats marina, whilst you have accumulated debt and you have decided not to pay. So by taking the action that we have taken, which we started with the provision that we included in the regulations on the allocation of berths for the small boats marina so that people with debt were not entitled – were dis-entitled, essentially, from their ability to acquire a boat or to acquire that particular berth – what we are doing with that and with this measure and with the practical measure that we will be taking, what we are doing is doing away with any notion of any possible myth that there is a culture of entitlement in Gibraltar in respect of Government debt.

It is important to point out lastly, Mr Speaker, that this Bill as has been acknowledged, is not just about Government debt, there are also other fundamental provisions in relation to the Bill

which we had included in our manifesto commitments. In particular, cases of child abuse whilst in the care of Social Services in Gibraltar and in respect of the very serious disease of Mesothelioma and suffering from cancer caused by exposure to asbestos. And it is right that we move on and that we give people the entitlement to make claims where those claims are valid in respect of those very important issues which will have affected their lives very seriously indeed.

For all those reasons, Mr Speaker, I commend the Bill to the House and I certainly look forward very much to a full vote of the House in favour of the Bill, to allow us to recover GSD debt. *(Banging on desks)*

**A Member:** Hear, hear.

**Mr Speaker:** I now put the question which is that a Bill for an Act to amend the Limitation Act be read a second time. Those in favour? **(Members: Aye.)** Those against? Carried.

**Clerk:** The Limitation (Amendment) Act 2016.

**Limitation (Amendment) Bill 2016—  
Committee Stage and Third Reading to be taken at this sitting**

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, I beg to move that the Committee Stage and Third Reading of the Bill be taken later 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.)**

**Fast Launches (Control) (Amendment) Bill 2016 –  
First Reading approved**

**Clerk:** A Bill for an Act to amend the Fast Launches (Control) Act 1987.  
The Hon. the Minister for Education, Justice and International Exchange of Information.

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, I beg to move that a Bill to amend the Fast Launches (Control) Act be read a first time.

**Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Fast Launches (Control) Act 1987, be read a first time. Those in favour? **(Members: Aye.)** Those against? Carried.

455 **Clerk:** The Fast Launches (Control) (Amendment) Act 2016.

**Fast Launches (Control) (Amendment) Bill 2016 –  
Second Reading approved**

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, I beg to move that the Bill for an Act to amend the Fast Launches (Control) Act be read a second time.

460 This Bill, Mr Speaker, amends the 1987 Fast Launches (Control) Act so as to allow for the exemption of certain vessels from the regime created under that Act, if those vessels meet certain and very specific criteria.

The Bill comes about particularly as a result of the substantial increase in pleasure boats arising from the opening of the Mid-Harbour Small Boats Marina. From the Government's point of view, Mr Speaker, we are very glad to see that the marina and the associated amenities and the public promenade have been universally welcomed by both the boating and the wider community and it has become in fact a very much resounding success.

Mr Speaker, boat manufacturers are increasingly moving to outboard engines for larger boats due to reliability and low maintenance issues, including traditional fishing or pleasure boats that previously have used inboard engines. Those boats that require higher than 200 brake horse power engines would currently be classified as fast launches under the Act.

475 The Government has received numerous representations for a change in the law in order to allow the licencing of these boats without the boats falling under the fast launch regime, and there has also been an online petition to this effect. The Government has acknowledged the force of these arguments and has decided to create an exemption to the fast launch regime provided that certain criteria are satisfied.

At the same time, the Government has recognised that law enforcement agencies are equipped with faster and better boats than they were in 1987 when the Fast Launches (Control) Act was brought into force. As such, it is now possible for a new category of vessels to be created outside the restricted regime under the 1987 Act.

485 For the purposes of putting together this Bill and this new category, Mr Speaker, there was a Ministerial sub-committee created composed of myself, my colleague the Minister for the Port, the Hon. Paul Balban and the Minister for Maritime Services, the Hon. Albert Isola. We have all consulted with relevant stakeholders, in particular with the Captain of the Port and his staff, as well as the Royal Gibraltar Police and with Customs. All of those stakeholders with whom we have consulted have agreed the measures which we are proposing to introduce by this Bill today.

Mr Speaker, under the proposed regime, owners or prospective owners of vessels may apply to the Captain of the Port in order to certify certain vessels which are currently defined as fast launches as being exempt vessels, if they meet the criteria which is set out in the new schedule to the principal Act.

495 This is a very strict set of criteria and is intended to cover such vessels which currently fall within the fast launch regime but which due to their nature, design and purpose it is felt should no longer be as strictly controlled. The criteria, Mr Speaker, are that (1) the vessel does not under normal operating conditions exceed a speed of 40 knots; (2) it is not of a type, characteristic, colour or description, the certification of which would be in the opinion of the Captain of the Port, in consultation with the Government, against the public interest; (3) it is not an inflatable boat or a rigid inflatable boat; (4) it is of a particular minimum hull beam, hull length and hull displacement; and (5) it is not equipped with an engine or engines with a brake horsepower which exceeds the manufacturer's maximum engine recommendation.

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If the vessel, Mr Speaker, meets all the criteria and the Captain of the Port in his discretion and with the approval of Government certifies the vessel as exempt, certain restrictions included in the principal Act as to its use will no longer apply. These restrictions are mainly concerned with those contained in Part 3 of that Act relating to the vessel's use within the controlled area, the need for users other than the holder of a valid licence to be authorised, the use of a vessel at night, restrictions on where the vessel may be moored, annual surveys and the need to report arrivals and departures.

However, Mr Speaker, exempt vessels will not be exempt from all of the restrictions contained in the principal Act. The vessels will still need to be marked for identification purposes, engines may not be modified without permission of the Captain of the Port and there are restrictions on the carrying of fuel.

It is our view, Mr Speaker, that this new category of exempt vessels should cater for most vessels that boat users will want to own for recreational purposes and which are currently caught by the fast launch regime. In a way, we expect that regime to become – the fast launch regime – to become almost redundant. We have not, however, done away with the regime altogether as there may exceptionally be some vessels which may be licensed already as fast launches and which will continue to be subject to all of the restrictions and conditions contained in the Act.

Mr Speaker, when we were putting this together, the view that we took was that we should not change the fast launch regime at all and that instead we should simply create this new category of exempt vessels. However, after the publication of the Bill, we decided that there were in fact a couple of changes to the fast launch regime which ought to be made.

These, Mr Speaker, are set out in a letter to Mr Speaker, which we sent earlier this week, containing a number of amendments which I will be moving at Committee Stage. The main amendment, Mr Speaker, is the insertion of a provision for a new section 14A into the principle Act.

Mr Speaker, the Government has taken the view that it is desirable and indeed it is necessary, for certain types of vessels to be required to be insured and for users to have successfully completed a relevant proficiency test. These are new requirements which we are now introducing for recreational vessels.

We have not, Mr Speaker, formed a final view as to all the types of vessels for which there should be the insurance and proficiency requirement, but we have nevertheless determined that at this stage, we should impose these requirements on at least three categories of vessels, jet skis, fast launches and those vessels that fall within the new category of exempt vessels which we are introducing under this Bill.

Mr Speaker, with regard to jet skis, these provisions will be contained in rules, not in the current Bill or the Fast Launches Control Act. These rules will amend the Seaside Pleasure Boat Rules 1989. The rules will be published at the same time as we commence the amendments to the Act which we are debating today. In addition, the rules will introduce a restriction on the operation of jet skis at night, which is not currently the case.

We acknowledge, Mr Speaker, that the insurance and proficiency requirements cannot reasonably be imposed immediately on the coming into force of legislation or the rules, as these may take some time to organise. We do not want to prejudice existing users of these vessels and therefore, we will allow a period of grace of three months for those jet skis that are already licensed in Gibraltar and operational in Gibraltar. New jet skis coming in will of course be subject to the new requirements in order for them to be licensed.

Turning to the specific provisions which affect the Bill today, the new section 14A of the Fast Launches (Control) Act imposes the insurance and proficiency requirements on fast launches and exempt vessels. These new requirements are that the vessels may only be used if covered by a policy of insurance in respect of third party risks as may be approved by the Captain of the Port and also that such vessels may only be used by persons who have successfully completed a

proficiency course approved by the Captain of the Port or who are accompanied and supervised by a person who has completed such a course.

555 There are offences included regarding the use of the vessels contrary to these provisions and also regarding the failure to produce a copy of the insurance or evidence of successful completion of the relevant proficiency course.

560 Mr Speaker, in order to ensure that persons who currently own, in a similar way to what I mentioned in relation to jet skis, so for those persons who currently own and operate a launch which is licensed as a fast launch under the current regime, and again to give them an opportunity to regularise their position, we are proposing an amendment to clause 1 of the Bill which delays the application of the proposed section 14A for a period of three months from the commencement of the Amendment Act, in relation to the use of fast launches which have already been licensed under the Fast Launches Control Act, prior to the commencement of this Act and in relation to which, there is in operation on the date of commencement of this Act, 565 there is a licence in operation.

Finally, Mr Speaker, I will be proposing two further amendments which I included in the letter at Committee Stage, in the form of tidying up of the principal Act. The first changes the time when the use of a fast launch is prohibited which, under the current legislation is between 10.00 p.m. and 7.00 a.m. to between half an hour after sunset and sunrise. This is simply to give a 570 more realistic definition of night-time operation. As it stands at the moment, it is 10.00 p.m. to 7.00 a.m. all year round. As hon. Members will know, night changes essentially on a day-to-day basis.

We have adopted in part and the Hon. Mr Trevor Hammond will be very familiar with the rules on night-time operation in relation to aviation, whereby in the UK and Gibraltar, it is half 575 an hour after sunset and half an hour before sunrise. In Spain for example, it is sunset to sunrise and we have adopted almost a halfway house between those by saying that night operation for these purposes is half an hour after sunset and up to sunrise.

The second amendment, Mr Speaker, allows for the Captain of the Port to provide for alternative manners of reporting arrivals and departures. The reason for that is that currently 580 there is a need to go to the reporting berth every time a fast launch leaves or arrives in Gibraltar. There is, as we know currently no reporting berth and therefore there is a need to give a discretion to the Captain of the Port to propose and to prescribe an alternative manner of reporting those arrivals and departures.

585 Mr Speaker, I commend the Bill to the House.

**Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill? The Hon. Lawrence Llamas.

590 **Hon. L M Llamas:** Mr Speaker, I would just like to say that I am extremely pleased in the way that the Government has handled this Act. In particular, in the way in which it plans on dealing with the rules for other vessels in the future, in conjunction with this Act and the timely manner in which it will all come into operation.

I have to commend that they have done a very good job. Thank you. *(Banging on desks)*

595 **Mr Speaker:** I now put the question –

**Hon. G H Licudi:** Mr Speaker –

**Mr Speaker:** Yes?

600 **Hon. G H Licudi:** Simply in reply, to acknowledge the very kind words of the hon. Member. I do want to acknowledge that in relation to insurance and proficiency, the hon. Member made

the point in a recent *Viewpoint* programme when he was interviewed in relation to the small boats marina, that this would be desirable.

605 We have made an amendment, not just because the hon. Member said so, but because we have received representations and as I have said, this is a start of the imposition of that requirement to all vessels. How far we should go on insurance and proficiency requirements – clearly a small dinghy and a small rowing boat will not have them – where do we draw the line is a matter that we will have to debate and we will have to decide. But we have taken this  
610 opportunity of this amendment to impose these requirements on fast launches and exempt vessels and at the same time we were advised that we should do it particularly in relation to jet skis that can be quite fast and can be quite dangerous if in the wrong hands.

I am very, very glad to see that the Government will not just be supporting the Bill but they agree with the way that we have been doing this.

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**Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Fast Launches (Control) Act 1987 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

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**Clerk:** The Fast Launches (Control) (Amendment) Act 2916.

**Fast Launches (Control) (Amendment) Bill 2016 –  
Committee Stage and Third Reading to be taken at this sitting**

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, I beg to move that the Committee Stage and Third Reading of the Bill be taken later today, if all hon. Members agree.

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**Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of this Bill be taken today. (**Members:** Aye.)

**Employment Regulation (Offences) (Amendment) Bill 2016 –  
First Reading approved**

**Clerk:** A Bill for an Act to amend the Employment Regulation (Offences) Act.  
The Hon. the Minister for Business and Employment.

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**Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, I have the honour to move that a Bill for an Act to amend the Employment Regulation (Offences) Act be read a first time.

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**Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Employment Regulations Offences Act be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

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**Clerk:** The Employment Regulations (Offences) (Amendment) Act 2016.

**Employment Regulation (Offences) (Amendment) Bill 2016 –  
Second Reading approved**

**Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, I have the honour to move that the Bill be now read a second time.

645 Mr Speaker, the Bill seeks to amend the Employment Regulation (Offences) Act by extending the circumstances in which the Director of Employment may revoke a Fixed Penalty Notice. The power to evoke a notice was previously limited to labour inspectors; the power now rests solely with the director.

650 Whilst labour inspectors may recommend the revocation of a notice, it is ultimately the director who will take a final view on the revocation. The power to revoke a Fixed Penalty Notice was previously only exercisable where a labour inspector had reason to believe that an error or misapprehension of their part, or to the provision to them of incorrect information, had caused a Fixed Penalty Notice to be inaccurate.

655 This power has now been amended to circumstances where the director believes there has been an error, misapprehension or provision of incorrect information to a labour inspector. The power to revoke has also been extended to circumstances where the Director has reason to believe that the service of a notice operates against the public interest. The Bill also clarifies the Director of Employment has discretion to serve a new Fixed Penalty Notice or not, upon the revocation of an existing notice.

660 **Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill? No.

I now put the question, which is that a Bill for an Act to amend the Employment Regulation (Offences) Act be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

665 **Clerk:** The Employment Regulation (Offences) (Amendment) Act 2016.

**Employment Regulation (Offences) (Amendment) Bill 2016 –  
Committee Stage and Third Reading to be taken at this sitting**

670 **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.)

**Financial Services (Listing of Securities) (Amendment) Bill 2016 –  
First Reading approved**

675 **Clerk:** A Bill for an Act to amend the Financial Services (Listing of Securities) Act 2006.

The Minister for Business and Employment on behalf of the Hon. the Minister for Financial Services and Gaming.

680 **Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, I have the honour to move that a Bill for an Act to amend the Financial Services (Listing of Securities) Act 2006, be read a first time.

**Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Financial Services (Listing of Securities) Act 2006 be read a first time.

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

685 **Clerk:** The Financial Services (Listing of Securities) (Amendment) Act 2016.

**Financial Services (Listing of Securities) (Amendment) Bill 2016 –  
Second Reading approved**

**Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, I have the honour to move that the Bill be now read a second time.

690 Mr Speaker, this Bill amends the Financial Services (Listing of Securities) Act 2006. The Bill inserts two new subsections to section 28 in order for the Minister to be able to prescribe fees with regard to the application for listings made under the official Listing Rules 2007.

New subsection (5) provides the power to prescribe such a fee after consultation with the listing authority.

695 New subsection (6) states that the prescribed fee must be published by notice in *The Gazette*.

**Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of this Bill?

700 I now put the question, which is that a Bill for an Act to amend the Financial Services Listing of Securities Act 2006 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Financial Services (Listing of Securities) (Amendment) Act 2016.

**Financial Services (Listing of Securities) (Amendment) Bill 2016 –  
Committee Stage and Third Reading to be taken at this sitting**

705 **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.

710 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

**Financial Services Ombudsman Bill 2016 –  
First Reading approved**

715 **Clerk:** A Bill for an Act to establish the Financial Services Ombudsman to provide for the alternative resolution of Consumer Disputes in respect of Financial Services and for Connected Purposes.

The Hon. the Minister for Business and Employment, on behalf of the Hon. the Minister for Financial Services and Gaming.

720 **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 the Financial Services Ombudsman to provide for the alternative resolution of consumer disputes in respect of financial services and for connected purposes, be read a first time.

725 **Mr Speaker:** I now put the question, which is that a Bill for an Act to establish the Financial Services Ombudsman to provide for the alternative resolution of consumer disputes in respect of financial services and for connected purposes, be read a first time. Those in favour? **(Members: Aye.)** Those against? Carried.

730 **Clerk:** The Financial Services Ombudsman Act 2016.

**Financial Services Ombudsman Bill 2016 –  
Second Reading approved**

**Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, I have the honour to move that the Bill be now read a second time.

735 Mr Speaker, the introduction of the Financial Services Ombudsman was a manifesto commitment which will be met with the introduction of this legislation.

The Act aims to provide an alternative resolution of consumer disputes in respect of financial services. The Act establishes the Financial Services Ombudsman and sets out its powers, functions and duties. It requires financial services providers to participate in dispute resolution procedures conducted by the Ombudsman.

740 The legislation will enable the Ombudsman with the consent of the consumer, to impose binding solutions upon financial services providers. The Ombudsman will have the function of investigating facilitating, mediating, proposing or determining solutions to disputes, including the power to make compensatory awards to consumers.

745 The Act also requires financial services providers to give consumers certain information about the Ombudsman. The Ombudsman will be appointed by the appropriate Minister.

I commend the Bill to the House.

**Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of the Bill?

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**Hon. R M Clinton:** Mr Speaker.

**Mr Speaker:** The Hon. Roy Clinton.

755 **Hon. R M Clinton:** Mr Speaker, those of us in this House who dealt with family, friends and relatives who were involved or caught up in the TEP plan saga a number of years ago, will very much welcome the introduction of a Financial Services Ombudsman, which has been very sadly lacking in Gibraltar, in that in the past anybody who had any dispute went to the Financial Services Commission only to be told, 'Well actually, we do not deal with these types of disputes.'

760 So certainly this side of the House will welcome the introduction of this legislation which is probably long overdue and probably is required to meet EU requirements and certain legislation as well.

I have perused the legislation and with the assistance of my learned colleague, the Hon. Mr Phillips, and I have certain questions that perhaps the Minister, the Hon. Mr Costa, will be able to address in terms of the funding of the Financial Services Ombudsman.

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It may be a question of drafting and maybe we will get to it at the Committee Stage, but there is a very important principle that arises, and that is who pays for the cost of the Ombudsman?

770 Now, we are all aware that in the UK it is done by way of levy on industry and certainly I would not from an industry point of view, I am sure the industry has enough levies to deal with at the moment and it would be very welcome by the industry that it would be the Government picking up the Bill for this.

775 However, having looked at the charging section, and this is where the constitutional lawyers amongst us will have some fun, I notice in section 6(4) where it talks about the appointment etc. of the Ombudsman, it says:

The salary, expenses and allowances of the Ombudsman are to be—  
(a) approved by resolution of Parliament; and  
(b) a charge on the Consolidated Fund without the need for appropriation.

Now to me, that seems to be a contradiction. Either it is approved by resolution of Parliament or it is a charge, but it cannot be both. So that may be something the hon. Member may wish to check.

780 And then this is where as I said the constitutional lawyers will have some fun, because looking at – and I cannot help it, the book-keeper in me, I cannot avoid this – looking at the accounts of the Government, the charges on the Consolidated Fund are very specific officers. Some of which are normally laid down in the Constitution and in fact the Constitution provides that officers of Parliament, for example the Principal Auditor, the Ombudsman, the Clerk to Parliament etc. are officers of Parliament and then become charges on the Consolidated Fund  
785 without any further reference to Parliament, which is logical and the same goes for the judges and other officers such as the Governor. Those are enshrined in the Constitution.

Now, and again I am happy to be enlightened by the lawyers in the House, but it strikes me that either apart from the charging clause being slightly contradictory and I can see perhaps the logic in that if the Ombudsman is a charge, then surely a Financial Services Ombudsman would  
790 be a charge. But then does he become an officer of Parliament? Also I notice that he reports to the Minister and not to Parliament.

So which is it? Is he an officer of Parliament or is he not an officer of Parliament? If he is not an officer of Parliament, I do not think it should be appropriate that he should be a charge on Parliament to the Consolidated Fund without reference to this Parliament, especially since he  
795 reports to the Minister and not to this Parliament. There is no requirement in the legislation as I can see, that says that his report will be tabled to Parliament.

So that is the crux and my question really is the funding of the Ombudsman and the scrutiny of his expenditure. Perhaps the Hon. Minister can shed some light or maybe we can deal with this at Committee Stage, but I think there is a fundamental principle here in terms of scrutiny.  
800 Because if we just by legislation keep on adding charges to the Consolidated Fund, and nor am I suggesting we do this, it is entirely possible that you could make everything a charge on the Consolidated Fund and there would be no need for any parliamentary resolution for anything.

I think it is an important point to make in that when you do create a charge on the Consolidated Fund it is for an office that is either laid out in the Constitution or it is of such public interest that it is a charge on the Consolidated Fund without reference to Parliament. I  
805 think this is an important question that we need to address in respect of this legislation.

Personally I do not believe that the Financial Services Ombudsman in any case which is dealing with commercial entities is an officer of Parliament and should be a charge on Parliament but rather a charge on the Consolidated Fund by way of resolution.

810 And that, Mr Speaker, is my contribution.

**Mr Speaker:** Does any other hon. Member wish to speak on the general principles and merits of this Bill? The Hon. Mr Bossano.

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, I think there is no conflict between the Parliament deciding what the pay should be initially but then not having to approve it every year. Because the only reason why this mechanism exists is, theoretically, to give a higher level of independence to the entity that is directly charged to the Consolidated Fund so that once the decision is taken, the pay then becomes an obligation under the law over which the Parliament no longer has control.

It is a matter of choice for the Parliament to do this or not do this, but I do not think there is a conflict in saying we are creating a Financial Services Ombudsman and we are going to link him or grade him in line with some other entity, but in order to give the same kind of theoretical independence, which I think is just frankly a way of sending a message – no more than that because it is not as if the Parliament ever interferes with the Civil Service in the cases where it boasts a salary ...

But one thing that never gets amended in this Parliament and I think when we had the recent debate about being able to amend things from the Opposition, I reminded Members that at one stage when Mr Speaker was part of the Government and I was in the Opposition, I tried to reduce somebody's salary by £1 and I was told I could not do it. So there you have got a situation where Parliament in fact was already inhibited from being able to do anything in respect of those salaries that are in the Consolidated Fund and paid from the Consolidated Fund by an Appropriation Bill.

The mechanism is not that it makes him a servant of the Parliament; it is that it makes him in theory, and on paper, enjoy a greater degree of independence from control by Parliament by virtue of the fact that he is guaranteed that the salary is by law payable from the Consolidated Fund and the Parliament cannot interfere with the salary.

I do not think there is any other intention to the creation of this mechanism. It was something that was done a number of years ago. Initially there were very few positions and a few have been added but out of the 5,000 public servants we may have four or five whose salaries are not controlled by Parliament.

**Mr Speaker:** Does any other hon. Member wish to speak on the general principles and merits of the Bill?

The Hon. Samantha Sacramento.

**Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):** Mr Speaker, by way of assistance, this mechanism for payment of the Ombudsman already exists and it is the same as it is in section 4 of the Public Ombudsman's Act 1998. So, Mr Speaker, the mechanism which the GSD introduced back in 1998, Mr Speaker.

**Mr Speaker:** I call upon the hon. mover to reply?

Then I put the question which is that a Bill for an Act to establish the Financial Services Ombudsman to provide for the alternative resolution of consumer disputes in respect of financial services and for connected purposes, be read a second time.

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

**Clerk:** The Financial Services Ombudsman Act 2016.



**Financial Services Ombudsman Bill 2016 –  
Committee Stage and Third Reading to be taken at this sitting**

860 **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.)

**COMMITTEE STAGE**

**Pensions (Widows and Orphans) (Amendment) Bill 2016;  
Limitation (Amendment) Bill 2016;  
Fast Launches (Control) (Amendment) Bill 2016;  
Employment Regulation (Offences) (Amendment) Bill 2016;  
Financial Services (Listing of Securities) (Amendment) Bill 2016;  
Financial Services Ombudsman Bill 2016**

865

**Clerk:** Committee Stage and Third Reading.  
The Hon. the Chief Minister.

870 **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 Pensions (Widows and Orphans) (Amendment) Bill 2016; the Limitation (Amendment) Bill 2016; the Fast Launches (Control) (Amendment) Bill 2016; the Employment Regulation (Offences) (Amendment) Bill 2016; the Financial Services (Listing of Securities) (Amendment) Bill 2016; as well as the Financial Services Ombudsman Bill 2016.

*In Committee of the whole Parliament*

**Pensions (Widows and Orphans) (Amendment) Bill 2016 –  
Clauses considered and approved**

875

**Clerk:** A Bill for an Act to amend the Pensions (Widows and Orphans) Act.  
Clauses 1 and 2.

**Mr Chairman:** Stand part of the Bill.

880

**Clerk:** The long title.

**Mr Chairman:** Stands part of the Bill.

**Limitation (Amendment) Bill 2016 –  
Clauses considered and approved**

885

**Clerk:** A Bill for an Act to amend the Limitation Act.  
Clauses 1 to 4.

**Mr Chairman:** Stand part of the Bill.

890

**Clerk:** The long title.

**Mr Chairman:** Stands part of the Bill.

**Fast Launches (Control) (Amendment) Bill 2016 –  
Clauses considered and approved**

895

**Clerk:** A Bill for an Act to amend the Fast Launches (Control) Act 1987.  
Clause 1 as amended.

**Mr Chairman:** An amendment has been proposed by the hon. mover. It has been circulated  
to all hon. Members. May we take it as read?

900

This amendment stands part of the Bill.

**Clerk:** Clause 2 as amended.

905

**Mr Chairman:** Again, in the same letter the Minister informed Members of his intention to  
move this amendment. May we take it as read?  
Therefore it stands part of the Bill.

**Clerk:** The long title.

910

**Mr Chairman:** Stands part of the Bill.

**Employment Regulation (Offences) (Amendment) Bill 2016 –  
Clauses considered and approved**

**Clerk:** A Bill for an Act to amend the Employment Regulation (Offences) Act.  
Clauses 1 and 2.

915

**Mr Chairman:** Stand part of the Bill.

**Clerk:** The long title.

**Mr Chairman:** Stands part of the Bill.

**Financial Services (Listing of Securities) (Amendment) Bill 2016 –  
Clauses considered and approved**

920

**Clerk:** A Bill for an Act to amend the Financial Services (Listing of Securities) Act 2006.  
Clauses 1 and 2.

**Mr Chairman:** Stand part of the Bill.

925

**Clerk:** The long title.

**Mr Chairman:** Stands part of the Bill.

**Financial Services Ombudsman Bill 2016 –  
Clauses considered and approved**

930

**Clerk:** A Bill for an Act to establish the Financial Services Ombudsman to provide for the alternative resolution of consumer disputes in respect of financial services and for connected purposes.

935

**Hon. R M Clinton:** Can I say something at some point or are you going to read it all? I can say something now, yes? *(Interjection)* Right.

**Clerk:** Clauses 1 to 10.

**Mr Chairman:** Stand part of the Bill.

940

**Clerk:** Clauses 11 and 12 as amended.

**Mr Chairman:** Now, back in February, earlier this year, the Hon. Albert Isola gave notice to me of some minor amendments which have been circulated to all hon. Members.

945

May we take them as having been read? *(Interjection)* Yes, and I understand that the Hon. Mr Clinton wishes to speak on one of these clauses.

**Hon. R M Clinton:** Thank you, Mr Chairman.

950

Coming back to the intervention by the Hon. Mr Bossano, I would just like some clarification as to how clause 6.(4)(a) and (b) are going to work in operation.

He says well, Parliament can set the salary and then they will have to set it thereafter, but if you read clause 6.(4)(a) and (b), salary expenses are to be approved by resolution of Parliament and a charge without the need for appropriation. But how does this work in practice?

955

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** If you have a resolution where the Parliament approves the budget of the Ombudsman, then it is coming to Parliament independent of the Appropriation Bill. That is what that clause provides.

960

And where you have got a reference to the charge being without any appropriation, it is that it does not have to be included as part of the Budget. Where that is there symbolically the only significance – because in practice it does not make any difference – is that it enhances the concept of the level of independence enjoyed by an Ombudsman and this is why there are very few officers that are defined in that particular way.

965 **Hon. R M Clinton:** Mr Chairman, yes I understand that, but in practice does that mean that there will have to be a motion presented by Government every year, setting out the expenses and salary allowance every year separately to the Budget?

**Hon. J J Bossano:** In effect it is the budget of the office, not just his personal emoluments.

970 **Hon. R M Clinton:** Mr Chairman, so I take it we are agreed that basically every year there will have to be a separate resolution of this Parliament setting out the salary expenses or at least agreeing to them.

975 **Hon. J J Bossano:** I think the only way that that can be interpreted is if there was a case where the provision that was approved by a resolution did not change in a subsequent year then there would not be any need for a resolution.

But if there were changes and the first resolution carried specific numbers then clearly what becomes a direct charge is the numbers that are in the original resolution.

980 **Hon. R M Clinton:** Without wanting to create a rod for my own back, I guess if he removed clause (a) he would not have a problem at all because then he would not have to seek a resolution of Parliament each year or whenever there was a change.

985 **Hon. J J Bossano:** Mr Speaker, if the hon. Member has been persuaded by the exchanges since the First and Second Reading but now he is suggesting removing a little (a), then in fact there would be less control; but a few minutes ago he wanted more control. I have no problem with less control. *(Laughter)*

990 **Hon. R M Clinton:** As the hon. Member will know I am always in favour of more control, I am just saying in terms of practicality as to how he is going to do this, if what he is saying is that every year he will present a resolution to Parliament and if there is no change at least the resolution is saying there is no change but you still have to present a resolution even though there is no change.

995 **Chief Minister (Hon. F R Picardo):** The Government does not read the section like that. The Government reads the section in saying that there has to be a resolution of the Parliament to approve the salary, expenses and allowance of the Ombudsman. It does not say that it has to be every year. It has to be that resolution, once that resolution is in place; if the resolution has to change then you have to come back to Parliament because the Government is not able to do resolutions on its own. But once that resolution is in place, whilst it does not change, that creates an expense which is a charge on the Consolidated Fund and we do not need to come back here.

1000

**Mr Speaker:** Is there a need for other officers whose salaries are paid out of the Consolidated Fund to have an annual resolution? It just does not happen.

1005

**Hon. R M Clinton:** Mr Chairman, I thank the hon. Members for the clarification. One other point I have in relation to – I do not know if these clauses have been called yet –

1010 **A Member:** One to 10 have been called.

**Hon. R M Clinton:** One to 10 have been called yes, was in relation to 16 so I will wait.

**Mr Chairman:** Can we ask the Clerk therefore, to call clauses up to 10 so that it is clear after these exchanges, that they do stand part of the Bill.

1015

**Clerk:** Clauses 1 to 10.

**Mr Chairman:** Stand part of the Bill.

1020 **Clerk:** Clauses 11 and 12 as amended.

**Mr Chairman:** There are very minor amendments as I said for which notice was given some time ago.

We will take them as read and they stand part of the Bill.

1025

**Clerk:** Clauses 13 to 18. I believe –

1030 **Hon. R M Clinton:** Mr Chairman, it is just a point on the annual report to the Ombudsman: clause 16.(1) is providing a report to the Minister, but there is no requirement to table any copies to this Parliament. I was just wondering if the Members opposite may wish to consider whether a report to the Minister or a report to the Minister and a tabling in Parliament.

1035 **Hon. Chief Minister:** Mr Chairman, the Ombudsman reports to Parliament and tables his report because in effect he is a parliamentary Ombudsman. In a financial services situation of the sort that we are dealing with here, there are different ways in which the Ombudsman can report, the position is the report to Ministers. There may be other sensitivities involved in a report of this nature and we do not think it is in Gibraltar's wider economic interest that such a report be laid in Parliament.

1040 **Hon. R M Clinton:** Mr Chairman, if I can direct the Chief Minister to clause 16.(3), the Ombudsman must publish a copy of any report under this section on its website, on a durable medium upon request and by any other means the Ombudsman considers appropriate.

1045 **Hon. Chief Minister:** Mr Chairman, that is the report like the report that comes here after the report has gone to Ministers. But, Mr Chairman, what the hon. Gentleman surely cannot be telling me is that he wants us to bring to Parliament something that is public. We do not think that is appropriate.

1050 If something is public then it is in Parliament. The hon. Gentleman and the Government have this debate constantly, he wants things which are filed in the public companies registries delivered to him. He wants things which are filed in the public companies registers laid in Parliament.

Mr Chairman, we lay in Parliament things that are published by the laying in Parliament, not things which are otherwise published.

1055 **Hon. R M Clinton:** Mr Chairman, that is exactly the point I am making, that the Ombudsman surely should provide his report to Parliament rather than making it public before Parliament sees it and this is exactly at this stage in the process of writing legislation where we can do this.

1060 I am not asking for a document that is in the public domain already; I am just saying that here we have an opportunity for these reports to come to Parliament and do the hon. Members opposite wish to do that or not? And he is obviously saying not.

But he just contradicted himself in that he said these are sensitive reports: does he really want them to come to the public domain where the requirement is already there in legislation where they will be published publicly? So which is it?

1065 **Hon. Chief Minister:** Mr Chairman, the hon. Gentleman has not been in Government. He does not know that Ombudsman's reports are brought to Ministers before they are published. So in the case of the parliamentary Ombudsman, the Minister receives the report before it is laid

in the Parliament and I would expect that in relation to this, Ministers will receive the reports before they are published, Mr Chairman.

1070 There is good reason for that and it is set out, if he cares to read back to the *Hansard* that the Hon. Sir Peter Caruana was speaking on the Bill when he presented the Ombudsman's Bill, the Parliamentary Ombudsman's Bill, he will see why that provision exists.

1075 Now, Mr Chairman, this is not about bringing things to Parliament. This is about publication of things and we think that things in some instances need to be published more widely than just in Parliament. Now, if things are brought to Parliament, they can be published from Parliament and after Parliament. But there is no reason, Mr Chairman, that today things should be brought to Parliament when they can be put on a website, whether they are accounts of banks or things which are filed by companies in their public accounts and which are accessible online to people. We think that is a better and wider publication of things than the hon. Gentleman suggests in terms of bringing things to Parliament.

1080 There are things which are appropriate to bring to Parliament. In respect of the Parliamentary Ombudsman, it is particularly relevant that his report be brought to Parliament. This is financial services, Mr Chairman, and therefore we think it is appropriate that it should be dealt with in this way and not as the hon. Gentleman suggests. This is a more modern and wider way of dealing with publication than simply bringing things to Parliament and he is not going to persuade the Government, we are not going to narrow the publication as he wishes. We are going to continue to have it in this way as set out in section 3.

1090 **Mr Chairman:** May I point out that, of course as hon. Members know, if a report is going to be laid on the table here, it is confidential until it has been laid. If it is published elsewhere on a website then it immediately becomes a public document.

1095 **Hon. R M Clinton:** Mr Chairman, thank you very much for that. Of course as the Hon. Chief Minister knows, his documents that are laid here are made public as soon as they are tabled in this Parliament and I am just a bit concerned as to the suggestion that it is far better to put these documents on public registers and issue them outside Parliament.

For example, why table the Auditor's Accounts and the Gibraltar Electricity Authority? Why bother, why not remove all references to Parliament in any legislation?

1100 **Hon. Chief Minister:** Mr Chairman, I think it is a very good idea that follows the Government's thinking, (*Laughter*) because I think the publication online of reports is much better than simply the laying of things in a tradition that comes from a time, from Parliaments beyond Gibraltar, where people used to bring documents which would then be in a library which people would then be able to find in some instances only there, Mr Chairman.

1105 But if the hon. Member wants to now move a motion to amend 16(3) to produce a laying in Parliament, he is going to find he does not enjoy the support of the House. If in future he finds clauses which slip past us which suggest that things should be laid in the House instead of being published online and he moves an amendment to have them published online, he will have our support. Because that means, as the hon. independent Member has said, it is about making information more accessible to people, about making budgets more accessible to people, about making this sort of report more accessible to people, not more accessible to him.

1115 **Hon. R M Clinton:** Mr Chairman, I think we have exhausted this line of exchange and obviously it is not about things being accessible to me; it is about transparency and the relevance of this Parliament. But I venture to suggest that one of the hon. Members will add this to his bucket of transparency. But never mind.

**Hon. Chief Minister:** Well, Mr Chairman, the hon. Gentleman would be completely wrong, Mr Chairman, because if you want transparency then you want things published not just to

1120 yourself and 16 others first and then to the world; you want it published to the world and to every citizen so that every citizen can access the report and every citizen can see it and that is what this Government stands for, and I am sorry to see that he is still in an age where things are only published in Parliament.

1125 **Clerk:** I shall recap. Clauses 13 to 18.

**Mr Chairman:** Stand part of the Bill.

**Clerk:** The long title.

1130

**Mr Chairman:** Stands part of the Bill.

### THIRD READING

**Pensions (Widows and Orphans) (Amendment) Bill 2016;  
Limitation (Amendment) Bill 2016;  
Fast Launches (Control) (Amendment) Bill 2016;  
Employment Regulation (Offences) (Amendment) Bill 2016;  
Financial Services (Listing of Securities) (Amendment) Bill 2016;  
Financial Services Ombudsman Bill 2016 –  
Third Reading approved: Bills passed**

1135 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to report that the Pensions (Widows and Orphans) (Amendment) Bill 2016, the Limitation (Amendment) Bill 2016, the Fast Launches (Control) (Amendment) Bill 2016, the Employment Regulation (Offences) (Amendment) Bill 2016, the Financial Services (Listing of Securities) (Amendment) Bill 2016, and the Financial Services Ombudsman Bill 2016 have been considered in Committee and agreed, in some instances with and in some instances without amendment, and I now move that they be read a third time and passed.

1140

1145 **Mr Speaker:** I now put the question, which is that the Pensions (Widows and Orphans) (Amendment) Bill 2016, the Limitation (Amendment) Bill 2016, the Fast Launches (Control) (Amendment) Bill 2016, the Employment Regulation (Offences) (Amendment) Bill 2016, the Financial Services (Listing of Securities) (Amendment) Bill 2016, and the Financial Services Ombudsman Bill 2016 be read a third time. Those in favour? (**Members:** Aye.) Those against? Carried.

### ADJOURNMENT

1150 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I move that the House do now adjourn to Friday, 9th September at 3.30 p.m. I take this opportunity to wish all hon. Members all the very best for what is left of the month of July and August, for the summer months.

**Mr Speaker:** The House will now adjourn to Friday, 9th September at 3.30 in the afternoon.

*The House adjourned at 12.43 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**AFTERNOON SESSION: 3.40 p.m. – 4.57 p.m.**

**Gibraltar, Friday, 9th September 2016**

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# The Gibraltar Parliament

*The Parliament met at 3.40 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

#### Standing Order 7(1) suspended to lay papers

**Clerk:** Meeting of Parliament, Friday, 9th September 2016.  
Suspension of Standing Orders, the Hon. the Chief Minister.

5

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to move under Standing Order 7(3) to suspend Standing Order 7(1) in order to proceed with the laying on the Table of a Report.

10

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

**Clerk:** Papers to be laid, the Hon. the Chief Minister.

#### Tribute to Mr Derek McGrail

15

**Chief Minister (Hon. F R Picardo):** Mr Speaker, before I proceed to lay the report on the table, can I ask the House to reflect for a moment on the sad passing recently of a member of the local Press Corps, Mr Derek McGrail who was for many years, the Editor of one of our local newspapers, *The Vox* which recently became an online only medium.

He passed away over the period of the summer break and I am sure the whole House will want to reflect on the work that Derek did in the period that he was with us as a journalist, a member of the press.

20

Members of the press discharge an extraordinarily important function in getting the message of politicians to the general public and in challenging and testing the message that we wish to put out. Derek was an exemplary member of that corps. He will have had contact with all Members of the House in that context and I am sure that we will all sadly miss him. He was well known, Mr Speaker, amongst all of us for turning up to the most formal function in the most informal of gear, and well loved by all of us for that.

25

I have no doubt that the whole House will want to associate itself with my call for reflection on his passing.

**Celebrating National Week –  
Welcome to friends of Gibraltar from other Parliaments**

**Chief Minister (Hon. F R Picardo):** Mr Speaker, can I also, before I move to lay on the Table, can I recognise in the Gallery a lot of friends of Gibraltar from many other Parliaments – not just from the United Kingdom Parliament, but also from the European Parliament – who are with us to enjoy the celebration of National Week, many who are returning to celebrate National Day with us, some who are coming for the first time; all of them, however, people who have long been looking out for Gibraltar and the issues that concern this community beyond our shores.

They are, of course, not just welcome in Gibraltar for these events, but also in this Parliament, given that we are lucky enough to be sitting this week, just ahead of our National Day celebrations.

**PAPERS TO BE LAID**

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to lay on the Table the Annual Report of the Gibraltar Regulatory Authority for the year ended 31st March 2016.

**Mr Speaker:** Ordered to lie.

**Clerk:** 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 have the honour to lay on the Table the audited accounts for the Gibraltar Electricity Authority for the financial years ending 31st March 2012, 2013, 2014 and 2015.

**Mr Speaker:** Ordered to lie.

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

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, I have the honour to lay on the Table the Annual Report of the Parole Board for the years 2014 and 2015.

**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 2015.

**Mr Speaker:** Ordered to lie.

## Questions for Oral Answer

### TRANSPORT, TRAFFIC AND TECHNICAL SERVICES

**Q385/2016**

#### **Disabled bays – Plans regarding unauthorised use**

**Clerk:** We now continue with Answers to Oral Questions.  
We commence with Question 385, the Hon. L F Llamas.

70

**Hon. L F Llamas:** Mr Speaker, what plans does Government have to take action against the unauthorised use of disabled bays?

75

**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, I want to start by condemning the improper and unconscionable abuse of disabled bays by unauthorised drivers. (**A Member:** Hear, hear.)

80

Government is aware of the current unauthorised use of disabled bays which appears to be mainly by foreign vehicles. We are constantly reviewing this unacceptable and abusive behaviour as part of the provision for Blue Badges under the Sustainable Traffic, Transport and Parking Plan and trust that the new parking enforcement arrangements will ameliorate the situation.

85

I want to end, Mr Speaker, by saying that anyone who uses a disabled bay without authority should be ashamed of themselves. (*Banging on desks*)

**A Member:** Hear, hear.

**Q386/2016**

#### **Mid-town Small Boats Marina – Publication of list of owners; annual rental income**

**Clerk:** Question 386, the Hon. L F Llamas.

90

**Hon. L F Llamas:** Mr Speaker, does Government intend to publish a list of the owners, together with details of the vessels registered to each berth and the annual rental income payable at Mid-Town Small Boats Marina?

95

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

**Minister for Transport, Traffic and Technical Services (Hon. P J Balban):** Mr Speaker, publication of such lists breaches data protection legislation. Allocation of berths has been carried out strictly by the berthing waiting lists and in accordance with the Small Vessels (Mooring Control) Rules 2016 and to those applicants without Government arrears.

100

Annual rental income information will be managed by the elected Mid Harbour Small Boats Marine Association in line with the constitution of the Association.

**Hon. D A Feetham:** Mr Speaker, May I?

105 Mr Speaker, the Small Boats Marina has cost the Taxpayer £24 million. That is £37,000 per berth. That is the cost to the Taxpayer.

Has the Hon. the Minister received advice to the effect that providing this information is actually in breach of the Data Protection Act and I mean legal advice from the Attorney General's Chambers. Because quite frankly, I cannot see – and I speak from my own knowledge  
110 as a lawyer – that it could possibly breach the Data Protection Act to provide details of the owners of the berths who have benefitted from these berths to the tune of £37,000 of Taxpayer's money per berth.

**A Member:** Hear, hear.

115

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, it is the view that has been taken by the Government.

The view that has been taken by the Government is the disclosure of this information *would* be in breach of the Data Protection Act.

120 The hon. Member says that the Marina has cost £24 million. That is correct, that is £24 million very well spent. Or is it that the hon. Member has not made his way round the Marina as the rest of Gibraltar has? Is it that he has not seen the 700 boats that are now currently berthed at that Marina? Is it that he has not seen how Catalan Bay, Sandy Bay and Eastern Beach is, every single day of the summer, teeming with boats, with families, with children, enjoying something which they were never able to do when they were in office? Has he not seen that?  
125 *(Banging on desks)* **(A Member:** Hear, hear.)

Certainly money well spent, certainly we would have done it again, but what we certainly cannot do is disclose the names of the berth holders. *(Banging on desks)*

130 **A Member:** Hear, hear.

**Hon. D A Feetham:** Well, Mr Speaker, of course it is a jolly good idea to provide berths at the cost of £37,000 per berth to everybody that wants one, Mr Speaker. But the reality is that when you govern, there are priorities and the Government has spent, Mr Speaker, let me remind them  
135 again, £750 million in four years, which is more than we spent in 16 years when we were in Government, Mr Speaker.

And it is about priorities. There are many more priorities that the Government could have spent £24 million, rather than providing berths at a cost of £37,000. A pop, Mr Speaker, for each individual and therefore it is incumbent on the Government in these circumstances, to come to  
140 this House and to provide the information that allows the Opposition to hold it to account. Because we want to know who has benefitted, Mr Speaker, of this largesse of £37,000 per berth.

And, Mr Speaker, he has not answered the question, because the question was has the Government obtained advice. I am not interested whether the Government collectively, as a Government, has taken the view that it infringes data protection, I am interested in whether the  
145 Government has obtained legal advice to that effect. That is the question.

**Mr Speaker:** May I warn the Hon. Minister that in answering the previous question, he was debating.

150 **Hon. G H Licudi:** Yes, thank you, Mr Speaker.

Of course it is about priorities. Of course being in Government is about exercising judgement and of course it is about deciding how we spend Taxpayers' money. And the Marina has not been started in the last few months; it was finished a few months ago. But it was started a couple of years ago during the first term in office. And let me remind the hon. Member, how

155 many was it? Almost 70% of the electorate voted to return this Government to office (*Banging on desks.*) in the last election! (**Several Members:** Hear, hear.)

Why did they do that? They did that because they saw that we were building the Marina at a cost of £24 million and therefore the electorate endorsed that, 100% endorsed that. They also saw that we built a university. They also saw that we built two new schools and everything else that we did in the first term of office, something which no other Government has done in the history of Gibraltar (*Interjection*)

And let me also remind the hon. Member, when he criticises this, that it is not just the berth holders that are enjoying the 700 berths. Has he not seen the road and the facilities that are provided there? Has he not seen the people fishing, giving back the sea to the people after a lot of reclamation has been done and denied access to the sea during the 16 years that they were in Office? Has he not seen that, has he not gone with his family to enjoy what every single Gibraltarian is now enjoying as a result of the policy that we have taken? And has he not seen the super yachts that now visit Gibraltar and –

170 **Mr Speaker:** No, no, order. Super yachts have nothing to do with the Small Boats Marina. (*Interjections*) You are beginning to debate once again and you are not answering the question, you are actually asking questions yourself.

**Hon G H Licudi:** Mr Speaker, the project that we have built was for a small boats marina for 700 berths, a public promenade with fishing facilities and a super yacht wharf. That was the project. That is what we spent £24 million on – not on just the berths.

So when the hon. Member just divides the figures by 700 and comes up with that figure, he seems to forget that we have a public amenity there. And not just a public amenity, a commercial amenity also for the Port, which is actually generating revenue, something which Gibraltar has never had, the possibility of attracting super yachts to berth in Gibraltar for a while and to be able to benefit, for the whole of Gibraltar to be able to benefit.

We are very proud of what we did, we are very proud of the commitment and so is the rest of Gibraltar. (*Banging on desks*)

185 **Several Members:** Hear, hear.

**Mr Speaker:** The Hon. Roy Clinton. A supplementary question, I take it?

**Hon. R M Clinton:** Yes, it is.

190 Mr Speaker, I will be brief and I would be grateful if the Minister could advise this House, whether he has personally been allocated a berth in the Small Boats Marina?

**Hon. G H Licudi:** Sorry, whether I have been personally allocating berths or allocated a berth?

195 **Hon. R M Clinton:** Allocated a berth.

**Hon. G H Licudi:** Yes, Mr Speaker, I do have a berth.

I had a berth in Water Gardens Marina and all berth holders at Water Gardens Marina were offered the opportunity of transferring to the new marina, which I did.

200 I was also, as it happens, on the Port waiting list, irrespective of the berth that I had in the Small Boats Marina, I was number four hundred and something on the list. So given that we have 700 berths, I would inevitably have been able to enjoy, as with the rest of the Gibraltarians, the right to be allocated a berth, in accordance with the criteria set out in the Small Vessels Mooring Controls Rules, which has been strictly controlled by the Captain of the Port, strictly controlled by the Captain of the Port and his team.

And we set out, for the first time in legislation, how that criteria was to be adopted. We are 100% convinced that that criteria has been faithfully adopted by the Port Authority and that those who were entitled to a berth – and let me say including myself – have been allocated the berths.

**Mr Speaker:** Next question.

**Hon. R M Clinton:** Mr Speaker, if I may just ask one more supplementary on that. While the question has been answered, I wanted to be absolutely clear in my mind that while it is the... I understand the position of Government, that it is not necessary under the Data Protection Act, or not possible under the Data Protection Act to release the names of berth holders, as it is the view of the Opposition that it should be possible to release those names, that no advice has definitively been received from the Attorney General that those names should not be released under the Data Protection Rules?

**Chief Minister (Hon. F R Picardo):** No, Mr Speaker that is not the position. The hon. Gentleman has not got it right and he needs to understand what the position is.

I have told them before but of course because of the politics that they want to do of this, the answers that they get are not relevant because they are not going to assist them in what they want to do.

I have told the House before, Mr Speaker, in the context of lists relating to housing, that the Data Protection Commissioner has told us that we are not to publish lists, because those lists with names are not things that the Government, as a data controller, should publish.

Whether it is a list of people who have taken berths at the Small Boats Marina, whether it is a list of people who have put their names down on the housing waiting list for 2 RKB or 3 RKB or any other permutation, the advice the Government has from the Data Commissioner in Gibraltar, is that that, as a data controller, the Government cannot publish, Mr Speaker.

So it is not the Attorney General, Mr Speaker, it is actually the authority itself that has the obligation to protect the information that we have gone to and who has given us that advice. And if, Mr Speaker, they do not like it, they might like to reflect upon the fact that that was a piece of legislation that they brought to this House that they enacted in this House, the Data Commissioner that they appointed in keeping with European obligations and that therefore, we have to comply with.

So, Mr Speaker, I think it is abundantly clear that the position of the Government is based on advice, not from the Attorney, it is based on advice from the party that determines and has in law the right to determine whether or not something being published is in breach of the Act or not in breach of the Act.

Now, Mr Speaker, if what they are saying is that we should publish just because they want lists even though we put ourselves in breach of their law, I would not be surprised. Because given how they are taken to act contrary to the things that they used to do when they were in power, I would not be surprised to see them ask us to act against one of their own Acts.

Mr Speaker, but now that I am on my feet it may be a propitious moment to add to the things that the hon. Gentleman, my hon. Ministerial colleague, was saying in the context of these answers relating to the Small Boats Marina.

Because if the issue, Mr Speaker, is cost and the list should be published because they want to know who has benefitted from the costs that we have incurred, Mr Speaker, and who has advised us that we cannot publish the list, well Mr Speaker, I must tell them the cost is (a) very close to just double the amount that they sunk in a hole in the ground at the Theatre Royal, for which there has been no benefit to anyone.

But principally, the people who have benefitted from the Small Boats Marina are the people who have been on waiting lists for the 16 years that they were in Government. People who were laid up with their boats not in the water (*Banging on desks*) for the 16 years that they were in

Government, and as for the amount of money that we spend, Mr Speaker, we spend it on this and all the many other great things that we did, including the creation of homes for our people, which when it is convenient to them, Mr Speaker, they urge us to do more of because there is a question on the Order Paper from the Hon. Mr Clinton, asking us when we are going to get on with the housing estates. So, on the one hand they tell us not to spend and on the other they are going to ask us when are we going to spend. On the one hand they tell us that Brexit is the most important thing and we must not complete our manifesto and on the other hand they tell us that we have not completed our manifesto. *(Interjection)* Mr Speaker, it is such obvious contradictory politics that even the most basic journalist could see through it, and the electorate certainly has. *(Banging on desks)*

**A Member:** Hear, hear.

**Q387/2016**

**Gibraltar Development Plan –**

**Date for completion of update; publication of the revised plan**

**Clerk:** Question 387, the Hon. T N Hammond.

**Hon. T N Hammond:** Mr Speaker, can the Minister say when will the Gibraltar Development Plan update be complete and when will the revised plan be published?

**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, instructions have been given to commence a review of the 2009 Development Plan. The detailed work is yet to commence so it is therefore not possible to provide an indication of the time that this process will take at such an early stage.

The House will recall that the precursor of the 2009 Development Plan was dated 1991.

**Q388/2016**

**Installation of speed cameras –**

**Date for coming into service**

**Clerk:** Question 388, the Hon. T N Hammond.

**Hon. T N Hammond:** In a Press Release of 9th November last year, Government announced that all infrastructure work for the installation of speed cameras had been completed and that combined with a review of the speed limits, the measure would go a long way in reducing the incidents of indiscriminate speeding which will no doubt make our roads safer for all.

The cameras do not appear yet to be in service. When does the Government believe that they will be in service?

**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, this project is currently at a very advanced stage and it is hoped that the cameras will become operational in the next few months.



300 The Traffic (Amendment) Bill, Mr Speaker is in the agenda and may be proceeded upon in this meeting of Parliament. These statutory amendments are required for the implementation of the speed cameras.

305 **Hon. T N Hammond:** So, Mr Speaker, just referring to the Press Release by the hon. Gentleman, issued on 9th November last year, when he said that the project is expected to go live in early 2016 after a period of public awareness. Does the Hon. the Minister agree with me that the project is now somewhat delayed from Government's initial expectations as to when that project will be delivered?

310 **Hon. P J Balban:** Mr Speaker, as I replied in my answer, without this Bill going to Parliament it is impossible for us to proceed with the speed cameras and that is the reason why they have taken that bit longer.

**Q389/2016**  
**Speed limits –**  
**Publication of review**

**Clerk:** Question 389, the Hon. T N Hammond.

315 **Hon. T N Hammond:** Mr Speaker, has the Government completed its review of speed limits announced seven months ago, in fact now nine months ago and if so, is it intending to publish that review?

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

320 **Minister for Transport, Traffic and Technical Services (Hon. P J Balban):** Mr Speaker, the Government can confirm that the speed limit review of all existing roads in Gibraltar has been completed by the Highways Section of the Technical Services Department.

325 The review has drawn on data obtained from multiple speed radars erected around Gibraltar's roads, as part of the development of the Sustainable Traffic, Transport and Parking Plan. Implementation of the speed limit review will be phased and it is therefore not considered prudent to publish the document whilst works are ongoing.

330 As part of this review I can now confirm that the Technical Services Department in consultation with the Royal Gibraltar Police, have already effected changes to the current speed limits from Waterport Roundabout to Coaling Island Roundabout through North Mole Road, Europort Avenue and Bishop Caruana Road. This has seen the existing speed limits in the area increased from the previous 30 km per hour to 40 km per hour.

Full details of all changes to existing speed limits will be advised to the general public as each phase of works is implemented.

**Q390/2016**

**Road resurfacing programme –  
Roads resurfaced since 1st January 2016**

340 **Clerk:** Question 390, the Hon. T N Hammond.

**Hon. T N Hammond:** Mr Speaker, can the Minister for Transport say what roads have been resurfaced as part of the road resurfacing programme since 1st January 2016?

345 **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, as part of Her Majesty's Government's Highways Resurfacing Plan for 2016-2017, sections of Reclamation Road and Queensway at the entrance and exit points to the new Midtown multi-storey car park have been completed resurfaced.

The Technical Services Department are currently finalising the contract documents for further resurfacing works at both the Sundial Roundabout and the north section of Cumberland Road.

355 The tender for these works will be announced imminently and will see a continuation of Government's ongoing commitment to Highways resurfacing which, in 2015-2016 saw the resurfacing of the southern section of Queensway from the Dockyard roundabout until the entrance to Commonwealth Park, as well as resurfacing of the roundabouts leading to Morrison's supermarket on Europort Avenue.

**Q391/2016**

**Redibike scheme –  
When it is due to be made available to the public**

360 **Clerk:** Question 391, the Hon. T N Hammond.

**Hon. T N Hammond:** Further to Question 74/2016, can the Minister for Transport say when the 'Redibike' scheme first announced by Government nearly a year ago now during the election campaign, will actually be ready and available to the public?

365 **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 Government is presently considering options to outsource the management, running and maintenance of the scheme by a third party. We are waiting to carry out the final infrastructural works until the scheme is absolutely ready to launch to avoid unnecessary damage to the hardware.

**Hon. T N Hammond:** Mr Speaker, to quote the Minister, in August, in fact, last year, he said:

I am pleased to announce that the Government received a consignment of bicycles and the associated infrastructure on 5th August. All enabling works for the bicycle stations has now been completed...

375 It would seem therefore, from the Ministers answers, that there are still infrastructural works to be completed and does the Minister really believe it is reasonable that 13 months ago now when this scheme was announced imminent and to be launched early in 2016, that in fact the scheme has still not been launched.

**Hon. P J Balban:** Mr Speaker, the scheme, as the hon. Member rightly says, the bicycles were received back in August and they are kept ready for the launch of the project. In fact the reason why a very small part of the infrastructure has not been completed is because there was a need for some negotiation as some land was privately owned. One of the locations where the bicycles were meant to be situated the land did not belong to Government; hence we needed to negotiate with the private company.

In doing so we have decided to relocate the bicycles to a nearby location and that is the reason why the infrastructure part of the project has not been completed.

**Hon. D A Feetham:** Mr Speaker, surely if the Hon. the Minister makes an announcement and he says he has received a consignment of bicycles and their associated infrastructure and he says, all enabling works for the bicycle station have now been completed and we are aiming to be in a position to be able to launch by early 2016, surely he must have undertaken all the necessary enquiries to determine whether the land on which that infrastructure is going to be located is land available to the Government.

I mean otherwise, Mr Speaker, what he has clearly done is used this as an election gimmick, because this is something that he announced, as I understand it, during the course of the election campaign. Now does he accept that it was an election gimmick?

**Minister for Financial Services and Gaming (Hon. A J Isola):** Mr Speaker, of course not. The hon. Members opposite seem too keen to clutch at any straw to grab a stick and if the hon. Member takes the trouble to walk around Europort area, he will see that the area where the bikes were previously placed has since actually been dug up and it is in the process of being re-laid.

Consequently, that kit and that infrastructure could not be left so if you have a walk round you will see that it is still dug up, the new paving has not been laid and the infrastructure works cannot be set in. That is simple. No need to make accusations, allegations of cons or tricks as the hon. Member continues to do. There is a very simple explanation, if he asks the question, he will get the answer.

**Hon. D A Feetham:** Mr Speaker, with respect to the hon. Gentleman that does not answer the question unless, of course, the hon. Gentleman is confusing the answer that he has given.

As I understand it, the answer that he has given is, we are not able to complete this because part of the land on which these stations or some of the infrastructure has been located does not belong to the Government and the Government is negotiating.

The point that I am making is, well surely that was something that was known to the Government, and to the Minister, when the Minister made his announcement with great fanfare in November of last year, during the course of the General Election. I think it is a fair enough question for me to ask him, well look if you knew that at the time and therefore you must have known that you could never have met that deadline, was it an election gimmick?

That is the question and perhaps he can enlighten me on that.

**Hon. A J Isola:** Yes of course, Mr Speaker.

The land on which the pavement areas which were going to be used for the siting is partly public and partly private, so it is public and private land. The developer has agreed to re-pave the entire area and consequently the area where the bikes are going to be situated is part public and part private and those discussions are ongoing.

So there is no misrepresentation, there is no secret, it is a simple fact of the paving being done and therefore the statement made, aiming to be ready in early 2016, was true and accurate at the time it was made but since the new paving works have started in the last months, it has delayed the implementation of this programme. It is quite simple.

430 **Hon. R M Clinton:** Mr Speaker, if I may ask the Minister, in the original statement there was talk of a private sector sponsor I believe Gib Oil and I believe they would be sponsoring Phase 1 comprising 105 bicycles and 120 docking points spread over 11 locations.

I would be grateful if the Minister can confirm that Gib Oil will be meeting the cost of Phase 1 in full or is it on a fifty-fifty basis and does he have an estimate of what Phase 2 might cost?  
435 Thank you, Mr Speaker.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, if I may rise to deal with that question. I understand that Gib Oil paid all of the capital cost of the bikes and of the ancillary kit (*Interjection*) and the installation of kit, the hon. Gentleman will be pleased to know. But I am  
440 grateful that the hon. Gentleman has opened the issue of election gimmicks, Mr Speaker, because I do recall many of them. Not in the manifesto headed 'Strongest Foundations' but in the one that dealt with the issue of – Mr Speaker

**Mr Speaker:** Yes, I am beginning to get a bit hot under the collar –

445 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman... Mr Speaker, you will know and you will have seen for longer than me –

**Mr Speaker:** Hon. Members are debating –

450 **Hon. Chief Minister:** No, Mr Speaker –

**Mr Speaker:** Let me tell the Chief Minister one thing. I had intended to make this afternoon a statement as to my attitude and how I intended to proceed in future Question Times. I did not  
455 do so because there were Members of Parliament from the UK here present and therefore it was not an appropriate occasion.

But I must insist that hon. Members do not debate at Question Time. I have not got any power unfortunately to curtail the length of answers from Ministers but, of course, I urge them to make them reasonably short and certainly not to go back to what happened at previous  
460 elections, I mean that is past history.

**Hon. Chief Minister:** Mr Speaker seems not to want to recall the way that this Parliament is modelled on the British Parliament, where although in answers one is not debating, one is allowed to deal with the politics of the subject. Mr Speaker, the Government will deal with the  
465 politics of the subject brought up by the Opposition in answering their questions in the context of answers and that is why, Mr Speaker, I want to remind the hon. Gentleman that there were many gimmicks at the last General Election. None of them, Mr Speaker, in the manifesto entitled 'The Strongest Foundation'. Many of them, Mr Speaker, in the policy booklet that they referred to as a manifesto and all of them, Mr Speaker, in the context of the campaign that they run and the public demonstrated that they saw through them with the result of the last election.

470 And this Parliament, Mr Speaker, is having to see that a lot of what we were treated to at the last General Election, they had absolutely no intention of seeing through, because the minute that the votes were counted and they were licking their very many wounds, they abandoned all of the arguments that they were deploying.

475 An election gimmick, Mr Speaker, it was to try and play with the security of our nation and its fuel supply for the future. An election gimmick, Mr Speaker, it was to talk about the finances of our nation as if there were an issue with them, Mr Speaker. An election gimmick it was, Mr Speaker, it was to present to people a short booklet that frankly in any other democracy they would have been ashamed to present as a serious programme for Government.

480 Those, Mr Speaker, were the gimmicks deployed at the last General Election, everything that we said we would deliver, we will.

**Q392/2016**

**MOT tests –**

**Time for each test; number conducted**

**Clerk:** Question 392, the Hon. T N Hammond.

485 **Hon. T N Hammond:** Mr Speaker, could the Minister say how long an MOT test takes on average and how many have been conducted by day, on each day since 1st January 2016?

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

490 **Minister for Transport, Traffic and Technical Services (Hon. P J Balban):** Mr Speaker, the Roadworthiness test takes 20 minutes on average, except for lorries and buses which take 40 minutes. There are an average of 20 tests carried out per lane, per day.

The statistics that have been requested regarding the number of MOTs conducted since 1st January 2016 is available online for the general public.

**Q393/2016**

**Southern Waters of Gibraltar Management Scheme –**

**Installation of oil interceptors in storm drains**

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**Clerk:** Question 393, the Hon. T N Hammond.

**Hon. T N Hammond:** Mr Speaker, can the Government say if oil interceptors are now installed in all storm drains, as recommended by the Southern Waters of Gibraltar Management Scheme?

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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, with respect to the public storm water system, the Technical Services Department works very closely with the Ministry for the Environment to review areas where there is a risk of oil contamination entering the system.

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The Government can confirm that oil separators or interceptors are being placed whenever new public storm drains are laid.

510 In fact as part of the recent developments at both Mons Calpe Mews and Beach View Terraces, three separate oil separators have been placed at the following locations: Eastern Beach Road by the beach multi-storey car park; at the east side or east end of Devil's Tower Road by the new roundabout currently under construction and the Commercial Mole Road by Mons Calpe Mews.

515 We would also like to take this opportunity to confirm that there are several existing oil interceptors at various locations around Gibraltar which are strategically placed to reduce the risk of oil contamination entering the storm water system.

520 These interceptors are located at Varyl Begg Estate, the ex-coach park by the Mons Calpe Estate interceptor pit, Sandpits Car Park, by the Park and Ride on Devil's Tower Road, Landport Ditch and at all petrol stations.

The Technical Services Department is not responsible for placing obligations on private developments for the installation of oil separators.

525 **Hon. T N Hammond:** Mr Speaker, can I confirm or otherwise then, that the Government is satisfied that it has dealt with the recommendation in the Southern Waters of Gibraltar Management Scheme that oil interceptors are installed in all storm drains?

530 **Hon. P J Balban:** Mr Speaker, all storm drains that have been built, as the question has been replied to, all storm drains that are in place have adequate oil interceptors apart from the oil interceptors that already exist. So as new developments proceed, these interceptors are placed as they are constructed. So, as I said, from this stage forth this recommendation has been observed, yes.

**Q394/2016**  
**Sewage infrastructure –**  
**Enhancements made since 1st January 2012**

535 **Clerk:** Question 394, the Hon. T N Hammond.

**Hon. T N Hammond:** Mr Speaker, can the Minister say what enhancements have been made to the sewage infrastructure system since 1st January 2012?

540 **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 Technical Services Department is responsible for the public sewage and surface water infrastructure network in Gibraltar. Since 2012 numerous works have been carried out to the network and they are as follows:

545 To the sewage network the main sewer at Line Wall Road from the manhole 4A, opposite the bus stop at City Hall, to manhole 12 at the junction with Bomb House Lane, the repair of collapse by The Haven, cleansed and reinforced crown of sewer, construction of a new manhole opposite City Hall to access overflow for maintenance and cleansed outlet down to Reclamation Road. Relined the main sewer from the junction with King Street to junction with Bomb House Lane.

550 Commonwealth Park; upgrading and enlargement of combined sewer overflow.

Wellington Front and Queensway; re-routing and upgrading of the combined sewer overflow from Line Wall Road under Wellington Front and Queensway.

The New Eastside Sewage Pumping Station to facilitate growth and development from Beach View Terraces and future eastside development.

555 Europort Avenue, new sewer for the discharge from Charles Bruzon House and future development in the area.

Re-routing improvement and enlargement of combined sewer overflow and surface water under Mid-Town development, Reclamation Road and Queensway.

560 Devil's Tower Road enabling works in preparation for the programmed relining of the sewer runs along the north and south of Devil's Tower Road from the junction with Eastern Beach Road to the Sundial Roundabout.

565 Europort Avenue, replacing and upgrading of a section of the old large diameter combined sewer overflow, phase 1. Phase 2 has been advertised and consists of rerouting and upgrading the section from the east boundary of Charles Bruzon House to junction with Queensway (Regal House).

The main sewer at Rosia Road, desilting and survey from manhole 32 to manhole 37A.

Main Street, desilting of sewer from Bell Lane to King Street down to Line Wall Road.

Desilting of the combined sewer overflow from City Hall to Europort. Part of the system was rerouted under the Mid-town development.

570 Now to our surface water network: The Marina, enlargement and upgrading of the downstream end of the large diameter surface water culverts, enlargement of the outlet through the quay wall and construction of additional manhole to facilitate maintenance.

At Chatham Counterguard, new surface water system and pumping station and inspection. The study and design of improvement to system at Main Street north junction with Coopers Lane. Flood alleviation measures.

575 Ex-Coach Park North Mole, laying of new surface water system to remove flooding by the entrance.

Engineer Road surface water system, upgrading of the downstream section.

Commercial Mole, new surface water system to drain the road and provide for the connections from Mons Calpe Mews development.

580 Re-routing, enlargement and re-routing surface water system from Wellington Front.

**Mr Speaker:** Next question.

**Q479/2016**

**Development & Planning Commission –  
Adoption of recommendations; rejections**

585 **Clerk:** Question 479, the Hon. T N Hammond.

**Hon. T N Hammond:** Mr Speaker, since 1st January 2012, and in reference to Government projects submitted for guidance to the DPC, have any DPC recommendations not been adopted and can the Minister say which, if any recommendations were thus rejected?

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

**Minister for Transport, Traffic and Technical Services (Hon. P J Balban):** No, Mr Speaker. It is impossible to provide this information without doing a detailed exercise which would involve a large amount of resources.

595 The information that the hon. Gentleman has requested would require a painstaking exercise which would take at least three months by the Town Planning and Building Control Department, as the information being requested is not presently available in any of their databases.

600 **Hon. T N Hammond:** Mr Speaker, that answer does surprise me considering I have just asked for Government projects. But I should point out that this question was actually tabled back in June, so the three month timeline being required I would suggest has been available to Government to provide an answer to that question.

605 Will the Government come back and provide an answer to the question at the earliest opportunity?

**Hon. P J Balban:** Mr Speaker, what I have said and I do not think the hon. Gentleman has understood, is that the amount and drain on our resources does not merit us having to go through the very cumbersome and painstaking exercise of sifting through many hundreds of files to make sure, to see whether recommendations given by the DPC are something which our Government did from 2012 onwards. Before Government policy did not go for recommendations to the DPC. Now this is something which increases the transparency of the whole project, it is impossible for us to go through all these files to see whether the guidance provided at DPC stage has been implemented or not. I am pretty sure that things like on many

occasions swift nests or swift boxes, our hon. Member and Minister for the Environment is very adamant that these are observed because it is a very important environmental feature. But many of these projects also may not have been completed so maybe a project has gone to DPC and it still has not been completed so it is impossible for us to see whether the project is ongoing, has been completed.

So, as I said, it is too laborious for us to use our staff, to actually tie them down for months on end, just to provide an answer to the question that the hon. Gentleman is asking.

**Hon. T N Hammond:** Mr Speaker, Can I ask the hon. Minister how many Government projects there have been passed through DPC over the period, even approximately?

**Chief Minister (Hon. F R Picardo):** Well, Mr Speaker, the Government would have to have notice of that question.

Very often a lot of what these questions are trying to get at are matters which are public. I have one complaint with the way that the Hon. Minister expressed his answer to the hon. Gentleman is that he also did not add, because we now all rightly take it for granted, that the DPC now meet in public, Mr Speaker.

So the conditions imposed are imposed publicly, or the advice given is advised publicly and the erection, if I may put it that way occurs also in public, Mr Speaker. So it is a Government project, it is erected as a building in public and if you have been told to put swift boxes on it, you can go and check whether you have. So in effect, Mr Speaker, we are almost being asked to do the hon. Members work for them. They can sit in the DPC and scribble what the conditions advised are and they can go and look at the erection and decide whether the whole thing has the swift boxes in the place required. It is that simple, Mr Speaker.

**Hon. D A Feetham:** Well, Mr Speaker, I will avoid talking about erections in this House. But, Mr Speaker, the hon. Member answers the question in his usual style and he has done this before he has done it before in relation to Credit Finance and mortgages. *(Interjections)*

**Mr Speaker:** Do not even utter the words 'Credit Finance'. *(Laughter and banging on desks)*

**Hon. D A Feetham:** Mr Speaker, he has done it before in relation to it that shall not and cannot be named, Mr Speaker.

But, Mr Speaker, how can the hon. Gentleman expect the Opposition to go round Gibraltar with a list and ticking off whether birds' nests have been erected here or there, Mr Speaker.

I mean surely, Mr Speaker, it is the obligation of the Government to be accountable to this House and accountable to the Opposition in relation to Government policy and this is Government policy and it is their policy in this regard that is being tested.

And it must follow that it is a proper question to ask the hon. Gentleman whether the Government has followed its own policy and how many times the Government has not followed its own policy.

Mr Speaker, is it that the Government refuses to provide this information or will the Government provide this information in the future if there is some difficulty in compiling this information, because certainly it is information that I think is perfectly proper.

**Hon. Chief Minister:** Mr Speaker, the hon. Gentleman poses his question in the style that we have become accustomed to. *(Laughter)*

Let us be very clear, Mr Speaker, the hon. Gentleman makes complaint that we have grown the public sector. Well, we will have to grow it even more, Mr Speaker, if we are going to invest public employee time in compiling the sort of information that the hon. Gentleman wants, which in any event I am saying to him, would be information that is available to him.



He needs to understand, Mr Speaker, that the regime changed and the policy changed. A policy which hon. Members opposite not only did not believe in, Mr Speaker, because they did not implement it when they were in Government, that there should be public meetings of the DPC, they actually spoke against from Opposition.

So when we implemented public meetings of the DPC and when we made the Town Planner Chairman, we were urged from those benches to reconsider. We did not reconsider, Mr Speaker. The meeting is now public. In fact the hon. Gentleman, the Deputy Chief Minister, was very keen to subject Government projects for guidance and advice from the DPC. We were told by the greatest Gibraltarian of all time, as he by then was Mr Speaker, Sir Peter Caruana, that we should not pursue this folly.

So we were wrong to make the DPC public; we were wrong to subject our projects to guidance and advice, that is our policy. And now the hon. Gentleman gets up and says we want to check whether you are complying with the policy. He should complete the sentence, Mr Speaker. We want to see whether you are complying with the policy that we think you should not be complying with and if it requires a lot of public sector employee time to do so then, well, if you have to employ some more do so. And all, Mr Speaker, to follow up things which are now, as a result of our policy which they were against but we have insisted on, public.

Mr Speaker, you could not make this up. I think that I shall continue to be grateful for the Opposition that I have been blessed with, Mr Speaker. But the hon. Gentleman needs to know that if he thinks that it should not be up to the Opposition to keep a list of the conditions and to check whether they have been implemented, well Mr Speaker, it certainly should not be up to us to get somebody to check what conditions have been imposed on us and whether they have been implemented.

We are a Government that acts in keeping with advice and guidance because that is why we are voluntarily subjecting ourselves to advice and guidance being provided on our projects. But we are not going to divert precious public sector time in doing the Opposition's homework for it.

I have no doubt, Mr Speaker, that he will get up and pose again.

**Mr Speaker:** The Hon. Roy Clinton.

**Hon. R M Clinton:** Yes, if I may continue. Perhaps I can make it a bit simpler for the Members opposite or the Minister.

Could the Minister confirm yay or nay whether the Government has actually taken on board all DPC recommendations in respect of Government projects? Surely he must know that.

**Hon. Chief Minister:** No, Mr Speaker. But let me try and make it simpler for the hon. Member to understand. What we are saying, Mr Speaker, is that if we were able to provide *that* answer, we would have done the exercise, Mr Speaker.

Now I know that logic may not be his forte, but if I am saying to him that we are not going to do the checking against the list of advice and guidance that has been given, I must also be saying that I cannot give a confirmation that all of it has been done. Otherwise I would have answered in the first place, giving that answer.

**Hon. R M Clinton:** Mr Speaker, if I may complete the thread of logic, following on logically, then obviously the Minister or the Chief Minister in this case, must be saying to this House he just does not know, because if he did know he would have given us the answer.

**Hon. Chief Minister:** Mr Speaker, what I am saying is a little bit more sophisticated than that. But let me make it simple for the hon. Gentleman to understand, because I thought the Hon. the Minister put the answer across very clearly. Some projects may not have been completed yet. Some projects may have had parts done and other parts not done yet, Mr Speaker. And there may be some projects where guidance and advice has not been possible to pursue.

720 Now, Mr Speaker, it would be potentially possible to do the exercise of going back to the very first project, analysing what the DPC said, going to the building and checking on the building whether the things that the DPC said have been done in the way the DPC said they should be done.

725 But, Mr Speaker, there is also the process of round robin which every applicant to the DPC can take advantage of, which is to go back and say look, we are unable to find ... let's give an example: swift boxes that are two by two and we are going to use swift boxes that are three by two, is that alright. And you may look at the building if you are going to do the checking and you will see a three by two swift box instead of a two by two swift box.

730 Therefore, Mr Speaker, this is a complete and utter waste of time. The Government is not here to waste its time and we are certainly not going to waste our time for the Opposition's benefit. If they want to waste everybody's time they should go to the meetings, they should make a note and then they should go and check against the buildings whether those things have been done in that way, varied or otherwise.

735 Until then, I hope they will congratulate us, again, for holding meetings of the DPC in public for subjecting ourselves to guidance and advice and for developing this nation in the way that it deserves and not holding such meetings in private, not even publishing the minutes and then people finding huge 30 storey erections appearing in the centre of town.

**Hon. T N Hammond:** Mr Speaker, I am very grateful to the Chief Minister for his answer actually.

740 So, can I just, for my own benefit, be clear then that what the Chief Minister is saying is that he is inviting me to go into any building in Gibraltar that has been subject to a Government project, including No. 6 perhaps, and do the rounds and check whether what the DPC has said about the building itself or the project, the works within the building comply with the recommendations of the DPC. Is the Chief Minister actually saying that I am welcome to do this at any time?

750 **Hon. Chief Minister:** Well, Mr Speaker, invitations to the Opposition are things that I now routinely have thrown back in my face. I send them invitations and some of them send them back because they are not prepared to enjoy a drink which is funded by the Taxpayer with all the consequences that will have. Because, of course, I take them at their word and if they do not want to have a drink which is paid for by the Taxpayer and, of course, that is not all of them because they are divided on everything, I shall take them at their word, Mr Speaker.

755 But I am certainly not inviting the hon. Gentleman into any public building but most of the conditions that are imposed relate to the outside of buildings, Mr Speaker, because the Development and Planning Commission deals with the look of things in most instances. And if he does not like it, Mr Speaker, well I suppose that he will have to say that although I have told him that these things are public there may be some, because they relate to a corridor of a public building where he may not be able to see whether we have done what the DPC has asked us to do or not.

760 But then, of course, he would then have, Mr Speaker, a short finite list of things which he can ask us whether we have done or not, which would not mean that public servants have to spend many hours pursuing a frolic of the hon. Members opposite and we will be able to give him a list of a few things that he cannot observe from the outside of the buildings. Although he knows, Mr Speaker, that as long as he is not elected to be there, he is very welcome at No. 6 for a cup of coffee and a discussion on any matter of policy on which we might agree.

770 **Hon. T N Hammond:** Of course, Mr Speaker, this is not a frolic. This is a genuine test of Government policy and whether it is adhering to its policy. And going back to the Minister's original answer, which was that this process could be done in three months, is the Chief Minister reversing that and saying that this process cannot be conducted at all and it is not possible for the Planning Department to conduct the audit?

775 **Hon. Chief Minister:** Mr Speaker, given the issues that affect the affairs of our land today, to see the Opposition concentrate on this subject is either hugely potentially beneficial to the Government or a real waste of Taxpayer's money. But, Mr Speaker, let me just take them through it again.

780 If Members opposite ask us something which it would take us three months to do, what we are saying is, we are not going to do it because that is not proportionate. We are not going to invest three months of public sector time, of a public officer going off to do the exercise for the hon. Members, of checking whether we have complied with all the advice and guidance that we have been given in a public meeting of the DPC, which they have not bothered to attend, they have not bothered to make a note of, although it is now available to them, and they have not bothered to check off against a facade which is where most of these things manifest themselves.

785 What I am prepared to do, if the hon. Gentleman does the exercise, and says of the however many conditions of guidance and advice that have been provided, I have been able to observe on the outside of buildings so many of them, these relate to the inside of buildings, can you please go and check this finite list of things which relates to the inside of public buildings. That, if it is a sufficiently short list, we will surely check. Other than that, Mr Speaker, in terms of checking the Government, holding us to account and checking our policy, it is their job to do it, Mr Speaker, and they are doing a mighty terrible job of it if what they are trying to do is to get us to give them our notes so that they can then use them to attack us.

795 I mean, Mr Speaker, really you could not make this up. They should be ashamed of themselves.

**Hon. D A Feetham:** Mr Speaker, the only shame is in the answers that we are getting this afternoon, Mr Speaker. And of course, Mr Speaker, we do not control the agenda, we do not control which questions are asked today and which questions are asked next week. Of course, there are many, many questions on a very wide range of topics, because this Opposition is in fact on top of its brief on a very wide range of issues, Mr Speaker.

800 But is the hon. Gentleman not even prepared, Mr Speaker, to provide us with information of how many of these recommendations have actually been accepted? Not completed, but accepted. Surely that is something the Government ought to be prepared to provide. That is far less onerous, even though I do not accept the arguments that have been postulated by the Government from the benches opposite.

**Hon. Chief Minister:** Mr Speaker, Opposition and brief I think are statements that are worth considering including in a different sort of sentence. Because I think they are going to have very brief Opposition careers, Mr Speaker, if they carry on as they are, and not because they come over to this side, but because the public will soon be tired of hearing this sort of petty nonsense at a time when we are looking after serious issues which affect our nation.

815 And logic, Mr Speaker, seems to have evaded the hon. Gentleman. I can neither tell him the bits that we have not complied with or tell him that we have complied with everything because we do not have a list against which to check. That is what I was discussing earlier with the Hon. Mr Clinton. So in the same way as I cannot say I have completed everything, I also cannot say we have not done the following. I cannot start the list from the top, Mr Speaker, or start it from the bottom.

820 But, Mr Speaker, let us be clear, because I do not think they have got it. This is now something that happens in public. We have made a rod for our back, Mr Speaker, because we

are democrats and because we believe that people should have an influence in the shape that their nation takes physically, we have made this public. They tried to persuade us to keep it private, secret. We could have legitimately asked them, Mr Speaker – look any Government projects that have been subjected to the DPC – oh no, because they did not subject their projects to DPC control even when the DPC was private and secret. And, Mr Speaker, we could have asked them about any conditions imposed on private sector developments and whether those had been followed and they might have had to tell us because it was secret, only they had access to the information. They might have deployed the answer they frequently deployed which we very infrequently deploy but which we are deploying today. It is just too onerous to compile that information. But with the added lair, Mr Speaker, that this onerous information to compile, this information which is too onerous to compile *is public*. And so, Mr Speaker, they can go and check for themselves.

Mr Speaker, if they do not get it now, I do not think they will. This debate is really descending into having an argument for the sake of it. We are not going to give the information because it is too onerous and it is public. You can go and get the information. And if you are not able to go now because you cannot go back and sit in on those meetings of the DPC, you should make sure that you are at every meeting of the DPC and you make a note of everything that is said there. That is why you are paid the salary that you are paid to be available not just when this House is called, but to do your job for the community 24 hours a day, as we all do.

**Mr Speaker:** This matter has been sufficiently ventilated –

**Hon. Ms M D Hassan Nahon:** Could I just –

**Mr Speaker:** I am going to allow a supplementary to the hon. Lady as she has not intervened previously and then we are going to move on to the next question.

So this is the last supplementary on the matter.

**Hon. Ms M D Hassan Nahon:** I am sorry to interject. I do not know enough about the e-Government or how things have been placed on the digital sphere but one thing is – and I understand the side of the argument that the Chief Minister is putting that it is for Opposition to try and find out and it is our job, especially if we are going to test them on their policies, but how about the commitment of Government to be more transparent. Would they not want to publish their decisions on digital format or on Government websites and have procedures carry on in the name of transparency, which they have committed to?

Thank you.

**Hon. Chief Minister:** Mr Speaker, if I may say so, the first sensible suggestion I have heard this afternoon certainly in relation to this matter. Except for one aspect, Mr Speaker, which is that it all already is online.

All of the Government's applications are entirely online. So the hon. Lady has actually put her finger in the wound if I may say so. If they have not had the time to attend the DPC meetings, then hon. Members can download all of the Government's applications. In fact, I am reminded by the Hon. the Deputy Chief Minister, we have compelled ourselves by law to put those things online (*Interjection*) in the new Act, Mr Speaker. Therefore, we are doing it already, they are online, they can download our applications, they can go outside the building and they can say this is what you applied for; you have not done that, why?

Mr Speaker, we could not be more transparent. We could not have gone further than we have. Compared to where we were, Mr Speaker, it is not five years since I have been Chief Minister, that happy anniversary will be on 9th December this year. And in those five years we have abolished the secretive planning system that was in place under the GSD.

We have ensured that everything happens in public and we have subjected Government projects to that DPC control for guidance and advice. The former power station, which hon. Members insisted on building before the 2011 Election and before the 2015 Election, was an emanation of no advice. The GSD wanted it there, there it went, no planning. The current power station has gone to planning, it will have received guidance and advice and yesterday, Mr Speaker, on the way back from the procession hon. Members were treated to a fantastic view of the huge progress already being made in that respect.

**Q480/2016**

**Blue bus fleet sale to Calypso Transport –  
Inclusion of spare parts in sale agreement**

**Clerk:** Question 480, the Hon. T N Hammond.

**Hon. T N Hammond:** Mr Speaker, further to Questions 191 and 192 of 2016, can the Minister say whether as part of the sale of the blue bus fleet to Calypso Transport at £1,000 per bus, there was a transfer of any spare parts or engines associated with those buses and if so, whether those parts were part of the sale agreement or were sold separately to Calypso Transport and if the latter, at what price?

**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, no, there was no transfer of any spare parts or engines associated with those buses.

**Hon. D A Feetham:** Mr Speaker, may I just refine or scope in to the answer. The question was in relation to the spare parts and engines in relation to, or associated with those buses.

Were there any other engines or spare parts that were not associated with those buses that were transferred to this particular company?

**Hon. P J Balban:** Mr Speaker, not that I am aware of.

**Mr Speaker:** Next question.

**Q481/2016**

**Register of road vehicles –  
Breakdown according to petrol, diesel, hybrid and electric**

**Clerk:** Question 481, the Hon. T N Hammond.

**Hon. T N Hammond:** Of the road vehicles registered in Gibraltar, can the Government provide a breakdown of how many vehicles were petrol, how many were diesel, how many hybrid and how many fully electric, as of 1st June 2014, 1st June 2015 and 1st June 2016?

**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. Gentleman is detailed in the schedule I will now hand over.

**Mr Speaker:** It is a short schedule, it is not very long, so I am going to give the hon. Member an opportunity to have a look at it and if he wishes he can ask any supplementaries.

920 **Hon. T N Hammond:** Just one question. Does the Government consider, in terms of its policy towards encouraging the use of electric vehicles in Gibraltar, that policy to have been a success, when in the two years since 2014 the number of electric vehicles on our roads has risen from 15 to 25, by 10 vehicles – when you consider that there are over 25,000 petrol vehicles on the road at the same period?

925 **Hon P J Balban:** Mr Speaker, the Government has got rid of the import duty on these vehicles. Apart from actually paying for the vehicles ourselves and encouraging people to buy them in that respect, in as much as, and there is also cash back, we do give, I think it is £1,000 if I am not mistaken, to encourage people and incentivise people to buy electric vehicles. But it must be said, electric vehicles are still more expensive than their petrol or diesel counterparts.  
930 Hence people when they are purchasing vehicles, their economic situation may not allow them to buy an electric vehicle and I think that is really the battle at hand.

With time, I am pretty sure that the manufacturers of vehicles will be reducing the prices of these vehicles and that in itself would encourage people to buy them. If you look at Hybrids, Hybrids have increased and we are seeing an ever increasing amount of hybrids being sold. The  
935 jump from 10 back in 2014 to 113 in 2016 is really proof that our policies to encourage people to purchase more environmentally friendly vehicles is actually happening, it is actually working.

**Hon. Ms M D Hassan Nahon:** Excuse me, are there enough charging stations for these electric vehicles because it is one thing encouraging them but is there an infrastructure to keep  
940 them going?

**Hon. P J Balban:** Mr Speaker, every time a new car park is built or constructed, the Government had the foresight, from the very beginning, to include electric power points in all the garages. So in fact, every single car park intended for public use as Mid-town is and as Devil's  
945 Tower Road is, or if it is a car park which is dedicated to residents only, as for example Theatre Royal or Engineer Lane, they all have that facility.

Now in the future, should... and there has never been any complaints brought to my attention, so there is no need to have electric power points elsewhere. Most of these cars can be charged from a normal electrical point, you do not need special chargers. So as and when we  
950 hope in the future more people buy electric cars, then we will need to consider whether we place in sufficient locations, electric charging points for that purpose. But at the moment, I think we are extremely well catered for.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, if I can be of assistance.  
955 I think one of the things that is relevant, of course, is that people do not just buy cars to use in Gibraltar, they buy cars which they want to use in Gibraltar and take abroad so to speak. And when one is abroad, Mr Speaker, there is a dearth of charging points on the road.

I was able to discover that there is one charging point on the highway between Gibraltar and Seville and it may be possible to use my electric vehicle to Seville now, as a result of that  
960 charging point which we have discovered. But there is literally one place that does it. It has one charging point with chargers going in one direction and another, two charging points for every vehicle between Los Barrios and Seville. So I think the issue is not just charging where you park, but also, given the range of these vehicles in some instances, charging *en route*.

**Q482/2016**

**Residential parking scheme –  
Consideration for south district**

965 **Clerk:** Question 482, the Hon. E J Reyes.

**Hon. E J Reyes:** Mr Speaker, arising from the answers given to Questions 663 and 664 of 2014, has Government now made a decision in respect of a possible residential parking scheme for the whole of the south district which could or could not include Alameda Estate and which  
970 was being considered under the Government's Traffic and Parking Plan?

**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, I can confirm that the south district and Alameda Estate are being actively considered in order to  
975 introduce a residential parking scheme in the near future. We hope to make further announcements in the coming months on conclusion of this review.

**Hon. E J Reyes:** Mr Speaker, so as in 2014 it was actively being considered. Can I press the Minister for more or less by when does he expect a decision will be taken, given that it has been  
980 under this consideration for a couple of years now?

**Hon. P J Balban:** Mr Speaker, the actual concept of the residential parking scheme is one that we promoted in our manifesto and is something which we are committed to. As to when the south district and Alameda Estates will be included, that is a different question.

985 The planning of the residential parking scheme is far more complex than even I would have imagined and there are many, many factors that need to be considered for this to be done correctly.

At the moment we are very advanced and actually what we have done is, we have gone for the hardest part of Gibraltar first. The previous administration when they did their traffic plan and their residential parking scheme, they went for an area which was relatively simple, which  
990 was part of the north district where there was an ample amount of, well at least more parking spaces available to be able to accommodate the cars.

Our plan is to concentrate on the hardest part first and that is the centre of town. The centre of town is an area where residents compete with people coming to town for commercial matters, for shopping etc. and they are the ones who suffer most, in my opinion, when it comes  
995 to parking in Gibraltar.

So we are concentrating on the centre of town as a whole, including the upper town and that will be our first scheme. Following on from that, we will then move out in that respect. So it is impossible for me to give a date as to when the residential scheme will happen in the south  
1000 district but it is something that will progress from the centre of town.

**Q483/2016**

**Cyclists as road users –  
Initiatives to increase awareness**

**Clerk:** Question 483, the Hon. E J Phillips.

1005 **Hon. E J Phillips:** Mr Speaker, can the Government confirm what initiatives are in place to increase the awareness of cyclists as road users and thank you very much for contacting me this week to clarify the nature of the question.

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

1010 **Minister for Transport, Traffic and Technical Services (Hon. P J Balban):** Mr Speaker, there have never been any initiatives in place to increase the awareness of cyclists on our roads.

Happily, however, under this administration, two of the key objectives in the section Promoting Cycling in the Sustainable Traffic and Transport Parking Plan make reference to educating other users of the hazards confronting cyclists, publishing and promoting cycling and raising awareness amongst all users.

1015

**Hon. E J Phillips:** Mr Speaker, it is all well and good having that in the Traffic Plan but what initiatives does the Government intend to roll out in respect of education for our young people and in fact other road users so that they respect cyclists?

1020 I think the Minister will agree with me, that cycling is a very healthy activity and it is important to encourage cycling in our community and the respect of cyclists.

1025 **Hon. P J Balban:** Mr Speaker, there are many aspects to cycling. One of them is to increase the awareness of cyclists themselves, which is the subject of a conversation we had, and actually highlighting the risk to other road users, this was the confusion in the question. When it comes to cyclists themselves, some cyclists cycle proficiently and are very sensible, others will overtake vehicles and act in ways which are dangerous to themselves.

The RGP themselves, they have cycling proficiency courses whereby they try to educate and teach cyclists that they are also a vehicle on our roads and they need to observe all of the traffic signs, indicate etc. So that is one of the things that already happens.

1030 The Government is looking at initiatives to be able to help cyclists even further. As part of the Traffic Plan we are exploring the possibility of, I think they are called 'Advanced Junction Boxes', which in a nutshell is allowing an area just by the traffic lights where vehicles cannot stop, where only cyclists and motor cycles can stop, giving cyclists especially that bit of extra time to get cycling before the cars come after them. So those advanced stop boxes, I think they are called, is something that we are actively considering.

1035 Now as far as teaching or educating other drivers, that is something which we will explore because it is in fact the Traffic Plan itself which is telling us that this is something that should happen. I have an excerpt of that which is a similar public document which we will be looking at how to teach people to keep their distance from bicycles as they overtake for example. So it is all part of the plan which I committed to some time back which should be seen sometime towards the end of this year.

1040

## ADJOURNMENT

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that the House do now adjourn until Thursday, 15th September at 3.00 p.m.

1045 **Mr Speaker:** May I ask the Hon. the Chief Minister, we have now dealt with all the questions that were originally submitted for the July meeting. I understand that there are a number of questions that have been submitted by the Opposition since then. Are we going to be dealing with those on Thursday of next week at 3.00 p.m.?

1050 **Hon. Chief Minister:** Yes Mr Speaker.



**Mr Speaker:** Thank you.

1055

The House will now adjourn until Thursday 15th September at 3.00 p.m. in the afternoon.

*The House adjourned at 4.57 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**AFTERNOON SESSION: 3.04 p.m. – 4.45 p.m.**

**Gibraltar, Thursday, 15th September 2016**

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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*]

### Statement on Question Time

**Mr Speaker:** Hon. Members may recall that I mentioned very briefly, when we met last Friday, that it had been my intention to make a short statement on Question Time, but having regard to the presence of the United Kingdom MPs I did not think that it was appropriate that I should do so then, but I am going to do so now. Because I think that it has become necessary for me to explain briefly to hon. Members how I intend to proceed at Question Time from now on within the standard rules and orders applicable to questions.

I have no problem whatsoever in allowing whatever number of supplementary questions require an answer from Ministers, provided that they are relevant and provided that they are not made at pretext for a debate.

But should the questioner make a statement instead of asking a supplementary question, or make what I consider to be too long a preamble before asking the supplementary question, then having allowed the Minister to reply, I will move on to the next question on the Order Paper. As I have previously said, I expect supplementary questions to be in the main short, sharp and to the point. Needless to say, however, I will always exercise discretion.

If hon. Members begin to debate during the course of supplementaries, particularly about what they allege may or may not have happened during the last 20 years or so, then I will take it that the questioner does not wish to seek any further information on the subject matter of his original question – which is one of the most important reasons for asking questions – and I will therefore call the next question on the Order Paper.

Although I do not have any powers under the Standing Rules and Orders to curb the length of Ministers answers to supplementary questions, I would like to urge them not to make such answers longer than is absolutely necessary.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, can I perhaps on behalf of the whole House, thank you for that reflection on how we should be conducting the business of Question Time and assure you, on behalf of this side of the House, that we will endeavour to follow the guidance that you have given as well as we can.

**Mr Speaker:** It has taken me a number of months, obviously I have given an opportunity to the new Members to acquaint themselves with the rules and to get in to the spirit of Question Time, but I was slightly perturbed, I must confess, at one stage in the July meeting, as to how matters proceeded in a way that I did not think was in the best traditions of parliament and therefore I am leaving this as guidance.

As I say, I will always exercise discretion. Members of the Opposition, in particular, can feel sure that I will give them all the assistance which my office demands that I should. I will exercise discretion and help them in any way that I can. But I must, now that they have been in parliament long enough, I must urge everybody to abide by that spirit.

I wish the Select Committee of Parliament would be able to deal with various matters in the rules which I feel are totally unsatisfactory, and I would like to have powers to curb the length of Minister's answers to supplementary questions, but perhaps I am living in a fool's paradise!

45 **Hon. Chief Minister:** Well, Mr Speaker, in the same way as we take into consideration everything that you have said already, we shall of course take that hint to the Select Committee and we will take it very seriously indeed, although in most instances you might have found that you might have been told that you were trying to climb Mount Everest without oxygen to make such a suggestion. But in this case, and given the length of your own parliamentary experience,  
50 anything that you say in relation to this subject will be taken indeed very seriously by this side of the House in that Select Committee, and thank you for it.

**Hon. D A Feetham:** Yes, Mr Speaker, it is of course a statement that Mr Speaker has made that is principally directed at the Opposition. Because as Mr Speaker has rightly pointed out, Mr  
55 Speaker does not have any power in order to curb the answers and the debate nature of the answers that come from the Government side.

I have to say, I do not agree with the way that Mr Speaker has characterised some of the performances from the Opposition side, but Mr Speaker is Mr Speaker and Mr Speaker is the one essentially that is tasked to uphold the rules of this House and certainly we will follow  
60 whatever guidance Mr Speaker provides.

But I have to say, that I feel, Mr Speaker – I would not be honest if I would not say this – that I think that your ruling is one sided because it does not take into account the fact that actually it takes two to tango and that when Members on both sides of the House enter into a debate, they may enter into a debate because of the length of the answers and indeed, the remarks that are  
65 made within the answers provided by Government Ministers. That is all I have to say, Mr Speaker.

Thank you very much.

**Mr Speaker:** If hon. Members care to look at the rules, they will find when dealing with questions that by and large, Rule 17 – Rules governing rights to ask questions, invariably there are 15 sub-paragraphs in Rule 17 and invariably they place a burden on the Opposition. By the nature of Question Time these rules are directed at Members of the Opposition. (*Interjection by Hon. D A Feetham*) and there is nothing of a similar nature as to – this is where I find in a way that they are deficient and that they are heavily balanced in one direction.

75 But rules governing the right to ask questions is all about the Opposition –

**Hon. D A Feetham:** Mr Speaker, may I –

**Mr Speaker:** Just a moment, let me finish.

80 But I do guarantee that I will exercise my discretion and I will do so in favour of hon. Members on the Opposition bench. And if they feel aggrieved at any stage, if they feel that I am being too draconian, I invite them to stand and bring the matter to my attention and I will try to be as liberal as the situation may demand.

85 **Hon. D A Feetham:** Mr Speaker, I am very grateful for that indication, certainly on this side of the House.

We do not want any amount of favouritism, at all. We want a sensible, common sense approach to these things. And a sensible, common sense approach to these things, in my respectful view, demands that Mr Speaker always has at the forefront of Mr Speaker's mind, the  
90 fact that the rule against debating at Question Time, is a rule that applies to both sides of the House.

And as I say, it takes two to tango. Therefore, even though Mr Speaker, rightly, according to the rules does not have the power to curb the length of the answers, Mr Speaker certainly has the power to curb any tendency towards debating in the answer, because very often it is the answer that then provokes a question with a preamble.

That is all I wish to say on the matter, Mr Speaker, and I am grateful to Mr Speaker for the indication of fairness and even handedness.

**Mr Speaker:** The Leader of the Opposition reminded me of something which I did say in my statement which may have escaped his entire attention.

I said if hon. Members begin to debate during the course of supplementaries, particularly about what they allege may or may not have happened during the last 20 years or so, then..., both sides do that, certainly Ministers do that, and I will curb the practice as far as I think that I should.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, may I just say, I thank you for your part in that and I would just like to remind the Government side of the House that these days there is an independent Member so as to what you were saying before about reminding about the last 20 years when they do answer their questions, I would be grateful if they do cut to the chase and to the point, because there is somebody now in the House who is not defending the last 20 years and wants the answers short and sharp.

Thank you.

**Hon. Chief Minister:** Well, Mr Speaker, after all that may I commend what I think has been, is and I have no doubt will continue to be, your sensible and common sense approach to everything that you have done in that Chair, even when I may not have agreed with that, coming from your long experience in this House.

Can I just tell the whole House, Members on that side and Members on this side, that I have absolutely no desire to tango with any of them, whether we may be personally closer or less so, that this is not a place for us to practice our *Strictly Come Dancing* moves and that we shall always be short and sharp in our responses when the questions put to us are short and sharp.

And, that if we do fall into the trap of being more political in our answers it is inevitably, Mr Speaker, because we have been baited in questions that have gone on too long but you shall no doubt assist us in resisting that temptation and you will have the full co-operation of this side of the House in the work that you are endeavouring to do.

## Questions for Oral Answer

### BUSINESS AND EMPLOYMENT

**Q484/2016**

#### **Government approved care service providers – Numbers provided care**

**Clerk:** We now carry on with Answers to Oral Questions.  
We commence with Question 484, questioner the Hon. L F Llamas.

130

**Hon. L F Llamas:** Mr Speaker, further to Government Press Release 371/2016 can the Government provide details as to how many people have been engaged or are in the process of being engaged, to provide care services by a Government approved care service provider, including care service provider, start date or expected start date, role and establishment under which the worker will be providing services?

135

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

140

**Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, 20 people have been engaged to provide care services via Grand Home Care, a Government approved care services provider. Their role is care worker and are working at the Elderly Residential Services. The start dates are as follows: two on 26th June 2016; six on 25th July 2016; two on 26th July 2016; three on 9th August 2016; two on 22nd August 2016; five on 6th September 2016.

145

There are currently 50 persons in interviews for a care worker at Grand Home Care for Elderly Residential Services.

**Hon. L F Llamas:** Mr Speaker, may I ask were other Government approved care service providers approached?

150

**Hon. N F Costa:** Mr Speaker, the hon. Gentleman will surely realise that that question certainly does not arise from the question that he asked me originally. He asked me specifically to tell him when had people started and through which approved contractor, which is the information that I have.

### SPORTS, CULTURE, HERITAGE AND YOUTH

**Q485-486/2016**

#### **Gibraltar Music Festival 2015 – Cost of the VVIP area; tickets issued**

155

**Clerk:** Question 485, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government please advise the cost of the VVIP area of the 2015 Gibraltar Music Festival?

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

**Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Mr Speaker, I will answer this question together with Question 486.

165 **Clerk:** Question 486, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government advise how many VVIP tickets were issued for the 2015 Gibraltar Music Festival and identify the split between private and public sector guests?

170

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

**Minister for Sports, Culture, Heritage and Youth (Hon. S E Linares):** Mr Speaker, there were a total of 730 tickets issued at the VVIP area in 2015 GMF.

175 600 were purchased by the private sector for their corporate guests, 130 were public sector guests including 14 tickets which were issued to members of the then Opposition, none of which were returned.

180 Regarding the cost of the VVIP area, it is not possible to answer this question accurately. The cost of the building staff and running the VVIP areas is linked to, and not easily divisible from, other festival costs. As a ball park figure, it is estimated that the cost is around £167,000. Income generated by ticket sales considerably exceeds the cost of the area which was £270,000.

**Hon. R M Clinton:** Mr Speaker, I am grateful for the answer. Perhaps the Minister could advise, for the private sector to buy tickets, at what price were they pitched, was it a package, can he enlighten us? (*Interjection*)

**Hon. S E Linares:** He can do the sums actually, if he divides the £270,000 by (*Interjection*) well he can go backwards (*Interjection*) you can go backwards, yes of course you can, you can work it out. I mean the hon. Member can work it out with the figures that I have just given him.

190

**Mr Speaker:** Next question.

## HEALTH, THE ENVIRONMENT, ENERGY AND CLIMATE CHANGE

### Q487/2016

#### Energy efficient home improvement loans – Number, amount, criteria provided

**Clerk:** Question 487, the Hon. T N Hammond.

195 **Hon. T N Hammond:** Mr Speaker, further to Question 314 of 2016, can the Government say how many loans for energy efficient home improvements have been provided by the Ministry of Finance, what was the minimum and maximum amount of those loans and under what criteria, such as interest rates, those loans were issued under?

200 **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, one loan has been provided. The details, however, need to remain confidential for commercial reasons.

205



**Hon. T N Hammond:** Mr Speaker, can the Hon. the Minister just confirm whether the loan was therefore given to a private or a business entity – is that much information permissible?

210 **Hon. Dr J E Cortes:** I am told that this has been raised before, but I have no problem. It was given to a private estate. I believe it was in order to install solar panels.

**Q488-490/2016**  
**Wave generating capability –**  
**Negotiations, contract, cost compared with LNG**

**Clerk:** Question 488, the Hon. T N Hammond.

215 **Hon. T N Hammond:** Further to Question 323 of 2016, can the Government say whether negotiations have taken place with Eco Wave or another similar company as suggested by the answer given by the Hon. the Minister for the Environment, for the expansion of the wave generating capability installed this year?

220 **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 489 and 490.

225 **Clerk:** Question 489, the Hon. T N Hammond.

230 **Hon. T N Hammond:** Further to Question 323 of 2016, can the Government say what length of contract it envisages entering into with Eco Wave or another similar company, for the generation of up to 15% of the power needs of the community by wave energy?

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

235 **Clerk:** Question 490, the Hon. T N Hammond.

**Hon. T N Hammond:** Further to Question 323 of 2016, can the Government say how the cost of purchase of the electricity produced by Eco Wave or another similar company, will compare with the cost of generation at the LNG power station?

240 **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.

245 The Government has entered into negotiations with Eco Wave Power. The power purchase agreement which was signed with Eco Wave Power is for 25 years.

The cost of purchase of electricity produced by Eco Wave or another similar company cannot be compared that easily with the cost of generation at the LNG power station for a number of reasons.

250 For example, projects at Eco Wave and others are renewable energy projects and use varying leading edge technologies and methods to harness energy. This implies that the cost for units of

electricity produced by these installations will be different in each case. Therefore the negotiated costs of purchase of electricity for the Government could be different from one project to another.

255 In the case of the cost of generation for the LNG power station, this will depend on the price of gas. Prices have been very low over the last few years.

It is also worth noting, Mr Speaker, that the efficiency of the new power station will be significantly greater than that of our existing ones, thus further contributing to making the cost of the generated unit even lower.

## FINANCIAL SERVICES AND GAMING

### Q520/2016

#### Gibraltar International Bank –

#### Details on figures released during 2016 Budget session

260

**Clerk:** We now move to Question 520, and the questioner is the Hon. R M Clinton

**Hon. R M Clinton:** Mr Speaker, during the 2016 Budget session, the Government advised that the Gibraltar International Bank had achieved deposits of £244 million with over 7,000 accounts and a lending book of £43 million with 450 mortgages.

265

Can the Government advise for what point in time do these figures relate and where did the Government obtain this information?

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

270

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

These figures relate to the end of June 2016 and were provided to the Government by the senior management of the Gibraltar International Bank in order that Government may report to Parliament on the latest data at the Budget session on the bank's first year of operation.

275

**Hon. R M Clinton:** Mr Speaker, I am grateful to the Minister for that answer. Given that the financial year end is in fact 31st December and effectively what the Government was given was the benefit of an interim position, will the Government undertake to supply the Opposition with information in relation to the bank as and when this House sees the need for it and will ask the bank for that information accordingly?

280

**Hon. A J Isola:** No, Mr Speaker.

We do not believe that would be appropriate. What we sought to do on this occasion as an exception at the end of the first year of operation was to report to Parliament at the Budget session on the bank's progress and that is what we have done.

285

**Hon. D A Feetham:** Mr Speaker, so is the position that beyond this information the Minister does not intend to report to the House any further progress in relation to the bank, next year for example?

290

**Hon. A J Isola:** Mr Speaker, the bank is a private company with its obligations under the Companies Act Reports and files its documentation, its annual reports and accounts which are available for the whole of the population to see, and not just Parliament.

What we said is, we believed it was relevant at this particular time, at the end of the first year, to report to Parliament on its first year of trading.

295

If we see fit to do so in 12 months' time we may well do so, but we are certainly not going to commit to giving information other than that on a regular basis to Parliament.

**HEALTH, THE ENVIRONMENT, ENERGY AND CLIMATE CHANGE**

**Q491/2016**

**Seaweed on Western Beach –  
Cause of build up**

**Clerk:** We now return to Question 491, the questioner is the Hon. T N Hammond.

**Hon. T N Hammond:** Mr Speaker, Western Beach has seen unprecedented amounts of seaweed along its shoreline this year. Can the Government say what has been the cause of such build-ups?

**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, initial observation suggests that the growth of the brown algae can be attributed to changes in regional currents and nutrients. Rising sea temperatures as a result of climate change are also likely to be a contributing factor.

The Department of the Environment and Climate Change will continue to monitor the growth of this species in the bay in order to try and understand and manage the phenomenon.

**Hon. T N Hammond:** Mr Speaker, I note that the Hon. the Minister suggested that changes in currents maybe one factor that has caused this. Do we know what may have caused the currents to change their patterns in the last 12 months or so?

**Hon. Dr J E Cortes:** Mr Speaker, these are just suggestions. The increase in this particular species of sea algae is one that is affecting the whole of the bay and further afield. In fact, it is washing ashore on beaches around the bay. If you care to have a look at the underwater camera, you can see it growing there whereas it was not there in as much profusion, say a year ago.

So it is clearly something that is having a general effect and it is likely that climate change is one of the main factors. Currents also, because it does depend on nutrients and clearly the area of Western Beach, sadly, we know that there are issues to do with sewage there, they contributes nutrients as well and any changes that there might be due to different structures on any part of the bay may affect it. But this is just speculation. In fact there are increases in sea algae around the world, and not just in this particular area.

Clearly things are changing in nature. If you look at the way that temperatures around the world are hitting new records virtually every month, then clearly we would expect something like this to happen. I cannot be more specific than that.

**Hon. T N Hammond:** Mr Speaker, is the Government in the process – or is the Department of the Environment in the process – of conducting work in order that the Minister can come back to this House with a more specific answer?

**Hon. Dr J E Cortes:** These things are constantly being monitored and we are in fact in contact with marine biologists in the region, who have done a lot of work in the Spanish sector of the

340 bay. Whether that will come up with a conclusive answer I do not know. Sometimes these things are cyclical and it maybe that in a year or two the algae disappear or reduce in numbers.

But clearly, whatever information we gather, we will be very happy to share in this House and in the wider community because it is clearly a concern.

345 **Hon. T N Hammond:** Mr Speaker, I understand what the Minister is saying. He did not quite answer the question, however. The question was looking for something a little more definitive as to whether work was being carried out to assess whether this situation is something which we can expect to occur every summer and the reasons for it to have occurred or whether we are just relying on more anecdotal evidence as to why this is happening?

350 **Hon. Dr J E Cortes:** Scientists use anecdotal evidence to perhaps direct them to research but they do not base conclusions on anecdotal evidence. And precisely because I do not have any scientific data, I cannot be more specific.

It would be very simplistic of us to think that the changes in the environment that are leading to the increase of algae around the world, not just in the bay, could be analysed and identified specifically from Gibraltar.

355 So I do not think I will be able to give an overarching conclusion, if I did I would probably get it published in *Nature* and not just mention it here in this House. The team in the Department of the Environment is monitoring the situation. They are taking samples of pH, nutrients and other things. In fact the camera that we have on location does actually take readings as well as images and therefore it is something that we are trying to gather and this will feed into the network of results elsewhere in the region.

360 As I say, we are in contact with scientists in Spain and hopefully we will build up a picture which as I say, we will be very able to share. Our own work in isolation is not likely to give us something that can make us 100% certain but it will make a contribution.

365 **Hon. T N Hammond:** Is it possible, Mr Speaker, that any reclamation works in and around the bay have affected the currents or have affected the nature of the water in the bay and that that may also be contributing to this algal bloom?

370 **Hon. Dr J E Cortes:** I do not think so. The way that reclamation ... again I have to say I do not think so because in science, it is very difficult to be specific.

375 Currents can have an effect, but that would be a current – if the problem is due to increased nutrients – then if it is a current that changes direction so that there is a source of nutrients like a river estuary or sewage, sadly, and there is reclamation that changes the direction of that current then perhaps, but because it is such a wide ranging problem I would have thought that reclamation is not likely to be the prime factor.

380 There is a lot of reclamation happening in the Spanish side. If that is having an effect in perhaps not allowing the currents to circulate enough and does result in accumulations on the northern side of the bay, perhaps, but because we are seeing the phenomenon also at the southern side of the bay, it is very difficult to tell. It would need a major research project and, as I say, we are gathering information. It is something that I could not pin down to reclamation.

385 **Hon. T N Hammond:** But the Minister is not denying that the reclamation could be a factor affecting this not least potentially the extension of the Western Beach car park, (**Hon. Dr J E Cortes:** No, no.) if I may finish my question, Mr Speaker, I am asking whether – as the Minister has not denied that reclamation could be a factor and we have reclaimed on the Western Beach car park which is clearly adjacent to the site being affected and we know on just the other side of the Western Beach car park there is a very significant and very smelly algal bloom forming on a very frequent occasion – whether the two can be connected, that is the question. Is it possible that the Western Beach extension could, could, have had an impact on the currents around

390

Western Beach and whether that impact could then have increased the seaweed on Western Beach?

395 **Hon. Dr J E Cortes:** There are two questions here, Mr Speaker.

It is very difficult to be scientific and political at one and the same time which is probably why most politicians are lawyers and not scientists, but anyway. (*Interjection*) Thank you.

There are various considerations here. One is that clearly no reclamation will be responsible for the increase of seaweed in the Bay of Gibraltar. This is a factor which is general and therefore that is not the case otherwise you would not get it off Camp Bay. There has been no reclamation  
400 there, off Camp Bay; that is one thing.

The other thing is does it affect accumulations? There would have to be a study made but the reclamation was carried out in 2012 and in 2012, 2013, 2014 there was not the seaweed problem, the reclamation was already there, therefore it cannot be that. So if I am going to be  
405 political and not scientific I would say no, sir.

**Hon. D A Feetham:** Mr Speaker, may I?

**Mr Speaker:** Yes.  
410

**Hon. D A Feetham:** Just one question. How near are we, Mr Speaker, to a possible resolution of the one factor that he has identified as a probable or possible contributory factor to the algae in the area which is the drainpipe from Spain into that area of Western Beach?

415 **Hon. Dr J E Cortes:** Mr Speaker, I have not quite said that.

I said that it is possible that one of the factors contributing to the increase of brown algae is nutrients, and nutrients do come from sewage as well as from a number of other factors. I have not said that it is cause and effect, so I think that is a point I have to make.

The question of the pollution from Spain has been widely discussed here and the hon. Member knows that we have taken steps within the EU, we have supported the ESG in their own programme and so on and we are pursuing this separately. But what is absolutely clear is that you cannot relate one to the other because, as I said before, this is a problem across the bay and not at Western Beach. That we see it more at Western Beach because it happens to be the only area on the west side of Gibraltar which has a beach of that nature and which is not swept by  
420 the south westerly which you would get in Camp Bay, is coincidence. If we had more beaches on the western side like they have on the other side of the border, there would be seaweed there.

My personal opinion is that it is an increase in temperature due to climate change. To me that is the main reason. The other things, in order to be helpful we have put it in as possibilities, my personal opinion is that it is climate change and climate change, sadly, is something that is  
425 certainly not caused by the Western Beach sewage outflow.  
430

#### Q492-493/2016

#### Fishing Working Group –

#### Number of meetings since its creation; subjects discussed

**Clerk:** Question 492, the Hon. T N Hammond.

**Hon. T N Hammond:** Can the Government say how many times the Fishing Working Group  
435 has met since its creation?

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

440 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, I will answer this question together with Question 493.

**Clerk:** Question 493, the Hon. T N Hammond.

445 **Hon. T N Hammond:** Can the Government provide a list of subjects discussed by the Fishing Working Group since its creation?

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

450 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, the Fishing Working Group has met on eight occasions.

The subjects that have been discussed by the Fishing Working Group include: fishery statistics; legislative amendments; marine protected areas; protection of species; blue fin tuna, 455 artificial reef programme and marine restoration programme.

**Hon. T N Hammond:** Can the Minister say what legislative amendments have been enacted that have come out from the Fishing Working Group?

460 **Hon. Dr J E Cortes:** Yes, Mr Speaker.

The legislative amendments are in the public domain. Most of them have been by regulation so if you look at *The Gazette* on a Thursday you will pick them up.

Out of memory, I recall there have been some amendments in relation to declaration of the new island created by the Small Boats Marina has been declared a no fishing zone. So that not 465 only do we have a wonderful facility for boat owners, we also have as a result of the work, a reef virtually a reef, which is protected. So that is one of the things I remember.

There has also been some tweaking, for example, on the number of hooks allowed in long lines and the size of hooks, that sort of thing, which is discussed, as I say, in the Fishing Working Group and they make recommendations to me. So far I think we have acted on most of those.

#### Q494/2016

#### Illegal fishing –

#### Why commercial fishing vessels have been permitted in BGTW

470

**Clerk:** Question 494, the Hon. T N Hammond.

**Hon. T N Hammond:** Can the Government say why throughout August and despite a 20/11 manifesto commitment to stop illegal fishing with nets that Spanish vessels, sometimes up to 475 four at a time, have been permitted to fish with nets in BGTW and in contravention of the Nature Protection Act which this Government insisted it would uphold?

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

480

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, commercial fishing vessels have not been *permitted* to fish with nets in BGTW. Government continues to work towards stopping all illegal fishing in our waters.

485 **Hon. T N Hammond:** Can the Government say why the Spanish fishing vessels have not been prevented from fishing in BGTW?

**Hon. Dr J E Cortes:** No, Mr Speaker. If we are talking about law enforcement I think it is very clear that the law enforcement is down to the Royal Gibraltar Police.

**Q495-498/2016**

**Marine camera –**

**Cost; number of times unserviceable; bio-indicators**

490

**Clerk:** Question 495, the Hon. T N Hammond.

**Hon. T N Hammond:** Can the Government say how much the marine camera installed in the spring of 2015 cost?

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

500 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, I will answer this question together with Questions 496 to 498.

**Clerk:** Question 496, the Hon. T N Hammond.

505 **Hon. T N Hammond:** Can the Government say how much the marine camera installed in the spring of 2015 costs to maintain?

**Clerk:** Question 497, the Hon. T N Hammond.

510 **Hon. T N Hammond:** Can the Government say how often the marine camera installed in the spring of 2015 has been unserviceable since its installation?

**Clerk:** Question 498, the Hon. T N Hammond.

515 **Hon. T N Hammond:** Apart from the monitoring of fish species, can the Government say what other useful bio-indicators within the Rosia Marine Conservation Zone, the underwater conservation camera has monitored?

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

520

**Hon. Dr J E Cortes:** Mr Speaker, the marine camera installed in spring 2015 cost \$65,000. The cost associated with routine maintenance is absorbed by the Department of the Environment and Climate Change, whose dive team carry out regular cleaning, equipment calibration and in some cases, the replacement of parts.

525 The estimated routine maintenance costs will vary, but we envisage that these will be approximately £200 to £300 per year provided there are no major faults. These costs relate to the procurement of wiper blades and the required service kits.

530 The underwater camera has never been unserviceable but rather offline, for one prolonged period from December 2015 due to a major power surge in the Gibdock area which affected the system.

Apart from the fish species in abundance, the other useful bio-indicators monitored within the Rosia Marine Conservation Zone, using the underwater camera, includes sea grass growth, algal species diversity and growth, coral species diversity and growth and other indicators include pH, salinity and temperature.

535 **Hon. T N Hammond:** Can the Minister just confirm, when he says the camera was offline from December 2015, until when was that?

540 **Hon. Dr J E Cortes:** I do not know exactly, but it took probably around three months to be able to put it back online because we had to source some of the equipment from the United States.

On the whole I think it has been operational for about 11,000 hours since we installed it.

**Q499-501/2016**

**CCTV cameras at Upper Rock –**

**Cost, contract, publication of Nature Reserve Management Plan**

**Clerk:** Question 499, the Hon. T N Hammond.

545 **Hon. T N Hammond:** Can the Government say how much did the programme to install 57 CCTV cameras across the Upper Rock cost?

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

550 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, I will answer this question together with Questions 500 and 501.

**Clerk:** Question 500, the Hon. T N Hammond.

555 **Hon. T N Hammond:** Can the Government say how much the maintenance contract costs for the 57 CCTV cameras across the Upper Rock and which company if any, has the maintenance contract?

560 **Clerk:** Question 501, the Hon. T N Hammond.

565 **Hon. T N Hammond:** Further to Question 306/2016, can the Minister confirm when the nature reserve management plan will be published. The Minister will recall that he said it had been held back pending the question asked on Wednesday 29th June, but that the report was otherwise ready?

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



570 **Hon. Dr J E Cortes:** Mr Speaker, the cost of the 57 CCTV cameras was £44,664 pounds. During the first 24 months the whole system was under warrantee, thus no maintenance costs were incurred. There is a fixed monthly maintenance fee of £304.16. The contract for all the above is with Securitek Limited.

575 The Nature Reserve Management Plan has been published as a consultation draft and is available online. The plan is available via the Department of the Environment Thinking Green website as well as HM Government's official website.

**Q502-503/2016**

**Benzene and Nitrogen diffusion tube statistics –  
Reasons for lowering of figures**

580 **Clerk:** Question 502, the Hon. T N Hammond.

585 **Hon. T N Hammond:** Can the Government explain why the Benzene statistics for 2015 were lowered this past May when the data had been up on the website for a few months and almost a year for some of the earlier dates?

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

590 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, I will answer this question together with Question 503.

**Clerk:** Question 503, the Hon. T N Hammond.

595 **Hon. T N Hammond:** Can the Government explain why the nitrogen diffusion tube statistics for 2015 were lowered this past May when the data had been up on the website for a few months and almost a year for some of the earlier dates?

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

**Hon. Dr J E Cortes:** Mr Speaker, both questions relate to the non-automatic data obtained by diffusion tube samplers.

The Gibraltar Air Quality website is a public information resource that strikes a balance between fast data provision and accurate robust data archiving.

605 It is common to provide provisional measured concentrations as they become available. These are flagged as such on the website with red colouring and an asterisk. Provisional data are then superseded with ratified data, marked on the website in green with no asterisk, after formal quality assurance procedures have been completed and the data has been signed off.

610 The figures that appeared in May were the ratified figures and therefore they were different to the previous ones which are the non-ratified figures.

**Q504/2016**  
**Dog fouling laws –**  
**Strengthening of this law**

**Clerk:** Question 504, the Hon. E J Phillips.

615 **Hon. E J Phillips:** Is it the intention of the Government to introduce and strengthen dog fouling laws and to make it a criminal offence for dog owners not to carry with them, disinfectant and equipment for the appropriate removal and disposal of dog faeces/urine?

620 **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, Government is looking at ways of further strengthening dog fouling laws.

625 **Hon. E J Phillips:** Can the Government expand on what they are looking at and ways in which they are looking at further reducing the dirty, filthy, habit that some owners have about having their dogs urinate and produce faeces on our streets?

**Hon. Dr J E Cortes:** Yes indeed, Mr Speaker.

630 These aspects like the carrying of disinfectant and so on are among the matters being considered. We are hoping that the imminent introduction of the DNA ID system will have an effect and we are going to be monitoring that effect to see whether that will in fact be sufficient or whether in fact after that, we have to take further steps to strengthen that.

635 But the Government is at one, I am sure, with the Members opposite in wanting to resolve this issue. The majority of dog owners are very responsible. Sadly, the few who are not affect the quality of life of people who live in those areas.

So we are considering it, we are looking at various things including the ones that have been mentioned by the hon. Member. We are just going to see how effective our DNA monitoring system is going to be.

640 **Hon. E J Phillips:** Mr Speaker, just one further question.

Would the Hon. Minister agree with me that it is incredibly difficult to enforce types of laws relating to the DNA testing, it is awfully expensive for this process to happen.

645 Would he not agree with me though, that in relation to introducing a criminal offence for those who do not carry disposable bags with them and disinfectant makes it easier for fines to be imposed at the judicial level so that people are dissuaded from letting their dogs urinate and have faeces on our streets. Do you not think it is a better idea to pursue that avenue rather than the very costly DNA process?

650 **Hon. Dr J E Cortes:** Mr Speaker, the DNA process is not as costly as is suggested. This has been factored in to the review of licensing fees so it is not expected to cost the public purse any more than the administering of the licence fees does at the moment because of the increase.

It is not part of the question so I do not have the figures in my head to provide. It is not going to be that expensive and it is aimed so that it should not be. Then obviously if there are fines then some of that is recoverable.

655 Legislating to force people to carry things on them is a possibility. There are those who, maybe the purists, who think that is interfering with personal liberty, why should I be forced to carry certain things, when...it is not the same as carrying an offensive weapon which is the other way round. There are things that are possible but if it can be avoided then I think we should avoid it. Nevertheless, as I have said, it is something we are considering. But we are committed

660 to the DNA fingerprinting, it has made a difference in other areas and we think it can make a difference and will make a difference in Gibraltar.

It does not mean to say that if it does work then we will not consider this suggestion further, I think we will, we have to. I do not think I want to commit myself at this point in time but I am committed to continuing to look at this and other measures.

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**Hon. E J Phillips:** Mr Speaker, just one further question arising out of that response and for the avoidance of doubt, the increase in the licensing fee will clearly, if that is what the Minister is saying, cover the entire cost of the DNA entire project. Is that right?

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**Hon. Dr J E Cortes:** Again, Mr Speaker, I am working from memory now, I do not have the figures. I am happy to share them with him if he writes to me or calls me and I will clearly provide them.

675

The exercise has been done in such a way as the increase in licensing fees. I believe even without assuming that there will be some fines because we want there to be no fines because therefore it means there has been no fouling – well it would be nice if it meant that – but I think the House knows what I mean – it has been factored in that the increase in licensing fees will cover the cost of the DNA analysis. That is the intention. It is not intended to cost the Taxpayer any more other than the dog owner who happens also to be a Taxpayer.

#### Q505/2016

#### Animal welfare officers – Number and function

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**Clerk:** Question number 505, the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, how many animal welfare officers are currently employed and what are their functions?

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

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**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, there are no animal welfare officers employed in Government.

**Hon. L F Llamas:** Mr Speaker, can I just ask, because I recall having seen an advert for a vacancy at one point, but I may be mistaken. Is it possible that there were animal welfare officers employed and they have been discharged or dismissed somewhere else?

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**Hon. Dr J E Cortes:** Mr Speaker, I think the advert he is referring to is from a private entity and not from the Government.

The Government does not employ an animal welfare officer. I think the advert, as I say, is from an entity which is private and *not* a Government employee.

**Q506-509/2016**

**Elderly care establishments –  
Admissions policy for respite care**

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**Clerk:** Question 506, the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, what is the admissions policy for respite care under the elderly care establishments?

705

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

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**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, I will answer this question together with Questions 507 to 509.

**Clerk:** Question 507, the Hon. L F Llamas.

715

**Hon. L F Llamas:** Mr Speaker, are the admissions policies in respect of respite care and residential care applied equally across the various Elderly care establishments?

**Clerk:** Question 508, the Hon. L F Llamas.

720

**Hon. L F Llamas:** Mr Speaker, since December 2011, have there been any exceptions made to the admissions policy for respite and/or residential care at any of the elderly care establishments?

**Clerk:** Question 509, the Hon. L F Llamas.

725

**Hon. L F Llamas:** Mr Speaker, what is the admissions policy for residential care under the elderly care establishments?

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

730

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, there is a one point of access process via Social Services which also determines admission to the elderly residential respite.

735

In order to access respite care, persons must conform to the requirements for admission as residents. Non-emergency respite is available under a number of circumstances, dealt with on a first come first served basis. For example, if the carer is due to undergo surgery or go on vacation etc.

740

Requests for emergency respite are referred to the senior social worker who will assess whether there is a 'substantial' or 'critical' need to allow admission. In particular, a person 'at risk of significant harm' would normally be admitted.

**Q510/2016**  
**Dementia Day Care facility –**  
**Update; details on award of contract**

**Clerk:** Question 510, the Hon. R M Clinton.

745 **Hon. R M Clinton:** Mr Speaker, can the Government provide an update on the Dementia Day Care Centre Facility and to whom has the contract been awarded?

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

750 **Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Speaker, the contract has not yet been awarded.

**Hon. R M Clinton:** Mr Speaker, if I can refer the Hon. Minister back to his answer to Question 361:

755 Mr Speaker, we are projecting to open in September... I am confident we should be able to meet the September target.

Is he now saying that he will not be able to meet that target seeing as he has not awarded a contract. It would be unfortunate if he cannot seeing that this month is World Alzheimer's Month, and obviously there is an awareness this Saturday opposite the Cathedral.

760 But coming back to the question is he saying then that he will not be able to open the centre this month?

**Hon. Dr J E Cortes:** Mr Speaker, it would be wonderful to open the centre this month to coincide with the awareness month to which the Government will be contributing and working with the Gibraltar Alzheimer's and Dementia Society in promoting awareness, as we always do.  
765 My colleague, the Hon. Minister responsible for Social Services, and I work together very closely in all our different departments and agencies in contributing to this. However, we cannot have opening dates dictated by whoever sets the international diary for special months.

If I may assist, I expect the contract to be awarded *very* soon, possibly as early as tomorrow, and other things are moving regarding the equipping of the centre and so on. And until earlier  
770 today, it seemed likely that we would be opening during the month of September, certainly some of the facilities that are currently housed elsewhere.

However, we had a discussion with the society internally and we want to be absolutely sure that we are going to be able to provide an improved service. So I am not discounting the possibility of opening in September, we have plans to open part of the facility in the last week of  
775 September, but I just want to be doubly sure that we will be able to do so, but it is going to happen very soon after that.

Everything is now on track. As I say, we intend to award the contract within days. Recruitment has already started for the specialist posts including the therapists and so on and admin staff. The grounds are now being looked after; security is in place and so on so this is now  
780 imminent. But I would rather open a place safely than keep to a particular date because it happens to be a date on which we need to be aware, or there is an awareness day of it.

I think we have to be careful that we do it properly. We will have a wonderful centre there; we have got a very hard working team getting it ready. It is almost there and hopefully we will make it in September. If not, it will be sad but I think the final product will be worth the wait.

785 **A Member:** Hear, hear.

**Hon. R M Clinton:** Mr Speaker, I thank the Minister for his answer.

Again, referring back to his answer to the question in June, he made a statement saying:

The process of dealing with expressions of interest is current.

790

Now I ask him, would he be able to advise the House when expressions of interest were actually sent out for the Dementia Day Care Centre?

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**Hon. Dr J E Cortes:** No, Mr Speaker, I would need notice of that. These are things that I direct the personnel and I do not have a date with me. I would have to have notice of that and I am very happy to look into it and let the hon. Member know.

800

**Hon. R M Clinton:** Mr Speaker, the Minister may wish to check with his Department but I actually have documents to suggest the expressions of interest were only sent out earlier this month with a deadline to submit expressions by 12 noon today.

I am sure he must have access to that information and no doubt when he gets back to his Department he will find that out.

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**Hon. Dr J E Cortes:** Yes, Mr Speaker. As I say, I am aware that the closing date was today, but the question was asked when did it go out. I have access to the information; I just do not have it here. I can find out but I just do not have the information here.

810

**Hon. R M Clinton:** Mr Speaker, that is all I needed to know, he has confirmed the date for submission was today, yes?

**Hon. Dr J E Cortes:** I believe it is. The hon. Member has mentioned it and I think it is because we want to take an early decision and I believe the closing date was today. That is not anything that is a secret or anything. *(Interjection)*

815

Well, Mr Speaker, if the hon. Member has a document and has the answer, I do not know why he has asked me. *(Interjection)*

**Hon. R M Clinton:** I shouldn't be asking the question, Mr Speaker, if it is a public document. I would have assumed the Minister would know the answer to a simple question. *(Interjection)*

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**Hon. Dr J E Cortes:** Mr Speaker, if I knew the date that all the directions that I give and all the discussions that I have, are actually actioned by the hard working public servants, then I would have an ever bigger brain than ... **(A Member: Ooh!)** *(Laughter)* I stopped – than the Member opposite! *(Banging on desks and laughter)*

825

**A Member:** Good recovery!

## EDUCATION AND JUSTICE & INTERNATIONAL EXCHANGE OF INFORMATION

**Q521/2016**

**Hot lunches manifesto commitment –  
Cost to the taxpayer**

**Clerk:** Question 521, the Hon. E J Phillips.

**Hon. E J Phillips:** Mr Speaker, can the Government confirm how much their hot lunches manifesto commitment will cost the Taxpayer?

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

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, the Government manifesto commitment in relation to hot school lunches is to carry out a full process of consultation with parents, headteachers and their unions so that we can start the provision of hot school meals to all children whose parents agree. As with other manifesto commitments which have no fixed date, this commitment will be fulfilled during this term of office. A final decision will be taken once the consultation process has been completed.

It is not in any event envisaged that the provision of hot lunches will result in any significant cost to the Government. Lunches will be paid for by parents who require that their children have hot lunches. We can, however, categorically state that no child in Gibraltar will be denied a hot lunch simply because their parents cannot afford it. There will therefore, be some cost to Government which we do not expect to be significant but this is impossible to quantify at this stage.

**Hon. E J Phillips:** Mr Speaker, on 21st September 2015, approaching a year ago, the Chief Minister made an announcement at the inauguration of the University, that there would be an introduction of hot lunches in all Government schools. There was no mention at that inauguration of consultation.

What is the position, how long is it going to take? He said that it will be completed in this term of office which almost seems to be their standard pro forma response to every question we ask about their commitments, but it is quite clear there is a commitment to introduce all hot lunches in Government schools, it has been a year on, why the delay, Mr Speaker.

**Hon. G H Licudi:** Well, Mr Speaker, the hon. Member either has not understood or has not listened to what I said, or has not wanted to understand or has not wanted to listen to what I have said. Or is it that he has not read the manifesto? I am sure he has if he is the Opposition spokesman on Education; he has read the various pages on our manifesto in which this particular issue is set out. The words that I have read out in relation to the manifesto commitment are precisely what appear in the manifesto.

Now, the hon. Member talks of a standard response. The hon. Member should know by now, because we have said it so many times, that when we have a manifesto commitment that has not got a fixed date, we will deal with that commitment and we will fulfil that commitment during this term of office. Is it clear enough? During this term of office, that is our commitment.

**Hon. E J Phillips:** Can the Minister then confirm, at what stage the consultation process has currently reached?

**Hon. G H Licudi:** Mr Speaker, we are currently preparing for the consultation process.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, I remember I asked the same question about four or five months ago and I was told that the consultation was ongoing. Apparently now it is being prepared to be consulted. Where are we at exactly?

**Hon. G H Licudi:** Well, Mr Speaker, if the hon. Member is going to talk about what we said four or five months ago, I would expect the hon. Member to come with *Hansard* and say, this is exactly what you said. If the hon. Member is going to refer to public records and suggest to us that we have said one thing at one stage and something else is being said now, then I would

expect the hon. Member to come with *Hansard*. Unless the hon. Member produces *Hansard* to us, I cannot say what it was that was said four months ago, perhaps the hon. Member has it.

**Hon. Ms M D Hassan Nahon:** Excuse me; one thing is for me to say that from now on there is a third party here or an independent Member. So please, when you come back with your answers, do not refer back to twenty years and making the other side defend their record because there are people here who do not have to defend their record and it is only fair that we should be given straight answers.

But another thing is for you to use that comeback for now when I am discussing something that only four months ago was told back to me in a question which I passionately asked. I will say why, because last year I put out a broadcast because it had been an idea that I had had, alongside with many other mothers about hot lunches.

And then the Chief Minister, when three months later, in the University opening hailed this concept as his idea, so I was very curious to see how far they had got with it and the hon. Member told me they were already in consultation.

And yes, I am not talking about going back 20 years, but I do remember that four months ago a different answer was given. If he would like me to send him a copy of *Hansard* I will do that, but it has only been four months and I had received a different answer to the one he has just supplied to the hon. Member and I think it is only fair to point it out.

**Hon. G H Licudi:** Mr Speaker, this has nothing to do with 20 years and I do not know where the hon. Lady gets that idea from (*Interjection by Hon. Ms M D Hassan Nahon*) what did I say about 20 years ago? (*Interjection by Hon. Ms M D Hassan Nahon*) This is nothing to do with 20 years ago or the record of the GSD whilst in office. That is totally irrelevant, I have not referred to that at all today. Where have I said it? (*Interjection by Hon. Ms M D Hassan Nahon*) may I ask Mr Speaker where I have referred to 20 years ago in the answer that I gave the hon. Member.

**Mr Speaker:** I did in my first statement I made earlier today.

**Hon. G H Licudi:** Yes, Mr Speaker, but not me five minutes ago, as the hon. Member seems to suggest. If the Hon. Member is suggesting that I said something five minutes ago which is not correct, she is also suggesting that I said something four months ago which I cannot recall. So the hon. Member may or may not be right as to what I have said but if she is suggesting, and she is accusing me of giving now a different answer to what I said four months ago, the very least I would expect from the hon. Member is to come with a paper, a clear paper, *Hansard* and say this is what you said and then I will be able to answer.

**Hon. Ms M D Hassan Nahon:** The question was not mine, Mr Speaker. I was just remembering, and I did not realise it was a flaw to have a memory of four months plus here and all I was referring to was that a few moments ago the hon. Member was accusing me of hitting back at something when previously I had said let us not talk about the past and I am saying that four months ago is not the past and he has provided a different answer.

But the bottom line is he should know better than anyone if there has been a consultation process started or not. I do not know why we are going round in circles, it is pretty simple. Has the consultation started or has it not? Because four months ago apparently it had.

**Mr Speaker:** If a question has been on the Order Paper four months ago and a substantive answer will have been provided, that is certainly available it is on the record already. But if it was as a result of a supplementary question, the *Hansard* may not yet be in the possession of hon. Members.

**A Member:** Yes, it is.



**Mr Speaker:** It is? Well then the answer is to look at it and have chapter and verse.

935 **Hon. G H Licudi:** Yes, Mr Speaker. And we have looked at it now and we do have chapter and  
verse and the hon. Lady is completely wrong. How on earth can the hon. Lady come to this  
House and start accusing Members of the Government of giving a different answer now to what  
was given four months ago without even doing her homework, without checking what was said.  
940 And only two seconds ago she has said a different answer was given because we had said that  
we had started the consultation and that now we had said we are planning the consultation.

Well let me read to the hon. Lady exactly what we said given that she has not done her  
homework and she has not come to this Parliament prepared. But she has come prepared to  
accuse Government Members of misleading this House. Let me read to the hon. Member exactly  
what I said four months ago or in February or whenever it was:

945 A full process of consultation with parents, head teachers and their unions, will take place so that we can start the  
provision of hot school meals to all children whose parents agree.  
Government is in the process of planning such a consultation exercise with all the necessary stakeholders.

That is what we said four months ago, and that is what I have said today. There is absolutely  
no difference and I expect an apology from the hon. Member.

**Hon. Ms M D Hassan Nahon:** So the planning is still ongoing to start the consultation. So it  
950 has been seven months that you have been planning, yes?

**Hon. G H Licudi:** Yes, Mr Speaker. The planning is ongoing and we did not say four months  
ago that we had started as the hon. Member has suggested. *(Interjections)*

955 **Hon. Ms M D Hassan Nahon:** Thank you, I was about to apologise –

**Hon. G H Licudi:** Yes, well, do not, but get your facts right before you get up.

**Mr Speaker:** Order!  
960

**Q522/2016**  
**Westside Girls' Comprehensive School –**  
**No plans to move location**

**Clerk:** Question 522, the Hon. E J Phillips.

965 **Hon. E J Phillips:** Now, for something completely different. *(Laughter) (Interjection by Hon. G  
H Licudi)*

**Mr Speaker:** No, listen. I understand Spanish and I do not wish to hear any words of that  
nature. I said 'order' and I expect the Hon. Minister to calm down.  
Next question.  
970

**Hon. E J Phillips:** Can the Government confirm that there are no arrangements to move  
Westside Girls' Comprehensive School from its current location?

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

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, there are no arrangements in place, nor is it envisaged that there will be, to move Westside Comprehensive School from its current location.

**Q523/2016  
A/AS Levels –  
Inequality in delivery**

980 **Clerk:** Question 523, the Hon. E J Phillips.

**Hon. E J Phillips:** Mr Speaker, how does the Government intend to address the inequality that exists in relation to the delivery of specific A/AS Levels?

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

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, no inequality exists in relation to the delivery of specific AS and A Level subjects. I can confirm that any student wishing to undertake an existing A/AS Level combination offered at any of the secondary schools, can do so.

As I explained in answer to Question 99/2016 and I quote, Mr Speaker:

995 It is the Government's policy that all students, irrespective of whether they are a boy or a girl, should have access to all subjects which are offered at A-level, irrespective of whether that subject is offered only at Bayside or only at Westside. This is of course subject to timetable constraints and the student satisfying the subject's entry criteria, in the same way as would apply, for example, to a Bayside student choosing subjects which are offered at Bayside.

1000 Although some strides have already been made in the implementation of this policy – for example, we have girls this year doing Further Mathematics and Sociology at Bayside; there has not been a formal structure in place to make sure that the choice of all subjects is available to all students. Such a formal structure will be in place as from September 2016. This will mean that, subject to the constraints that I have already mentioned, all students will be offered a full choice of subjects which are available at both Bayside and Westside.

1005 The result of certain choices could mean that a number of boys could become Westside students and a number of girls could become Bayside students. As an example, a girl wishing to do Sociology, French and Spanish can do so at Bayside and a boy wishing to do Economics, Physics and Maths can do so at Westside.

The effect of the Government's policy is that no student will in the future be denied the opportunity of opting for a particular subject at A-level solely because that subject is not available in the school which they are due to attend. Students will in the future have a full choice of all subjects offered at A-level across both secondary schools.

1010 Mr Speaker, I mentioned in my answer, which I have just read to Question 99/2016, the need for the student to satisfy the subject's entry criteria. In this regard, I would mention specifically that Design Technology is subject to a requirement of at least a Grade C at GCSE in Design Technology. Given that Design Technology is only available at GCSE level at Bayside, then only Bayside students are clearly able to satisfy that entry requirement.

1015 But other than in this respect, I can confirm that the structure which I explained in answer to Question 99/2016 which we envisaged was indeed put in place for the purpose of the options chosen by students for study as from September 2016. All students were in fact given a consolidated list of all subjects available in three schools from which they could choose. In fact I can say that some students have chosen some subjects which are available in one school and other students have chosen subjects which are available in the other schools.

1020 So that structure is now formally in place and as far as we are concerned, there is no inequality.

**Q524/2016**  
**Institute of Professional Development –**  
**Student enrolments**

**Clerk:** Question 524, the Hon. E J Phillips.

1025

**Hon. E J Phillips:** Mr Speaker, can the Government confirm how many students have enrolled at the Institute of Professional Development, specifically in relation to the Government's Second Chance Initiative.

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

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**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, the Institute of Professional Development is part of the University of Gibraltar. As such, any questions relating to the Institute should be directed to the University.

It should, however, be noted that the establishment of the University, including the Institute of Professional Development, was a Government initiative to provide opportunities for second chance learning in the form of part-time degrees and other courses.

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As explained in the manifesto for the 2015 elections, this allows those who might not have been able to go to study previously or those who have but want to continue with their education to do so in a first class setting.

1045

Furthermore, the Government has also fully committed to a second chance initiative in other ways. It continues to support discretionary awards both for study abroad and through distance learning. The Gibraltar College also prides itself in offering young people a second chance. As an example, a student may typically enrol to retake Mathematics and English at GCSE and combine this with an A-level such as Spanish.

1050

Finally, it must not be forgotten that this Government set up a GCSE repeat year at Bayside, in line with what Westside School was already offering. As such, students who perhaps have not done as well as expected are able to try again, safe in the knowledge that they will be guided and supported.

1055

**Hon. E J Phillips:** Thank you for that long explanation to the question. So the Government cannot give me an answer in relation to the enrolment numbers? Just to clarify that position because obviously you have accused me of not reading questions properly, or at least listening to you. What I am trying to explain, what I would like, is an answer in relation to the enrolment numbers, but what you are saying is that the University can provide me with that figure because Government is not prepared to do that, correct?

Thank you.

1060

**Hon. G H Licudi:** Government does not have that information; it is the University that has that information.

**Q525/2016**  
**HM Prison, Windmill Hill –**  
**Drugs testing arrangements**

**Clerk:** Question 525, the Hon. E J Phillips.

1065 **Hon. E J Phillips:** Can the Government confirm what arrangements are in place for drugs testing for inmates at HM Prison, Windmill Hill?

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

1070 **Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, the Gibraltar Prison Service provides a voluntary drug testing system for inmates at HM Prison, Windmill Hill. The aim is to encourage rehabilitation, wellness and good conduct. Inmates are offered the possibility to enter into a 'compact contract' whereby extra privileges and enhanced conditions are offered through good behaviour and industry and a clear commitment to remain drug free.

1075 Details of the scheme were given by me in answer to Question 77/2014. As I explained at the time, this has a very positive effect on numerous prisoners, especially those serving a longer sentence, who have come to realise that life without drugs enhances their relationships with their family and put themselves in a position where they can receive proper help to succeed on the outside.

1080 I would also highlight, Mr Speaker, section 61 of the Prison Act 2011 which allows a drug testing requirement to be imposed on inmates who are released on parole. This is achieved by including this as a condition in the parole licence. The licence may include such a condition where a probation officer is of the opinion that the offender has a propensity to misuse any controlled drug and the misuse by any offender of any controlled drug caused or contributed to any offence of which he was convicted, or is likely to cause or contribute to the commission of further offences.

1085 Procedural and practical arrangements are in place for oral, saliva and urine drug testing to be carried out in respect of any person who may have such a condition included in his or her parole licence.

1090 **Hon. E J Phillips:** Just one question in relation to the section 61 Drugs Test. How is that carried out? Is it carried out at the Prison or other locations in Gibraltar?

1095 **Hon. G H Licudi:** Mr Speaker, offhand I cannot recall. It is carried out under the arrangement of the probation officer, because it is a condition of the licence and therefore the parolee is in contact with the probation officer in respect of all conditions and any requirements.

1100 My recollection is that the Prison Superintendent was reluctant to have this carried out at the Prison itself because once inmates are released and part of the rehabilitation process is that things happen on the outside, so my recollection is that this does not happen at the Prison at all but by arrangements with the probation officer through a private provider of these tests.

**Hon. D A Feetham:** Yes, Mr Speaker, may I?

1105 These were amendments in fact that I introduced when I was sitting opposite, undertaking the role that the hon. Gentleman now discharges, in 2009 I think it was. Indeed, the hon. Member has left out of the equation, mandatory drugs testing which is now possible at the Prison itself.

1110 But my question is, there are three strands. There is voluntary drugs testing, mandatory drugs testing at the prison and then the third strand, as the hon. Gentleman rightly pointed out, is drugs testing as part of a condition of the parole licence. Now my understanding – and my question relates to the latter – is that in fact there have not been any conditions imposed on anyone in relation to drugs testing as part of their parole licence and I wonder whether the hon. Gentleman has information in relation to that. And if I am correct in my information, then why not, because of course for all the reasons that the hon. Gentleman has elaborated in his answer

to my learned and hon. Friend, it is a very worthwhile provision, section 61 and it is a shame that we are not invoking it in order to make sure that people remain clean.

**Hon. G H Licudi:** Mr Speaker, I agree entirely that section 61 is certainly a very worthwhile provision and it is the reason why this is something that I personally took up.

The hon. Member is correct that there was not previously the possibility; the practical arrangements were not in place for this drug testing to happen. We have been in contact with the GHA, there were some issues with the calibration and the machine that was required and the training that was required to do this.

What I have explained in the answer is that we have now made all the necessary practical arrangements for these tests to be carried out. This is something that has been raised with me and I have discussed personally with the Chairman of the Parole Board, who was himself keen on these practical arrangements being in place so that whenever the Parole Board felt that it was desirable and necessary to include, subject to the requirements of the Act as set out in section 61, which is the view of the probation officer etc., whenever that is desirable or necessary, the Parole Board felt that it should have the ability.

What I can confirm is that we have now made all the necessary practical arrangements. To the best of my recollection, there has not yet been a section 61 condition applied to any of the licences, but the possibility which did not exist before but as a result of making these arrangements which we now have, and putting the structure in place for the probation officer to be able to administer this condition, the Parole Board has this, simply as a power. It has this in its armoury should it consider that in the appropriate case it wishes to impose this condition as a condition of the parole licence.

So the hon. Member is correct, it has not happened until now. Now the arrangements are in place and the power exists and the power can now be implemented by the Parole Board.

**Hon. D A Feetham:** Mr Speaker, but can I ask the hon. Gentleman, because of course that was my understanding and it came as a surprise to me that there had not been any conditions of parole imposed on anybody using section 61, bearing in mind that it was introduced so long ago. And my question is why has it taken so long for the arrangements to be put in place?

It may well be that the matter has only come very recently to the attention of the hon. Gentleman, I mean sometimes these things operate in that particular way. I remember – for example, trying to be helpful – a year and a half ago where I received a communication from some prison officers who were telling me, ‘But we do not have this power’, and my response was, well actually the power is there because we amended the law late last decade in order to give you the power.

But as far as the Minister understands it, why has it taken this long in order to place those arrangements to make effective what is a *very*, very important provision in our legislation?

**Hon. G H Licudi:** Mr Speaker, it certainly is not because this has only recently been brought to our attention. It certainly has been raised with me, when I say recently, in the last months by the present Chairman of the Parole Board.

I did explain briefly earlier that there were some issues with the machine at the GHA and the ability of the GHA to be able to cope with these tests. And as a result of the passage of time, I came to the conclusion that we should make arrangements with private providers so that these tests could be done. So there came a time when I said well let’s go ahead anyway and let’s make arrangements through the probation officer with private providers and those arrangements have now come to fruition and are now in place.

But this is something that I have been dealing with for quite a while.

**Hon. D A Feetham:** And in terms, Mr Speaker of mandatory drugs testing, which did not form part of the answer, but clearly is encompassed within the scope of the question because the question is not limited to either voluntary or mandatory, it says what arrangements.

1170 Does the hon. Gentleman know whether there have been mandatory drugs testing in positions, if I can call it that, or directions by the Superintendent at the Prison in order to effectively force inmates to undertake this test, where there is obviously reasonable grounds.

**Hon. G H Licudi:** Mr Speaker, I acknowledge that the question talks of arrangements and that there is provision in the Act for mandatory testing within the Prison. It is not an oversight in the answer; the answer has given the arrangements that actually are in place.

Arrangements for mandatory drug testing have not been in place because the statutory provisions are that it is for the Prison Superintendent to issue a notice empowering officers to issue this mandatory drug testing. When I enquired about this last week, the information I got was that no notice had in fact been given; therefore there have been no such arrangements.

1180 And the reason for that, according to the advice that I have received, is that the Prison Superintendent has preferred to go down the voluntary scheme route, which he feels has been working quite well, rather than imposing the mandatory requirement. But as a result of the questions and the enquiries I made last week, I know that the Prison Superintendent was in the process of drafting some sort of notice so that in the future this power that exists under the Act, can actually be implemented. So those arrangements have not been in place until now, the power is going to exist going forward, whether the power is used or not is a matter for the Prison Superintendent and the Prison authorities, rather than for the Government.

1185 But the present thinking is that the scheme, which is a voluntary drug testing scheme coupled with privileges or loss of privileges, seems to be working well and the Prison authorities seem to prefer to continue down that route for the moment.

**Q526/2016**  
**Legal Assistance Bill –**  
**Update on progress**

**Clerk:** Question 526, the Hon. E J Phillips.

1195 **Hon. E J Phillips:** Can the Government update this House on the progress of the Legal Assistance Bill?

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

1200 **Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, the position remains as explained in answer to Question 401/2016.

**Hon. E J Phillips:** I take it from that answer that the process of consultation with the Bar Counsel is continuing. Is the Minister sited on how and when this is going to be concluded?

1205 **Hon. G H Licudi:** Mr Speaker, when I said the position remains as set out in answer to Question 401, the position is exactly as I set out in answer to 401/2016 which is that we have embarked on a process of consultation, we prepared a consultation paper for the purposes of that internal consultation, we provided that consultation paper to the Bar Counsel and we are awaiting the comments of the Bar Counsel on that process.

1210

What the hon. Member will be aware of, and I seem to recall that I did briefly touch upon this in supplementaries to the previous question, is that we were also engaged in a parallel process of consultation with the Bar Counsel in relation to the Legal Services Bill. I seem to recall that I gave some information on that.

1215 That process is coming to a conclusion because we issued the consultation paper, we issued the draft Bill and I seem to recall it was the 21st September, yes, that process comes to an end on 21st September which is the closing date for that consultation process, and I would expect that once that comes to an end and we deal with the issue of the Legal Services Bill, that some focus will come back to this. Because there has been these parallel consultation processes, that  
1220 may have been the reason for the delay. But as far as we are concerned we embarked on that process of consultation and we are awaiting feedback from the Bar Counsel.

**Hon. E J Phillips:** You see the difficulty, Mr Speaker, is that even more and more people are unable to access our justice system because of the low thresholds and can the Minister give any  
1225 reassurance to those people who may be watching or at least listening to the question and answer session, that the Government will expedite this. Because for people that need to access our justice system for claims, particularly in those family situations where you have single mothers with children who are trying to work and have a number of jobs that do not fall within the threshold, can the Government give any assurance to those people?

1230  
**Hon. G H Licudi:** Mr Speaker, I am just trying to find in the exchange we had in answer to Question 401/2016, whether we did give any kind of indication as to timing. Certainly from our point of view, we want to proceed with this as quickly as possible. There is no reason in principle or as a matter of policy, why the Government is either holding back or not progressing this as it should be.  
1235

As far as we are concerned, this is an issue that we want to resolve as soon as possible.

**Hon. D A Feetham:** Mr Speaker, may I? Thank you very much.  
1240 Obviously with legal assistance in the UK, legal aid here, legal assistance for civil, legal aid for criminal cases – there is always going to be a balancing exercise. I mean the State is effectively spending an awful lot of money in order to increase access to justice for the citizen.

In the United Kingdom there has been a considerable debate about this and there has been a decision to focus legal aid, as it's their call generically, in certain areas. So there has been a  
1245 removal of legal aid from, for example, personal injury cases and those resources have been put into other areas. And with personal injury there has been an attempt to replace the funding of personal injury with other funding arrangements: conditional fee agreements, no win no fee, that kind of arrangement, that sort of arrangement, although that has also historically developed quite quickly in the United Kingdom.

1250 Is the thinking of the Government to undertake reforms of that sort? In other words, to focus public funding into areas which the Government believes it is justified, criminal law for example, perhaps even family law, away from other areas where it might be easier to obtain alternative funding arrangements.

1255 **Hon. G H Licudi:** Mr Speaker, I do not want to pre-empt the outcome of a consultation exercise that we are currently embarked on, but clearly the issues that the hon. Member has raised are very much part of what is currently being considered.

There is a long list, in fact, of areas where legal assistance, legal aid in the UK, is not available and the hon. Member is right to differentiate between legal assistance and legal aid. Legal aid in  
1260 Gibraltar we apply to criminal cases that has been the subject of reform already with re-published rates and therefore as far as we are concerned, the legal aid system on criminal cases

is what it is now, because that has been agreed with the Bar Counsel and the new rates published.

1265 We are just talking in terms of the consultation exercise so as not to confuse issues with the civil side of assistance, of public assistance in legal cases. And there is a long list in the UK where legal assistance is simply not possible, including for example, consumer and contractual disputes, personal injury or death which the hon. Member has alluded to, tort and other general cases, company and partnership laws and including even, private family law. That is excluded from the provisions of legal aid or legal assistance in the UK except where there is evidence of  
1270 domestic violence or child abuse. So other than those very narrow areas of a case of child abuse or domestic violence, private family law cases are completely excluded from legal assistance.

Now we know in Gibraltar a lot of work is done on legal assistance in relation to private family assistance and it is not the Government's thinking, at this stage, to remove that from legal assistance. But that is an area as an example, of what is excluded in the UK.

1275 So that is very much part and parcel of the mix of everything that is in the melting pot for discussion as to the ambit and the scope of legal assistance in the future. But an important aspect of the work will also be the extent to which there are alternative avenues of funding available and the hon. Member talks of conditional fee agreements, no win no fee agreements.

Certainly something that we would like to see at the end of this process is the Registrar of the  
1280 Supreme Court, who will be the one who considers applications, to have some sort of duty to consider what alternative funding might be available in those cases. Because I believe we would all agree that public funds should be available, especially where there are limited public funds in any area that there will be budgets, should be available to those that are deserving cases and those that are needing cases. If there are alternatives to public funds being made available and  
1285 that person is still having access to justice, then that is an avenue which we should certainly encourage and I hope that we will be at one with the Opposition on that.

So again, that is an area – and the hon. Member is right – which has very much been part of the consultation exercise, including the scope of legal assistance. But, as I said, I do not want to give much away because there is not much to give away because at the moment we are involved  
1290 in an exercise of looking at all these things, putting them all in the mix and coming up with the best solution as to the improvements that are necessary to the system in Gibraltar for court users.

**Hon. E J Phillips:** Just one further question on the alternatives to funding.

1295 Has the Government looked at – and this is just piggy-backs on what you said about funding – litigation funding as a potential option? Maybe the Minister for Financial Services might be able to make this House aware of how many funds or litigation funds have been set up in Gibraltar to assist in that process. Is it any angle that the Government has been looking at to alleviate the burden on the public purse?

1300

**Hon. G H Licudi:** Not to my recollection. I certainly do not recall that issue having been raised but it maybe something that might be useful to consider as part of this process.

**Hon. D A Feetham:** Mr Speaker, in relation to lessons that have been learned on the legal aid  
1305 side, it is not the Government's intention, is it – bearing in mind the experiences of the *Marrache* case and the expenditure that has been incurred by the Taxpayer in relation to that, £10 million in total – to amend the law in order to allow enhanced recoverability in serious and complex crime in other areas, in other areas, non-fraud, other areas and indeed in fraud? Because I think the Government reversed its original amendments in relation to fraud, it  
1310 reversed.

So what is the intention of the Government going forward bearing in mind the experiences in the past?



**Hon. G H Licudi:** Mr Speaker, I do not have the full details of that because the question was on legal assistance and therefore I have got some information, some papers on the civil side. So this is just from memory.

We were not able to fully implement the legal aid reform until the end of that particular case because of the affect that that litigation was having on legal aid generally. And I do recall the hon. Member asking me at some stage in a previous session, whether we agreed that there could be serious and complex cases other than fraud and I believe – I stand to be corrected – I agreed that that was the case.

Logic tells me that if I agreed with that and we did a reform after I agreed with that, although I do stand to be corrected on this one, logic tells me that we would have included that in the reform that we did in the legal aid provision.

As far as we are concerned, the reform on legal aid has happened and there is nothing pending to look at. If the hon. Member wants to look at that particular point and see whether we have actually missed something which we may have indicated previously that we had agreed with, but my recollection is that we dealt with that specific point in the regulations that we published after the hon. Member asked that question. If I am wrong, I am happy to look at it again.

**Mr Speaker:** Any more questions?

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I move therefore that the House do now adjourn until Thursday of next week at 3.00 pm.

**Mr Speaker:** At?

**Hon. Chief Minister:** Thursday at 3.00 p.m.

#### **Birthday wishes to the Hon. Roy Clinton**

**Mr Speaker:** Before we adjourn may I take the opportunity on behalf of all Members and the Clerk, to wish the Hon. Roy Clinton a very happy birthday. *(Banging on desks)*

**Hon. Chief Minister:** Mr Speaker, I was not aware of this happy event. *(Laughter)* May I wish the hon. Gentleman, on behalf of the Government benches in particular, a very happy birthday and say that perhaps we should choose today as the day to have that drink that he and I corresponded about.

**Mr Speaker:** The House will now adjourn until next Thursday at 3.00 p.m.

*The House adjourned at 4.45 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**AFTERNOON SESSION: 3.11 p.m. – 6.50 p.m.**

**Gibraltar, Thursday, 22nd September 2016**

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## The Gibraltar Parliament

*The Parliament met at 3.11 p.m.*

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

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

### STATEMENT BY THE HON. G H LICUDI

**Clerk:** Mr Speaker.

**Mr Speaker:** I have received notice from the Hon. Gilbert Licudi that he wishes to make a  
5 statement.

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Thank you, Mr Speaker.

Mr Speaker, last Thursday, after answering questions on hot lunches for schools and after  
10 turning the microphone off and sitting down, I made an aside comment to the effect that the  
hon. Lady should get her facts right. In making that comment, I used a term which was  
unnecessary, uncalled for, excessive and out of character. I accept that I should not have used  
that term and for that I apologise to the House. (*Banging on desks*)

15 **Mr Speaker:** I welcome the Hon. Minister's statement.

May I now take the opportunity to explain that I did not hear the Minister's remarks on an  
aside, and so, on conclusion of last Thursday's proceedings in Parliament, I asked the staff to  
examine carefully the video and audio recordings of what transpired between the Hon. Gilbert  
Licudi and the Hon. Marlene Hassan Nahon. I myself have since watched and heard these  
20 recordings and at the maximum level of audio output it is not clear as to what exactly the Hon.  
Minister said. The Government's IT staff, those who are familiar with the equipment, were then  
asked by the Clerk to enhance the audio levels. It is then possible to confirm that the Hon.  
Gilbert Licudi did in fact use the 'F' word. However, I have to point out to hon. Members that  
since *Hansard* is not produced on the basis of enhanced audio levels, those words will not in fact  
25 appear in the record of last Thursday's proceedings.

**Mr Speaker:** The Hon. Marlene Hassan Nahon.

**Hon. M D Hassan Nahon:** Mr Speaker, I am moved to hear the hon. Gentleman's words and  
30 wish to thank him for them.

In order to ensure that there are better procedures in future, I have written to you,  
Mr Speaker, to overcome the issue of independent Members not having access to tabled  
Opposition questions so that they can prepare more thoroughly for supplementaries. And, if the  
hon. Member is so willing, I would be happy to meet with him to share my reflections, especially  
35 on the matter of school lunches. I have no doubt this would help put the past behind us and  
build bridges for the good of our community.

Thank you. (*Banging on desks*)

**Mr Speaker:** Let me add that I have asked the Clerk that, in future, once the deadline for questions has passed and the questions have been sent to Government, then those questions asked by the official Opposition will be made available to the hon. Lady, the independent Member, and likewise her questions will be made available to the hon. Members of the Opposition, so that when they arrive here at Question Time they are aware, they know exactly what is likely to come up, and that will avoid any unfortunate suggestion that Members have not done their homework. They may not know exactly when a question is going to come up, but at least they will be able to prepare well beforehand and know that there are questions in which each of the Members of the Opposition may themselves be interested in pursuing. Okay?

**Hon. D A Feetham:** Mr Speaker, may I, as well, on behalf of the official Opposition, welcome the hon. Gentleman's statement. From this side of the House we had refrained from making any comment because we knew that the hon. Lady had made a complaint and we wished the matter to be dealt with by the Speaker before we made any kind of comment. Of course, having heard the hon. Gentleman's explanation and his apology to this House today, as far as we are concerned, the matter is closed.

**Mr Speaker:** I think we should all hope that on that basis we now have closure of the whole incident and we can proceed with other business.

## Questions for Oral Answer

### CHIEF MINISTER

Q534/2016

**Bob Peliza Mews –  
Update**

**Clerk:** We now move to questions to the Chief Minister.  
We commence with Question 534. The Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government please provide an update in respect of the construction of Bob Peliza Mews and is it still intended that Camoren Holdings Ltd be the developer and financier of this affordable housing project?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer this question together with Question 535.

**Q535/2016**  
**Hassan Centenary Terraces –**  
**Update**

70 **Clerk:** Question 535, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government please provide an update in respect of the construction of Hassan Centenary Terraces, and is it still intended that Camoren Holdings Ltd be the developer and financier of this affordable housing project?

75

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, these projects are still progressing as planned and the Government expects construction to commence soon, as has always been the case.

80

Camoren Holdings Ltd continues to be the developer and continues to have the responsibility for arranging the finance for the project.

**Hon. R M Clinton:** Mr Speaker, would the Hon the Chief Minister have an idea as to an anticipated start date in respect of each project?

85

**Hon. Chief Minister:** Mr Speaker, no, sir. The position is that we expect construction to commence soon and we are committed to these homes being delivered during the lifetime of this Parliament.

90

**Hon. D A Feetham:** Mr Speaker, the last part of the answer by the Hon. the Chief Minister was that Camoren Holdings were responsible for the financing of the project. Does the Government know whether Camoren Holdings have indeed obtained the financing for this particular project; and, of course, the second question arising out of that is has Camoren Holdings then paid the premium to the Government in respect of this particular development?

95

**Hon. Chief Minister:** Well, Mr Speaker, neither of those questions arise from the principal questions, in my view. I can tell the hon. Gentleman that it is not a matter for the Government to determine how Camoren is going to raise this financing at this stage; it is a matter for the Government to be satisfied over the time we are ready to sign contracts.

**Q536-561/2016**  
**Gibraltar Capital Assets Ltd –**  
**Maturity Date, Interest Rate & Holder**

100 **Clerk:** Question 536, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government please provide details of the loan notes issued by Gibraltar Capital Assets Ltd, identifying each monetary tranche by maturity date and giving the associated interest rate and holder?

105

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer this question together with Questions 537 to 561.

110

**Clerk:** Question 537, the Hon. R M Clinton.

**Hon. R M Clinton:** Sorry, if I may interrupt. Mr Speaker, did I hear the Chief Minister correctly? Did he say from –

**Mr Speaker:** From 537 to 561.

**Hon. R M Clinton:** All of them?

**Hon. Chief Minister:** Yes, Mr Speaker, from 537 to 561.

**Mr Speaker:** To 561, all of them?

**Hon. Chief Minister:** Yes, all of them, Mr Speaker.

**Hon. R M Clinton:** Mr Speaker, before I commence I must register my protest at this procedure in Parliament. I do not think it is appropriate or fair to lump together 30-odd questions in one go, as you yourself have expressed in the past.

**Mr Speaker:** Whilst I do not necessarily quarrel with the sentiments that the hon. Member has expressed, I am bound to inform him that this is not a precedent and that *Hansard* can be made available to him of previous years, when he will see that many more questions have in the past been answered together.

In order to help him, unless the Chief Minister disagrees, I think he ought to be and he could be made available with the answer to the question. Otherwise, it is not very easy to identify what applies to what. Is the Chief Minister agreeable? It is up to him, it is his prerogative.

**Hon. Chief Minister:** I am grateful for your indication. I do not think that issue will arise.

**Mr Speaker:** Sorry?

**Hon. Chief Minister:** I do not think that issue will arise from the answer.

**Mr Speaker:** Once the Chief Minister has made his main answer, make it available to the hon. Member and to the Speaker, because I do not have it myself either.

**Clerk:** Question 537, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, I will apologise for my speed of delivery.

**Mr Speaker:** No problem, carry on.

**Hon. D A Feetham:** What about Question 536? It is 536, not 537. (*Interjection*)

**Hon. R M Clinton:** No, he has not done Question 536. It is 536 to 561. I have read Question 536.

Mr Speaker, can the Government please advise whether loan notes issued by Gibraltar Capital Assets Ltd were issued at par?

**Clerk:** Question 538, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government please advise if the £300 million raised by Gibraltar Capital Assets Ltd is to be used to refinance public debt; and if so, how?

165 **Clerk:** Question 539, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government advise what is the interest cover covenant set out in clause 11.2 of the Note Purchase Agreement issued by Gibraltar Capital Assets Ltd?

170 **Clerk:** Question 540, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government explain the role of James Stocks & Co Ltd as financial adviser to Gibraltar Capital Assets Ltd?

175 **Clerk:** Question 541, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government please advise the agreed assets cover ratio of the Loan notes issued by Gibraltar Capital Assets Ltd and the valuation of the estates as at the date of completion?

**Clerk:** Question 542, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government advise the length of the under leases obtained by Gibraltar Capital Assets Ltd over the six housing estates and what consideration was paid if any?

**Clerk:** Question 543, the Hon. R M Clinton.

190 **Hon. R M Clinton:** Mr Speaker, can the Government please advise who forms part of the nomination and remuneration committees of Gibraltar Capital Assets Ltd?

**Clerk:** Question 544, the Hon. R M Clinton.

195 **Hon. R M Clinton:** Mr Speaker, can the Government please advise who are the appointed auditors of Gibraltar Capital Assets Ltd?

**Clerk:** Question 545, the Hon. R M Clinton.

200 **Hon. R M Clinton:** Mr Speaker, will the Government undertake to table in Parliament audited accounts of Gibraltar Capital Assets Ltd?

**Clerk:** Question 546, the Hon. R M Clinton.

205 **Hon. R M Clinton:** Mr Speaker, can the Government please explain why no civil servants – nor in fact GDC (Directors) Ltd nor the Financial Secretary – are Directors of Gibraltar Capital Assets Ltd?

**Clerk:** Question 547, the Hon. R M Clinton.

210 **Hon. R M Clinton:** Mr Speaker, can the Government please advise how much each of the professional advisers in the Gibraltar Capital Assets Ltd transaction, including Royal Bank of Canada Capital Markets, have been or are due to be paid, identifying each party?



**Clerk:** Question 548, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government advise if the change in definition of the public debt limit suggested by the Financial Secretary was in any way linked to the conception of the £300 million loan notes issuance by Gibraltar Capital Assets Ltd, which was also, it would appear, suggested by the Financial Secretary?

**Clerk:** Question 549, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government please outline the terms of the Rent Collection and Property Management Agreement and the Property Maintenance and Repair Agreement as regards Gibraltar Capital Assets Ltd and the Government of Gibraltar?

**Clerk:** Question 550, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government advise how many Government rental units are caught by the mortgage over the six housing estates, namely Varyl Begg Estate, Moorish Castle Estate, Laguna Estate, Alameda Estate, Glacis Estate and Mid Harbour Estate; and what proportion does that represent of total Government housing stock?

**Clerk:** Question 551, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government confirm that the Minister for Housing has signed a tenancy agreement with Gibraltar Capital Assets Ltd in respect of Moorish Castle Estate, Glacis Estate, Laguna Estate, Alameda Estate, Mid Harbour and Varyl Begg Estate; and, if so, what are the terms of such an agreement?

**Clerk:** Question 552, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government advise the valuation basis for the consideration paid by Gibraltar Capital Assets Ltd for the underleases granted by Gibraltar Residential Properties Ltd in respect of Moorish Castle Estate, Glacis Estate, Laguna Estate, Alameda Estate, Mid Harbour and Varyl Begg Estate?

**Clerk:** Question 553, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government advise how much Stamp Duty was charged in total on the issue of the underleases granted by Gibraltar Residential Properties Ltd to Gibraltar Capital Assets Ltd, in respect of Moorish Castle Estate, Glacis Estate, Laguna Estate, Alameda Estate, Mid Harbour Estate and Varyl Begg Estate?

**Clerk:** Question 554, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, has the Government obtained confirmation from Gibraltar Capital Assets Ltd that it has insured Moorish Castle Estate, Glacis Estate, Laguna Estate, Alameda Estate, Mid Harbour and Varyl Begg Estate?

**Clerk:** Question 555, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, is the Government aware that Gibraltar Capital Assets Ltd has, by way of mortgage covenant, agreed that the benefits of any property insurance over the six

265 housing estates is assigned to Prudential Trustee Company Ltd as security trustee for the noteholders in its sole discretion?

**Clerk:** Question 556, the Hon. R M Clinton.

270 **Hon. R M Clinton:** Mr Speaker, can the Government please explain the early repayment feature agreed to between Gibraltar Capital Assets Ltd and its noteholders?

**Clerk:** Question 557, the Hon. R M Clinton.

275 **Hon. R M Clinton:** Mr Speaker, can the Government please explain the terms for the Government to purchase the notes issued by Gibraltar Capital Assets Ltd from the noteholders in accordance with the 'Call and Put Option Agreement'?

**Clerk:** Question 558, the Hon. R M Clinton.

280 **Hon. R M Clinton:** Mr Speaker, can the Government please explain the terms whereby the noteholders of Gibraltar Capital Assets Ltd may put, or rather force, the purchase by the Gibraltar Government of the notes and the terms of, I quote, the 'Call and Put Option Agreement'?

285 **Clerk:** Question 559, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government explain how the option fee of £122 million was calculated and by whom in respect of the agreement for surrender entered into on 23rd March 2016 between Gibraltar Capital Assets Ltd of the first part, Ernest Gomez, Chief Secretary, for and on behalf of Her Majesty's Government of Gibraltar of the second part, and Gibraltar Residential Properties of the third part?

**Clerk:** Question 560, the Hon. R M Clinton.

295 **Hon R M Clinton:** Mr Speaker, can the Government advise how it is intended that Gibraltar Capital Assets Ltd will obtain revenue to service capital and interest payments?

**Clerk:** Question 561, the Hon. R M Clinton.

300 **Hon. R M Clinton:** Mr Speaker, can the Government please advise how much in the way of director's fees it is intended to pay each of the directors of Gibraltar Capital Assets Ltd, as identified by the Chief Minister in his Budget address?

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

305 **Chief Minister (Hon. F R Picardo):** Mr Speaker, with your leave for the speed of my reply, James Stocks & Co Ltd were engaged as the financial advisers for the transaction and their role was to manage the transaction process from start to finish, including arranging for a valuation of the estates, advising on the structure of the transaction, co-ordinating the work of the professional advisers and the preparation and finalisation of the offering memorandum for investors, amongst others.

310 As at the date of completion, the estates were valued at £370 million. The asset cost ratio was therefore 1:23.

Mr Speaker, the underleases obtained by Gibraltar Capital Assets Ltd were for a term of 149 years.

The housing estates were already held under the Government-owned company structure by the time we were elected; in other words, before 9th December 2011.

Other than Mid Harbour Estate, which was originally financed by the then GSD administration through Government-owned companies from its inception, all other estates were transferred to the Government-owned companies by the former GSD Government at nil consideration.

There are no nomination and remuneration committees of Gibraltar Capital Assets Ltd. All executed decisions are the responsibility of the directors of the company.

The appointed auditors of Capital Assets Ltd is PricewaterhouseCoopers (PWC), who all hon. Members will know is one of the biggest accountancy practices in the world.

As has been the case with other Government-owned companies for many years under the GSD when they were in administration, the accounts of these companies are not tabled in Parliament, nor at the time that they were in Government were they filed at the Companies Registry for the public to have access to them. The GSLP Liberal Government now in administration will, however, file in public at the Companies Registry all the accounts for the Government companies, both those that the GSD failed to file and those due for our time. That includes the accounts, of course, for Gibraltar Capital Assets, which will be entirely public.

Finally, Mr Speaker, the financing arrangements entered into by Gibraltar Capital Assets Ltd are quite complex and the relevant documentation running into many hundreds of pages of technical detail. They are also, of course, commercially sensitive and we do not believe that it is right in this forum to provide a detailed dissection of the terms of the agreements, other than to focus holistically on the arrangements, as I have already done at the time of the Budget, and give the information I have been able to give this afternoon.

Since most of the questions being asked by the hon. Member in any event are about the technical details of the transaction, it would be best to address these by way of a separate meeting with the technical experts rather than by way of open exchanges in the House. I would therefore be happy to host such meetings for the benefit of two GSD Members opposite and for the independent Member also – and, Mr Speaker, the coffee will be on me.

**Hon. R M Clinton:** Mr Speaker, as you will appreciate, having asked 30-odd questions it is rather hard for me to go back and assimilate the Chief Minister's reply and try and pigeonhole those into questions. Would you allow a recess?

**Hon. Chief Minister:** Mr Speaker, I would not think it is appropriate to have a recess simply to think about an answer that has been given. One is expected to be able to deal with this information quite quickly. I mean, we have had occasions where we have been required to ask 50, 60, 70 or 100 questions and then deal with it. All that there is, Mr Speaker, is the information the hon. Gentleman asked for and an invitation to a meeting to provide the other information which we are not able to give across the floor of the House. I would have thought it was imminently reasonable.

**Mr Speaker:** As far as the Rules are concerned, if a Member of the Opposition puts down a question for oral answer, strictly speaking under the Rules they are not entitled to receive anything other than an oral answer.

When a number of questions have been lumped together, as they have been lumped today, I have taken the liberty myself ... and on one occasion a Minister rightly exercised his right to object because he could always say, 'Well, look, the questions have been put down for oral answer and I have given an oral answer. If they want something else, if they want to see the written answers, then they should have asked for written questions instead.' So I have taken that initiative since I became Speaker, in order to help Members of the Opposition to do their work here in the House most effectively, and that is what I had intended to do today, because there are 20-something questions that have been answered. However, the answer that the Chief Minister has given is not that long – it is not a lengthy answer. We will make it available to the

hon. Member as soon as we have it and we can photocopy it, and I will then give him an opportunity, without recessing the House, to come back and ask supplementaries arising from that answer. Is that clear?

**Hon. R M Clinton:** Mr Speaker, I am grateful for your guidance, as ever. I have one problem, in that yes, a lot of my questions are technical in nature, but a lot of them are factual. I wonder if the Chief Minister could clarify for me how is it that 'How much stamp duty is collected on the sale of properties?' is such a technical question that he cannot come to this House with the answer? I am sure it is a perfectly easy question and an easy answer. Perhaps you could guide both of us as to what is deemed to be too technical for this House?

**Hon. Chief Minister:** Mr Speaker, it is not that anything is too technical to be able to calculate what the stamp duty is. It is that I am making what I think is actually a very generous offer, the like of which this House has not seen before, which is to invite the hon. Gentleman and a colleague of his, of his own choosing – I do not have to presuppose who it might be that might turn up – to sit down with me and with the experts who have advised us, to give him chapter and verse of that which is fact and that which is related to the other parts of the deal, the complexities of the detail, including that stamp duty information, if he wishes it – that is a straightforward calculation – in the context of what I think is indeed something which is ground-breaking, generous and is really reaching out to the other side to help them to understand why this is such an excellent transaction for Gibraltar.

I would have thought, Mr Speaker, that although they may wish to ask a little more about some of what I have said, the first port of call might be to have the meeting. If we are going to try and approach an issue as important as this in a way that is in keeping with our obligations to try and work together for the benefit of Gibraltar, let's meet, let's get round the table, let us give you the detail, let us explain some of those complexities, let us even – as I often am prepared to do, but I find that very often my offer is turned down – let us share some details with you confidentially. You may see, once we share that information confidentially, why it is that it is market sensitive and why it is that it is not something that can be shared across the floor of the House. Hon. Members will know, I would have thought, that the hon. Member, more than others would know, that in banking arrangements and in commercial arrangements it is sometimes the lender as well who has terms that they do not want to be put out publicly, because they have others in the market to whom they are offering different terms. We have secured very favourable terms for Gibraltar and I am quite happy to sit down, have the discussion, exchange the information, tell him what bits of the information we are happy for them to refer to publicly and which bits we are not. After that, there might still be room for an argument if the hon. Members really, really do want an argument, but it may be that there is not.

I will not ask them, if we persuade them, to come out publicly and say that this is an excellent deal. They may just wish to keep their counsel. But can I suggest that they accept our offer that we get round the table and that we do what Gibraltar expects, which is to work together for the good of our community.

**Hon. R M Clinton:** Mr Speaker, I welcome the Chief Minister's offer for a briefing on what is obviously, from the dossier of the managed accumulator, a complex transaction. I would have to confer with the Leader of the Opposition as to whether it is an offer and what terms their offer would be, and, if so, to what degree we would be bound by confidentiality. It might be that your own advisers have bound the Government, and obviously by sharing it with us then we would have to be bound as well.

**Mr Speaker:** I think we should now carry on with Question 562. The Chief Minister's answer is going to be made available to the Opposition. Study it, look at it, and if you wish to ask any supplementaries do so – which we can do at any moment later on today.

**Hon. R M Clinton:** Mr Speaker, unfortunately, I think we have moved beyond the question, in the sense that the Chief Minister's offer is something entirely separate to asking questions that have been tabled. The suggestion is that we sit round the table outside this House and go through the complexities of the transaction. Therefore, the question of coming back with supplementaries is not really the issue. The issue at stake now really is ... or what is being discussed is whether the Opposition is really in a position to consider to accept the suggestion as proposed by the Chief Minister – and I need to consult with my Leader.

**Mr Speaker:** I understand perfectly well, but that of course is not an issue for me. The issue for me is to get on with the business before the House.

**Hon. Chief Minister:** Mr Speaker, if I can be of assistance to you and to other hon. Members, I do not need an answer today. I am quite happy for the hon. Members to get in touch with me and we can just fix a date, or not fix a date, and they can come back at the next meeting of the House.

I do not anticipate that there is any speculation in Gibraltar about an early election next May – that is only in the UK – so there will be many other meetings of the Parliament before the next election if they are dissatisfied with the arrangements I propose for a meeting. But, for now, can I propose that this way of proceeding may obviate the need for unnecessary conflict in this House and a suggestion that we may not be willing to give information where hon. Members, when they see it, perhaps might say, 'Well, fair enough, we understand why that is the case.' And, Mr Speaker, I think it is perhaps, I accept, a novel way of dealing with parliamentary business, in the sense that it opens up an opportunity for hon. Members to understand from the inside why an arrangement has been done in the way that it has been done and for the reasons why we think it is the best possible arrangement for Gibraltar, but I do commend it to them. It may be that if this works well it may open the doors to working well together in other areas.

**Hon. D A Feetham:** If I may, Mr Speaker, there are two separate issues. One is the invitation to meet in order to explore some of the technical aspects in relation to this particular transaction. The other separate strand is, of course, supplementaries, should we choose to ask supplementaries, because I can foresee that I have some supplementaries in relation to this. So can I therefore commend Mr Speaker's suggested course of action that we just park it for now and that we come back to it in relation to supplementaries, because there are going to be supplementaries in relation to even the answer that the hon. Gentleman has given.

**Mr Speaker:** We have done that previously, there is no reason why we cannot do it again.

**Q562/2016**  
***Sunborn* –**  
**Rescheduling of loan**

**Clerk:** Question 562, the Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, can the Government advise if the *Sunborn* loan has been rescheduled at any time since the date of original issue by Credit Finance Company Ltd?

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

465 **Chief Minister (Hon. F R Picardo):** Mr Speaker, as the hon. Members are aware from previous  
question and answer sessions, the detail of this loan is commercially sensitive and cannot  
therefore be made public in the House. They must therefore only be asking in order to create  
further negative bluster about the excellent initiative taken by this Government to bring the five-  
star *Sunborn* Floating Hotel to Gibraltar. Everyone else has welcomed it, Mr Speaker – I wonder  
470 why they do not.

In addition, Members opposite for the GSD spent much of the last four years predicting the  
failure of the *Sunborn* project before the last election. It did not happen and I guess they are still  
hoping against hope that they can create enough negative publicity around the project so that  
their dream of its failure might come true. What a pity they are so negatively motivated.

475 **Hon. R M Clinton:** Mr Speaker, I believe only last week you were encouraging us not to make  
political statements in answering questions or asking questions. I think the Chief Minister has  
just made a political statement.

I only asked a simple question: has it been rescheduled or not? It is obvious he is not willing  
480 to answer the question, as he has stated.

**Hon. Chief Minister:** Well, Mr Speaker, because if hon. Members are not going to be taken to  
have been politically born the day that they were elected they will know that this was an issue  
where we exchanged views during the course of the lifetime of the last Parliament, where this is  
485 a loan not granted by the Government but by a Government company, that the terms are  
confidential because Credit Finance Company Ltd is the lender and lenders are not able to talk  
about the terms of their lending to third parties. Therefore, either to come here and ask that  
question is to try and be political – pretending not to – or to be completely at a loss as to what it  
was that has previously been debated in this House about this matter.

490 So, Mr Speaker, it is not that the Chief Minister is failing to comply with Mr Speaker's  
indication that one should not be political; it is that the last time you checked, the Chief Minister  
of Gibraltar was a political office.

**Hon. D A Feetham:** Mr Speaker, yes, we are of course dealing with a Government-owned  
495 company in Credit Finance – that is what it is – using money from savers, and indeed taxpayers'  
money as well because there is £30 million from the taxpayer in Credit Finance Ltd, in order to  
provide loans to third parties. That is the context in which I ask the question.

Mr Speaker, in 2014 I asked the Hon. the Chief Minister whether the *Sunborn* had paid its  
loan on its due date. That was the question – not in exactly those words, paraphrased – I asked  
500 him in 2014. The Hon. the Chief Minister stood up and said yes, so he confirmed that.

What is the difference in substance between the answer that he gave me then – which was  
not, according to him, a commercially sensitive answer – and today, when the hon. Gentleman  
asks him whether the debt to the *Sunborn* has been rescheduled? In other words, he is asking, in  
a different way, the same question: whether the *Sunborn* has paid its debt on its due date or  
505 whether there has been some reschedule of the loan. What is the difference?

**Hon. Chief Minister:** Mr Speaker, it is not only in Gibraltar that Government-owned  
companies grant loans to third parties, although there are some in Gibraltar which are not Credit  
Finance Company Ltd. There is one called Royal Bank of Scotland, there is one called National  
510 Westminster Bank, there is one called Gibraltar International Bank and there is one called Lloyds  
Bank, although they are no longer doing lending in Gibraltar. Mr Speaker, nobody would pretend  
to ask either the Prime Minister of the United Kingdom, or the Chief Minister of Gibraltar in  
relation to GIB, to confirm the details of any lending that those entities do. But, as the hon.  
Gentleman knows, because it was *his* gambit which did not pay off, they tried to make it

515 something which was a political issue to try and scare savers into thinking that they should not deposit moneys with the Gibraltar Savings Bank – something, Mr Speaker, which did not just work for them but actually was a huge advertisement for people to deposit more money with the Gibraltar Savings Bank, given that it was obvious it was now being prudently managed.

520 Therefore, Mr Speaker, at the time, what the hon. Gentleman was trying to do was create the spectre – funny, that was the name of the naughty organisation in the latest James Bond film – of the possibility that somehow savers' money might not be repaid, and it was important that we should confirm that. I had cleared with the directors of Credit Finance Company Ltd and with the borrower, with *Sunborn*, that if that question came – because it is not as if we do not see the hon. Gentleman coming – we would be able to answer it clearly in that way.

525 What one is left with, Mr Speaker, however, is that they appear not to have learned their lesson. They appear not to have realised that those tactics did not work. What is clear is that on this side of the House there is a five-star team looking forward to a bright future for Gibraltar, and opposite, absent the hon. Lady, there is just a usual dingy B&B team just talking about taking us back to the past.

530 **Hon. D A Feetham:** Well, Mr Speaker, I am glad that the people of Gibraltar can see that it only takes one minor push for his reasonableness mask to slip off, because that is what we have seen in the answer that he has just given. He has been all 'butter could not melt in the hon. Gentleman's mouth' during the course of this afternoon, except when I stood up and asked the first difficult supplementary – and then the mask slips.

535 Mr Speaker, he has not answered the question. If, in 2014, when I asked 'Has the *Sunborn* paid the debt on its due dates?' he said, 'Yes, sir, it has,' and today the hon. Gentleman asked the question 'Has the *Sunborn* loan been rescheduled at any time since the original issue by Credit Finance?' and he says it is commercially sensitive, what has changed? From our point of view, to use the colloquial, the answer stinks. It looks as if the hon. Gentleman has something to hide. In 2014, yes, it was paid on its due date; today, all of a sudden, the whole thing becomes commercially sensitive. Could he please give a straight answer to a straight question?

545 **Hon. Chief Minister:** Mr Speaker, the test of reasonableness is a subjective one, as the hon. Gentleman knows. It is he actually who looks entirely unreasonable from this side, so if I look unreasonable to him I am not surprised. The man on the Clapham omnibus would judge us, if we were in London, and Juan Alcantara, a very learned and distinguished member of our judiciary, once said, 'It is the man at the piazza who will judge us in Gibraltar. They will be the barometer of reasonableness.'

550 I think it is not unreasonable at all, Mr Speaker, to stand up and give the same answer that I have been giving for some time to the hon. Gentleman in relation to the very easy questions that he poses. One of the problems the hon. Gentleman has is that he has not yet, in the time that he has been Leader of the Opposition, been able to ask us a question to which we have not been able to give the answer. He does know that he sometimes asks us questions which we are unable to give answers to because of legal obligations, and he does that in the attempt to suggest that we are not transparent. So he may as well get up and say to me, 'Will the Hon. the Chief Minister please provide the medical records of every Gibraltarian to the Opposition and read them out in this House' – because he knows that we are bound equally not to disclose that. But if he thinks that simply by getting up and saying that I am not being reasonable, that my mask has slipped, that butter would not melt in my mouth before and that immediately he springs up he somehow has a different effect, I will tell him that I am not enjoying my butter as much as I used to these days, as people might see, and that a lot has turned into yoghurt in my mouth – unfortunately, of the Greek and slimming variety – but it has got nothing to do with his questioning. But what is clear, Mr Speaker is that as a B&B he cannot ever go full board.

**Q563-567/2016**

**Government employees –  
Secondments; promotions; union convenors; recruitment**

**Clerk:** Question 563, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, further to Question 440/2016, can the Government provide details as to the reasons for the external secondments into the Department of the Environment and for what period is this situation expected to continue?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer with Questions 564 to 567.

**Clerk:** Question 564, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, further to my Question 442/2016, in answer to which the Chief Minister stated that it had not been possible to provide the information in the time available, is he now in a position to do so?

**Clerk:** Question 565, the Hon. D A Feetham.

**Hon. D A Feetham:** Further to my Question 443/2016, is the Government now in a position to provide details of which employees in the public sector, Government-owned companies, authorities and/or agencies are currently temporarily promoted, detailing acting posts, date temporarily promoted and department?

**Clerk:** Question 566, the Hon. D A Feetham.

**Hon. D A Feetham:** Further to my Question 445/2016, that dealt with the disclosure of allowances given to union convenors, is the Government now in a position to provide the information requested to my original question?

**Clerk:** Question 567, the Hon. D A Feetham.

**Hon. D A Feetham:** Further to my Question 446/2016, is the Government now in a position to state how many people are being promoted in the public sector, Government-owned companies, agencies and/or authorities without advertising or circulating bulletin in this respect, as requested in my original question?

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

**Hon. Chief Minister:** Mr Speaker, the reason for these secondments, as asked in relation to Question 563, is to increase manning levels during the tuna season. The secondments are for an initial period of three months.

No persons have been recruited into the public sector, as asked in Question 564, without the vacancy being advertised to the general public.

In relation to Questions 565 to 567, I have reviewed the answer provided by the Human Resources Department and I believe it is not reliable. I have asked that it be checked against the data and the answers that I have previously provided. I will write to the hon. Gentleman once it has been checked again. The hon. Gentleman sometimes asks, when I tell him that I will look at



it again, whether he has to write to me. On this occasion, I am happy to undertake to send him the answer as soon as it is provided to me.

**Q568-569/2016**  
**Contracts for goods and services –**  
**Details of companies and consultants**

**Clerk:** Question 568, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, further to my Question 454/2016, can the Government now provide details of persons and companies who, since March 2012, have been awarded a contract for goods and services by direct allocation for more than £20,000? And I put a note in that question saying 'one contract'.

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

**Chief Minister (Hon. F R Picardo):** Well, Mr Speaker, we interpreted it as being one contract per annum.

I will answer this together with Question 569.

**Clerk:** Question 569, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, further to my Question 445/2016, is the Government now in a position to provide details of the names and remuneration of all consultants currently engaged by Government, Government-owned companies, authorities or agencies, whose disclosure will not damage the national interest, as requested in my original question?

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

**Hon. Chief Minister:** Mr Speaker, as far as the Government has been able to ascertain, all but one such parties are listed online or are specifically provided for in the Estimates. The only party we have been able to identify is OSG Security in respect of the contract for the provision of security at No. 6 Convent Place. Those details are being added to the website online content at the next revision date, Mr Speaker.

**Hon. D A Feetham:** Mr Speaker, surely that is the answer to Question 568, but there is no answer to Question 569. I have read two questions – the OSG Security is in answer to Question 568, not 569.

**Hon. Chief Minister:** No, Mr Speaker, it is in answer to both because the preamble to my mentioning that company is, as far as the Government has been able to ascertain, all but one such parties are listed online, and that deals with the first and the second question.

**Hon. D A Feetham:** Yes, Mr Speaker. It may be possible, bearing in mind the answer that the hon. Gentleman has given, to undertake an exercise and compile every single list of consultants that are online, except OSG Security, and the contracts. But, Mr Speaker – and I know that he is not going to agree with me and he will not provide the answer – quite frankly, when you are talking about potentially hundreds of entities, when you are talking potentially about hundreds of these contracts, and I am asking a question here in this House, surely the Government ought to be able to provide me with that answer and actually list the number of consultants that are

being retained by the Government, Government-owned companies and authorities. That must be easily capable of ascertainment by the Government, because it must have a list somewhere, rather than effectively navigate my way through all the information in the Government website and in the various headings in the Government website in order to compile this information myself – and that is the practice that I commend the hon. Gentleman.

**Hon. Chief Minister:** Mr Speaker, I entirely understand the hon. Gentleman's position. He should not think me so automatically contrary to providing him the answer. I am surprised that he gets up assuming that he is not going to get a positive response. I come armed with a lot of information, Mr Speaker. A lot of cross checking has been done. You see, the hon. Gentleman can do it himself. All he needs to do is to press 'print' on the list that is available online of the Government consultancies and of all the other information that he has asked for. He can press 'print'. It is publicly available information.

But Mr Speaker, I commend that not just to the hon. Gentleman; I commend it to every citizen, because this Government has put online all of the information that was previously secret. We have kicked open the floodgates of all of this information. It is available for every member of our community to see.

Mr Speaker, I think if we have made a mistake it is not to remind people often enough, because the amount of information available when the hon. Gentleman asks me these widely cast questions ... I have been in Opposition – I understand that you do that, Mr Speaker. For me to be able to stand up in this House and to say, proudly as I am, that all of the information is actually online except for one company with one contract that has been missed – which is going to be uploaded ... I think it is commendable to be able to say that. It is not as if the hon. Gentleman needs to trawl. I understand that there are just one or two places that he needs to go on a particular part of the website, which actually is really a place that only Government and Opposition tend to go, unless there are other boffins out there who might care, with us, to enjoy trawling through it.

But, Mr Speaker, to also ask me to print it out for him and to bring it on a silver platter almost makes me think that he might be falling for what he considers to be the mortal sin: the *a mí me pertenece* culture. Mr Speaker, I am not a *pertenece*. It is not for him that I should be there, slaving over my hot printer to bring him the information. I am sure that his firm can extend to a few sheets of A3.

**Hon. D A Feetham:** *Our firm. Our firm, yes, of course – our firm.*

No, Mr Speaker, I have to say I thought that the hon. Gentleman was going to have a surge of generosity today. I have seen another face to the hon. Gentleman, another side to the hon. Gentleman that I have not seen in quite a long while, this afternoon. I thought he was going to be providing me with a list.

If I understood it correctly, what the hon. Gentleman is saying is that in the Government website, under the two headings relating to consultants and contracts I would effectively be able to print out a list and there is no one that has been excluded from that list, except for OSG Security. That is one question, Mr Speaker.

Of course, let me also say this to the hon. Gentleman: that when we elicit information in this House, we are not only eliciting information – as he well knows; he has done this job – for the purposes of the Opposition in its ability to hold the Government to account, but of course we have also got *Hansard*. Any answers that are provided in this House are answers that appear in *Hansard*, so that the general public can also see not only the question but the answer.

But, of course, the hon. Gentleman is going to be immovable and is not going to be willing to provide me with the list that he has, which can stand as the answer as well to a supplementary in *Hansard*, so that anybody who reads my supplementary can also see the answer, including the list of these contracts and consultants.

**Hon. Chief Minister:** Mr Speaker, I do not know whether the hon. Gentleman was trying to, himself, appear to be something that he is not with this semblance of generosity, but he is here to elicit information, he says – but not public information, surely. If something is already public, then he is not in his job to seek that information again so it be recorded in *Hansard*, because in fact this Parliament, in common with most other parliaments, has a rule that if you are there to elicit information it is not information which is already in the public domain. Otherwise, we could spend hours here just putting down into *Hansard* everything which may be relevant to our future existence, as if it were a time pod, Mr Speaker, and *Hansard* is not that.

If there is something which is public, then that is it. I must say, when he reads the *Hansard* of what he has said today he will think he was left with no arguments and perhaps he should have just remained sitting, because to say that because it is available publicly I should nonetheless bring it here so that it can be put in *Hansard* really avails him of absolutely no argument whatsoever.

He is right, Mr Speaker, I have done the job that he is doing. There are those who say it is the hardest job in politics. Done well, you can go from there to here in eight months. (*Laughter*) I never did it for quite that long, Mr Speaker, but perhaps it was because I did it slightly better than him. He is right to say, therefore, that it is not just me, it is the Rules, and the rules of every parliament in the world, that make me immovable on this point. But he will want to be pleased – as will other members of this community – to know that I am as immovable on all other matters, in particular in relation to the sovereignty of our nation.

**Mr Speaker:** The reality is that the Rules of Parliament, which go back more than 10 years, have not caught up with the reality of the technological world in which we live. If hon. Members look at rule 17(1), sub-paragraph (xv), it says:

a question shall not be asked seeking for information set forth in accessible documents or ordinary works of reference.

What are ‘accessible documents’ or ‘ordinary works of reference’ in today’s world, given the availability of so much information in Government websites and so on? I think it is for Members, particularly the Select Committee, to consider this situation and bring these Rules up to date as soon as possible.

**Hon. D A Feetham:** Mr Speaker, that rule has always been interpreted as meaning any information in the public domain. That is the reality.

**Mr Speaker:** That is correct.

**Hon. D A Feetham:** So there is no difficulty. Certainly nobody is going to push back in relation to this. But the reason why I have asked those questions is – yes, I know that there is a list of consultants – to make sure that nothing from there has escaped the net.

My issue – and the hon. Gentleman is, strictly, right, and I accept that – is that if I have asked a supplementary and he has got the information because he has actually got the list of consultants and he has got the list of contracts there, quite frankly it would be very useful, not only to myself but I think the members of the public who hear Parliament and look at *Hansard*, to actually have the list in answer to my supplementary. But the reality of the situation is that the answer from the Government is, ‘It is there – there is nobody other than this particular security company.’ I will now cross-refer the particular names that I have with the list that is on the website to see whether that is a correct answer or is not a correct answer, and, if it is not, I will come back.

**Hon. Chief Minister:** I am grateful, Mr Speaker, that the hon. Gentleman has for once acknowledged that my answers have been correct as to what it is that I have been saying to him. I refer him, Mr Speaker, to the whole of what I said, which is that we have been able to ascertain that all but one such parties listed are online or are specifically provided for in the Estimates.

**Q570/2016**  
**Private housing initiatives –**  
**Details**

760 **Clerk:** Question 570, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Chief Minister please provide more detail on how the Budget measure introduced during his reply, said to promote private housing initiatives for private rentals, is intended to work?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, Parliament will recall that the Budget took place in the aftermath of the Brexit vote. One issue that concerned many of the large companies with key staff living in Gibraltar is the impact of a fluid frontier becoming less fluid. Many of these companies would prefer their staff to be housed in Gibraltar, but at the present the housing sector promotes either high-end accommodation or 50-50 accommodation geared to individuals who are eligible for it. Many of these key workers in these sectors that are important to Gibraltar do not fall into either of these categories and therefore the Government, in consultation with construction companies and companies in these sectors, wish to promote the building of homes for key workers.

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During the period of the Budget, the Government was approached by a number of parties with the request to create some financial incentive to allow for the funding and ownership of properties geared to the key worker rental market. These parties included developers, companies in the relevant sectors who might wish to own these properties and wealthy individuals who would consider investing in these properties as they could provide a good return.

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The exemption of rent for two years occurring if a property is constructed within the next 30 months is therefore intended to accelerate construction to coincide with the implementation of any Brexit decision, thereby ensuring that the properties are constructed by that time.

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It will be appreciated that these properties will be different to those in either of the aforementioned categories and the rents that can be charged and the value of these properties are likely to be much less than the rental properties that are presently available in the Gibraltar rental market.

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This measure was introduced to stimulate quick construction and ultimately the ownership of the properties by companies and individuals that might find the return provided by these properties interesting in this low interest rate environment.

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**Hon. D A Feetham:** Yes, Mr Speaker, but what is the actual incentive that the Government is actually providing in relation to the construction of these particular properties? That is the one thing that I have not understood in his answer.

**Hon. Chief Minister:** Well, Mr Speaker, that anybody who purchases a property from the developer and then rents it is going to have that rent be tax free for two years. So it becomes

800 very attractive for people to purchase for subsequent rental, and therefore it becomes easier for the developer to do the pre-sales to bank the development and get it off the ground.

**Hon. D A Feetham:** So, effectively, will the developer have to allocate the entirety of the building that it is building to these flats, subject to these two-year tax free schemes, for the Government to basically certify that that building is subject to this incentive scheme? Or does  
805 the Government envisage that, for example, it could also be open to developers that may build an apartment block, but say, 'We only want 20% of the building to be subject to the incentive scheme'? How is it going to work? How is the Government going to certify that these particular developments are going to be subject to this particular incentive scheme?

810 **Hon. Chief Minister:** Mr Speaker, the Government is not going to do that. The Government is not going to require the developers to set aside a particular amount of properties or anything like that. What the Government is going to do is stimulate the development market by allowing the developers the opportunity of selling, so that anyone who is going to buy from them is going  
815 to have that advantage.

We think it is something that can operate freely in the market for the period of these 30 months. It can affect large developments or it can affect small developments, all of which would nonetheless be available in that context: in the context of a buy-to-let market which has been developed for those who might need to rent here because it might be harder to get across  
820 the Frontier – although we all, of course, hope that that will not be the case.

**Hon. D A Feetham:** But could it be subject then to people who already own flats, for example, and who may wish their flats to be rented out? What I am trying to explore is, what are the minimum criteria that the Government will impose in relation to this? Is it a minimum  
825 criteria in terms of the rent that is chargeable? Is it by the size of the flat? Because, unless one certifies ... This is what was going through my mind. Unless the Government says, 'I am certifying this particular development for this particular scheme', how does one decide whether the development is subject to the scheme unless effectively what one is doing is just simply looking at it – not from the point of view of the development, but from the point of view of the person  
830 who is renting, which then begs the question, why just simply limit it to construction projects that are going to be completed within the next year and a half to two years? Why not open it to projects that there may be either in the pipeline or alternative projects that have been completed in the past?

835 **Hon. Chief Minister:** Mr Speaker, for a very simple reason: because it is a measure designed to stimulate the market now. In other words, it is a measure designed to get ground broken in respect of new developments. It is a measure designed to get more apartments built. It is not a measure designed to give an advantage to those who may already be in possession of an apartment which they are renting and in respect of which they are going to be able to set off the  
840 rent. It is to encourage more people to buy apartments for rent, which will enable the developers to get more developments off the ground in that period because they will sell off plan. The criteria is: is the construction in that 30-month period? Have you bought in that 30-month period? Yes – then the first two years of rental will be rent free. That rental income will be tax free.

845 **Hon. D A Feetham:** I understand the rationale for building more properties, but there may be, for example, properties that have already been built that may not be fully occupied, fully utilised, and it may well be something that the Government wants to consider in actually extending the incentive scheme not only to properties that are going to be built, but properties  
850 that perhaps are underutilised in Gibraltar, those kind of properties, in order to make those

available, also in order to encourage those to be utilised in order to encourage people coming to Gibraltar.

I know, for example, that – I will give the hon. Gentleman an example – in the United Kingdom there are incentives for properties, even private properties, for rooms or parts of large  
855 houses to be utilised in order to be rented out, so that people can ... And that is what I am thinking when I asked this particular question.

**Hon. Chief Minister:** Mr Speaker, the hon. Gentleman is absolutely right, there are incentives in the United Kingdom to get unused space rented. But none of those incentives, although he  
860 commends them to us, are going to be accepted by Gibraltar, because those incentives are to tax people who have empty rooms, because they want people to rent them out. The Bedroom Tax, which is affecting, in particular, the disabled ... This is disabled people who need an extra room, and the UK government is taxing them in respect of that extra room in order to stimulate the market. We are not going to go down that road.

865 Mr Speaker, I think he has the wrong impression of what the supply side of property in Gibraltar is like at the moment. The problem is that there is no property available for rental in Gibraltar. That which is available is either overpriced for what it is at the moment, or is not in a condition which people are able to rent, and we do not want to encourage overpricing and we do not want to encourage people to be living in conditions which are not the right ones.

870 What we need to do, Mr Speaker, is to get the supply side going. If he bothers to call some of the estate agents, they will tell him that they are desperate for rentals. So what we need to get going is a further period of construction of properties for rental, for the type of market that we need, which, as I have indicated in my answer, we assess slightly below the sort of category 2 style housing, where every developer that has not gone for the 50/50 or for the local senior  
875 middle class level has pitched it, and where people who are at work are able to rent and create that rental market. We think the best way to do that is to enable developers to sell off plan to those who are interested in buy to let, by allowing those who are interested in buy to let to have this tax-free period in respect of their properties. That will mean that the supply side starts to move.

880 We were persuaded of this not by ourselves, we were persuaded of this by estate agents, by people in the online, in insurance and financial services industry. We were persuaded of this by developers, construction companies and some of the lending institutions in Gibraltar. Having taken that wide berth of advice, Mr Speaker, we think we are on the right course and we are going to pursue it.

885 **Hon. D A Feetham:** Mr Speaker, I am not criticising it. I am not criticising it at all. I am just exploring with the hon. Gentleman whether in fact there is anything already in place, any properties already there that could also be subject to this two-year tax free incentive scheme in order to encourage people to actually rent either part of properties or existing properties that  
890 they may not be renting.

Mr Speaker, does the hon. Gentleman ... Can he help me with this: how many developments does he think could take advantage of this particular scheme, or does he expect will be built because of this scheme, over the next two years? What does he have in the pipeline? Numbers – I am not asking him for specific identification of sites.

895 **Hon. Chief Minister:** Mr Speaker, there are those who at 10 o'clock on election night say that the exit poll is wrong and we will see. There are those who predict what there is going to be in terms of turnout and what the results are going to be. I am not one of those politicians, Mr Speaker. In respect of developments, I know from my practice before I was Chief Minister  
900 that things that can look very good then do not materialise – so I am not going to be persuaded to give a number, but I will tell him that we had discussions with a good number of developers. Whether that will translate into development or not will depend a lot on what happens in the

coming weeks and months and perhaps in the next two years as the United Kingdom determines what sort of exit it wants from its relationship with the European Union. This, I hope, will stimulate the market in the way that we have suggested.

**Hon. R M Clinton:** Mr Speaker, if I may, would the Hon. the Chief Minister ... I am just curious as to how the two-year period was determined. Is this, the magic number, a formula for payback period? How was two years arrived at? It does seem short.

**Hon. Chief Minister:** Well, Mr Speaker, I hardly think it is short, given that the period today is zero and that it has gone from zero months tax free to 24 months tax free. I think that is actually quite generous. It is a period in respect of which one is able to recover perhaps the lump sum put down at the time of purchase or the furnishing cost of a property without having to suffer taxation on it. We have been working on this for some time and we thought two years moving from zero to 24 months was quite generous.

If the hon. Gentleman had been proposing this to me, Mr Speaker, and had been suggesting five years and I came back with two, I would accept that he would say it does not seem very generous, but given that they have never suggested it, we have come up with it and we have pitched it at where we think it is the right level, I think it is absolutely the right level. I am convinced, Mr Speaker, that this meets the requirements that were put to us in the discussions that we had with the relevant parties. They have indicated to us that it is exactly the right sort of measure, that it is the sort of measure that is likely to stimulate those who might buy off plan.

One minute he is trying to persuade us to spend less and the next he seems to be ready to persuade us to spend more. The hon. Gentleman will know that a tax-free period is a period of lower income to the Government, because at the end of that period the income to the Government goes up because taxation bites in respect of those assets. So we think we get the balance right between spending and not spending and expenditure and income, but if he thinks this is not the right level I would ask him to reflect on who it is that he has considered it with and whether he accepts that we consider with many more than he might.

**Hon. R M Clinton:** Mr Speaker, I thank the hon. Gentleman for his answer. It was purely an exploratory question. I had nothing in mind.

He may or may not wish to answer this further supplementary: does the Government have any intention of itself becoming such a landlord and providing these properties?

**Hon. Chief Minister:** Mr Speaker, I am grateful for the great candour that the hon. Gentleman has displayed: to say in a Parliament that you got up and said something with nothing in your mind really opens you up as a bit of a hostage to fortune.

Mr Speaker, we have no intention of becoming an investor in buy-to-let property at this stage, but, given what might come towards us in the next two or three years, it may be that the Government does have to consider expanding the stock of public housing that is available in Gibraltar, but the public housing might change in some way to cover this sort of area. At the moment, it is very far from our view that we should do so, but everything is possible. I say constantly, Mr Speaker, that the future is ours to write. That is a great opportunity. It is also a huge responsibility.

**Hon. D A Feetham:** Mr Speaker, just to clarify one point from the answer that he has given: effectively this is only going to be open to key workers in key industry – and I presume we are talking about the gaming industry – or is it going to be open to effectively everybody? That is the question.

**Hon. Chief Minister:** Mr Speaker, I think they are focusing this in the wrong way. They need to understand what we are trying to do. *(Interjection)* We are not aiming anything at properties

955 which may be there already. What we are trying to do is stimulate the market in development because we need more property.

There are many key workers who are unable to afford the purchase of a property in Gibraltar because they are not entitled to 50-50s, they cannot afford the expensive properties that there are. This is a different sort of sector. Some of them may be able to purchase those properties –  
 960 great! Depending on where they are in the hierarchy of these industries, they will actually be able to accede to a purchase that in today's market they are not able to accede to because of price in one sector and because of eligibility in another sector. Here, if they are able to afford it with these developments, fantastic. Some may not be able to afford it. Therefore, in order to ensure that developers are able to develop with confidence, what we are doing is opening up  
 965 the possibility of others buying in those developments so that those key workers are then able to have access to the market in rental because there would be more rental properties available. But we are not for one moment going to require that somebody come with a certificate of employment in a particular place to be eligible to rent from someone so that that rent is then subject to the tax-free period. We think the market will find its level.

970 If there are Gibraltarians who wish to rent, who are not in the gaming industry, the financial services industry, the insurance industry, and they are able to accede to one of these rentals, then so be it. We are not going to restrict the ambit of who is able to accede to these rentals, but given the pitching that is likely to be done, we think the market will find its level and it is likely that those who are in these industries, these key workers that we talk about, are likely to  
 975 make up the brunt of those to take advantage of the possibility (a) of purchasing in this sector, or (b) to take the advantage of being able to rent from those who have bought to let in this sector that we hope will develop.

**Hon. D A Feetham:** Mr Speaker, there are no politically barbed intentions in the questions  
 980 that we have asked; we genuinely want to just simply understand, and the question was phrased in those terms. We want to understand what the scheme is about. From what the hon. Gentleman is telling me in the last answer, it is not going to be restricted to key workers, it is going to be open to everybody. In other words, if there is a development within the next couple of years, it does not even have to be certified. That is the answer he gave me before. You, or  
 985 somebody, will be able to buy in those developments, rent out in those developments, and the person who is renting from the buyer, effectively, from the purchaser, will be able to take advantage of the tax-free incentive scheme for two years. That is the way that I have understood it, and that it is open to anybody. It is not key workers; it is open to everybody. That is the answer that he has given me. Now, I just want to understand whether my understanding is  
 990 correct or not.

**Hon. Chief Minister:** Mr Speaker, what I am saying is that this is a measure *aimed* at key workers but not restricted to key workers, because I do not believe that we should restrict things out of the hands of Gibraltarians, for example. I am surprised that he is suggesting that we  
 995 should – that we should create that element of discrimination against Gibraltarians or Gibraltar residents. *(Interjection by Hon. D A Feetham)* What we are doing is aiming at a particular sector of the market. He needs to understand, Mr Speaker, who is coming across the Frontier. He needs to understand the demographics. If there are 12,000 people coming across the Frontier and 7,000 of them are Spanish and they live in Spain, then there are about 4,000 or 5,000 people  
 1000 who would potentially – because they are not Spanish and they are not living with their families in their own ancestral homes, so to speak – be prepared to live here if there was a place available to them. We need to have more properties available for them.

Gibraltarians are more than likely to want to be able to take advantage of purchasing in the magnificent new 50-50 properties that are shortly to become available. There are those who  
 1005 may not be able to purchase. Of those 4,000 or 5,000 who cross the Frontier every day, who are not Spanish, who are not able to purchase the expensive homes that they are eligible to



purchase today, so by creating this new sector they may be able to purchase. Gibraltarians may be able to purchase or other long-term Gibraltar residents may be able to purchase as well – and we do not think they should be discriminated against. If they are not able to purchase, they may be able to rent, whether they are those coming across the Frontier or those who are already here.

Because the number of people in our economy who cross that Frontier, who are in the gaming and financial services and the insurance industry, are the rump of those who are likely to buy, this is a measure aimed for them, because they are more than likely, when the market finds its level – without having to introduce restrictions and copies of Stalinist-style certificates required in order to be able to purchase or rent, the market, because we operate in a market economy – is likely to find its level and we are likely with our aim to hit our target without creating those restrictions.

That is what we are doing. That is who we are aiming for, but we are not prepared to discriminate against other long-term residents of Gibraltar and Gibraltarians. I would imagine he does not want to encourage me to do that.

**Hon. D A Feetham:** Mr Speaker, the hon. Gentleman has a wonderful habit, I have to say, of arguing against himself. I have not suggested that we discriminate against anybody. I am just trying to understand it. Effectively, we have narrowed down what the scheme is about. So all the answers about key workers – and I have understood that it is really aimed at them, but the reality is that there will be no restriction by development at all to take advantage of the scheme and no restriction against anybody because anybody, whether you are a key worker or you are not a key worker, will be able to take advantage of this two-year rent-free scheme, provided that it is in these developments that are built over the next two years. That is the position, is it not?

**Mr Speaker:** A short answer!

**Hon. Chief Minister:** Mr Speaker, years from now, when people read the *Hansard* they will be fascinated by the fact that on this side of the House we have the patience to hear these things thrown at us over and over again. I have explained the position. I have set it out at length. I am not arguing against myself. I have a knack, it is true, for identifying the argument that the hon. Gentleman is putting, although he is trying to camouflage it and expose it, Mr Speaker.

We are not going to create a discrimination against Gibraltarians or long-term residents of Gibraltar, and we are going to continue to aim to deal with the problems that key workers in our economy have, and we are going to do it as we do it in the market economy. We are going to aim a measure at a particular sector, we are going to identify the demographic and we are going to ensure that the type of tax relief that we give is designed to relieve there. And the experts who advise me tell me this measure does that and is for the benefit of key workers and for other Gibraltarians and long-term residents of Gibraltar.

**Mr Speaker:** Next question.

**Hon. R M Clinton:** Mr Speaker, may I ask just one?

**Mr Speaker:** We have been 35 minutes with this question on an important matter. I honestly think it has been amply ventilated. I will allow another supplementary but then we are going to move on, okay?

**Hon. R M Clinton:** I am grateful, Mr Speaker.

I heard the hon. Member use the words 'key worker' on numerous occasions, obviously, in this exchange. In the United Kingdom, 'key worker' obviously means ambulance, fire, teacher – those kinds of functions. Does he have a definition in his mind of what a key worker is?

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**Hon. Chief Minister:** Mr Speaker, the hon. Gentleman needs to understand that in Gibraltar ambulance drivers, firemen and teachers – because they are in the public sector – take the advantage, rightly, of the schemes that we introduced after 1988, which are the Affordable Housing Schemes. They are the key individuals because, like he and me, we are Gibraltarians and we want to ensure that Gibraltarians are able to live in Gibraltar. If he wants to talk about that category of individual, I am going to find a terminology much more flattering even than 'key worker'. What we are talking about here – and if he bothers to read where this comes from, it is from my Budget speech – its key workers in these industries. In other words, in the gaming industry, in the financial services industry and the insurance industry. Those are the people who we are trying to deal with. Those three industries have a lot of individuals who are not Spanish – or who, in some instances, are Spanish but who live in the region of Gibraltar because they work in Gibraltar, and if Frontier fluidity were to be an issue, the key to keeping their industries in Gibraltar is to keep those workers in Gibraltar, hence 'key workers', Mr Speaker. But he should not tempt me to describe teachers, nurses and firemen as just 'key workers'. As far as I am concerned, Mr Speaker, they are the backbone of our community.

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**Mr Speaker:** Next question.

**Q571/2016**  
**No. 6 Convent Place –**  
**Cost of works**

**Clerk:** Question 571, the Hon. D A Feetham.

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**Hon. D A Feetham:** Mr Speaker, further to Question 124/2016, can the Government provide an overall figure on the cost of works at No. 6 Convent Place?

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

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**Chief Minister (Hon. F R Picardo):** Mr Speaker, the total cost of the refurbishment, restoration and construction works at No. 6 Convent Place, the new annexe and the existing building is £6,526,163.89.

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**Hon. D A Feetham:** Mr Speaker, how can the Chief Minister justify the expenditure of £6.5 million on what is a hugely luxurious project at his offices when there are schools in Gibraltar that are run down and, quite frankly – and I am thinking of Bayside in particular – are not fit for purpose. (**A Member:** Hear, hear.) How does he justify that?

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**Hon. Chief Minister:** Mr Speaker, I justify it because in order to make money you have to spend money, because Gibraltar needs to demonstrate to those who come to invest in Gibraltar that it is a modern Gibraltar, that is ready to take us forward into the 21st century, into the post-Brexit world – unfortunately. I justify it, Mr Speaker, with the moral authority of somebody who has led a Government that has built two new schools already, has plans to build five more in this term and has done this refurbishment as a result – quite unlike the position of Members opposite when they were on this side of the House and they spent well over £1 million on

refurbishing Convent Place, did not add one square foot of new property and did not refurbish or build any new schools.

1105 We spent on No. 6. We have also spent on the schools and we are going to spend more on the schools in the future. We are the champions of education in Gibraltar. We know where we spend most. We spend on the scholarships – we always will, because Tony Blair said many things wrong – he was a traitor to Gibraltar – but education, education, education is the one thing that this Party agrees with him on. *(Banging on desks)*

1110 **Hon. D A Feetham:** Mr Speaker, doesn't the hon. Gentleman think that not only is it shameful that he has spent £6.5 million on his plush offices at No. 6 Convent Place whilst Bayside is in the state that it is, but is it not also the height of political hypocrisy that the hon. Gentleman criticised, when he was in Opposition, the expenditure ... I do not know agreement here as to the expenditure of £1 million. Let us assume that he is right for one moment, but do not take it that I agree with it. I will check it during the course of next week. But that he criticised the expenditure by the GSD of what he says was £1 million on Convent Place when he has now spent 1115 £6.5 million – isn't it incongruous, Mr Speaker? Is that not the height of political hypocrisy, that he took the position that he did when he was in Opposition and now he is defending £6.5 million spent on his luxury project, on his offices at No. 6 Convent Place?

1120 **Hon. Chief Minister:** Mr Speaker, I have only got one office at No. 6 Convent Place, but there are many civil servants at No. 6 Convent Place who do an excellent job for Gibraltar and there are many civil servants elsewhere in the employment of the Government who have now better offices than they have ever had before, and they deserve even better than they have. We will continue to roll out the programme we have for civil servants to have modern offices in which to 1125 do business. We think that is the right investment in the public sector. We think it was wrong for the GSD not to invest in the Civil Service. We will continue to do so.

He will find no greater champion, Mr Speaker, of Bayside School, than the Chief Minister standing opposite him today, because no one has been prouder to be able to say that he is the first Chief Minister that Bayside School provided than me, and I have been the only one and the 1130 first one to have the chance to do it. Bayside provided, for me, some of the best years of my life. It propelled me to the university, if I may say so, with respect to everyone, that *The Times* today has said is the best university in the world, with Harvard relegated to sixth. **(A Member:** Hear, hear.) I have another Oxonian here, Mr Speaker.

But I will tell him more: I stand here proud of our plans to provide an even better Bayside. I 1135 stand here proud of our plans to not just refurbish but in many instances completely rebuild and relocate a total of five schools. I stand here already with a better record in respect of schools, let alone education, than the hon. Gentleman, because we have already built two new schools. The only other Government to have ever done so was also a GSLP Government, Mr Speaker. But that GSLP Government never managed to build a university, because the opportunity escaped them. 1140 This GSLP Liberal Government has built two schools and a university. What we have not done, is spend £9 million demolishing a Theatre Royal.

**Mr Speaker:** Now you are debating.

1145 **Hon. Chief Minister:** No, Mr Speaker, I am not.

**Mr Speaker:** Now you are introducing a matter which, with all due respect, is not relevant. The expenditure on No. 6 set off against expenditure on education is totally relevant because that has been the subject of a supplementary. The question of the Theatre Royal is a separate 1150 issue altogether.

**Hon. Chief Minister:** Mr Speaker, the supplementary question was political and the answer – over which Mr Speaker often reminds us he has no control – will be political.

1155 We have not spent £9 million making a hole in the ground where there was a theatre. We have spent moneys on education and we have spent moneys on improving offices and we have spent other moneys on all of the projects that the hon. Gentleman likes to say we overspend on but then likes to hurry us to complete. We have spent moneys refurbishing estates in Gibraltar. We have spent monies for the good of this community. We will continue to spend money for the good of this community, in great measure in relation to the schools, because we have fought an election on a manifesto that commits us to the rebuilding of Bayside School and commits us to the rebuilding of many other schools, Mr Speaker.

1160 Everyone listening will see that if he tries to characterise himself as a champion of Bayside School, they have just got to look back at the pamphlet which he pretended should pass as a manifesto at the last election, to see what it was that he was planning for people at Rooke and understand that it was the worst possible plan for education in the history of Gibraltar: to put almost 2,000 children on one campus in the centre of our town would have been absolutely disastrous for education.

1170 **Mr Speaker:** I am going to bring these exchanges to a halt if hon. Members persist in debating. Next question.

**Hon. D A Feetham:** Mr Speaker, I have not finished.

1175 **Mr Speaker:** He has not finished because I have stopped him. (*Interjection*) He has not finished because I have interrupted the Hon. the Chief Minister.

**Hon. D A Feetham:** Mr Speaker, when you are finished, I will –

1180 **Hon. Chief Minister:** May I make a point when you have finished?

**Mr Speaker:** Go on.

1185 **Hon. D A Feetham:** Simply because the hon. Gentleman gives a longwinded answer, which is infringing on the debating rule, as an answer to my questions, which have been short questions, does not mean that Mr Speaker should cut short my ability to ask more supplementary questions when I am being penalised for his long answers.

**Mr Speaker:** Do you have a relevant supplementary to ask?

1190 **Hon. D A Feetham:** Well, yes, Mr Speaker.

**Mr Speaker:** Go on, ask it.

1195 **Hon. D A Feetham:** All my supplementaries are relevant, Mr Speaker. (*Interjection*) Well, absolutely, if Mr Speaker has not stopped me before, it is because it is relevant.

1200 The hon. Gentleman in his answer said you have got to spend money to make money. That is the answer that he gave. I can understand that you invest in education and you are making money in the future, because you are creating the economic activity through people that you are training in order to allow them to come back to Gibraltar and have worthwhile jobs here in Gibraltar. We can do it outside the education system through training, but just focusing on this, how on earth does paying £6.5 million for his offices at No. 6 Convent Place actually create money? How is that spending money to make more money?

**Hon. Chief Minister:** Mr Speaker, it is utterly ridiculous that you have considered to be relevant a question relating to schools which is supplementary to a question relating to a cost of an office of the Government, but I am going to answer anyway because it is very easy. I am going to answer politically, Mr Speaker – and that is not to debate, because Governments give answers, Mr Speaker, which are political. The political answer is to say simply this. First of all, I remind the hon. Gentleman it is not my office. I have one office, Mr Speaker. There are many offices at No. 6 Convent Place. I have given him before how much square footage we have added there. I have not done a luxurious refurbishment. In fact, a lot of what we have done is to get rid of the luxury that they brought when they were in Government. I have given him all the figures before but he falls into the same hole every time, Mr Speaker.

The Chief Minister of Gibraltar had an office, the floor of which was about to collapse. He may have seen the pictures, he may recall, of the floor of the Cabinet Office at No. 6 having to be entirely removed. I know that he wishes me no good, Mr Speaker, but does he really wish me so much ill that he wants me to go through the floor and hit the Chief Secretary, who had the office underneath me? That is the context in which we inherited No. 6 Convent Place.

He just thinks it is going to be popular to bang at me by saying, ‘You spent money on your offices and you have not refurbished the school.’ I built two new schools, I have built a University and I am going to refurbish or build five new schools in this term, Mr Speaker. In part, I am going to do it with the investment that comes to Gibraltar. Part of that investment comes to Gibraltar to see me at No. 6 Convent Place. They do not go to see him, Mr Speaker; they come to see me. And instead of spending £9 million on a hole in the ground, I have spent it in part on schools and in part on refurbishing offices.

Mr Speaker, he has been going on about this before the last election and now he is going on about it again. Good luck! He is like a broken record: same arguments all the time – he is going to get the same result all the time. That is not a bad thing for Gibraltar.

**Mr Speaker:** The Hon. Marlene Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** I think perhaps a couple of supplementary points I wanted to bring up may have already been addressed, but I think it is just a matter of priorities. I accept what both sides are trying to get at and I know we can all be very proud that the Chief Minister went to Bayside. The hon. Lady and myself went to Westside also, and we are sitting here today.

Basically, I just think it boils down to priorities. Perhaps the Bayside of yesterday, which produced an Oxbridge student, is certainly not the Bayside of today, and today we have students who can barely hear the teachers and are struggling to learn because there is building and dust going on all over the place. This is something that is affecting children physically and educationally, and I think this is where the comparison comes into it. I trust if the Government is proclaiming constantly that they will build another Bayside in this term of office, but actually is there anything we can do in the next few years to ensure that Bayside does not suffer with all the building that is going on – even rehouse them or something for a temporary time – because it seems like Bayside is suffering. Only on the news in the last couple of days have been some complaints and students or teachers walking out.

I know it is slightly a digression from the issue of expenditure, but we are talking about priorities, and as much as the Chief Minister says it is a big priority to market Gibraltar, to market No. 6 and show a good impression, there is no greater priority than the children and the future generation that need to get the best grades possible and be as focused as possible, and they need a good sound infrastructure for that.

Thank you.

**Hon. Chief Minister:** Mr Speaker, the Government will not be found wanting in that respect, because let us be clear, nobody had, in their 2011 General Election manifesto, any requirement to rebuild Bayside School. **(A Member:** Absolutely.) It was only in the 2015 General Election

manifestos that the parties decided it was necessary. Both parties decided it was necessary to commit to the rebuilding of Bayside School.

I will tell the hon. Lady that when I did my Oxbridge entrance exam I did it with a pneumatic drill outside my window – in 1987, by the way – and I then sat my A-levels the following year and there was also that sort of activity and military jets outside. That does not mean that is what I want for my children or for her children – I want a better environment for them. That is why, Mr Speaker, the Minister for Education insisted that those developing the World Trade Centre ... I hope we all agree that bringing the World Trade Centre to Gibraltar and having it open as a great success – entirely full, even after the Brexit referendum – is a great thing. We ensured that those developers would not be making noise before 3.30 p.m. One subcontractor this week – one subcontractor this week – failed the developer and started earlier and caused the problems that have been caused, and the developer has rightly dealt with the subcontractor and it has not happened again. Although I understand that, in a post that someone pays to get pushed up the page on Facebook, somebody suggested it may have happened more than once. My understanding, having checked, Mr Speaker, is that that is not the case. But it is unacceptable to the Government that there should be a development around Bayside which disrupts Bayside. That is why we go to the lengths of ensuring that we do deals with those developers to stop there being any undue noise. But is it possible to stop all noise, Mr Speaker? No, these are city schools. Westside and Bayside are city schools. They are always going to be city schools because we have no countryside in which to put them. I can promise many things but I cannot promise rolling hills.

The way that we propose to rebuild Bayside will deal with the provision of its own internal football and rugby pitch. Rugby pitches and football pitches in schools were the sorts of things that one might only see the privileged have in the schools to which they are sent abroad. Now we are going to have that here. That is the sort of vision for the future of Bayside that we have on this side of the House. Members opposite – and on this the hon. Lady will allow me to gently tarnish her with the same brush – defended a manifesto that created a concrete college in the centre of Gibraltar for two or three thousand pupils at the same time as inspectors in the UK were saying that would be the worst possible future for education and a similar school in the United Kingdom was vetoed.

The hon. Lady is right to express impatience on behalf of the community – because, look, I am impatient to see this project take off. She rightly has indicated did not go to Bayside for reasons of gender and nothing else, but let us be clear – in the same way as she no doubt has a soft spot for Westside, I have a very soft spot for Bayside indeed, and I am the most impatient to see this project not just progress but succeed, and succeed it will. It will be one of the most important legacies that this old boy will leave his school. It is only public school boys who get called ‘old boys’. We are entitled to it too, are we not?

#### **Q572-573/2016**

#### **Individual and employer tax arrears over £5,000 – Details**

**Clerk:** Question 572, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, can the Government provide a list of PAYE tax arrears owed by employers who exceed £5,000, detailing the tax year for which the arrears are due and the total due per employer, without revealing the identity of the employer?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer together with Question 573.

**Clerk:** Question 573, the Hon. D A Feetham.

1305 **Hon. D A Feetham:** Mr Speaker, can the Government provide a list of assessment tax owed by individuals who exceed £5,000, detailing the tax years for which the arrears are due and the total due per taxpayer, without revealing the identity of the taxpayer?

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

1310 **Hon. Chief Minister:** Mr Speaker, the information requested is very extensive and to provide it in a manner that is reliable will not be possible until at least December. I am not saying no, Mr Speaker, but to provide it in a reliable manner we are going to need that extra time.

1315 **Hon. D A Feetham:** Well, Mr Speaker, is the hon. Gentleman undertaking to provide this information in the same way as he undertook to provide the information to the two previous questions that I asked him and he answered in that way, or is he expecting me to ask the question again in December?

1320 **Hon. Chief Minister:** Mr Speaker, I know that he cannot believe it is not butter, but I am quite happy to agree to either undertake to provide it in a letter, or for him to ask – whichever he prefers. How is that?

**Hon. D A Feetham:** Mr Speaker, I will accept the undertaking to this House that the hon. Gentleman will provide it by December.

1325 **Hon. Chief Minister:** I am sure that those listening who are responsible for the preparation of that will note that and ensure that it is provided timelessly.

**Q574-575/2016**  
**Capital projects since 31st March 2012 –**  
**Spend and funding**

**Clerk:** Question 574, the Hon. D A Feetham.

1330 **Hon. D A Feetham:** Mr Speaker, further to my Question 453/2016, is the Government now in a position to provide the information requested in my original question?

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

1335 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer this question together with Question 575.

**Clerk:** Question 575, the Hon. D A Feetham.

1340 **Hon. D A Feetham:** Mr Speaker, can the Government please provide a list showing what Government-owned company funded what capital projects since 31st March 2012?

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

**Hon. Chief Minister:** Mr Speaker, as I mentioned in my previous answer, the expenditure of capital projects by the Government, authorities and agencies are reflected fully in the Improvement and Development Fund, as shown in the published Estimates. The accounts of the Government-owned companies will, as I have already said, be filed publicly at Companies House so that everyone in our community can have access to the information relevant to each, despite the disgraceful failure of the GSD to have filed those accounts in the time they were in office. We will put that right, Mr Speaker.

**Hon. D A Feetham:** Mr Speaker, I just do not know how he can possibly give me that answer when we have been asking for the accounts of companies like Credit Finance Company Ltd for the last three years and disclosure in relation to that particular company, and that has not been forthcoming.

But, Mr Speaker, it is an unsatisfactory answer for this reason: if we have got to wait until the accounts for us to then look at each account and then say which project is being funded by what company, well, the hon. Gentleman can undertake to provide those accounts. But those accounts could be filed in two years or three years' time, Mr Speaker. He must know the answer to this question. It is easily ascertainable. It is not a difficult question. The information is there and he has an obligation, in my respectful view, Mr Speaker, to provide this information to the House. Which company is funding which project? It is a very simple question capable of a very simple answer.

**Hon. Chief Minister:** Mr Speaker, one gets good at dealing with the same argument all the time if it is put every month in the same way, but the hon. Gentleman should be a little bit more imaginative and give me something a little bit harder to work with once in a while to stimulate what *Poirot* used to say were 'the little grey cells' of the imagination of Agatha Christie.

Mr Speaker, if it is unsatisfactory that they may have to wait two or three years to see the accounts of a company which is a Government company in the time that we have been in office, how much more unsatisfactory, is it not, that the companies accounts for the period that they were in office, since the mid-nineties, have not yet been filed? Mr Speaker, I would put it to the hon. Gentleman that it is hugely unsatisfactory to the community that they failed to comply with the law that they passed: that companies have to file accounts. We are catching up with that backlog and will be filing the accounts, Mr Speaker.

The Government has no obligation to account for the Government companies here, but we do to a great extent and much more than hon. Members ever did. We will continue to do so in the way that we do, but we will not accept, Mr Speaker, that we should account to the extent that they consider is appropriate when they sit on that side, but which is completely different to what they considered was appropriate when they sat on this side.

**Hon. D A Feetham:** But, Mr Speaker, this is not about accounts. I made the comment because he has answered in that particular way and indeed he has had six years, five years, in order to file accounts for Government-owned companies and he has not done it. To the extent that it was our default, it is also his.

But, Mr Speaker, this is about the funding of projects which the Government has basically committed itself in manifestos, etc. by Government-owned companies. What we want to know is what Government-owned company, using taxpayers' money ... Because at the end of the day it is taxpayers' money. There is no magical quality to any of these companies. This is taxpayers' money. Which companies are funding what projects?

For the hon. Gentleman to say, 'Well, you are going to have to wait for the accounts of those companies and it could take another three years,' is highly unsatisfactory. That the hon. Gentleman hears me say 'is highly unsatisfactory' every single month ... well, of course, he hears me saying it because he provides me with unsatisfactory answers every single month. Mr Speaker, if he changes practice and he were to come to this House and be prepared to be



more open and transparent with this House, then I would not have to ask the same questions or the same type of questions every month in this House.

It is very simple: what company is funding, using taxpayers' money – because that is what it is – which project? That is the question. Now, if he is not prepared to answer that, he is not prepared to answer.

**Hon. Chief Minister:** What I am not prepared to do, Mr Speaker, is to come here on a fool's errand every month to waste people's time. I know that time flies when one is enjoying oneself, Mr Speaker, but we have only been in Government for five years, not six. He needs to remember that. Indeed, it is not yet five, Mr Speaker. It will be five on 9th December 2016, when we shall celebrate the first half decade of the glorious new dawn which was elected on 9th December 2011.

Mr Speaker, is it that he wants me to stand up here in this House and waste his time and mine by reading lists? So, Gibraltar Residential Properties Arial Farm Ltd developed Beach View Terraces. Gibraltar Residential Properties Coach Park Ltd developed Mons Calpe Mews. Gibraltar Residential Properties Bishop Fitzgerald Ltd developed Charles Bruzon House. Mr Speaker, come on what is it? University of Gibraltar Ltd developed Gibraltar University. This is what the sum total of what Opposition politics amounts to in Gibraltar these days. Well, Mr Speaker, it is clear why it is and is going to remain Opposition politics, Mr Speaker.

**Hon. D A Feetham:** Sooner or later, Mr Speaker, the people of Gibraltar will see what I see every single month when the hon. Gentleman stands up and answers the way that he answers. He has turned this House, Mr Speaker, into just a complete and utter political circus, in my respectful view, with the answers that he gives, or the lack of answers that he gives, on matters which are transcendental and important to this community.

**Mr Speaker:** May I put it to the Hon. the Leader of the Opposition that if this House is a political circus, I certainly do not regard myself as a ringmaster. *(Laughter)*

**Hon. D A Feetham:** And so you should not, Mr Speaker, because my obligation is to ask questions to hold the Government to account; their obligation is to provide answers to the questions. And if he has the answers available to which Government-owned company is funding what project, well, yes, he should provide me with that answer – and I will be the judge, Mr Speaker, of the usefulness of those answers.

But I ask, as he well knows, questions for a purpose. Sometimes, Mr Speaker, he imputes to me, as he has done this afternoon on the question of the financial incentive scheme for these new developments, a political motive that was not there. There is a political motive here – I can tell him that for free. Yes it is. That is what I want to know: what Government-owned company is funding what project?

**Hon. Chief Minister:** Well, Mr Speaker, I have given him the answer that I have given him, but you do not need to be a ringmaster, because he is no lion, that is for sure. The fact that he says he is going to be the judge himself of whether we have answered his questions or not ... Well, look, I remind him of the Latin maxim that *nemo iudex in causa sua*: no-one can be a judge in their own cause. So he can decide for himself whether he is happy or not with the answers, but so what? Although I must say, Mr Speaker, that when he started, and the turn of phrase that he used – such a colourful term of phrase: 'In my mind it is clear that people will see where we are going.' Very good, Mr Speaker. It reminded me of that song which starts with, 'My mind is clearer now. At last all too well I can see where we all soon will be.' It is the opening lines of the musical *Jesus Christ Superstar* that's sung by Judas.

**Mr Speaker:** Next question.

**Q576/2016**  
**Government debt –**  
**Write-offs since March 2012**

**Clerk:** Question 576, the Hon. D A Feetham.

1450 **Hon. D A Feetham:** I am certainly not going to kiss him that is for sure! *(Laughter)* Mr Speaker, if that was the whole point of that conclusion, it has got me a bit nervous. I am certainly not kissing the hon. Gentleman, that is for sure.

Mr Speaker, can the Government disclose details of total Government debt write-offs for each financial year since March 2012.

1455

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, details of amounts written off are included in the published annual audited accounts for the Government. The amounts written off for each of the financial years since 2012 are as follows: March 2012, £347,135.55; March 2013, £938,063.12; and March 2014, £9,918,853.89.

1460

**Hon. D A Feetham:** Mr Speaker, there is a considerable spike, as everybody in the House will have heard, for 2014 of £9 million from a level of £948,000 in 2013. Can the Hon. the Chief Minister provide some information as to why that very significant spike in one year?

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**Hon. Chief Minister:** Yes, Mr Speaker, because it is important that we know what is really recoverable in our accounts and what is not, otherwise we are just carrying unreal debt. For example, where we have companies that have gone into liquidation and the company is dissolved and there is no prospect of recovery, to maintain that liability on our books, when the directors may not be in Gibraltar and it is impossible in that way to recover etc., does not make sense. If there was ever any opportunity of recovering, the fact that we have done a write-off does not mean that the liability is in any way extinguished – it just goes off our books.

1470

There was a catching-up exercise done in 2014. £5,435,926 was written off in respect of PAYE individual assessment and self-employed individuals and Corporation Tax which was considered to be unrecoverable, and the Gibraltar Authority Group Practice Medical Scheme that led to £2,727,000 which was deemed to be unrecoverable. That is how the figure really spiked. The rest is more or less in keeping with what one might have expected. I think there is another ... Yes, those are the figures that I have, Mr Speaker, which show why it is that it went up that year.

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It is an exercise that has to be done, whether periodically or more regularly, but there is no point just keeping bad debt on the books to pretend to the world that there is a huge amount of money owing out there to you when there is absolutely no prospect of recovery.

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**Hon. D A Feetham:** Yes. In relation to the £5 million, can he just repeat the answer for my benefit? I did not quite catch the answer that he gave in relation to the £5 million, the breakdown – I think it was just over £5 million. The response that he has just given me.

1485

**Hon. Chief Minister:** Mr Speaker, I said it was £5,435,926.27 and that it was broken down between PAYE individual assessment, self-employed individuals and Corporation Tax.

1490

**Hon. D A Feetham:** And the Government is satisfied that in relation to these write-offs none of this could be salvaged from or by the recent amendments that the Government has made to the Limitation Act, because none of these write-offs were just simply by virtue of the fact that the debt was actually statute barred?

1495

**Hon. Chief Minister:** Mr Speaker, it is actually not up to the Government to be satisfied. This is a matter exclusively in the purview of the Financial Secretary and subject to the control of the Principal Auditor. The hon. Gentleman knows you cannot imagine people who are more desirous of recovering debt, if it is recoverable, than those two officers, whoever may be occupying those offices. But, they do clear with the Government that these things are going to happen and they do it on the basis that this is entirely unrecoverable, not simply that there is a limitation issue, because in many instances these liabilities create offences, Mr Speaker, and therefore there may not be a limitation issue. There are other measures that can be taken in respect of PAYE etc. We are satisfied that where a write-off has occurred, it has occurred for the right reason.

The hon. Gentleman must not think that just because it is written off in our accounts it is not recoverable. If somebody turns up that we thought was dead or if they turn out to have an asset that we did not imagine they would have, if a company is revived, for example, and has a reversionary interest in property and it is on our list, then that triggers a bell and the enforcement continues. It is just removed from the amounts that we consider should be on our books as recoverable debt.

**Mr Speaker:** Next Question.

#### Q578/2016

#### Statutory Minimum Wage rise – How it will 'Spread the wealth'

**Clerk:** We move to Question 578, which is a question from the Hon. Ms M D Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** In his Budget address this year, the Hon. the Chief Minister stated – and I quote:

And now a GSLP/Liberal administration has continued the work of raising the minimum remuneration payable in our society in order to spread the wealth towards the most deserving.

Yet in his speech the Chief Minister states:

the statutory minimum wage will increase from £6.25 to £6.28 per hour with effect from 1st August 2016. This represents an increase of around 0.5%, which is above the rate of inflation.

This while:

... the general level of Public Sector pay will rise by 2.75% with effect from 1st August 2016. An additional 0.25% will be payable to officers of the Royal Gibraltar Police, Customs, the Prison Service, the Gibraltar Fire Service, the Airport Fire Service, the Borders and Coastguard Agency, and the Ambulance Service.

Would the Chief Minister provide some clarification as to how a 0.5% increase would spread the wealth towards the most deserving?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, the GSLP/Liberal Government is the only Government in the history of our community to be able to say with pride that we have raised the minimum wage every single year that we have been in office. Five years in office have meant five successive increases in the minimum wage.

When we raise it by more than inflation the employers complain – that is to say the Chamber of Commerce and the Federation of Small Businesses complain. If we do not raise it, the

employees' representative organisations complain – that is to say the unions. If we raise it by the rate of inflation in the days after the seminal results of the Brexit referendum, employer and employees' representative organisations understand and do not complain because they see we are ensuring that the amount is not eroded by economic growth and neither is it a factor increasing the real cost of business.

Those who rely on that measure – that is to say on the minimum wage – for the calculation of their remuneration, who are the most deserving in my view, are therefore protected from wage erosion and their jobs are protected also by not being turned into a higher cost than businesses might have been able to carry in this year.

The comparison with wages in the public sector which the hon. Member makes, which were agreed almost two years ago on a three-year basis but done as a comparison in one year, is therefore not a relevant one for these purposes. A more relevant consideration would be to compare how public sector wages have increased since we were elected compared to how the minimum wage has increased for the same period. Public sector remuneration, Mr Speaker, has increased 14.36% in these past five years. The minimum wage has increased by 16.3% in five years. That is to say an average of 3.26% a year and a figure on which the hon. Lady may wish to aim a congratulatory remark or two in my direction, because frankly I think that represents giving to the most deserving in our society.

In money terms, Mr Speaker, we are seeing an increase of 88 pence an hour – not bad at all, I would say. The GSLP – on its own, without its colleagues in the Liberal Party, by the way – is entitled to claim the entire benefit for the introduction of the minimum wage as it was introduced in 1988.

If the hon. Lady had asked whether we would have wished to increase the minimum wage by a larger amount this year, then I would simply have answered yes. But let us be clear, this is not about cost to the Government; it is about cost to independent third party employers represented by the Chamber and the Federation of Small Businesses in the main and their concerns at this difficult time.

Mr Speaker, given the hugely positive reaction to our Budget, which was delivered within days of the Brexit result, I think we got the balance right.

**Hon. Ms M D Hassan Nahon:** I appreciate the figures and the view of the Hon. Chief Minister, but at the end of the day the fact of the matter is that the poorest workers – those on minimum wage this year – have managed to get an extra 3 pence per hour, equating to £1.20 per week, which barely buys you a Coke and a packet of crisps. So I just do not understand how they can hail it as 'spreading the wealth to the most deserving'. It is just simply that I do not understand it, as much as I appreciate the rises and the incentives that have been introduced.

**Hon. Chief Minister:** Mr Speaker, it is a Coke and a packet of crisps the Hon. Lady says. Well, it is a Coke and a packet of crisps an hour! Mr Speaker, let us be clear. *(Interjection)* No, Mr Speaker, let us be clear. *(Interjection)* Mr Speaker, no, no, please let us get our facts right – and I say that in the best possible meaning of the phrase. *(Laughter)* What I am telling her, Mr Speaker ... I know what she is telling me, but what I am telling her is that in five years we have gone up 88p. That means that we have gone up 88p an hour – a Coke and a packet of crisps an hour – which, if you work eight hours a day, is £7.40 a day, and if you work five days a week is £35.20 a week. So we are responsible for putting the minimum wage up £35.20 a week.

She is saying, this year, of that £35.20 only £1.20. That is what she is saying, but I am saying in the five years that I have been Chief Minister of Gibraltar I have put the minimum wage up £35.20 in the context of that calculation in a week. That is a better record, Mr Speaker, than anybody in the history of this Parliament in five years. I am delighted with that record. I wanted to go further. I come under the attack of the Chamber of Commerce and the Federation of Small Businesses on this issue when I put it up more than inflation. This year, because of Brexit, we talked to all the sectors and we agreed it had to be inflation.

1585        There has been no attack on the Government by the unions in respect of this matter, because  
they have thought it through. They have looked at our trajectory; they have looked at the five  
years; they have looked at how public sector pay has gone up 14.3% in the past five years and  
how, at the same time, we put up the minimum wage 16.3% in the past five years. It is a Coke  
and a packet of crisps an hour – even though doctors no longer recommend those, Mr Speaker,  
1590        and I am off them, as the hon. Lady can see. It is £35.20 a week, a record to be proud of. We  
were right to introduce the concept of the minimum wage in 1988. We were right to pursue it  
when we were in Government then. We were absolutely right for the past five years to ensure  
that every single year the minimum wage went up. If you look at our record, I think the hon.  
Lady will accept that to have put £35.20 more in every relevant pay packet, every week, is a  
1595        record to be proud of.

**Hon. Ms. M D Hassan Nahon:** I appreciate the answer and I take it on board. I would like to  
ask, though, why the discrepancy. Perhaps I have not understood it, but the public sector  
workers are enjoying a much higher rate of rise in pay. Is the Chief Minister saying that perhaps  
1600        in the following years the minimum wage will start to creep up and that this year, perhaps  
because of what happened with Brexit, things have been halted a bit but that your record in  
raising that minimum wage will catch up?

**Hon. Chief Minister:** It is not that it is going to catch up; it is that the public sector wages  
1605        would need to still catch up with the minimum wage. At the moment, the public sector is behind  
the minimum wage. They are at 14.3% increase in the last five years; the minimum wage is at  
16.3% in the past five years. So the public sector, if anything, in percentage terms has to catch  
up. We thought that there was a case for really bumping up the minimum wage when we were  
elected, and we came under a lot of criticism from the Chamber and from the Federation for  
1610        doing it, but we knew it was right and we did it, Mr Speaker. And we will do it again in the future  
where we have to, and we will put it up by inflation where we have to.

      In terms of negotiation, the hon. Lady has to understand that when you are dealing with  
public sector pay there are two parties to the negotiation: Government and its employees.  
When you are dealing with the minimum wage, you are dealing with every employer in the  
1615        economy, with the employers' representatives and with the employees' representatives. It is a  
much more complex negotiation.

      There are some top companies in Gibraltar that may have one or two people on the  
minimum wage – very few. There are some companies in Gibraltar that have most of their  
people on the minimum wage because they are small construction companies – there might be  
1620        six of them and that is what they do. Therefore, it is a very complex balancing act.

      If the hon. Lady looks at the numbers, I think she will want to, as I say in my original answer,  
aim a congratulatory remark or two in this direction, because what she was saying was  
happening: namely that the public sector salaries were growing faster than the minimum wage. I  
think I have demonstrated to her with numbers – which do not lie – that the minimum wage is  
1625        ahead and by quite a margin.

**Hon. Ms M D Hassan Nahon:** Thank you. I will do my homework on that one and come back  
to you.

**Q579/2016**

**Shell LNG Gibraltar Ltd –  
Nominal payment for full Government ownership**

**Clerk:** Question 579, the Hon. Ms M D Hassan Nahon.

1630

**Hon. Ms M D Hassan Nahon:** In his Budget address, the Hon. the Chief Minister alluded to the yet to be established Shell LNG Gibraltar Ltd which total overall cost is circa US\$44 million over a period of two years, and at the end of the 20-year contract period the plant will revert to full Government ownership for a nominal payment. Is the Hon. the Chief Minister able to provide an estimation of the nominal payment at present day value? It is of importance for me since this is a cost which we are imposing essentially on our children.

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

1640

**Chief Minister (Hon. F R Picardo):** Mr Speaker, the estimated present day value of the nominal payment required for the plant to revert to the Government ownership at the end of the 20-year contract period is 67 pence, using an average discount rate of 2% per annum.

1645

**Hon. Ms M D Hassan Nahon:** Thank you. Could the Chief Minister please indicate whether Shell LNG Gibraltar Ltd has already been established, and could the Chief Minister also indicate whether the exact date of the commencement of the £33.87 million project is known?

1650

**Hon. Chief Minister:** Mr Speaker, Shell LNG Gibraltar Ltd has been established. The other question that the hon. Lady is trying to ask me I have difficulty understanding exactly what it is that she wants to get at. Can she explain to me what information she wants?

**Hon. Ms M D Hassan Nahon:** The commencement of the project: has the project of LNG Gibraltar Ltd already been established? Has it already started? Is it already underway?

1655

**Hon. Chief Minister:** The hon. Lady knows, because it was on the front page of the *Chronicle*, that I signed terms with Shell for the creation of the joint venture, etc. She knows – because she was treated, alongside many others, on the day that we went out in the magnificent procession into the Bay – that the reclamation is now finished. I thought it was a tour of grand GSLP/Liberal projects. Hon. Members were treated to the reclamation on North Mole – the bund wall that has been created there, the fantastic progress that there has been already; the almost complete shell of the new power station; and the *Sunborn* five-star floating hotel. So I have difficulty in understanding which part exactly it is that she would want to know has commenced or not. We have signed contracts, so work has started. On this project she has to remember these are tanks, a lot of which, or much of which, will be developed outside of Gibraltar and they will then be brought to Gibraltar. So that work has now commenced. It will also entail work in Gibraltar being done on the ground there. If she tells me exactly what part of the process she would like me to confirm commencement of, I am quite happy, if she writes to me, to give her the information and the particular start dates for any particular aspect of the work that she is keen to know more about.

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**Hon. R M Clinton:** If I may ask one supplementary, in his Budget address, the Chief Minister mentioned the split of ownership as 51% and 49% – could he just remind us which way the split was, whether it was 51% for Shell or 51% for the Government, and is that still the investment structure?

1675

**Hon. Chief Minister:** Mr Speaker, 51% to Shell and 49% to Government.

**Q580/2016**  
**Gibraltar 2025 In Partnership –**  
**Update**

**Clerk:** Question 580, the Hon. Ms M D Hassan Nahon.

1680 **Hon. Ms M D Hassan Nahon:** Would the Chief Minister provide an update following his announcement on 4th May 2015 of the creation of an Economic Advisory Council named 'Gibraltar 2025 In Partnership' to assist the Government in its development of a 10-year strategic economic plan in partnership with the private sector and unions?

1685 **Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, as we considered the direction of this Committee, first we decided not to use it as a way of favouring people in the run up to the General Election, which is how it might have looked if we were appointing people then, and secondly, thereafter we thought it might take a completely different composition arising from the result of the Brexit referendum. We are therefore shortly to announce the details of the board of Gibraltar 2025, now that we know the unfortunate result of that plebiscite – and Members of Parliament need not apply, Mr Speaker.

**Q581-585/2016**  
**Government-owned companies –**

**Boards, accountability, sanctions, remuneration, annual returns, revenue and expenditure**

**Clerk:** Question 581, the Hon. Ms M D Hassan Nahon.

1695 **Hon. Ms M D Hassan Nahon:** To whom are Government-owned companies' board members and companies accountable to, and what is the sanction if they do not fulfil their mandate?

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

1700 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer together with Questions 582 to 585.

**Clerk:** Question 582, the Hon. Ms M D Hassan Nahon.

1705 **Hon. Ms M D Hassan Nahon:** Do we know if Government-owned companies have boards and, if so, who are the members of these boards and what is their remuneration to serve in such capacity?

**Clerk:** Question 583, the Hon. Ms M D Hassan Nahon.

1710 **Hon. Ms M D Hassan Nahon:** Are the annual returns of Government-owned companies available for public scrutiny?

**Clerk:** Question 584, the Hon. Ms M D Hassan Nahon.

1715 **Hon. Ms M D Hassan Nahon:** Can the Hon. the Chief Minister, confirm whether the Government-owned companies submit annual returns and, if so, to whom?

**Clerk:** Question 585, the Hon. Ms M D Hassan Nahon.

1720 **Hon. Ms M D Hassan Nahon:** According to the expenditure item 'Contribution to Government-owned companies', this item accounts for 4.99% of total expenditure or £25 million, an annual amount that has been transferred to the companies for five successive financial years. Then in his Budget address this year, the Chief Minister informed of the creation of two more Government-owned companies. I would request clarification from the Hon. the  
1725 Chief Minister to inform where the revenue and expenditure of these companies are reflected?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I thought it was the first day of autumn, but in  
1730 this Chamber it feels like the first day of winter. Somebody is exercising air-conditioning lack of restraint.

Mr Speaker, board members of Government-owned companies are appointed at the behest of the company's shareholders and owe a duty to the company to action in its best interests in accordance with the Articles of Association of the company.

1735 Board members also have statutory duties and responsibilities published under the Companies Act of 2014. Apart from sanctions for breach of duty as prescribed under the law, the usual sanctions are available to shareholders, which include the right to remove a director by ordinary resolution.

1740 All Government-owned companies have directors, as this is a requirement of the law. Some of these companies have boards comprising of natural persons; some have a corporate director and some have a combination of the two.

Other than board members of the Gibraltar International Bank and Gibraltar Capital Assets Ltd, board members do not get any remuneration at all for their services in such capacity.

1745 Details of board members of each company are available from the annual return which is filed at Companies House. Annual returns are required to be sent to Companies House and these are available for public scrutiny at Companies House – and now, I understand, also online from Companies House, Mr Speaker.

1750 The revenue and expenditure of Government-owned companies is reflected in the accounts of each company. As I have said a number of times already, and despite the disgraceful practice of the former GSD administration, the hon. Lady will welcome that we are committed fully to the public filing of annual returns and accounts of all the Government companies. We are catching up with the backlog accumulated so disgracefully at the time that the GSD was in Government and expect to be up to date as soon as possible.

1755 The £25 million annual contribution is made towards meeting the recurrent expenditure of these companies, many of which operate at a loss, such as the Gibraltar Bus Company and the Gibraltar Car Parks Ltd.

1760 Mr Speaker, I see that it is 5.30 p.m. and this is the last question that I have bunched together for the hon. Lady. I know that we have one or two questions later, so I would expect we will be able to rise at 7 p.m. this evening. Can I invite the House to take a 10-minute or 15-minute recess now for the tea break, which may avail the hon. the Lady the time that she needs.

**Mr Speaker:** The house will now have a short recess.

*The House recessed at 5.30 p.m. and resumed its sitting at 5.52 p.m.*



**Q586/2016**

**Companies withholding PAYE deductions –  
Sanctions**

**Clerk:** We move on to Question 586, the Hon. Ms M D Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** Thank you. I had no supplementaries. I reviewed what the Chief Minister had answered, so I was quite happy to let that one go there.

With reference to PAYE, which is withholding tax on income payments to employees, as I understand PAYE means that the tax was deducted by the employer from its employee's salary but not paid over to Government. This means that on 31st March 51.72% of tax arrears were attributable to companies.

I request the Hon. Minister to inform what sanction Government imposes on companies withholding PAYE moneys and not paying them over to Government?

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I am assuming that when the hon. Member opposite quotes 51.72% of tax arrears being attributable to companies she is referring to the published data, which is table ITO12 of tax arrears, which totals £28.71 million as at 31st March 2016. Of this, £7.79 million is described on the schedule as 'companies' and relates purely to Corporation Tax; that is to say that whilst these moneys are indeed due by companies, it is in respect of their own corporate tax liabilities, not their employees' PAYE.

By way of clarification, then, I will point out that it is only the figure of £7.06 million described as 'PAYE' on the aforementioned schedule which constitutes Income Tax deducted from employees via the PAYE system but not remitted to the Tax Office. The proportion of 51.72% quoted by the hon. Member in her question is therefore overstated by over 27%.

Mr Speaker, as you are aware, the PAYE, Pay As You Earn, system of taxation requires employers to compute and deduct from each employee's remuneration the amount of Income Tax due on a monthly basis. Said deductions are to be remitted to the Commissioner of Income Tax by no later than the 15th day of every month. Any amounts deducted from employees' pay packets but not remitted to the Commissioner of Income Tax within the statutory timeframe constitute arrears due by the employer to the Government. Such arrears are monitored by the Compliance Section of the Income Tax Office, which applies administrative and other legal measures to ensure recovery of outstanding liabilities.

The statutory obligation to deduct Income Tax at source and remit these moneys to the Government is imposed by the Income Tax Act 2010 and by the PAYE system itself, which is governed by the Income Tax (Pay as You Earn) Regulations. As the hon. Member is aware, Section 68 of the Income Tax Act 2010 provides for defaulting taxpayers within given parameters, including employers, to have their names published in the *Gazette* – the so-called 'name and shame' provision. The Commissioner has invoked this provision on a number of occasions and will continue to do so.

In answer to the specific question regarding what sanction Government imposes on employers who fail to pay over to Government the amounts deducted from their employees' pay packets, I direct the hon. Member to section 19 of the PAYE Regulations – which are, of course, public. She will see that any such employer is now guilty of an offence, which, as from August 2015, shall be liable to a maximum fine of £10,000 and ultimately imprisonment for up to seven years. The provision, which, as I said, was legislated for in August of last year under this administration, shall come into force as soon as the liability for the current tax year can be quantified, which is usually on submission of the annual declaration of Form P8 by employers. This constitutes a severe sanction aimed at non-compliant employers and is a clear signal to those who abuse the PAYE system.

Mr Speaker, I am quite happy to let the hon. Lady have a copy of the information that the Hon. the Leader of the Opposition has requested in relation to PAYE when I send him that, which may assist her in her further considerations of these issues.

**Q587-588/2016**

**Import and export statistics –**

**Expected date for updated figures; exclusion of petroleum products**

1815 **Clerk:** Question 587, the Hon. Ms M D Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** Could the Hon. the Chief Minister explain why the import and export statistics, of which the most recent data sets are for 2014, exclude petroleum products, which I have been told could account for in excess of 75% by value of Gibraltar's imports and exports?

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

1825 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer with Question 588.

**Clerk:** Question 588, the Hon. Ms M D Hassan Nahon.

1830 **Hon. Ms M D Hassan Nahon:** The most recent import and export statistics are for 2014 as contained in the Abstract of Statistics 2014 which was released in December 2015. However, 'the source data for 2014 is incomplete and will be revised once all the declarations have been processed by HM Customs'. That was a quote.

Would the hon. Minister inform when the 2014 data set will be released and also when the 2015 data set will be released? These data sets ought to be available to the Hon. Minister, as it was no doubt used in the estimation of the 2016-17 import duties.

1835 **Clerk:** Answer, the Hon. the Chief Minister.

1840 **Hon. Chief Minister:** Mr Speaker, the import and export statistics exclude petroleum products because, if included, they would completely distort the real trade statistics. Petroleum product imports are re-exported and including these would artificially inflate both the levels of trade imports and exports. In fact, Mr Speaker, the GDP would go through the roof.

1845 Mr Speaker, the first part of Question 588 mentions 'once all declarations have been processed by H M Customs'. The declarations referred to are the non-dutiable declarations. The second paragraph asks when the 2014 and 2015 data sets would be released. This is a statistics matter not a Customs matter, although Mr Speaker and hon. Members are aware that I hold direct ministerial responsibility for both Departments.

The Abstract of Statistics of 2014 was released in December 2015. The 2015 data set will therefore be released whenever Statistics complete the Abstract of Statistics for 2015, which I am informed is likely to be published very shortly.

1850 The availability of the incomplete data sets for the estimation of the 2016-17 import duties would not be relevant as these relate to the non-dutiable declarations, that is to say commodities that do not attract import duty and would not therefore have a bearing on current import duties on future estimations unless Government were to introduce new levies. The House will nonetheless be pleased to note that the processing of all dutiable declarations is up to date.

**Hon. Ms M D Hassan Nahon:** Is the Chief Minister able to provide an insight as to which other countries in the world withhold their import and export statistics?

1860 **Hon. Chief Minister:** Mr Speaker, 'other countries' suggests that we do. I think the answer I have given the hon. Lady is that we do not. It is that we do not include that reference because it is not real trade and therefore it would distort the numbers. We are required to ensure that we provide an accurate reflection of trading in Gibraltar in the compilation of those statistics. The advice that we have, in keeping with international standards, is to not include them, otherwise  
1865 we will be producing a distorted picture of trade in Gibraltar. That is my understanding. *(Interjection)* As far as I am told by the Hon. the Father of the House, it has never been included in any event since the calculation of statistics was provided for.

**Mr Speaker:** Next question.

### Supplementaries to earlier questions

1870 **Hon. R M Clinton:** Sorry, Mr Speaker, you gave us leave to come back to the Chief Minister's answers to my questions if I had any supplementaries. Is this the right time? Yes, thank you, Mr Speaker.

If I could ask the Chief Minister, in relation to my Question 550: how many Government rental units were caught by the mortgage? This is not really a technical question in relation to the transaction itself. Does the Chief Minister have this information readily available, or not?  
1875

**Chief Minister (Hon. F R Picardo):** I do not, Mr Speaker, but from memory – so it is not reliable, and I am quite happy that it is a number we will give him reliably if they decide to accept the offer that I have made that we should meet – I believe it is 3,024.  
1880

**Hon. R M Clinton:** Thank you, Chief Minister, for that number.

If I can go back to the answer to Question 541 where the estates were valued at £370 million, I note that the actual consideration for all these six estates was £397 million. Can he advise as to the discrepancy to the valuation of the £27 million?  
1885

**Hon. Chief Minister:** Can he repeat the question, Mr Speaker?

**Hon. R M Clinton:** Certainly. In his answer to Question 541, he says at the later completion the estates were valued at £370 million. I note from records at Land Property that the total consideration paid was £397 million. Can he advise how the discrepancy of £27 million arose? Was there another valuation undertaken? Does he have the information available?  
1890

**Hon. Chief Minister:** Mr Speaker, I cannot give him an answer to that detail, but no doubt it is an answer that we will be able to give him in the context of the meeting that I have proposed and I invite them to accept.  
1895

**Hon. R M Clinton:** Thank you, Mr Speaker. In terms of the invitation to the meeting, I will hand over to the Leader of the Opposition.

1900 **Hon. D A Feetham:** Mr Speaker, before I get there, I have got a number of supplementaries myself.

In relation to the previous supplementary by my hon. Friend – the number of units there are effectively affected by the mortgage – the simple answer is, isn't it, that it is all the flats except those that the previous GSD administration had actually sold to incumbent tenants?

1905

**Hon. Chief Minister:** Sorry, can he repeat that? I was dealing with another urgent matter. I am sorry about that.

1910

**Hon. D A Feetham:** Yes. When we talk about the question that is on the Order Paper, which is the number of flats that are effectively mortgaged under this scheme, and the hon. Gentleman has said 'I do not have the number, it is 3,500,' or whatever the figure is, the simple answer, isn't it, is that it affects – and I know it is the blocks that are mortgaged – every single flat except those that were sold by the GSD Government when we were in government? Everything else comes within the actual mortgage and the loan that has been granted to the Government.

1915

**Hon. Chief Minister:** Mr Speaker, I do not accept that it is a mortgage. I think to call it a mortgage is to mischaracterise it and to bring the politics into it –

1920

**Hon. D A Feetham:** A charge is a mortgage.

1925

**Hon. Chief Minister:** Well, Mr Speaker, for a mortgage to be the relevant definition, the tenant would have had to consent to the fact that a loan has been granted over it, and although you might express it in that way, if you are using that term politically, what you are trying to do is convince people that their homes are at risk. Their homes are not at risk here, Mr Speaker. So let us be clear: people's homes are not at risk. And it is not just the properties which were sold by the GSD – there are also some properties which were sold by the GSLP/Liberals. We sold some after we were elected because there were applications to buy and we continued to sell – not that many, Mr Speaker, but there were a few. It is the blocks that are the subject of these facilities.

1930

**Hon. R M Clinton:** Mr Speaker, if I may – and again I confess to not being a lawyer – I have a deed registration, just by way of example, for the Alameda Estate. It says:

Ground Floor, Gibraltar Capital Assets Ltd. Grantee: Prudential Trustee Company Ltd. Consideration banking facilities, 10-year mortgage. Deed details: the Grantee creates a mortgage charge in favour of the Grantee secured on the buildings.

1935

As I said, I am not a lawyer, but given the deed of mortgage, which is actually headed up 'Deed of Mortgage', I just would like the Chief Minister to acknowledge that this is indeed a mortgage.

1940

**Hon. Chief Minister:** Mr Speaker, I think I have made it abundantly clear that what I was complaining about was that they were politically trying to refer to it as a mortgage in order to create the spectre that people are going to somehow have their homes at risk; and, whether they like it or not, people's homes are not at risk.

1945

This is what they are trying to do – it is very clear to me, Mr Speaker – and we are not going to be able to agree if they want to insist on using terminology for a purpose. But, look, it is entirely a matter for them. Do they want to approach this simply politically or do they want to approach this, as I have suggested to them, collegiately in the meeting that I have tendered? It is up to them, Mr Speaker. It is entirely up to them.

**Hon. R M Clinton:** Mr Speaker, as I said before, I am not a lawyer. I was merely trying to clarify the use of terminology. Everything I see before me ... A legal document, filed by TSN, has

at the top of it 'Deed of Mortgage'. I would ask the Chief Minister to explain to me. Either I cannot read English or TSN have a habit of drafting documents that are not mortgages.

**Hon. Chief Minister:** Which part of 'I am talking about the political use of the term' is it that he does not understand? He does not need to be a lawyer to understand what I am trying to say to him.

He is trying to make out that there is somehow a risk to people's homes – they spent the better part of the summer trying to do so. Or is it that he accepts that is not the case? If he accepts that is not the case, then we may actually be making some progress. If he wants to talk about the legal documentation, can he at least now accept, given that he tells us that he has in his hand a paper – he is starting to sound more and more like Neville Chamberlain every day, Mr Speaker – that there is no secretive aspect to this at all, because he is able to go to the public registry and obtain a copy of the documents.

**Hon. R M Clinton:** Mr Speaker, I am not trying to make a political point. I am just trying to establish fact. Is this or is this not a deed of mortgage?

**Hon. Chief Minister:** I do not know – he has got it and I have not.

**Hon. R M Clinton:** Mr Speaker, I will be quite happy to hand it across the floor, with your permission.

**Mr Speaker:** Yes, do.

**Hon. Chief Minister:** As I thought, Mr Speaker, this is not a mortgage of any flat.

**Hon. R M Clinton:** Mr Speaker, I did not ask whether it was a mortgage or deed on any flat. I said, 'Is this a deed of mortgage over the estate?'

**Hon. Chief Minister:** No, Mr Speaker, he has said that now. He has said that now, and when he goes back to *Hansard* and he reads what he was saying and he reads what I was saying, he will understand why I was insisting that nobody's home was at risk, because there is no mortgage over any *flat*. There are charges over buildings but not mortgages over flats. That is why absolutely nobody's property, nobody's home, is at risk, Mr Speaker.

**Hon. R M Clinton:** Mr Speaker, I know the Chief Minister is fond of references to literature, and I remind him of Shylock in *The Merchant of Venice*. What he is basically saying is he can have his pound of flesh regardless of a jot of blood, and obviously you can have a mortgage over the building and somehow ignore the flats. It is illogical and he knows that. But I think I am not going to labour the point, Mr Speaker. He acknowledges this is a mortgage of sorts –

**Hon. D A Feetham:** No, it is a mortgage.

**Hon. R M Clinton:** Well, it is a mortgage of sorts. Over what? It is over the building – fine we can establish that.

As regards to meeting with him, I will let the Leader of the Opposition deal with that, but he cannot ... Again, unfortunately, I am at a disadvantage. I am not an Oxford-educated lawyer. I cannot split hairs the way he does.

**Mr Speaker:** It is not always an advantage.

2000 **Hon. R M Clinton:** Well, I am glad to hear it, Mr Speaker, but as I say, the evidence of my eyes says this is a mortgage. It is headed up as 'Mortgage'. There may be technical details as to whether it is over individual flats, the flats, the building, the land, the air above it, the ground below it, but at the end of the day it is a deed of mortgage and it is there for all to see, and that is my point. Thank you.

2005 **Hon. Chief Minister:** Well, Mr Speaker, I thought we were not going to make statements these days and we were going to ask questions. Let me deal with the statement. I am very grateful the hon. Gentleman has reluctantly recognised that this is a mortgage over buildings and that there is no mortgage over people's homes, because they started the summer saying  
2010 'the Government has mortgaged your home' to people, and they have ended the summer accepting that there is no mortgage over people's homes. So at least, Mr Speaker, they have recognised that sometimes they set the hares running in the wrong direction.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, may I? If I may, I think that the point here, and the  
2015 point that people want to know really, is as much as the Chief Minister may tell us that the deal was made under very good terms, why was this mortgage absolutely necessary? Why did we need to get involved in a mortgage loan? I am also not a lawyer or a banker – well, I used to be. Why £300 million? Why does Gibraltar have to be saddled with a loan, whatever you want to call it, of £300 million? What is the need for that, even if the terms may be magnificent?

2020 **Hon. Chief Minister:** Mr Speaker, I am quite happy to refer the hon. Lady back to what I said in my Budget speech, but we are not 'saddled' with a loan. This was a great opportunity to take finance at historic low rates, and if you have that opportunity and you have other borrowing which you know in the future is going to fall due and you are able to replace it with better  
2025 borrowing, then you have an obligation to ensure that you are ready to take that borrowing which is available today at better rates to replace other borrowing in the future or to do other things with it. Mr Speaker, those were the opportunities with which we were confronted. Those were the opportunities we were able to take.

Mr Speaker, I have offered the hon. Lady, as well, a meeting to deal with these issues so that  
2030 she better understands the detail of what we are proposing to do. I think it is quite unprecedented for a Chief Minister to offer that level of openness and that level of opportunity to understand a transaction and to understand the purpose of a transaction and the detail of it – I am quite happy to have it. But, look, I have been saying I do not think it is appropriate to do that across the floor of the House for reasons that might become more apparent to hon.  
2035 Members if, instead of pursuing me as if I were a hare, they were to sit down with me and get the information that they seem to be seeking. They may even, perish the thought, agree with us and they may even, perish the thought, say so.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, I look forward to finding out more and taking the  
2040 Chief Minister's offer of finding out why we needed, or it was advantageous, to take the £300 million.

**Hon. D A Feetham:** Mr Speaker, I have a number of supplementaries. There are a lot of questions that have been asked in relation to this and it is an important issue.

2045 I also have a document here and this is the actual surrender. It gives rise to a number of supplementaries, but I will ask the first one first. It is a partial surrender of tenancy from the Minister for Housing onto Gibraltar Residential Properties Ltd. In that surrender, there is a surrender of the blocks, effectively, but then there is a carve-out in relation to specific flats. So we can see that in Moorish Castle there is a carve-out for Calpe House, Flat 20; there is then a  
2050 carve-out for Ince House, Flat 17; Archbishop Amigo in Glacis Estate, Flats 1, 10, 11, 37 and 47. These are all the flats that have been sold, so effectively they have been excluded from being

caught by the mortgage of the blocks. Therefore, just returning to the question that I asked, the reality is that every single flat is covered by the mortgage except those that have been carved out as a consequence of this document, but because these were sold either by the GSD Government or the GSLP/Liberal Government to the incumbent tenant.

**Hon. Chief Minister:** Mr Speaker, this is a complex area of law and we can turn it into an easy political football. The buildings are mortgaged. Parts of those buildings are excluded because they are not owned by the party that is granting or that is taking the facility. The other parts are parts of the building. But the apartments and the rights in respect of those apartments are not, as in a mortgage that people will understand they take, subject to forfeiture in the event of payments not being made which might defeat the rights in possession of those who are tenants. That is what I am trying to say to him.

I have offered him an opportunity to sit down and look at this in detail. If instead he wants to play ball and not sit down and do business together on the subject – because he might find that he agrees with us and he might find that he thinks that this is the right thing to do, and he might find that if he had had the opportunity of doing it he may also have pursued it – well then let us do politics in the usual way. He and I, Mr Speaker, are very good at going at each other. You sometimes have to intervene to stop us from going at each other instead of dealing with parliamentary business in the way you think is appropriate.

I offered an opportunity to do something else, but I have not offered an opportunity to do both things, Mr Speaker. Either we sit down and we look at this and I explain it to him, or he subjects the Parliament to a list of questions which are slapdash. Why doesn't he just ask me those questions after the meeting if he is not satisfied with what we have told him? What is the point of answering every question he thinks he can come up with when I am offering him an opportunity to sit down with the experts and understand it?

**Hon. D A Feetham:** No, Mr Speaker, that is unfortunately a skewed way of looking at it. He has offered a meeting – which we are considering, and I will respond to that in a moment – about the technical aspects of this particular deal. As I understood him, he was offering a meeting where basically he could impart information that may be commercially sensitive to the Opposition, which then the Opposition would have to treat in confidence.

This is not such information, Mr Speaker. We are asking here how many of these flats ... That is the question: how many of these flats are affected by this mortgage? I am trying to understand precisely what the information is, because the answer to the hon. Gentleman was '3,500-odd flats'.

The question that I then asked was: well, actually, isn't it the case that it is every single flat in these estates except the ones that have been carved-out because they were already sold? That is the only point that I am asking in this supplementary. That is not technical. That is capable of being answered.

**Hon. Chief Minister:** Well, Mr Speaker, I gave him the answer three answers ago. I told him exactly: except the ones that not just the GSD sold, I said to him, also the ones the GSLP sold. So if that was the only question he was asking, he should have listened to the answer given three supplementaries ago. That is why this Parliament makes no progress, Mr Speaker. I really commend to the hon. Gentlemen that they watch Prime Minister's Questions and that they see how other Parliaments operate, because Mr Speaker is right to call us to order, but hon. Gentlemen also have to have an element of order about themselves. They have to realise what it is they are saying over and over again. And I said it was 3,024, from memory, not 3,500.

Mr Speaker, I said two things in relation to the meeting. I said 'complex detail' – complex detail is not necessarily commercially sensitive – and 'commercially sensitive material', but if what he wants to do is take me through the complex detail today and then the commercially sensitive information another day, that is completely disjointed. All he is going to achieve is that

2105 we are going to spend a lot of hours debating something which ... Look, he might simply take the view that if he can argue about this for long enough he might be able to pull the wool over people's eyes on the subject and he might have some political advantage. Let me offer him, again, the olive branch of a meeting to go through complex detail and commercially sensitive information.

2110 Of course, not everything we are going to tell them is something they will be not be able to refer to in public – some of it will be. That is why we will tell them, 'This you can refer to, this you cannot refer to.' It is that simple. But please, Mr Speaker, if he could just at least ... if he is going to ask more supplementaries, can he ask me one I have not answered already?

2115 **Hon. D A Feetham:** Well, I am afraid that he did not answer the question. Does the hon. Gentleman really think that I enjoy standing up asking questions for him to just simply to avoid or evade or to decide in his own mind whether strategically he should answer or he should not answer? Because this is what is happening in these exchanges. He could have answered three or four questions ago the question that he has now answered.

2120 Mr Speaker, in relation to the answer that he gave originally ... He must not get upset, Mr Speaker. Listen to the question. In the answer that he gave originally to the questions that were asked, he said that the GSD Government had placed these estates into Government-owned companies. Does he not accept that that answer is actually misleading, for this reason: that, yes, the GSD Government placed some of these estates into Government-owned companies, but actually then took them out of the Government-owned companies, and as at 2011, when they  
2125 were elected, they were vested in the Hon. the Minister for Housing? That is the position. And one estate which was placed in a Government-owned company for the very first time was Mid Harbours, and Mid Harbours was placed in a Government-owned company for the very first time by the hon. Gentleman. Does he not accept that that is the position?

2130 **Hon. Chief Minister:** Mr Speaker, nothing I have said is misleading. Everything the hon. Gentleman has said is absolutely misleading and I am going to give him the benefit of the doubt, because I am going to say that it is misleading because the hon. Gentleman did not have a clue of what was happening in the Government of which he was a Member. I am not surprised, because I have seen him told to shut up here by the man he used to describe as the greatest  
2135 Gibraltarian of all time. I never thought I would say it: I miss Sir Peter. I spent my life trying to get that man out of politics, and I miss him because at least one could have an intellectual argument with him. One did not have to repeat the facts and one did not have someone tell you that what you know you said three answers ago is not what you said three answers ago because they have just realised that they made a mistake. Mr Speaker, as I told him at the time of the Budget  
2140 debate last year, *Hansard* is *un chivatito*, a little snitch, Mr Speaker – that when time comes for us to be judged by objective third parties who will read what we were saying to each other, will see that I gave him the answer four or five supplementaries ago.

2145 Mr Speaker, the position, as I understand it from the information I have been given from the Treasury and the Office of the Financial Secretary and the Ministry of Finance, is that at the time of our election the housing estates were in companies – I have told him in the context of the answer today – and that they were put into companies by the former administration. The only reason that the Mid Harbour Estate did not have to be put into a company is because it was given life to in a company by the former administration, led by a man I am increasingly coming to wish I would see sitting opposite me – if only ever on that side, never on this side – because at  
2150 least, Mr Speaker, one could have an argument based on facts and moving the intellectual argument along, not having to repeat oneself over and over again.

**Hon. Ms M D Hassan Nahon:** Mr Speaker –



2155 **Hon. D A Feetham:** Mr Speaker, if I may, because I am on this line of questioning before the hon. Lady – no discourtesy intended to the hon. Lady.

Mr Speaker, I just cannot allow him to get away with this. I am a lawyer. I have in front of me two documents and I have in front of me a document which is a tenancy agreement between GRP and the Housing Minister, and it lists the Housing Estates, putting the housing estates back  
2160 in the name of the hon. Lady. Then, there is an agreement for the partial surrender of tenancy made between the hon. Lady and GRP, which basically puts them back in the name of GRP subject to a carve-out. Mr Speaker, if he can demonstrate I am a complete ignoramus as far as the law is concerned ... These are documents that are very clear, Mr Speaker. Of course, I accept that these housing estates were at one time placed in these companies, but they were taken out  
2165 and they were placed in the name of the hon. Lady prior to the 2011 Election and these documents show that.

Now will he, at the very least, go back to the officials he says gave him the answer – which is the political sting in his answer, so this was all down to the GSD – and would he at the very least enquire whether I am right in my interpretation of the documents? They are not very difficult  
2170 documents, I have to say.

**Hon. Chief Minister:** Mr Speaker, the hon. Gentleman needs to listen to what I have said about where the estates were and when I said that they were there, Mr Speaker. But he sits down, having said, 'I am not going to let him get away with this.' He sits down in his previous  
2175 supplementary having said, 'That is the position'. Well, he thinks he speaks from St Peter's chair. St Peter has gone, Mr Speaker. That is the problem. We would not have these problems if St Peter was here.

Mr Speaker, I am not going to say that he is an ignoramus as a lawyer or not an ignoramus as a lawyer, because as he said before we are both members of the same firm. I would not be doing  
2180 us any good marketing if I said that he was an ignoramus as a lawyer. I make no comment on his legal ability. It is good enough that he is one of my partners, but he might have got this transaction completely wrong. He may not understand it. That is why I am saying to him this is a very complex transaction. He may want to understand it or he may just want to take pot shots, Mr Speaker.

The officials who gave me this information are listening. I am sure, Mr Speaker, that they will confirm that what they told me to come to this House with is the correct position and that what he is saying is not the correct position. I realise that in the terminology that he has used in explaining the documents that he has – at least Mr Clinton had the decency to let me see it – he has used the terminology of 'tenancy'; he has used different terminology to the terminology of  
2190 transfer of ownership. Mr Speaker, I am not going to have a litigation across the floor of this House. I stand by what I said. I know that officials prepare us well for these exchanges. I have faith and confidence in the officials who gave me that information. I have said it before and I have said it again: if he wants, he can still have the meeting and then he may not feel that he is anything other than the greatest lawyer of all time, but he might accept that perhaps in terms of  
2195 understanding this very complex transaction he was an ignoramus until we sat down and explained it.

**Hon. D A Feetham:** Mr Speaker, quite frankly, I do not need the officials to explain the transfer of ownership. That is not of the technicality that I would need explaining, and I just simply ask the hon. Gentleman to go back and to check with the hon. Member's staff – the ones  
2200 who have produced his answers – whether it is correct in the light of the documents that I have referred to, that as at December 2011 these estates were in the companies and were not vested in the hon. Lady as Minister for Housing, because that is what the documents indicate to us and they are pretty clear as far as we are concerned. Now, he can do that, and if they come back and they say Mr Feetham is wrong I will accept that, but as far as I am concerned it is pretty clear.  
2205

In relation to the meeting, Mr Speaker –

**Hon. Chief Minister:** Let me deal with that one. Mr Speaker, I will go back because when I go back they will have been listening to this and will be talking about the fact that he failed to understand the transaction and they will explain to me why he has got it completely wrong. But I can tell him now, from here, from what used to be St Peter's chair, that there is one thing he has got completely wrong. It certainly was not the hon. Lady. She only became Minister for Housing last year. If he is talking about December 2011, the Minister who was appointed as Minister for Housing unfortunately is no longer with us – our great friend, Charles Bruzon, who we all, I know, on both sides of the House will remember fondly. I assume he means the Housing Authority, which is the nomenclature of the Housing Minister. Well, the nomenclature for the Housing Minister is the Housing Authority. Mr Speaker, of course I am going to have that discussion when I go back, but the one thing that I am sure he will not accept is 'graciously say I got it wrong' when I come back to him and say 'Look, Danny, you were wrong and they were right in what I have been saying all along.'

**Hon. D A Feetham:** Yes, Mr Speaker, he can also go back to his officials and just simply look at the parties and look at who has signed it. It is the hon. Lady that has ... no, it is not the hon. Lady, but who has signed it and who are the parties to this particular transaction, and also what is the substance and the nature of these two documents. If he wants, I can make copies and he can take those with him as well.

In relation to the meeting, Mr Speaker, as long as it is understood that information that is not commercially sensitive that is imparted to the Opposition in a meeting ... that the Opposition can do what it wants to do with that information, and if the Opposition feels that part of that information ought to be brought into the public domain, that we are not constrained to do so by any restrictions ... We accept that if there is commercially sensitive information then it is right that we do not disclose it publicly, but a lot of the information that the hon. Gentleman was asking about was nothing to do with commerciality, it was just simply technical answers to technical questions and the Opposition must reserve the right to make whatever use of that information it chooses to make use of.

**Hon. Chief Minister:** Mr Speaker, he does not need to make copies of our documents, which we have generated, we have filed on the public register for him to be able to make copies of and take home. We do not need them; we have got the originals, Mr Speaker. But he might like to at least tell me what document he is looking at, because this is a very complex transaction with many documents. Let him refer me to what document it is that he wants me to look at.

Mr Speaker, in relation to the meeting, all he has done in setting out those conditions is accept the conditions that I indicated would be the case, because the fact that there is complexity does not create any need for confidentiality or sensitivity. I said to Mr Clinton, 'Complexity ... Once you have understood it, you may like it or you may not like it, you may praise it or you may not, but the commercially sensitive aspects are the ones that we must insist be kept confidential,' and those are the ones, Mr Speaker, that we will insist are only disclosed upon them agreeing that – and Mr Clinton indicated that they would.

Mr Speaker, I think the best thing to do is to go to that meeting and not waste time, like two people who want to demonstrate something which does not avail us of any progress, when there is, I think, a very generous offer on the table that enables them to have both complexity explained and commercially sensitive material explained under the cover of the fact that that would be commercially sensitive and could not be disclosed.

I think the problem is, Mr Speaker, that they have never had such an offer. They never imagined that such an offer would be put in this Parliament and they do not know how to react to it. But it is no problem, Mr Speaker. All is forgiven and I hope that we can meet soon.

**Mr Speaker:** The Hon. Marlene Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, I would not want to venture into this ping-pong between the two lawyers from one of Gibraltar's leading law firms – I would not like to think that I could compete – but I just think that it is almost irrelevant, all these technicalities and all this jargon that they keep talking about with each other, because I do not understand it. People do not understand it, but one thing that people do understand is that they do not know why this £300 million has been borrowed and the Government has not done enough to calm the man on the street who needs to know why this money was borrowed. It is creating a lack of confidence, a lack of trust, and it is causing a sense of fear and insecurity. As much as I am grateful for the Chief Minister's offer to meet – and I look forward to it because that way I could relay any information on to my constituents or people who are worried on the street – I do think it is down to the Government of the day, this Government, to communicate with the public, because there are a lot of people who are genuinely insecure about why this huge amount had to be borrowed. I think it is down to the Government – as much as we all get offers, and I am grateful for that – to come out and make people comfortable with this arrangement.

**Hon. Chief Minister:** Well, Mr Speaker, the short sharp answer went the way of doing one's homework.

Mr Speaker, this transaction does not create a lack of confidence. This transaction demonstrates an unprecedented level of confidence in Gibraltar and its Government. Never has Gibraltar before been offered the opportunity to borrow this amount of money on this low level of interest. This is really quite unprecedented and is such a show of confidence in the jurisdiction that everybody should realise just what steps forward we are taking. I am very proud indeed to be leading this community at this important time in its history and to be able to deliver this important financing package to it.

If some people are feeling an element of fear or insecurity, if I may say so, that is not of the Government's making. The hon. Lady says we have to explain better why it is that we have borrowed the money etc. Let me just say this: I think if there is fear and insecurity it is because there are people distributing leaflets to every home where they are making people fear that their home might be at risk. But that, Mr Speaker, is not something that is having the required effect, because people who I meet – and I meet very many people and I communicate with very many people, and I wish I could communicate even more with the people who I work for, who are the people in this community and the people for whom this money will be put to the use of – tell me that they realise that if we have done this they are with us because it must be the right thing to do, and they understand that.

But I will say this to the hon. Lady: it is a novel approach in Opposition to say to a Government, 'You may have done something very good – explain it a little better, because people do not understand it.' It is helpful, I recognise that, and if she thinks that there are pockets of people who have not understood it well, then I take that on board because I want people to understand it well. If others have been able to sow fear and insecurity, for them to realise the huge boost for the confidence of our nation that this is, the huge show of confidence by international investors that this is, then perhaps I should just consider taking her on as our PR adviser on issues like this.

Thank you very much, Mr Speaker.

**Mr Speaker:** May I just remind the Chief Minister that the Commission to which he appointed me and which I had the honour to chair, in a report stressed the importance – and I do so as Speaker as well – of ministerial statements here in Parliament. It is one thing, as part of a Budget speech that may last two hours or two and a half hours, to explain something. It is quite another to come here to the House and make a ministerial statement at the beginning of the meeting which the media, the press, are likely to reproduce in full. I would commend that approach, because it is something that worked very effectively in the past and I think that it would work again for the benefit of all Members of Parliament and the public.

**Hon. D A Feetham:** Mr Speaker, may I?

**Hon. Chief Minister:** Mr Speaker was addressing me.

2315 **Hon. D A Feetham:** Was he, or was he addressing the House? If you want me to give way, I will. I was on my feet, but –

**Hon. Chief Minister:** So am I. The last time I checked, the things at the bottom of my legs were my feet. Right.

2320 Mr Speaker, I am grateful for that indication. I thought that in the Budget it was the right moment – because it was the first meeting of the House after the transaction had been completed and it was a financial arrangement, although it did not relate to the Estimates – to bring it here. Hon. Members spend most of their time saying that we do not deal with the company issues. Well, what more company issue than this, that is in this House. Of course, the  
2325 fact that they are able to question, they have the documents, etc. demonstrates that they are wrong when they say that, and I am grateful for Mr Speaker's indication that we make more use of the ministerial statement.

I recall, Mr Speaker, that I made use of the ministerial statement procedure during the course of the debate on the Appropriation Bill last year, where I had to adjourn that debate and make a  
2330 ministerial statement, and that was indeed very effective, so I take that on board.

**Hon. D A Feetham:** Mr Speaker, in relation to the answer that he gave to the hon. Lady, does he not accept that if the Government were to, God forbid, be in a position where the Government cannot pay for this loan, effectively it would place the mortgagee in a position  
2335 where they would be in a position of a private landlord in relation to these particular tenants? Because otherwise security would be a worthless security.

I know that it is far-fetched that the Government is going to go bankrupt, but in a situation where the Government cannot pay, does it not follow therefore that the company that is providing this particular loan would effectively own these estates and that the tenants would  
2340 become private tenants?

**Hon. Chief Minister:** Mr Speaker, I rise to do something unusual, which is to thank the hon. Gentleman for the statement he has recorded now in the *Hansard* – which, as he rightly says, is there for the future – where he has said it is far-fetched to think that the Government is going to  
2345 go bankrupt. I sincerely am grateful for the clarity with which he has uttered those words, given that he has spent most of the last five years suggesting it is about to happen at any moment. The fact that that premise was rejected so soundly seems at least now to have got through to him and I am now going to be able to refer this *Hansard* reference to anyone who might be persuaded the hon. Gentleman is once again going to go down the road of arguing the opposite.

2350 Mr Speaker, in the event that the facility were not to be paid – Government or otherwise, because the arrangements are, as he knows, not directly with the Government – there is, of course, a procedure for enforcement. But he needs to understand that the point I am making to him is that the enforcement procedure takes subject to the right of the tenancy and therefore nobody can be evicted from their homes – nobody – because they take subject to the tenancy as  
2355 it is, which is covered by the Housing Act, Mr Speaker, and is the most protected tenancy that there is in Gibraltar. So nobody's home is at risk and nobody is going to suffer a rent increase as if from a private landlord. All of the eventualities that he might wish to put to people to try and persuade them that this is a bad thing, in the eventuality that he has accepted will never occur, have been provided against and will never happen. There will not be any rent increases as if this  
2360 were private property. There are no evictions, as it were.

The only thing, Mr Speaker, is that as we have now agreed across the floor of the House, whether it is the Government, Gibraltar Capital Assets or a private tenant, people will be evicted

if they do not pay their rent, and hon. Members opposite have insisted that we should do that – that we should pursue people to eviction if they do not pay their rent to us. People have to realise they have responsibilities and obligations and they have to pay rent. That, Mr Speaker, is the only circumstance in which somebody may lose their homes, but it would be a man bites dog. But, of course, if we look at the basic premise, which is when does the security kick in, it is only in what he has now accepted himself is the far-fetched possibility that the Government might not be able to pay, as he expressed it. Mr Speaker, it is so far-fetched that it is never going to happen and so therefore anything that we argue about now is about that remote possibility, which is not realistic, which is not going to happen, and where the only people who would appear to want to see that eventuality materialise, are the six – I am not going to say seven – the six servants of the people sitting opposite me who might think that in some way that might avail them of political hay. Mr Speaker, it was never going to happen. They spent most of the period in the lead up to the last election persuading people that it might happen. It is never going to happen in the future. This community is more solvent than it ever has been before. There is a huge boost in the confidence that people can have with the public finances of Gibraltar that we have done this deal. Gibraltar is doing very well indeed, better than ever.

**Hon. D A Feetham:** Mr Speaker, on the one hand I want Gibraltar to be bankrupt, but on the other I make the concession that it is far-fetched for Gibraltar to become bankrupt. The hon. Gentleman must also be consistent himself, despite the fact that he is constantly accusing me of inconsistency, Mr Speaker.

Of course, I do not want Gibraltar to be bankrupt. It is my living. My business is in Gibraltar. We are both partners in the same firm, which makes a living out of the fact that Gibraltar is solvent. That does not mean that I am not entitled to question the hon. Gentleman as to the repercussions and the consequences of all that money that he has borrowed and all that money that he has spent today and for future generations, particularly in the light of a Brexit. But how on earth can he possibly impute to me that I want Gibraltar to be bankrupt when it is my own living and his living – it is our living jointly, Mr Speaker – and it is the living of everybody else in Gibraltar?

Mr Speaker, these are the two documents that I would wish that the hon. Gentleman put to public servants when they come to consider the point that I raised before, which was a point addressing the hon. Gentleman's point about ... Well the GSD was the one that actually did all this, and that is a document ... it is a tenancy agreement between Residential Properties Ltd and the Minister for Housing –

**Mr Speaker:** Isn't the hon. Member repeating himself? He is going over the same ground again.

**Hon. D A Feetham:** No, I am not asking a question. I am just detailing the documents.

**Mr Speaker:** But you already have. (*Interjection*) I think we all know. We have all heard what the document is you have –

**Hon. D A Feetham:** No, Mr Speaker, you have not, because I may have inadvertently ... In these exchanges, there may have been a confusion in relation to who signed the document and when. There is a tenancy agreement between GRP and the Minister for Housing which is dated 23rd day of June 2011. That is effectively vesting on 23rd June 2011 these estates in the Minister for Housing. So it is vested in the Minister for Housing. Then there is the surrender of that tenancy from the Minister for Housing back to GRP, and that is done on 23rd day of March 2016. That is the surrender. So it was vested at the election in the Minister for Housing, and it was surrendered back from the Minister for Housing to GRP in March of 2016. Those are the two

documents which I relied upon in order to make the assertion that actually, as at the election in 2011, these estates were vested in the Minister for Housing.

**Hon. Chief Minister:** Well, Mr Speaker, a lot happened in between those two periods and we will see and deal with those issues.

The hon. Gentleman says that I am somehow being inconsistent. Mr Speaker, I am grateful that he has in effect opened a window into his head for us, because he has spent most of the past five years arguing that Gibraltar is or is almost bankrupt. If he wants me to show him where he has done it, or people who are affiliated to him have done it, I will happily do so because, despite that, the confidence that we have been able to see created in respect of the economy of Gibraltar and its public finances has now resulted in this fantastic financing arrangement.

Mr Speaker, we will be able to look at all of the documentation that they want to look at which relates to this transaction. We will be able to explain the complexity to them. We will be able to deal with the commercial sensitivity. All of that, Mr Speaker, as a better alternative to what we are doing now, which is just having a row. What is the point, Mr Speaker, if I am offering the opportunity to sit down and deal with these things? It is simple: he wants to make politics out of this, he does not want to deal with the issues that we are proposing we should deal with together, he does not want to understand the transaction. What he wants to do is make politics of it. Maybe, Mr Speaker, after the meeting, he will come out thinking, 'Damn, I should have made less politics of that, because that is a very good transaction indeed, and if I am honest and if I am upright, I am going to persuade my executive to issue a press release saying that the Government have done the right thing.' I will not hold my breath, Mr Speaker.

**Hon. D A Feetham:** No, don't!

**Mr Speaker:** Are there any other supplementaries to the Chief Minister? If not, I am sorry to disappoint the Hon. Mr Reyes but he is not going to be able to proceed with his questions this evening.

#### ADJOURNMENT

**Mr Speaker:** May I ask the Hon. the Chief Minister to move the adjournment of the House.

**Chief Minister (Hon. F R Picardo):** Yes, Mr Speaker, I move that the House do now adjourn to next Thursday at 3 p.m. in the afternoon.

**Mr Speaker:** The House will now adjourn until next Thursday at 3.00 p.m. in the afternoon.

*The House adjourned at 6.50 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**AFTERNOON SESSION: 3.09 p.m. – 5.26 p.m.**

**Gibraltar, Thursday, 29th September 2016**

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# The Gibraltar Parliament

*The Parliament met at 3.09 p.m.*

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

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

## Questions for Oral Answer

### TOURISM, HOUSING, EQUALITY AND SOCIAL SERVICES

#### Q511 and 514/2016

#### **Mons Calpe Mews and Beach View Terraces – Allocation and reallocation of properties**

**Clerk:** Thursday, 29th September. We continue with answers to oral questions. We commence with Question 511, from the Hon. E J Reyes.

- 5       **Hon. E J Reyes:** Mr Speaker, how many of the new homes at Mons Calpe Mews and Beach View Terraces have been allocated to persons falling under the following categories: (a) applicants on the housing waiting list who were not already tenants of a Government rental home; (b) applicants on the housing waiting list who were already tenants of a Government rental home, indicating how many homes have been returned to the Government rental stock;  
10      (c) existing home owners, indicating what has happened to the home they previously owned; and (d) those falling under any other possible category?

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

- 15       **Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):** Mr Speaker, I will answer this question together with Question 514.

**Clerk:** Question 514, the Hon. E J Reyes.

- 20       **Hon. E J Reyes:** Can the Minister for Housing provide details of how many rental homes have been returned to Government for reallocation, inclusive of rooms composition of said homes, by purchasers of both Mons Calpe Mews and Beach View Terraces?

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

- 25       **Hon. Miss S J Sacramento:** Mr Speaker, in response to Question 511: (a) 844; (b) 24; (c) nine, and they were permitted to sell; (d) 11.

On Question 514, of the 30 Government rental flats returned to stock, their composition is as follows: 11 2RKB, 13 3RKB, 5 4RKB and 1 6RKB.

30

**Hon. E J Reyes:** Mr Speaker, in Question 511, for part (b) I have got a number of 24. Is that referring to how many homes have been returned to the Government rental stock, or is that referring only to the first part – applicants on the housing waiting list?

35 **Hon. Miss S J Sacramento:** It is returned to rental stock by applicants on the waiting list. It is both, Mr Speaker.

**Hon. E J Reyes:** Mr Speaker, the hon. Lady may have to explain further to me, because in Question 514 I get the figure of 30 as the number of homes returned for reallocation. I am sure  
40 there is some explanation, but I cannot make it out yet.

**Hon. Miss S J Sacramento:** Yes, Mr Speaker, because I thought the same when I got the answers, and I thought they did not add up; but it is because flats have been returned to the housing stock but not necessarily by the purchaser. As an example, there is a case where  
45 someone has bought a house and their granny will go and live with them, so their granny's flat is coming back to the rental stock. It is circumstances like that.

**Hon. E J Reyes:** Yes, that helps to explain. And for part (c), Mr Speaker, the hon. Lady has said that the figure was nine. That is referring to existing home owners, but my question also  
50 required an indication of what had happened to the home they had previously owned, because I think if you were a home owner there were certain conditions that you could purchase. I do not seem to have a note of that part of the question.

**Hon. Miss S J Sacramento:** Mr Speaker, I did answer that part: I said that they were allowed  
55 to sell. In most of these cases, because I can pre-empt the next question, the circumstances, in the majority of these, were for medical reasons.

**Hon. E J Reyes:** Yes, thank you, Mr Speaker, that helps. So, were they allowed to sell on the open market at any price that they fixed, or does the Minister know ... because I think when they  
60 first advertised these co-ownership homes, there were certain terms and conditions under which the houses could be sold. I could be wrong. I interpreted that Government would restrict who they could be sold to. My presumption was that it had to be someone who was already on the housing waiting list. Perhaps the hon. Lady has some information and she could explain that to us.

65 **Hon. Miss S J Sacramento:** Mr Speaker, I do not have the exact information, but it would have been that if the flats were in particular states which already have those restrictions then those restrictions would apply.

70 **Hon. D A Feetham:** Mr Speaker, just in relation to (c), and to clarify, that the position – and it is a position as a matter of Government policy going back not only to our administration but to the previous GSLP administration – is that anybody who owns a home, in other words a home owner, and then sells that home cannot go back onto the housing waiting list unless there are very cogent reasons why they should be allowed on the housing waiting list. If they do not  
75 qualify for the housing waiting list, then they do not qualify to buy an affordable home. So what the hon. Lady is saying in relation to (c) is that those nine, who have sold and been allowed to purchase either at Mons Calpe or Beach View, are people who are allowed to sell and purchase for medical reasons, perhaps because the flat was on the top floor and they are buying on the bottom floor. How many of those were medical reasons and how many of those were for other  
80 reasons, please? But also, could she confirm that my understanding of the policy and my understanding of the answer is correct?

**Hon. Miss S J Sacramento:** The understanding of the policy is not entirely correct, because it is not, Mr Speaker, neither now nor before are you precluded from reverting to the Government waiting list merely because you have been a home owner. Mr Speaker, it depends on the circumstances of the sale and whether the sale had to be for a particular reason, and the level of profit, if any, made from the sale, and that in large part has to do with the equity held in the sale.

So, in these nine cases, which have been in exceptional circumstances, the majority – I will go back to the page – were for medical reasons. More than half were for medical reasons, Mr Speaker. Going back to that point, while the general principle, which is in clause 5(d) of the Housing Allocation Rules, says that if you were previously a home owner you cannot go back, it depends on the level of profit made from the sale of the home. There have been people who have reverted to the waiting list following the sale if the circumstances justify it. That has happened now and that happened before, when the hon. Gentleman was in Government.

**Hon. D A Feetham:** Yes, the Hon. Lady is right – I recall that if, for example, you are forced to sell because there is a divorce, in those kind of circumstances then the Government takes the view that they ought to be allowed onto the housing waiting list and they are allowed, or one of them may be allowed, to buy in affordable home developments. I have never heard the second part, which is the equity part, but nonetheless I accept what the hon. Lady says.

She says ‘the majority’: can she give a figure of how many of those nine were for medical reasons and how many were for other reasons? The reason why I am asking the hon. Lady is because this is an issue which certainly I come across quite often in surgeries. Indeed, I have today spoken to LPS about a particular transaction where potentially the problem is precisely this: that the gentleman who is buying had sold in the past and therefore is met with a block of this particular policy. Therefore, I want to explore with the hon. Lady what kind of reasons have been accepted in relation to the ones that are not the majority, not medical reasons.

**Hon. Miss S J Sacramento:** Mr Speaker, it is exactly as the hon. Gentleman said. The other situations are where people are forced to sell on account of separation or divorce. But to be clear, what the Department looks at – and it looks at it now in the same way as it was looked at before – is the person’s financial circumstances, which may have arisen from the sale and since the sale. The policy and the procedure are the same. You are not blocked because you were a home owner; the block depends on the financial circumstances post the sale. Because, if you had to sell because you could either not afford the home – (*Interjection*) unemployment is an example – or whether you were forced because of medical reasons, again it goes to affordability or forced because of separation or divorce, and there is no profit made from the sale or very little profit made from the sale, of course, Mr Speaker ... And the point I made as to the equity is directly related to the profit made from the sale. If someone has just purchased a property but when they sell it on account of genuine reasons and make no profit because the level of equity that they had in the property ... then that is a situation where we would consider them going back into the housing waiting list, in the same way that it has always been done, because we try and help people who have financial difficulties and have to sell their property because of that reason.

So, just to make it clear, I do not know what situation the hon. Gentleman is referring to, but it is not the fact that people were previous home owners that will preclude them from being on the housing waiting list. It is a previous home owner who sells and makes a profit from the sale.

**Hon. D A Feetham:** Well, that is very helpful, but, Mr Speaker, she has not answered the question that I posed, which was – (*Interjection*) Yes. Thank you very much.

**Hon. Miss S J Sacramento:** Sorry, Mr Speaker, I got carried away. In fact, of the nine there are six medical and the others are on account of separation.

135 **Mr Speaker:** Any other supplementaries?

**Hon. E J Reyes:** Yes Mr Speaker, if I may come back to the Minister's answer in subsection (d) of Question 511, under those falling under any other possible category she gave me a figure of 11. I put it into, sort of, a very generic term any other possible category. Does she have some  
140 sort of breakdown of how we can classify those 11? I put that down thinking that at Question Time she may want to classify people who have separated and so on, but she has just mentioned that the separation ones have come under section (c), so what would those 11 generally speaking come under? Which category?

145 **Hon. Miss S J Sacramento:** And of course there is an overlap, because in that answer separations are included as well, but it is people who ... Because there is a bit of duplication in the questions, it means that a person may appear in more than one category. So, those people relate to people who are separated, applicants who were not previous tenants but still releasing Government flats, which I referred to earlier – that is the breakdown for the 11.

150 **Hon. E J Reyes:** So, Mr Speaker, if I add the 844 who were not already tenants with 24 who were already tenants, with the nine who were home owners, with the 11 any others, that gives me a grand total which is not necessarily the total. Is that what the Minister is saying – that I cannot take it for granted that by adding up those figures I get an answer? Therefore, I am not  
155 getting an answer to what the gist of the question is.

**Hon. Miss S J Sacramento:** Certainly not, Mr Speaker. He has had an answer for each question that has been asked.

160 **Hon. E J Reyes:** Well, Mr Speaker, I am one of those, perhaps in the minority, not being on the legal side, and perhaps the way I have drafted this, in very layman's terms ... I thought that by adding these categories one would come to the total number. Now, some seem to have been added twice and I do not know why, because (a) is if you were not a tenant, (b) is if you were already a tenant, and (c) is the home owners, and therefore (d) is –

165 **Hon. D A Feetham and Hon L F Llamas:** Eleven in the other category.

**Hon. E J Reyes:** – 11. I need to know what happens ... if they were already accounted for before, then there is no need to account for them again in (d). I do not know – perhaps us school  
170 teachers do not know how to explain things, Mr Speaker.

**Hon. Miss S J Sacramento:** No, Mr Speaker, I am not trying to catch anybody out. It is very simple. We have looked through ... In fact, in any event, the hon. Gentleman is right. Loosely, we may be overlapping in one or two, but generally it is that they are all added up. It may be that  
175 one person that the reason for the answer to one of the sub-questions will include one and that person may appear in the other question. But the hon. Gentleman does not ask for a total in this question, he asked for particular categories, so the answers to those particular categories have been given.

In general, it is a question of adding it up, say for a couple for whom both questions may  
180 apply, so it means that they appear in both. I have not got an exact scientific breakdown of who may be involved, but it is only something ... For example, there may be one person to whom both questions apply but it will only be in the minority, Mr Speaker, and there is nothing wrong with the question, other than it does not ask for a total, and I cannot see from here that it was intended to ask for a total of anything. But, roughly, if you add it up, we know the number of  
185 flats that we have is almost 900, so the figures all add up. So it is not a huge discrepancy we have; we are only talking about one or two people who, because of the way the question is

asked, may appear on both. It does not mean we are trying to catch anybody out, or anything like that.

190 **Hon. E J Reyes:** Okay, Mr Speaker, and I beg your leave – I know it is not necessarily implied in this question, but what I was going to do was, knowing the number of flats that have been built in these projects and therefore adding up all these allocations ... I thought from there I would be able to deduce that there could still be three, four or five flats empty. I cannot do that, and I know the hon. Lady has tried her best to explain that to me. Would the Hon. Minister for  
195 Housing happen to know at this particular stage if there are still any flats that have not been completely, finally ... so they are still available? I believe that, for a variety of reasons, some people may have pulled out, because they did not get a mortgage or a couple were intending to buy to start off as a matrimonial home and are no longer together. The Minister, I know, is so efficient that she could well have something there.

200 **Hon. Miss S J Sacramento:** Yes, Mr Speaker, and if that was the answer that the hon. Gentleman was getting at then all he had to do is ask and not have us jump through hoops and doing arithmetic. I confess that I am not the best at figures, that is for sure – well, adding up figures, Mr Speaker. But the answer to the real question which the hon. Gentleman was after is  
205 that no, from my understanding, certainly not today, I do not believe that there are any vacant flats left. There have been instances where some people may not have been able to obtain it because they have had difficulty with a mortgage, and we have worked with people in order to be able to assist them to finance the properties. Some that have come back have gone back to other people on the waiting list. But there have only been very, very few flats that have been  
210 returned; and, as I understand it, there are none at the moment that are not allocated.

**Hon. D A Feetham:** Mr Speaker, may I return to the answer that the hon. Lady has given, because the first three categories the first one is applicants on the housing waiting list who were not tenants of a Government rental home, the second one is applicants on the housing waiting  
215 list who were tenants, the third one is existing home owners, and then those falling under any other possible category. I do not understand what that other category could possibly be that does not include (a), (b) and (c). Can the hon. Lady perhaps enlighten us as to what other possible categories there are by way of examples of people who have been allocated? If they are not on (a), (b) or (c), what could they be?

220 **Hon. Miss S J Sacramento:** Mr Speaker, I have so many lists of things here ... You know what it is, Mr Speaker? There is an overlap between Question 511 and 514. That is what does not add up, but here they do add up. Mr Speaker, you will recall the first supplementary question was that there was ... The answer to one was 24 and the other answer was 30, and that is because  
225 the question asked was different. But in relation to this one, specifically Question 511, yes, you can add those up. Yes, Mr Speaker, the overlap will be in relation to the answer to Question 511 and not Question 514.

**Hon. D A Feetham:** Yes, and that may provide an answer to the hon. Gentleman's question  
230 that he asked a few moments ago, but it does not provide an answer to me in my question. *(Interjection by Hon. Miss S M Sacramento)* Well, no, because when the answer comes back to the question that those falling under any other possible category is 11, what other possible category can there be other than those on the housing waiting list who are not tenants, those on the housing waiting list who are tenants, and existing home owners? I suppose private rental – is  
235 that what those 11 are?

**Hon. Miss S J Sacramento:** No, because there may be people, Mr Speaker, who may be living with their parents, not on the housing waiting list, but now tenants because the family member

who was the actual tenant is releasing. It is a bit convoluted, but that is what it is. If someone lives with their parents or grandparents, they are not the tenant and they may not necessarily have been on the housing waiting list.

**Hon. D A Feetham:** Yes, Mr Speaker, this is the issue, that they –

**Hon. Miss S J Sacramento:** No, they are on the waiting list but they were not tenants. You can be on the waiting list, not already tenants – *(Interjection)* Yes, actually. *(Interjection)* Hang on. Mr Speaker, there is someone ... Let me just check to see if this is an additional person or just a different category. There are applicants, not tenants, but still releasing Government accommodation, and this has been the case of people who live in tenancies where the official tenant is the parent or the grandparent. So this has in fact been more helpful, because it is additional information – because it is questions that are not being asked here (a), (b) or (c): this person does not fall into any of these categories, (a), (b) or (c), so these people are additional.

**Hon. E J Reyes:** Mr Speaker, the last part she has explained, I can understand that part and that is why I accept the figure 30 in Question 514. Hypothetically, my parents are the tenants, I am on the housing waiting list, I get a house, and then when I get that my parents decide to release the flat. We used to live, once upon a time, on Alameda Estate – they release that flat. That is why that figure of 30 does not coincide with the figure 24 in part (b). I can understand that, and that one is pushed aside now.

What I do not understand is ... I threw in part (d) because the Minister is entitled to say to me, 'I have answered those who are not tenants, I have answered those tenants, I have answered those who are existing home owners, and you have not asked for something else.' So I just threw in a sort of a joker when one is playing rummy: 'any other possible category'. Can I have some indication what is the other possible category that is not a tenant, were tenants or purchasers? There is a figure of 11. If they do not fall under either (a), (b) or (c) I need some explanation, and if they fall under (a), (b) or (c), let's take it away from (d); otherwise, we are accounting double.

**Hon. Miss S J Sacramento:** Actually, Mr Speaker, looking at the names of the people that I have, I am realising now that the answer is incorrect, because I realise from here an answer that I have been provided for those falling under any possible category, two of which are here on account of separation but who are also on the waiting list. So, when I look at the breakdown of the names, the answer has been prepared and the person is in the wrong category, at least two of them – the other ones, applicants not tenants and releasing GoG. So, Mr Speaker, those three could easily have been in a global answer to (a). Yes. It is just that the way the answer has been prepared is as if internally they have a further subsection that is not a straightforward 'people on the waiting list who were not a tenant'. So, Mr Speaker, of the 11, two should actually be added on to (a). Then there are others who were tenants and releasing GoG rental, because that was not a specific category. Here, what they have done is included it as 'other', because it is slightly different to the way the question was posed, Mr Speaker.

**Hon. D A Feetham:** I will tell the hon. Lady what I have in mind and the political issue that I have in mind. The political issue that I have in mind and the reason why I have been asking these questions to clarify this particular issue is whether the Government has made any exceptions in relation to allowing people to buy not within the standard policy of the people who are allowed to buy in affordable homes. Therefore, the next question would have been: how does the Government make that exception so that people know on what basis the Government is making an exception, so that if that exception applies to them as well, they too can take advantage of the policy? That is the issue that concerns me. That is why I have been asking the hon. Lady to clarify. Can the hon. Lady therefore confirm to me that none of these 11 are an exception in

terms of the policy applicable to people and the conditions in which people can buy in affordable homes?

295 **Hon. Miss S J Sacramento:** Yes, Mr Speaker, the policy has been applied. I think that when they were preparing the answer for me they were being extra helpful; and if someone had something which was in addition to the way it was asked here, they have considered it as different circumstances. But no, Mr Speaker, they pretty much all fall into the others.

300 **Hon. R M Clinton:** Mr Speaker, I would be grateful if the hon. Lady could confirm or clarify for me: I am not sure whether I heard correctly where she said that there were cases where the Government had provided financial assistance to people to purchase these properties.

305 **Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** I think the answer to that question is the one that I gave him when he asked me how many people had been given the mortgage from Home Loans and I explained to him that Home Loans was not competing with the commercial providers, it was only a fall-back position so that there would be a safety net. So, if anybody was unable to get a loan from anybody else, they would come to us. I think there was only one at the time the hon. Member asked me.

**Q512/2016**  
**Government rental homes –**  
**Emergency repairs**

310 **Clerk:** Question 512, the Hon. E J Reyes.

**Hon. E J Reyes:** In case of emergencies arising from any works carried out by private companies in respect of Government rental homes, who is called out to carry out any remedies which may be required?

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, all emergencies are handled by the Housing Works Agency and the repairs are carried out by either Housing Works Agency direct employed labour or the GJBS emergency response team.

325 **Hon. E J Reyes:** Mr Speaker, I know a constituent got back to me that when they tried to make the report the feedback they got was that the Housing Works Agency did not carry out that job, it was done by a company, and it was hinted to them that they should contact the company directly – hence why I ask the question. If the hon. Lady has no reason to doubt, can she confirm to me that I should go back to the constituent and say, ‘No, with the best of manners but be insistent to the Housing Department that it is they who should deal with that issue’? Can the hon. Lady please confirm that to me?

330 **Hon. Miss S J Sacramento:** Yes, Mr Speaker, because emergencies are dealt with by an emergency phone line that is dealt with by the Housing Works Agency. So, if it is emergency repairs, which is what the question asks, then they need to be dealt with either by the Housing Works Agency or GJBS.

335 I would be grateful if you would return to your constituent and give him that information, or they can call the reporting office at the Housing Department as well.

**Q513 and 515/2016**  
**Government rental homes –**  
**Tenants awaiting allocation**

**Clerk:** Question 513, the Hon. E J Reyes.

**Hon. E J Reyes:** Further to Question 174/2016, can the Minister for Housing provide updated details pertaining to the house size requirements in respect of applicants who joined any category of housing waiting list prior to 8th December 2011 and who are still waiting for allocation or assignment of a rental home?

**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 515.

**Clerk:** Question 515, the Hon. D A Feetham.

**Hon. D A Feetham.** Mr Speaker, how many people were on the housing waiting list and pre-list as at 9th December 2011 and (a) have still not been handed keys to a new home, and (b) are still on the housing waiting list?

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

**Hon. Miss S J Sacramento:** Mr Speaker, in answer to both those questions, further to Question 174/2016 there are 192 remaining applicants who were on the waiting list and pre-list prior to 9th December 2011, all of whom require a 1 RKB.

**Hon. E J Reyes:** Mr Speaker, the 192: is the lady certain that all of them are just for 1 RKB? *(Interjection)* No, Mr Speaker, I ask the question because unfortunately ... I should have had it in the basket. Perhaps the hon. Lady may wish to meet me, when I have that letter at some other stage, behind the Speaker's chair. But someone had received a letter saying ... I know it is a single parent with a child, therefore 1 RKB certainly does not fit her category and she has a letter saying we are about to complete Charles Bruzon House and so we are expecting houses to be returned and this person is waiting. But to classify that applicant under the 1 RKB does not coincide with her entitlement.

**Hon. Miss S J Sacramento:** Yes, Mr Speaker, because Question 513 is based on the premise that it is further to Question 174, and in my answer to Question 174 I said that there were 231 applicants on the 1 RKB list because the remainder were either applicants who were adequately housed in pre-war accommodation or had received notification of allocation, which is exactly the letter that the hon. Gentleman is referring to.

**Hon. E J Reyes:** Perhaps, then, I used the wrong words. What I really intended by putting 'further to Question 174' was to have the Minister have a reference saying it is just updated information on that. I will have to talk to you, Mr Speaker. Perhaps in future I just should not make any reference to any other question I have asked before, but it does not allow those civil servants who help to draft an answer for the hon. Lady to have an easy reference. We tend to be becoming a bit technical, because ... 'On Question 174 I gave this, therefore I am not including it now ...' We seem to be verging on the lawyers' world rather than on the democratic parliamentary world.



385 **Hon. Miss S J Sacramento:** Mr Speaker, I do not know whether to feel insulted, because in a former life I was a lawyer, but I am answering the question on the basis that the question is being asked. I am asked for an update on my answer to Question 174, so the logical thing I did was look at my answer to 174, where I said – and I am reading from *Hansard*, Mr Speaker – ‘There are 231 applicants on the 1 RKB list and the remainder are applicants who are adequately housed’, etc. So what I have done is updated the figure of 231, which as of today is 192.

390 **Hon. D A Feetham:** Mr Speaker, may I, with your leave, go back and ask a supplementary on Questions 511 and 512? I am not going to ask supplementaries on the question that I have just asked. In other words –

395 **Mr Speaker:** If we have finished with these two you may, but let us finish with –

**Hon. D A Feetham:** Well, it is my Question 515, and I have no supplementaries on 515. I have just asked it, so I am just going to go back.

400 **Mr Speaker:** Yes, but do any of your colleagues have any questions on 515?

**Hon. D A Feetham:** I do not think so.

**Mr Speaker:** Then carry on.

405 **Hon. D A Feetham:** Just returning to this question of the mortgage first, is it Government policy that where somebody who has been allocated an affordable home in one of the Government’s schemes, both now and also in the future, cannot obtain a mortgage, that the Government will then step in and provide the safety net of offering mortgages directly to those people who have been allocated homes?

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):**  
The policy is the policy that I explained before, Mr Speaker. It is not anything new. I said when we created Home Loans it was to make sure, given the position that Gibraltar found itself in with the disappearance of Barclays and the fact that there are banks that may have somebody who is eligible by their criteria but have a quota beyond which they cannot go. Therefore we did not want somebody who had the right to buy not being able to buy simply because they could not find a lender. But of course the mortgage is given on commercial terms and it is not that it is subsidised in any way. It is just that when they come to us it is when they have tried other sources and they have not been able to get it. At the time that I was asked the question there was only one. I do not know if there have been anymore since, because I have not asked.

425 **Hon. D A Feetham:** So, Mr Speaker, essentially what we are talking about is not somebody who was rejected by a bank because he does not meet lending criteria; it is somebody who is rejected by a bank because that bank’s quota has already been met and therefore the bank has no spare capacity, so to speak, in terms of lending. Is that the position?

**Hon. J J Bossano:** The question is hypothetical because there is only one. (*Interjection by Hon. D A Feetham*) Yes, it is hypothetical, because I can only tell him that this one who has applied and been given one was, for example, not able to get the mortgage because the quota was full. But tomorrow it may be that somebody is told, ‘We will not give you a mortgage because of your age,’ but given that in the only one case that we are talking about it is a civil servant and, in addition to the property, there is a guarantee from her pension rights, from this person’s pension rights ... The situation is we created the company in order to make sure that people who had difficulty, for whatever reason but principally because of the reduction of the number of

providers in the market ... In fact, we thought the shortfall might be greater, as it happens we have found that the Gibraltar International Bank came into the market and they were sufficient to provide enough ... Members opposite have been asking on a number of occasions the question of whether there would be enough lenders in the market and we thought maybe there might not be enough lenders in the market and therefore we created this company with £100,000 capital in order to be there, and the capital would have been increased if it was needed in order to be able to provide the support to make sure that nobody is unable to get it, even though they might be able to afford it, for a variety of reasons – the principal reason being that initially we thought we might find that there was a problem, after Barclays pulled out, from the remaining numbers because the information that had been put to me in connection with why this happens is because the criteria that is used sometimes is that there might be people all of whom can easily afford a mortgage but an institution will not lend more than to, say, one third in one estate, because there is a rule that says your exposure is greater ... Even if there are 100 buyers and they are all millionaires, you cannot supply mortgages for 100% of the estate. So it is this criteria which quite frequently kicks in without any problem of the ability of the person to pay, but if the concern of the hon. Member is that we are lending to people who will not be able to pay their mortgages and who have not been able to get it because they have not got enough money to pay the mortgage, certainly the one case there has been does not fall into that category. That is not the intention, but I would not rule it out if we were giving somebody a mortgage because we wanted to help them to buy and we took a different view from a bank, a less ungenerous view. So I would not say it is impossible that that should happen, but that is not the reason why the facility was put in place.

**Hon. D A Feetham:** Yes, and what the hon. Gentleman is saying is that although the principal reason for the policy was the quota limit, be it in particular estates or generally, the reality is that the Government does not restrict itself to that reason for stepping in and granting mortgages directly through this particular company.

Who actually makes the decision as to whether to lend in this particular company? The directors presumably of the company? Who are they? Are they civil servants themselves? Do they have any experience in relation to lending? How is there a safety net? At the end of the day we are dealing with taxpayers' money – that is what we are dealing with – and of course the hon. Gentleman, I know, is very careful with taxpayers' money (**Hon. J J Bossano:** True.) Absolutely. But we obviously need to ascertain ourselves that proper care is being taken in relation to something like this. How are decisions like this being made? The hon. Gentleman is not in the business of banking or providing mortgages, civil servants generally are not in that business: who takes the decisions and how are those decisions taken?

**Hon. J J Bossano:** Mr Speaker, there has only been one case, and the one case was decided by civil servants in the Treasury. I do not know the name of the civil servant who took the decision, but I can tell the hon. Member that since the applicant was a civil servant, in addition to the fact that it is a 50-50 property, in addition to the fact that we own the other half of the house, in addition to the fact that it is not for 100% of the other 50, we have also got the security of the pension of the person that is buying. So it is a gold-plated loan.

**Hon. D A Feetham:** It may be gold plated in this particular case, and what the hon. Gentleman, in relation to the specifics of this particular case, is saying makes some sense to me in terms of the assurances that he is giving me that really there is no risk because of the factors that he has outlined. But, of course, what concerns me is not the specifics of one case, unless there are maybe other reasons to make me concerned, and in relation to this he has not given me any information that sets any alarm bells ringing in my mind for other reasons as to whether somebody is being favoured or whatever, but – (**Several Members:** Oh!) Mr Speaker, I am saying I am saying I am not alarmed in relation to this particular case, but I am not concerned about

one case here; I am concerned about the policy generally. If the Government is going to be embarking on a situation where they are offering mortgages to members of the public in circumstances where the quota exceeds the bank's policy, etc., who are the people taking decisions? Is it just Treasury officials who are looking at this on a case-by-case basis? That is the position, correct?

**Hon. J J Bossano:** The Treasury officials who handle the £600 million of Government money also handle this £100,000, which is the money that is available. The £100,000 that is in the company, the lending of that money is taken by officials who are trusted with the £600 million of public money that we all spend every year with his approval and the approval of the rest of the Members.

The hon. Member is asking me what would happen if there was tomorrow an applicant who did not fall into the category that I have already explained. That is a hypothetical question. I am telling him that I have no doubt that the people in the Treasury are as careful about public spending as I am, complete confidence, and therefore they would not do anything that I would not do in terms of putting public money at risk. I know that he thinks very highly of my criteria in that respect, because he constantly tells others in the Government that they should be like me. So he should sleep soundly at night.

**Hon. D A Feetham:** Well, thank you very much in relation to that!

Mr Speaker, just moving on to Question 512, what we are talking about here are private companies that undertake work in Government flats, and then there is an emergency and the hon. Lady stood up and – *(Interjection by Hon. Miss S J Sacramento)* Yes, we are, and I asked permission from Mr Speaker to come back. *(Interjection by Hon. Miss S J Sacramento)* No, we were exploring a supplementary question 511. Now we are moving on to Question 512, nothing to do with the mortgages. In relation to Question 512 the hon. Lady said that it is the Housing Agency that basically undertakes any remedial works. When the Housing Agency undertakes remedial works, how does one then deal with a situation where the remedial works arise out of shoddy work that has been undertaken by a company that has done the work in the first place? Is there then a claim by the Housing Agency against those companies?

**Hon. Miss S J Sacramento:** Mr Speaker, it is very bizarre. I understand that when I replied to Question 511, which I answered together with Question 514, it had a lot of information, and the hon. Gentleman, after I finished answering Question 515, did not have any further supplementaries to 515 and asked permission to go back to 511. Now, Mr Speaker, he wants supplementaries to 512. In any event, Mr Speaker –

**Mr Speaker:** The Hon. Leader of the Opposition mentioned that he wished to ask supplementaries arising from two questions.

**Hon. Miss S J Sacramento:** Okay, thank you, Mr Speaker. However, the supplementary that he asked in relation to 512 does not relate to the question in 512, because the question in 512 is in relation to emergency works, and now the hon. Gentleman is asking for a supplementary in relation to general remedial works. It is a completely different question to the question asked.

**Hon. D A Feetham:** Mr Speaker, maybe I misunderstood the answer that the hon. Lady has given. So, in relation to the answer to Question 512, 512 had nothing to do at all with remedial works. In other words, none of those emergencies relate to remedial work that had been undertaken by private companies, which is what I understood the answer to be. That is why I have stood up and asked this supplementary – because what I want to ensure, again in relation to this, is to explore how far, obviously, one is then keeping tabs on the kind of work undertaken by private companies, whether the taxpayer is then able to claim back from those private

540 companies, and what then happens to those private companies if there is a history of conducting works in a shoddy manner. Those are the types of things I want to explore with the hon. Lady.

**Hon. Miss S J Sacramento:** Yes, Mr Speaker, maybe it is because he is a lawyer – that may be the answer that the Hon. Mr Reyes would give. But the answer that has been given is in relation to the question that was asked, which is limited to emergency works. That question is somewhat different to the original question that was asked.

**Q516/2016**  
**Cruise terminal –**  
**Commercial units allocation criteria**

**Clerk:** Question 516, the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, what has been the allocation criteria for commercial units at the cruise terminal?

**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 criteria is the same as it was in 1997.

**Hon. L F Llamas:** May I ask, Mr Speaker, what exactly that criteria is, as in 1997, unfortunately, I was not into any political sphere. So if the hon. Lady could –

**Mr Speaker:** I have to tell the House that the view that I take is this. The hon. Member was not a Member of this House in 1997, neither was the hon. Lady a Member of the House; therefore I consider that the Member is perfectly entitled to ask the question and to receive an answer in which the details of what the criteria were in 1997 is either spelt out in the main answer or in a supplementary.

**Hon. Miss S J Sacramento:** Mr Speaker, the reason I answered as I did is because all the units that are in the cruise terminal are those that were allocated in 1997. So the criteria for those allocated were in 1997 except for one. There is an additional unit which was transferred from the old ferry terminal when it had been allocated over 20 years ago. So that is the reason for that answer, Mr Speaker. It is all the same ones, except for the one that was transferred.

**Q517/2016**  
**Care Agency –**  
**Subcontracted workers**

**Clerk:** Question 517, the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, when a subcontracted worker working within the Care Agency for whatever reason is unable to attend work due to annual leave or sick leave, what is the practice in replacing that worker?

**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, as I have already explained in the last session of Parliament, in the event that the  
580 worker is on annual leave, sick leave or needs replacing, cover will usually be subcontracted, as it  
is temporary.

**Hon. L F Llamas:** May I ask a supplementary on this one? Is there any policy or effort made in  
replacing that subcontracted worker with perhaps an employee or another subcontracted  
585 worker within the same area to ensure there is a continuity of care?

**Hon. Miss S J Sacramento:** Mr Speaker, by saying that the person is replaced by a  
subcontracted worker is not the same as saying that there is no continuity of care, because  
subcontracted workers, if they provide cover, will mean that they are providing, in most cases,  
590 continuity of care, because one day they may cover for one and one day they may cover for the  
other. So what we do try and do is when cover is required – because it is not always required,  
but if it is required – it will be covered by someone who is a subcontracted worker and we try  
and use the same workers we always use to provide cover, so there is no issue as to continuity  
of care, the continuity is there.

**Q518/2016**  
**Care Agency –**  
**Numbers of subcontracted workers**

**Clerk:** Question 518, the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, can the Government provide details of subcontracted workers  
working within Social Services and the Care Agency as at 30th June 2016, disclosing the date  
each worker commenced providing services, together with the roles or role being carried out  
600 and/or currently carried out by each subcontracted worker and the reason for requiring their  
services on each occasion they have been subcontracted, and the area in which they have been  
working on each occasion?

**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 details are as follows.

The dates that the workers commenced: there were three in 2013, 22 in 2014, 55 in 2015,  
and 27 in 2016. The roles that they carry out are: care worker, 94; administration, 9; nurse, 2;  
610 counsellors, 2. These figures are at the time of the date indicated in the question, Mr Speaker.

The reasons for cover are: maternity leave, 12; suspension, 5; vacant posts pending  
recruitment, 22; cover required while training, 1; temporary additional cover to include annual  
or sick leave, 67.

The area of the Care Agency in which they work in is Administration and Social Services.

**Hon. L F Llamas:** Would it be possible to get an actual detailed breakdown for each – yes,  
thank you – actually broken down by subcontracted worker in order to come to a conclusion of  
when that worker started and what that worker has been carrying out since that worker was  
620 employed?

**Mr Speaker:** For each individual worker?

**Hon. L F Llamas:** Yes.

625 **Hon. Miss S J Sacramento:** Mr Speaker, it is not information that I have, and I believe that I have answered the question that has been asked.

**Hon. L F Llamas:** I did, Mr Speaker, ask in the question ‘disclosing the date each worker commenced providing services’, and in that way I would be able to conclude when that worker commenced working and what exactly that person has been covering.

630 **Mr Speaker:** I think you are referring now to ... The hon. Lady, in the answer, gave dates that workers commenced, 2013, 3... You are asking, say, in 2015, for 55 cases, when each of those 55... With all due respect, I think that kind of detail... I do not think we should make a practice of that sort of detail here in Parliament. It is information that you can obtain outside Parliament and I do not think the time of Parliament should be taken up in giving such details in respect of so many individuals. It is not that there is anything inherently wrong in asking for the information; the only thing is that it is very time consuming and laborious, both in preparing the answer and then providing it here in Parliament – unless more time is given, and then the answer could be made part of a schedule, that can be done.

**Hon. D A Feetham:** Mr Speaker, how does the hon. Gentleman – and perhaps Mr Speaker has the answer, and I would be very grateful if he provided it to us – how does the hon. Gentleman get this information from outside Parliament? Because I think what the hon. Gentleman is doing in relation to this is he is trying to determine – *(Interjection by Mr Speaker)* Can I just explain where we are getting at with this –

**Mr Speaker:** Yes, okay.

650 **Hon. D A Feetham:** – so Mr Speaker can place it into context. In relation to these people who are effectively subcontracted – they are not Civil Service but they work in the same jobs as civil servants – how long have those people actually been in those posts? For example, you may have somebody who is subcontracted within a Government Department, subcontracted, and is therefore not a public servant, within a Government Department for three years, four years, five years; the political point then therefore is, well, how on earth is somebody there for such a long period of time. That is the issue. It is not an unreasonable issue for Mr Llamas to be exploring.

660 **Mr Speaker:** In my intervention I have tried to make it abundantly clear what is the information that the hon. Member is seeking, which he is perfectly entitled to ask and for which there should be no insurmountable problem in providing it. The only thing I am saying is that in a main answer I would not like to see a Minister stand up and in 107 cases give dates of commencement. It can be included in a schedule, something that has been done before. I have seen schedules here detailing every student studying abroad outside Gibraltar, a thousand and something students – all that information has been provided in a schedule, by all means. It has now been made clear in the supplementary what it is that the hon. Member is asking for, and I think that that information, if the hon. Lady does not have it here with her... Even if she did, I would prefer that it be included in a schedule and provided across the floor of the House. That is all.

670 **Hon. Miss S J Sacramento:** But, Mr Speaker, I can still answer that supplementary question, because the answer is actually in relation to the previous question that I have just been asked, when I am asked for the criteria – actually, not this one, but I think the question that I was asked in the last Parliament – and the criteria that we use when using subcontracted workers, which is why we have the Question 517.

675 Mr Speaker, I have said before in Parliament that the reason we use subcontracted workers is primarily to cover temporary vacancies. That answers the question, because, Mr Speaker, there may be people who... and it actually answers the supplementary to the last question as well, the one in relation to continuity of care. For example, there may have been a need for someone to cover someone's maternity leave in the service a year ago, so that person is contracted to cover the maternity leave, whatever it is, whether it is six months, nine months or a year, whatever that person wishes to take within the policy of the organisation. So that person is taken on temporarily to cover that post. It may be that when the post holder returns from maternity leave that the person is required to cover some other leave, whether it is another maternity leave – and you can see from the statistics that we have a lot of those – or whether it is sick leave or any other absence. Precisely because we want to provide continuity of care, we may engage the same people.

680 I think what the hon. Gentleman is trying to allude to is that people are in these Government jobs on subcontracted work, but that is not the case, Mr Speaker; it is temporary work for which we engage these people. Not everybody. Some people enjoy working for who they work for, on the basis that it is temporary.

690 You can see from here, Mr Speaker, that of the number of people we use from subcontracted workers, only 22 relate to vacant posts. We have continuous recruitment of vacant posts, but what we do is we sometimes wait for a period and recruit people in batches because of the cost of employing people and the recruitment process and the training process that that entails, because when someone comes into the service we have a particular core training that they undergo and it is easier for us, in terms of management and organisation, for them to do it in batches. It is easier for us to wait a couple of months, and if, say, we have accumulated a few vacancies then, then we will recruit those vacancies in one go so that everybody can be trained together. In terms of vacancies, then those posts are filled in and they are cyclical. So, vacant posts are recruited. Everything else does not relate to vacant complement posts; it relates to temporary cover that we may need in the manner that I have explained in previous Parliament sessions.

705 **Hon. L F Llamas:** Mr Speaker, I am grateful for those examples but, with all due respect, I would like to come to those conclusions for myself, seeing the actual answer and schedule. The only reason why I asked it in an oral version is because, normally, in the last sessions I have been in, we do get a schedule and then, if we want to ask any supplementaries, we can do so on the spot.

710 Essentially, what I would like to see is a date of commencement for each subcontracted worker and what that particular worker, without revealing the name, has been doing for the last year, six months, a day, five years, whatever it may be.

715 **Hon. Miss S J Sacramento:** Mr Speaker, first of all, the hon. Gentleman is insinuating that I am lying if he says that when he gets information in a different way he might come to a different conclusion. I have explained the way that it works.

**Mr Speaker:** No, I do not think ... With all due respect to the hon. Lady, I have not gathered any suggestion that that is what is in the hon. Member's mind.

720 **Hon. Miss S J Sacramento:** Mr Speaker, the difficulty with the question is that we do not subcontract a worker, we subcontract a service which we need to provide from a service provider, and while we try... It is in relation to the need of the service on a particular day. On one day someone may have an episode which means that we need to call the service provider and say, 'Today I need four additional carers,' because someone may have surgery and we may need additional support for a week. So, the information, I think, is better served this way and the explanation and the rationale I think I have explained in a lot of detail.

**Hon. D A Feetham:** Mr Speaker, I understand what she is saying about the contracting of services, but surely the reality is that if today, as at 29th September, you have got 107 subcontracted workers – subcontracted to provide services but they are subcontracted, they are there – the Government knows that there are 107 and in relation to those 107 the Government can provide a date when they commenced. That must be absolutely right... when they commenced. There may be some who commenced yesterday, there may be some who commenced a year ago, but that is perfectly capable of being provided.

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, the hon. Member may remember, or he may not, that we introduced something that existed only in the GHA, which was relief cover, and that we put a head of relief cover, which is a token vote, in each head, so that people would not have to be undermanned and doing the work because there was a lot of sick leave or a lot of maternity leave or a lot of absenteeism.

The result of that is that there are people who are as and when required by the service but they are not employed by the Department, and their contract of employment is with the service provider. So, somebody may have, for the first time, worked there in 2013. He may, between 2013 and 2016, have worked subsequently on and off on different occasions, and sometimes he may have worked in another part of the public service. He may have continuity with the service provider. He may, when not required in the public service, be working in the private sector, because the people who supply the labour to us supply the labour to other people. The hon. Member seems to be trying to suggest that what we have got are two classes of public servants, one of which is permanent and one of which is temporary. If that is what he is trying to suggest, then he is misinterpreting, either deliberately or unintentionally, what the situation is, which has been explained to him before.

**Hon. D A Feetham:** Mr Speaker, I am not at this stage making any suggestion. The hon. Gentleman, Mr Llamas, has been very candid. He says he wants to analyse these figures for himself in order to see whether there are patterns, in the same way as the hon. Gentleman, if he had been on this side of the House – and indeed he was on this side of the House – and if he had received that kind of answer, the answer that the hon. Gentleman would give would be, ‘Well, hang on a minute, I want to see the figures because I want to make my own decision as to whether there is any pattern or what is happening here.’ That is our role and we are perfectly entitled to ask.

The hon. Gentleman could, for example – or the Government could, for example – say, ‘Right, okay, we are not going to provide you with the details...’ And I do not think there is any reason not to, but he could say, ‘We are not providing you with the starting date of these 107, but we are going to provide you with,’ for example, ‘how many have been effectively subcontracted for three months, for six months, for nine months and over a year.’ That he could provide, but just a blanket refusal does not appear to me to be reasonable with respect to the explanation the Hon. the Father of the House has provided.

**Hon. J J Bossano:** Mr Speaker, I was on that side of the House and they did have this system in place in the GHA and I never did ask for that question, so he does not have to hypothesise what I would be doing now in respect of this information – because when I was there and they were doing it and they were spending, I think, something like £2 million a year in supply workers in the GHA, the hon. Member may recall that the greatest Gibraltarian got so cheesed off with the size of the bill that he decided to take it away in one budget from the GHA and to control it directly from No. 6. The issue was the size of the bill in terms of the volume of people they were being required to supply, but it never occurred to me to say, ‘Well, I want to know, if you have got supply workers who are as and when required, I want to know when each one was required.’ Because the hon. Member seems not to have understood that the contract of employment of that person is with the supplier of the service –



**Hon. D A Feetham:** I understand that.

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**Hon. J J Bossano:** – and therefore, if you say, ‘When did he start work?’ the answer is ... When did he start work with us? Well, look, he came in on Monday morning, he worked for three hours, but in the afternoon he worked somewhere else, which might have been in the Government or not in the Government, but the continuity of employment is not reflected in how many times, in the time that he has been employed by the service provider, he has worked in a particular Department. The hon. Member has, in fact, in putting the question, saying the kind of answer is ... Did he work for three months? Was his contract for three months or for six months? Well, the answer is no, there is no contract.

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**Hon. D A Feetham:** I understand the contract is not for three months. That is not the question.

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**Hon. J J Bossano:** The hon. Member, when he stood up now and said, ‘Well, the kind of information they could give us is whether they have been contracted for three months or six months or a year.’

**Hon. D A Feetham:** In post or working – [*Inaudible*]

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**Hon. J J Bossano:** Well, they are not in post. Mr Speaker, if somebody calls in this morning and says, ‘I am unwell and I am not going into work,’ you call the service provider and they send somebody in. The hon. Member then would presumably want to be told, ‘He has been in post 10 minutes this morning,’ and not six months or a year.

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This is the system that we put in, which was an extension to the rest of the public service of the system that they introduced in the 15 years they were there, and that system was in order to make sure in the GHA ... but they did not think it was necessary elsewhere, probably because the GHA is more of a critical service where, if a lot of people are ill or off sick, or on maternity or whatever, you can have a ward that is very understaffed, so therefore they had the service for that area. We decided that maybe it was a mistake because it had been an expensive decision, because, before, people just used to cope with less workers if less workers turned up on a day, and the work still got done. But we decided that maybe the delivery of the service to the customer would be improved if the numbers of people at work was supplementable when people were missing from a pool. They have asked about that before, I have given them the size of the pool and I have told them that people rotate.

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For example, I can tell the hon. Member that yesterday somebody who was on sick leave in the Fire Service came back and the person who was there had to stop working. We have two choices: either we send him back to the service provider, or we find out if there is another Department requiring somebody. Generally, the people who are already providing the service, if the Departments are happy with them, are the ones who tend to keep on coming back. But there is not a period of time that people are specifically contracted for, and therefore it is not the case that they are either called ... Normally, if we know that somebody is going on maternity leave for eight months, when we request somebody and the person says, ‘How long is this work for?’ they are told, ‘This is to cover an eight-month maternity period,’ and normally that is a more attractive proposition for somebody who is unemployed than if they say it might only be for one day or two. So it is more difficult for the service provider if he has to go outside his normal pool to get recruits, because people then say, ‘Well, look, I am only going to be in for a few days, and that means that in those few days there might have been a job coming up in the Employment Exchange and I have missed it.’

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So, where there are known periods of maternity leave, then the provider is told that we are going to need cover for eight months or we need cover for nine months. Otherwise, it is as and when required, and other than maternity, which is the one where you can predict how long they

are going to be out, there is no period predicted, at the beginning of the period that the worker is supplied, as to whether he is going to be there a week or he is going to be there a day. He is there until ... If somebody is sick, he may be sick for a very long time or he might come back in one week's time. He may be out one day and back the next day, and the person is only working one day.

**Mr Speaker:** I think the hon. Mr Llamas has made it abundantly clear what is the information he is seeking. I think that the Government understands what is the information he is seeking. The information cannot be provided now. I would suggest that he pursues it either outside Parliament by writing to the hon. Lady or he can put down a substantive question at the next meeting of the House, which I will have no problem in allowing.

Let's go on to the next question.

**Q519/2016**  
**Disability Bill –**  
**Progress**

**Clerk:** Question 519, the Hon. L F Llamas.

**Hon. L F Llamas:** Mr Speaker, further to the answer given by the Government in Question 35/2016, where the Government stated that the previous administration had done nothing in relation to drafting a Disability Bill in order to adopt the United Nations Disabilities Convention into national legislation, can the Government confirm whether that statement remains correct?

**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, yes.

**Hon. L F Llamas:** Mr Speaker, in the original answer to Question 35/2016, the statement made by the hon. Lady was that as soon as they got into office she asked whether anything had been prepared or if they had been instructed, and the answer was that there was nothing.

During the period of this summer, I have obtained a soft copy of what was the Disability Bill drafted by the previous administration, handed to me by one of the people who was involved in the actual drafting of that legislation. When you look at the properties of the actual document, you see that it belongs to Government and it was drafted by a Government lawyer. So I would like to know whether the hon. Lady has been misled and, in effect, has misled Parliament. What exactly is the position?

**Mr Speaker:** I imagine the first thing the hon. Lady will need is to see what is the material you have there with you. She must have sight of it; otherwise, she may not be sure what it is that you are talking about.

**Hon. Miss S J Sacramento:** Well, Mr Speaker, first of all, I am very, very concerned as to how Mr Llamas has a Government document in his possession, because, whether it is a document that belongs to this administration or the previous administration, it is a Government document. Whether it has been given to him by a former Minister or someone who was on the Committee, one would expect someone who sits on a committee to hold documents confidentially and not spread them out, Mr Speaker. I do not think it is appropriate for people who are not in

Government to hold Government documents, regardless of the administration of the day. I start with that.

But, Mr Speaker, as you rightly say, I have no idea what document Mr Llamas is referring to. He has it. I am not psychic. I have not seen it. The answer to the question that I have been asked is yes, because I answer from where I am and what I see and what I have been told, so I maintain my original answer and therefore my answer today is yes.

It is very bizarre, Mr Speaker, but maybe the hon. Gentleman may wish to show me that document that he has in his possession.

**Hon. L F Llamas:** Mr Speaker, I am more than happy to e-mail, to forward the document for the hon. Lady to have a look at it, and I would be grateful if she would commit to undertake...

**Mr Speaker:** I am prepared to provide the services of the staff of Parliament to make it available with almost immediate effect, and then we can dispose of the matter for the time being and move on.

**Q577/2016**  
**Government housing –**  
**Rent arrears**

**Clerk:** We move to Question 577. The questioner is the Hon. M D Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, in the Hon. Minister's response to Question 363/2016, Government housing – Rent arrears', the Minister stated 'people who owe the Government in excess of three months' rent...' I would appreciate the Minister's clarification why arrears in rent are only considered when it is in excess of three months or 90 days.

**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 used that expression so as to be consistent with the last question in Parliament by the Leader of the GSD Opposition, to make it clear, therefore, that we are all referring to the same period.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, I am not quite sure if I understand. I asked the hon. Lady ... The reason why I was asking this question is because I wanted to know whether it is Government practice to only recognise or acknowledge arrears when it exceeds 90 days – if that is the exact date that you start counting arrears from – and whether there was legislation or regulation that this was the timing that you start the arrears, so that I can know whether there is consistency with other arrears and those dates always apply. Thank you.

**Hon. Miss S J Sacramento:** Insofar as these arrears, Mr Speaker, the reason I used that wording the last time I referred to arrears was because when the Hon. the Leader of the GSD Opposition asked me a Question 183/2016, he asked specifically: can the Government please state how many tenants of Government housing stock currently owe the Government more than three months' arrears of rent? That had always been my understanding of the definition of arrears of rent, but the Leader of the Opposition's understanding of arrears of rent... and that is why I used that reference last time I referred to it. The reason I did that as well, Mr Speaker, was because when I was looking at the Auditor's Report, the Auditor's Report starts counting arrears

920 beyond £500. Three months' rent is on average about £200, so we were all having different standards when we were looking at arrears.

While technically, of course, something that is due on the first day that it is due is arrears, but for the purposes of the arrears recovery strategy we are looking at it beyond the three years on the basis that the first three months is really a late payment. Some people may be in arrears for  
925 a month and we do not consider ... Some people pay a month late or two months late, some people wait for a payment and then they pay three months in arrears but they pay it in full. So, really, when we are tackling the arrears we look at people who owe more than three months, and I think this is probably more useful than the way it is set out in the Auditor's Report because they only start counting arrears after £500, and I think this is useful for these purposes. Of  
930 course, you know in law and technically, it would be arrears from day one, but for the purposes of going after people who owe money after a long time it is just easier, in terms of resources, to consider beyond three months, and anything before three months is seen as a late payment.

**Mr Speaker:** It might be useful to remember there may be another explanation as well.  
935 Government rents are inclusive of rates. Rates are charged quarterly and you are in arrears of rates when you owe more than three months, which is a quarter, and the rents have always been, therefore, very closely linked, and the practice, certainly when I was in Government, was for housing to regard anyone who owed a quarter in rates, and therefore rents, to be liable for arrears. That could be the historical thinking, as well, behind it.

940 **Hon. D A Feetham:** And also, Mr Speaker, most companies, in fact, use a 90-day cut-off point before they issue recovery proceedings. That is why, in my original question, I looked at 90 days, three months, rather than less than three months, because somebody could be late with payment two months, and really one has to be sensible about these things, and I took the 90  
945 days, three months. That was the question I asked.

**Hon. Miss S J Sacramento:** And I agreed.

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**Q519/2016**  
**Disability Bill –**  
**Supplementary**

**Mr Speaker:** Does the hon. Lady propose to deal with this matter now?

**Minister for Tourism, Housing, Equality and Social Services (Hon. Miss S J Sacramento):** Yes  
955 Mr Speaker, because I have never seen it, so I am seeing it for the first time. I have never seen it.

**Mr Speaker:** Okay, but if you want to have a look at it in detail ... and then you can come back later on today.

960 **Hon. Miss S J Sacramento:** No, but having said that, Mr Speaker, my answer to the question remains the same, because the question was is that my opinion, and my opinion is yes, in relation to that question. And I go further, Mr Speaker, because I was looking at the *Hansard* of 20th January, when again we were talking about this issue, and that is when I said, quoting from *Hansard*:

They had from 2006 to 2011 to introduce the legislation, to undertake preparatory work, to do foundation work, set policies, and they did absolutely nothing.'

965 After that, Mr Speaker, there was an intervention from the Hon. the Leader of the GSD Opposition, and he said in January:

If I can bring that draft to the hon. Lady's attention, will she undertake to withdraw the statement that she has made that we left absolutely nothing prepared at the point of the 2011 election?

So on the basis that that was said in Parliament in January, and I am asked this question and I have not had anything since January, therefore my answer continues to be yes.

970 But, Mr Speaker, anyway I find the question very bizarre indeed, because what does it matter? I have not seen it, but it is not whether I saw it or I did not see it; it is that nobody, other than the person who gave it to him and maybe a few other people, ever saw it. Because it may here I have a document that says 'A Bill', but it is not a Bill that was ever published. It seems to be a Bill that someone prepared and maybe put in a drawer or did nothing about it. So, it is here – okay, it is a document, but if it is a Bill that has not been published as a Bill it is the same as if it  
975 did not exist. So, even after having seen this, Mr Speaker, my answer really is the same. What is the point in doing something, or preparing something, or getting someone to prepare something – I do not know who prepared it, but I certainly had not seen it before – and not doing anything with it? What is the point, Mr Speaker?

And even further more bizarre, Mr Speaker, what is the point in saying this now, in 2016, when Mr Netto, who I assume was the Minister who had somehow been involved with this, was  
980 sitting in Parliament for the last four years and we have been having this discussion and I have always been saying the same thing, never did he say, 'Oh, by the way, have they not given you the draft copy that was prepared when I was a Minister?' If they were really genuinely interested in helping, then that is what someone had four years to say, and yet the first time Mr Netto referred to it was in his last Budget speech in July of last year.  
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Mr Speaker, I think we need to move on. We are in 2016. The GSD left office in 2011. They had plenty of time to do it. They did not do it, because a Bill that appears four and a half years after they are in Opposition ... well, so what? We have already got a draft Bill which we have published, which we have consulted on and which we continue to work on. We are the  
990 Government, we are the people who are working on it, the people who are progressing on it: what relevance is there whether someone did this and put it in a drawer five years ago, six years ago, seven years ago? (**A Member:** Hear, hear.) I think we have more important things going on.

**Mr Speaker:** There is, of course, a convention which the Civil Service in Gibraltar are very  
995 careful to uphold, particularly the Chief Secretary, namely when there is a change of Government the papers of the previous administration are not made available to the incoming Government.

**Hon. D A Feetham:** Depending on the file.

**Mr Speaker:** Depending on?

**Hon. D A Feetham:** The file. Mr Speaker –

1005 **Mr Speaker:** A file which contains material from a previous administration would, in my time, have been very carefully vetted and the Chief Secretary would only make material in that file available if the previous administration were quite happy that it should be provided. That is the normal convention. So what I am saying is that, as a matter of course, when a new Minister comes in that Minister is not provided with a file – 'Look, by the way, the previous Government  
1010 were thinking of introducing this legislation; you may wish to have a look at this.' That is not the way that the Civil Service has ever worked, or should work.

**Hon. D A Feetham:** Mr Speaker, my understanding is that it actually depends on the file and the way that files are actually filed by the Civil Service. Let me tell Mr Speaker that, whether  
1015 Mr Speaker is right or Mr Speaker is wrong, in relation to, for example, legal assistance, I left a Bill drafted in relation to legal assistance and that Bill has been constantly referred to by the Government as being inadequate. They have seen it. It is a Bill that I drafted, it was there, so in relation to that example the Bill has been handed out to the relevant Minister. I actually have not complained in relation to that.

1020 The point about this, Mr Speaker, is that the hon. Lady has been, for some time, suggesting that there was no Bill. This is a Bill that was circulated, (*Interjection by Miss S J Sacramento*) a draft Bill.

**Mr Speaker:** In fairness to her, I think she has been saying that she has *seen* no Bill, that no  
1025 Bill was brought to her attention.

**Hon. Miss S J Sacramento:** And I had asked for it, Mr Speaker.

**Hon. D A Feetham:** Yes of course, that is the point, Mr Speaker. She has always said, 'I have  
1030 asked for the Bill, none has been forthcoming.' There was a considerable amount of irony injected in her answers, I remember, when we last touched upon this particular topic, and the inference was that it really was something that did not exist.

Now, this was a Bill that had been drafted, not by me, as Minister for Justice, because although I had a hand, because I was a lawyer, in drafting parts of Bills, I had draftsmen who  
1035 were involved. I was a member of the committee. My fellow Minister, Jaime Netto, who was constantly referring to this, was also a member of the committee. So too were people of ... stakeholders, and this particular Bill was drafted within the Government, was drafted within the Government –

**Mr Speaker:** By a Government employee?

**Hon. D A Feetham:** – by a Government lawyer, Mr Speaker. And that is why, then, it begs the question, 'Well, what kind of enquiries have been made?' It may well be that it is not the hon.  
1045 Lady's fault, but the reality is that there were answers about the existence of this particular Bill. What the hon. Gentleman has quite rightly come to the House and said is, 'Well, look, is this still the Government's position?' She has said yes, it is the Government's position. And now he has handed the hon. Lady a draft of the Bill, which has not been drafted by anybody on this side; it has been drafted by a Government lawyer. (*Interjection by Hon. Miss S J Sacramento*)

**Chief Minister (Hon. F R Picardo):** Mr Speaker, the position in relation to files is as you have  
1050 rightly pointed out, in particular in relation to correspondence, but in relation to work in progress, in relation to a matter which was in the manifesto of the incoming Government, which the hon. Lady has not just told this House ... The hon. Gentleman seems to suggest that it may not be her fault, as if he were forgiving her her life, that she may not have asked for the Bill. It  
1055 was a matter set out in the 2011 manifesto on which we fought the election.

When we were elected there were many areas where things we were promising to do were things that they had promised to do and were work in progress, and of course you have access to those things. And if, on top of that, we still did not have a Bill, and on top of making enquiry we still did not have a Bill and they spent four years under our first term in Government in this  
1060 House telling us that there was a Bill, and it has taken them four and a half years to bring it ... Well, Mr Speaker, one would have thought that we were dealing with the most controversial piece of legislation in the history of this Parliament. That is still to come, later this month. Instead, Mr Speaker, we are dealing with a Bill to do something that it appears we all agree we should be doing.

1065 **Hon. Miss S J Sacramento:** And which we have already done and published.

**Hon. Chief Minister:** And on top of which, as the hon. Lady reminds me, Mr Speaker, we have, in any event, not just sat on our hands in the period, we have produced a new Bill – new because we did not have that one; it may be that the two Bills are very similar, or they are totally dissimilar because two people will draft the same thing in a different way – and we have published it.

1070 So what is it that we are arguing about? We are arguing about the fact that they have taken four and a half years to bring us that which they said they could have brought us the day after the last election. That is the reality of what this exchange is about. What we need to be doing is moving on to deliver, for the people who are going to be assisted by the Bill, the assistance that the legislation will give them.

1075 Hon. Members need to work out for themselves whether they just want to be in this Parliament making up arguments, or whether they want to assist this community to progress, in particular those who are going to be assisted by this sort of legislation, for which the hon. Lady, in my view, now deserves double commendation because she sought a Bill, it was not provided to her and she has gone and done the whole work again because of her interest in delivering for those people. Quite right: she did the right thing.

**Mr Speaker:** I think the matter has now been amply clarified and we are going to move on to the next question.

**Hon. L F Llamas:** Mr Speaker, may I just ask, because when I submitted this question, within that time and now I have seen in the press that there is a second command paper which will be published. I just wanted to know if it would be possible to know when Government intends to publish that second command paper.

**Hon. Miss S J Sacramento:** Mr Speaker, there has been no such statement by the Government that there will be a second command paper. Unless the hon. Gentleman has a copy of a statement by the Government that there is a second command paper, I honestly am lost now as to what he is referring to.

**Hon. L F Llamas:** Sorry, I have referred to it in an inappropriate manner. I presume it is the same command paper with some revisions to it that will be put out to consultation. No?

1100 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman does not understand what consultation papers are. Let me just set that out and then I think he will understand what it is we are trying to do.

1105 A command paper is when we publish a Bill, not in Bill form but in draft form, for general consultation and issue in an area where there has not been law before. It has been a tradition in the United Kingdom to do that to allow the community not just to deal with the substance of an issue but to also deal with the detail of how that issue is going to be transposed into law. It happened in the UK for generations; we introduced it after 9th December 2011. Before, you had what was called consultation – you might or might not publish a Bill. That has been done and that process has been gone through. As a result of that process, it has become apparent to us that there are issues that will affect the business community etc., so what we are doing is we are going to further process of discussion and consultation with those affected stakeholders – Federation, Chamber, Disability Society etc. – in order to produce what will then be published as a final Bill, which will then have its six-week course of publication before it is able to come to this House, unless it were to be certified as urgent under the Constitution.

1115 So there will not be a further command paper, that process has gone, but it does not mean that after a command paper you cannot also do a little further tweaking and consulting before you publish your final Bill.

**Mr Speaker:** Next question.

1120

**ECONOMIC DEVELOPMENT, TELECOMMUNICATIONS AND THE GSB**

**Q527/2016**

**Free WiFi –**

**Availability in public buildings and areas**

**Clerk:** Question 527, the Hon. L F Llamas.

1125 **Hon. L F Llamas:** Mr Speaker, what free WiFi spots are currently available in public buildings or areas?

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

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**Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):** Mr Speaker, there are two completely free WiFi spots available in public buildings or areas: the Airport terminal and the Garrison Library. In a further 23 public WiFi spots provided by Gib Telecom in tourist areas, leisure facilities and for the beaches, certain specified Government of Gibraltar websites are accessible free of charge from the opening page, but it is the only thing that is accessible.

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**Mr Speaker:** Any supplementaries? Okay, next question.

**Q528/2016**

**Training Centre –**

**Completion of courses by students**

**Clerk:** Question 528, the Hon. E J Reyes on behalf of the Hon. E J Phillips.

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**Hon. E J Reyes:** Mr Speaker, can the Government confirm by reference to each course available at the Training Centre, how many trainees have (1) successfully completed each course; (2) failed or have unsuccessfully completed each course; or (3) abandoned the course, and, if so, at which point did the trainee abandon the course?

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

**Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):** Mr Speaker, the trainees completing the courses at the training centre have been: Wood Occupations, 113; Painting and Decorating, 49; Plastering, 68; Bricklaying, 95; Wall and Floor Tiling, 64; and Plumbing, 41. No trainee has failed the course. Four hundred and fifteen have not completed the course. I am not able to provide at what point in the course each individual was.

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1155 **Hon. E J Reyes:** Mr Speaker, would the Minister happen to have, from the figures he now gave us broken down by trade, would he happen to have a breakdown of levels? Was it level 1, 2 or 3? I know in the past I have asked this specifically broken down by level, but, knowing the Minister and his thirst for information, he could well have it there.

1160 **Hon. J J Bossano:** Not in the way the answer has been provided for me. I can go back and ask them for the breakdown by 1, 2 or 3 and let the hon. Member have it, if he wants it.

1165 **Hon. E J Reyes:** Yes, I would be very grateful for that; and, of course, if he does not have it he does not have it. The Minister says he does not know at what stage they abandoned the course and so on. If it is available today or at some other stage, perhaps some reason why the individual abandoned the course. Let me give him an example. A trainee could have completed level 1 and started level 2, and, because a lot of it is actually practice in situ, the training provider at that stage could have offered him a job. Some training providers are extremely good, they have a day release and the trainee goes back to the Training Centre one day in the week, but this one might say, 'Look, it is not in my interest – I want to him here to complete my job. If the Minister does  
1170 happen to have the information I would be very grateful if he could share it.

**Hon. J J Bossano:** I think there are a variety of reasons. There are people who actually sign up and do not even turn up, right at the beginning. There are people who, once they are in it for a few weeks or a couple of months, find out that it is not really what they wanted. They discover it  
1175 only once they have started and they decide it is not what they want to do and they do not continue. And there are people who stop attending the course because they find employment and they do not want to carry on being employed at the apprentice rate. Basically, I would say those three categories account for most.

There is no failure because, in fact, people are given the chance to carry on, particularly with  
1180 ... I think the City and Guild has got a time limit from initial registration, but the EAL, which was being done previously, and continued because we put the City and Guilds alongside it, I think was more flexible in the number of times that they could carry on trying. There have been people who have taken six or seven years, instead of the normal three, but they have not failed and they have finished up getting their qualifications. But some people, even though their  
1185 instructors encourage them not to give up and come back, some people give up because once they have failed they do not want to try again; but from the point of view of the centre, they have not been failed, because the door has been opened for them to have a second try. So, there are the people who do not want to try a second time – which are a minority, I think – and the bulk would be either because they found employment, because they discontinued sometime  
1190 during the course when they found out it was not really what they wanted ... There are people, for example, who abandon one course because they find that they are more interested in another trade and they start, as a new one, in another one, halfway through the first one. He knows that, because he was here before dealing with the situation. And there are some who, right at the beginning, put their name down and then, if they find a job or they change their  
1195 mind, they just do not turn up on the first day. So, initially, they are included in the number that have registered with the awarding bodies as students, but they do not actually turn up. There are some in that category.

**Hon. E J Reyes:** Mr Speaker, I am grateful for that. In a friendly manner, can I suggest  
1200 something to the Minister? When he is going to try and get some information broken down by levels 1, 2 and 3, and so on, there is an area which is like being in purgatory or never-never land. The actual trainee has completed the training part delivered by the instructor, the phase of the portfolio which the instructors have to check, and the portfolio is handed in. Unfortunately, the certificate cannot be handed over to the individual until the external verifier comes to verify it.  
1205 That person is in the never-never. If he is going to provide some statistics, perhaps he could ask

the Training Centre manager to put in that category, because what could easily happen is the Minister in all honesty is going to say 20 have completed, and then, a week later, I say, 'Only 20 have completed?' and the Minister, in a speech, may say, 'because 25 were successful', and it could cross my mind that the Minister is not updated.

1210 So can we bear that in mind when he provides the information? I think I may have seen him across at the Airport – I think there was an external verifier here quite recently, so that information could actually be quite up to date if he does it over the next few days.

1215 **Hon. J J Bossano:** I am not able to tell him whether the figures that I have given him on completion are based on completion in the sense that the certificate had been awarded. I know that there are people who have finished and have not got the certificate – that I do know; but I do not know whether they have already been included in those numbers, or not.

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

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**Mr Speaker:** The Hon. the Leader of the Opposition.

1225 **Hon. D A Feetham:** Yes Mr Speaker, I have come across four situations, and I am going to ask the Minister (1) whether he agrees with me that it is not acceptable, and (2) what the Government can do about this. I have come across four situations, all within the Laguna Estate project, where there have been youngsters who have been training in the various wet trades. They are within months, most of them within three or four months, of level 2 and they have been dismissed from their job, from the company that is employing them and is training them – and is training them also at the expense of the Government, because it is the Government that is actually paying for the training – and they are being dismissed simply because there is not the demand for the labour at this particular time. I think there has been a lull in the labour demand in that particular estate over the last year, and all these happened within the last year.

1230 Does he not agree with me that it is simply a complete waste and therefore not acceptable that that kind of situation is happening? And what will the Government do about it in order to ensure that those individuals whose training has been cut short just a few months from level 2 are allowed to complete their qualifications so that then they have some qualifications that they can use to defend themselves in the future?

1240 **Hon. J J Bossano:** Well, I am not going to agree with him that it is completely unacceptable until I investigate it and find out that it is correct.

**Hon. D A Feetham:** It is correct, Mr Speaker.

1245 **Hon. J J Bossano:** Well, he may believe it is correct, but since I am not aware of it I will investigate it.

1250 I can tell him that, in fact, it is not accurate in the sense that the trainees doing their level 2 are paid by the Government. The Government pays for the day release. People normally go two days to the Training Centre and the employer gets reimbursed the wages, but while they are working they are being productive and the employer pays. (*Interjection*) No, the Government believes in investing in training – otherwise, I would not have the budget that I have – but the point is that I am just putting the record straight that it is not that we pay the whole of their wages when they are doing their level 2. That is to say they have got an employment contract because if they had an employment contract with us, their contract would not have been terminated – it is quite obvious. So, if he says their contract has been terminated it has been terminated by somebody else, and therefore that other person gets reimbursed by us for the period when the trainee is away from the work site and in the Training Centre.

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I will investigate how many people in that category have actually had their training cut short on the basis of the information he has provided and I will deal with it.

1260 **Hon. D A Feetham:** Mr Speaker, it is four who have come to me, and they have come to me within the last three months. We have referred to it, I think, in some communiques, but they have come to me within the last three months. It is four – there must be more.

I have to say that, at the end of the day, even when we were in Government and in Opposition, I have always argued that there is not the amount of jobs available out there to just simply employ Gibraltarians. There is always a spare capacity which needs to be filled up by  
1265 foreign workers, in particular Spaniards or Portuguese, a lot of them who work on construction sites. But there is a legitimate grievance by these Gibraltarian youngsters who are faced with a situation that they may be dismissed. I was very careful to ask them the reasons and to see the terms of the termination notice. It was not because they had behaved badly or anything like  
1270 that; they had just been terminated. They are terminated within a few months of their level 2 qualification, but there are still Portuguese and Spanish workers who continue to work at Laguna who are not dismissed.

As somebody whose politics has always been from the centre left, I do not want to see any worker of any kind being dismissed from their employment, but the reality of the situation is  
1275 that it does appear to me to be extremely unfair and it does appear to me to also be extremely wasteful to have a situation where the Government is paying for people's training and they are dismissed from these companies within a couple of months or three months from their level 2 qualification.

1280 **Hon. J J Bossano:** Well, as somebody from the left left, not the centre left, *(Laughter)* I will investigate and put it right.

**Hon. D A Feetham:** Mr Speaker, I am prepared to give him the names of the individuals as well, because they have absolutely nothing to hide.

1285 Another supplementary if I may, Mr Speaker: how many people are there being trained at the moment at the Training and Construction Centre?

**Hon. J J Bossano:** I have not got the figure with me, but if by that he means full time at the centre it is only the people who are in level 1 – and I have not got the figure on that – because  
1290 the bulk of the people in the Training Centre are the people who have finished level one and are the ones he is talking about who do level 2 partly in the workplace and partly by going back to the Training Centre.

**Hon. D A Feetham:** Mr Speaker, the information that we have ... and I did send somebody to  
1295 the Training and Construction Centre to ascertain the position for ourselves, but of course somebody going there one day, two days or three days may not have an accurate picture. But it did seem as if there was nobody there during the days we sent individuals to check. So could the hon. Gentleman provide me with this information and perhaps, if his officials are listening to this exchange, provide me with the information of how many people are currently being trained in  
1300 the Training and Construction Centre, because the information that we had was that it was certainly level 1, zero. I do not know whether that is the position or is not the position. Let me put it this way: the activity seemed extremely low at the Training and Construction Centre on the days I sent individuals to check it.

1305 **Hon. J J Bossano:** Well, there may not be anybody at level 1 now. The hon. Member should remember we put in 140 level 1 and they have to do the level 2. The people who are doing the level 2 are the same people who did level 1. The level 1 lasts for three months and then we put in three intakes of eight – we put in 24 in one go. Those are the people who then went into the

1310 industry, but of course they were then coming back two days a week. So, you can have either 28 people five days a week or you can have three times as many people two days a week.

1315 **Hon. D A Feetham:** But will he undertake, so that I do not have to ask the question, that his officials ...? In the past, he has also undertaken, but he has not provided me with the information in the past. I hope that this time the information is forthcoming and I do not have to ask the question again.

**Hon. J J Bossano:** Maybe, Mr Speaker, my memory is finally failing me at the age of 77!

1320 **Hon. D A Feetham:** Yes, Mr Speaker, that is why I asked that the officials listening to the conversation, for them to provide me with the information. I was just joking. No doubt the hon. Gentleman's memory is as good as it was 30 years ago and nothing happens in his Department without the hon. Gentleman's say so. So I hope that his undertaking (*Interjection by the Hon. J J Bossano*) to this House is real and the information will be provided to me.

1325 **Hon. E J Reyes:** Mr Speaker, may I, because I posed the question on behalf of my colleague. My reading of this is that Mr Phillips has requested information in respect of the Training Centre. The hon. Member knows if I had asked the question I would have been more specific: I would have put down Construction Training Centre or Engineering Trade Training Centre. Since the Minister has agreed to take on board to find something, can he do a similar exercise for the  
1330 engineering trades? It is to save us both time and hassle. The Minister says he is going to ask for information – he may as well as it for that, because there are different awarding bodies and different trades. I am just giving him advanced notice, as well as expressing my gratitude that he will fish out that information for us.

1335 **Hon. J J Bossano:** Yes, Mr Speaker, I will look at the other centre as well.

**Q529/2016**  
**South and North District Post Offices –**  
**Date for reopening**

**Clerk:** Question 529, the Hon. R M Clinton.

1340 **Hon. R M Clinton:** Mr Speaker, can the Government advise when the South and North District Post Offices are due to reopen?

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

1345 **Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):** No, Mr Speaker.

1350 **Hon. R M Clinton:** Mr Speaker, the hon. Member may or may not be aware that the local Pension Association has written, I am not sure whether it was to himself or to somebody else in Government, enquiring as to when these services will be provided in the South and North District Post Offices, and I think it would be only fair to give these pensioners a clearcut answer whether there is an intention to reopen them or not.

**Hon. J J Bossano:** Mr Speaker, at the moment, these two post offices were closed down because there was a concern brought to my notice about the conditions under which they were operating from a health and safety point of view. I sent somebody to see it and they told me it was true, that it was like that.

There was, at the time, a proposal to open sub-offices of the Gibraltar Savings Bank, one in each, which would have required an investment of something of the order of £150,000 in each sub-post office to bring it to the level that was considered necessary from a security point of view. When I investigated the amount of money that was actually handled in the sub-post offices it was quite obvious that it did not justify an investment of that order, and when I further investigated the number of postage stamps that were sold it further indicated that the use to which those offices were being put and the manpower utilisation – he will be glad to know, given his concern that I eliminate waste – did not justify that. In fact, what we were then left with was the fact that some people collected their pension once a month. Well, look, anybody who has got a problem in collecting their pension once a month from where it is available now can contact me without any problem – because nobody has addressed anything to me – and arrangements will be made to get the pension to them in their home if it is needed because they are not able to go and collect it or authorise somebody else to collect it. In fact, when I looked at the figures, over 50% of the people who are collecting their pensions were Moroccan pensioners in the hostels, where once a month somebody can go to the hostel and give them the pension like they would get a pay packet. The idea is that we do not want to inconvenience anybody who, for any particular reason is housebound and cannot collect it, but the way to do it is not to have an office open one day a month or two days a month and have it closed the rest of the time.

When we find a use for those offices, either by making use of them for something for the Government or by making them available for somebody to use either by renting or buying, then that is how it will be done. I doubt that the pension collection function will still be there in those circumstances.

There are people who, notwithstanding that they may go from one end of Gibraltar to play bingo, feel that the pension has to be delivered within a hundred yards of their home. Well, look, the people who cannot go to collect it will have it delivered, if they write to either the pensions office or to my office and say, 'I have a problem', and we will solve the problem.

**Hon. R M Clinton:** Mr Speaker, I thank the hon. Gentleman for his answer and analysis of the effect of the economics of these post offices. Something the Government may wish to consider is to issue a statement saying, based on the economics, that these post offices are not going to reopen, and then just put the matter to rest. It is just a suggestion.

**Hon. J J Bossano:** Ninety-nine per cent of the people who were being provided with a place where they could walk and get it were encouraged initially to either go to Main Street, if they still wanted it in cash, or to have it in a Savings Bank account, where they could go to Main Street and collect it from the Savings Bank account, or to have it to a bank of their choice. So we were left, out of the 6,000 pensioners, with a handful. That handful I am happy to deal with directly and solve the problem that they have.

**Hon. R M Clinton:** Mr Speaker, again, I thank the hon. Gentleman. I do not dispute what he says and how he can help those pensioners who perhaps feel that they need easier access to their monthly pensions. All I am suggesting is that perhaps the Government should finally issue a statement that these offices are not going to reopen and perhaps the signs should be just taken down and the offices then let out, as the Minister suggests, as and when an opportunity arises, but perhaps the wider community should know that there is no intention to reopen these post offices.

1405 So, Mr Speaker, the question is simply: will the Government issue a statement to the effect that these post offices will not reopen?

**Hon. J J Bossano:** I will bear in mind the hon. Member's suggestions and then take a decision.

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**Q530/2016**  
**Sinking Fund –**  
**£10 million contribution**

**Clerk:** Question 530, the Hon. R M Clinton.

1415 **Hon. R M Clinton:** Mr Speaker, can the Government please explain the basis for the £10 million contribution in 2016-17 to the Sinking Fund?

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

1420 **Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):** Yes, Mr Speaker. The basis for the £10 million to the Sinking Fund in the current financial year is that this is the amount that the Government has decided should be contributed to the Sinking Fund in the current financial year.

1425 **Hon. R M Clinton:** Mr Speaker, I thank the hon. Gentleman for that answer, which is obviously entirely accurate but entirely useless to me.

I wonder perhaps if he could try and explain to me what the rationale for coming up with the number of £10 million is. Is it based on a proportion of outstanding Government debt? Is it based on a projected repayment to Government debt? I note, looking at the estimates, that in fact there is no provision for repayment of debt, or in fact increased borrowing, and yet I do not see the aggregate public debt going down by more than £10 million. So I am just curious as to how the number of £10 million was arrived at. There must be a specific formula.

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**Hon. J J Bossano:** Mr Speaker, I know he was not here when the greatest living Gibraltarian used to answer questions from this side. (**Hon. D A Feetham:** Living Gibraltarian.) Living Gibraltarian. There were greater ones who are now ... beginning with Elliott and Nelson and all those others. (*Laughter*) But as he used to remind the House, estimates are estimates. In fact, I think he was the one who started this business of saying A is A and B is B and Brexit is Brexit and exit is exit. He was the first one to do it; he initiated the concept. He used to say 'estimates are estimates', and therefore, in the context of the estimated revenue, which may or may not transpire, and the estimated expenditure, which may not transpire or may be exceeded or may be less, the figure that we thought we could reasonably expect to be able to contribute to the Sinking Fund was the £10 million. It is not determined by the size of the debt or the programme of repayment; it is determined by how much of the £600 million of expenditure in this year's book we could afford to allocate for this particular purpose, which is no different, really, from the rest of the book, all of which are estimates or what the Government thinks it is able to spend on a particular thing in the 12 months from April to March. That is how the figure is arrived at.

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**Hon. R M Clinton:** Mr Speaker, perhaps the hon. Gentleman could enlighten me, in again, obviously, an estimate: on aggregate public debt, which now includes the Sinking Fund, forecast between £16 million and £17 million, there is only a movement of £4 million, and yet there is no

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repayment of debt, and yet the Sinking Fund goes up by £10 million. Somewhere along the line I seem to have lost £6 million. Perhaps he can explain that for me.

1455 **Hon. J J Bossano:** Mr Speaker, the £10 million is the movement he can anticipate between  
1st April 2016 and 31st March 2017 – it may go in on 29th March 2017 and it will still be  
£10 million in the financial year. The £10 million is what we expect to be able to afford to put  
into the general Sinking Fund before the financial year closes. It is likely that that kind of  
expenditure will be decided closer to the end of the financial year, because once you put it in  
1460 you cannot take it out other than to repay debt. One of the things about the Sinking Fund is that  
it is not available to use for anything else, so expenditure of the nature like that is like the  
expenditure, for example, of giving money to community care. It is something that is decided  
towards the end of the year because it depends on the performance of the other two variables:  
the rest of the revenue and the rest of the expenditure.

1465 **Hon. R M Clinton:** Mr Speaker, I thank the hon. Gentleman again, but if we can establish  
some basic facts, the forecast aggregate public debt at the end of March 2016 was £446 million  
– and I assume that number will be correct. The £10 million relates to the forthcoming financial  
year 2016-17. So, if we start with the opening point of £446 million aggregate debt, which may  
1470 of course include whatever the existing balance on the fund is at the moment – which I think is  
probably a million and a bit, if I recall – the position at the end 2017, 31st March 2017, aggregate  
public debt again, is £442 million. Now, as we understand aggregate public debt to be the gross  
debt less the Sinking Fund, on the movement of the aggregate debt it would appear that there is  
a movement there of £4 million, which can only be from the Sinking Fund because there is no  
1475 provision in the estimates for repayment of Public Debt. So the remaining £6 million that is a  
contribution to the Sinking Fund then obviously is not going to repay public debt but going to  
another purpose.

**Hon. J J Bossano:** Mr Speaker, the hon. Member has taken a figure of an estimate that is  
1480 made at the beginning of the financial year with a projection of what the state of play will be as  
a snapshot at the end of the year. The fact is that I could put £10 million tomorrow into the  
Sinking Fund, I could repay debt next month and I could borrow more money the following  
month, and the £10 million would still have gone in, still have come out, and those figures might  
be as he has quoted them or higher, because he is talking about a figure that is put in on  
1485 1st April 2016 and relating it to what will be the situation on 31st March in 2017. It does not  
mean that the £10 million has to be, as I have told him, at the end of next year. It does not mean  
that it has to be like that, and therefore, if it is like that, then the estimate that we have put  
there will, in fact, be a lower estimate than is there now. But there is nothing to stop the  
£10 million being moved from the Consolidated Fund reserves tomorrow and being put into the  
1490 Sinking Fund, and if that happens automatically the aggregate debt will go down by definition.  
Right! There is nothing to stop part of the money then being used to repay the aggregate debt,  
which would then not have any effect on its size because it has already been accounted for, and  
there is nothing to stop more money being put in the next day and the aggregate debt is back  
and the net debt is back.

1495 So, you see, the kind of arithmetic that he is doing would only be valid if it was all on the  
same day, but in fact there is a separation of 12 months between the date when the figure of  
£10 million is put in and the projection of what is going to be the state of play 12 months later,  
and in that projection of 12 months later the £10 million is not the only variable.

1500 **Hon. R M Clinton:** Mr Speaker, I thank the hon. Gentleman, as ever. It would obviously help  
me enormously if he would undertake at some point in the future to give me the movements on  
the Sinking Fund, which I have found elusive to date.

**Hon. J J Bossano:** I will bear in mind that he needs help.

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**Q531-533/2016**

**Figures at 1st June 2016 –**

**Public debt; liquid reserves; investments and holdings**

**Clerk:** Question 531, the Hon. R M Clinton.

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**Hon. R M Clinton:** Mr Speaker, can the Government please provide the total gross debt, aggregate debt after application of the Sinking Fund to gross debt, cash reserves and net debt figures for public debt for the following date, being 1st June 2016?

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

**Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):** Mr Speaker, I will answer this question with Questions 532 and 533.

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**Clerk:** Question 532, the Hon. R M Clinton.

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**Hon. R M Clinton:** Mr Speaker, can the Government please advise a total liquid reserves figure and its constituents, namely Consolidated Fund, Improvement and Development Fund, Government-owned companies, deposits, contingencies and other funds for the following date, being 1st June 2016?

**Clerk:** Question 533, the Hon. R M Clinton.

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**Hon. R M Clinton:** Mr Speaker, can the Government please advise how total liquid reserves are invested/held, giving details of all Savings Bank accounts and cash held for the following date, being 1st June 2016?

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

**Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):** No, Mr Speaker.

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**Hon. R M Clinton:** Mr Speaker, in the past the hon. Gentleman has had no problem in providing me with the debt figures. I fail to understand why in this instance he is not willing to provide them. Perhaps he would be willing to explain.

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**Hon. J J Bossano:** Yes, Mr Speaker, the Government has decided that this information will be provided at the close of the financial year when the accounts are audited, and not on an ongoing estimated basis.

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**Hon. R M Clinton:** Mr Speaker, if the hon. Gentleman remembers, in I think it was perhaps one of the last sessions, I asked whether he was going to give updates to the House, or would be willing to give updates to the House at least on a six-monthly basis as to our financial position, and he said he might be so amenable. Does that also now still apply in respect of debt position?



I must say I am somewhat surprised that the Government is no longer willing to disclose on a regular basis what its debt, liquid asset and cash position is.

1555 **Hon. J J Bossano:** Mr Speaker, as regards the supplying of information that I told him was the one that I used to get, that will still be supplied; but the hon. Member will remember that I told him that that was normally provided in January because, in fact, it takes a long time before we know what ... and even then it was with a lot of caveats about the accuracy of the information given, the time lapse in the system that is still there, and hopefully will one day be changed. The reality of it is that the estimating of the state of play at any given time is a level of accuracy that  
1560 cannot be guaranteed in any scientific kind of way. For example, there are situations where we are getting invoices that are coming in which are two years old, which have been somewhere in the system. So I will give him, hopefully by January, which will be the time that I get it, which is the time I used to get it on the other side, and I thought when I was there that the Government were getting quicker than me, but in fact now I know that is not the case. I used to get it as soon  
1565 as it was done, and that will be an estimate of the revenue we have had in the first half of the year and the expenditure that we have had in the first half of the year, which is what I used to get.

**Hon. R M Clinton:** Mr Speaker, I thank the hon. Gentleman for confirming that information in  
1570 terms of revenue and expenditure will be made available in January.

However, coming back to the issue of the Government's debt position and cash position, can he confirm my understanding from what he has said this afternoon, which is that the Government is now unwilling to provide the Opposition with any information whatsoever in respect of its gross debt, its aggregate debt, its net debt, or any cash position in between the  
1575 dates of the estimates and effectively of Budget sessions?

**Hon. J J Bossano:** The Government has decided not to provide in-between estimates, which may or may not be accurate, and to provide the information when it is confident of the accuracy, which will be when it is finished and audited.  
1580

**Hon. R M Clinton:** Mr Speaker, I just heard him say 'when it is finished and audited'. As he knows, the estimate books are not audited; the actual audited Principal Auditor's Report does not come out until several years after the year that is being audited. So, obviously, I presume he means he will give us the information at the estimate time in the Budget session, but not before  
1585 then. I fail to understand how suddenly the Government has decided that the information that has been given to us quite freely previously is now so hopelessly inaccurate that he will not give it to the Opposition from this date on. What has changed in the period?

**Hon. J J Bossano:** Well, Mr Speaker, the Government has taken a policy decision on this  
1590 matter, this is the policy decision, and I have informed the hon. Member of the policy decision that has been taken. I do not think I have got to give explanations to the hon. Member of what or why: that is the decision we have taken and that is the information that will be provided.

**Hon. R M Clinton:** Again, Mr Speaker, I am grateful to the hon. Member. Perhaps he will be  
1595 kind enough to advise when that decision was taken.

**Hon. J J Bossano:** Between the time that I last answered and this answer.

**Hon. D A Feetham:** Mr Speaker, I think that is an *absolutely appalling, appalling* answer that  
1600 the hon. Gentleman has provided to what are questions that have been asked every single month for the last four years, and the hon. Gentleman has provided me with the answer,

because these are standard questions that I have been asking, and then when the hon. Gentleman took over he has been asking, about gross debt, cash reserves and net debt.

1605 Isn't it the reality that the hon. Gentleman just simply does not want to provide the information? Of course net debt shoots up during the course of the year, and then the hon. Gentleman opposite somehow managed to bring it down for the purpose of the Budget, and then, shortly after the Budget – as I mentioned in my own speech, and the hon. Gentleman also in his speech – then it shoots up.

1610 The reality is that the community at large would never be getting an accurate picture of where we are, with net debt in particular – because we know what gross debt is – net debt in particular, and cash reserves, and the hon. Gentleman just simply does not want to provide that information and wants to continue operating behind that curtain of non-transparency that the hon. Gentleman feels most comfortable, it has to be said, operating when it comes to these matters.

1615

**Hon. J J Bossano:** I do not agree with anything the hon. Member has said, Mr Speaker.

1620 **Hon. D A Feetham:** Mr Speaker, why does he now think that the information that he is providing and has provided every single month for the last ... it is not even four years, it is five years, was accurate and was perfectly proper for the hon. Gentleman to provide – in other words, what the net debt for the community every month was – to this House, and now all of a sudden he says, 'Well, I am concerned it is going to be inaccurate, and therefore I am not going to be providing it.' What made it accurate then and inaccurate now, Mr Speaker?

1625 **Hon. J J Bossano:** Mr Speaker, I do not know why he asks that question. I have not said it was accurate then and is inaccurate now.

**Hon. R M Clinton:** Mr Speaker, today is a sad day for us in Parliament, *(Laughter)* a very sad day, because I fear this is –

1630

**Mr Speaker:** Let me make my position clear, as Speaker. *(Interjections)* There have been a series of very important questions, three down on the Order Paper, very important supplementaries have been put by the two Members of the Opposition – no problem for me. But I have a problem at the moment that hon. Members think that we are going to have, this afternoon, a debate on this issue, because that I am not going to allow.

1635

The Hon. Mr Clinton.

1640 **Hon. R M Clinton:** Thank you, Mr Speaker, and I will perhaps reserve my comments for the forthcoming motions, which will no doubt be informative to all. I guess, Mr Speaker, following your own rulings I really should sit down, otherwise I will be making a speech which I know you would not like.

**Hon. J J Bossano:** Can I just say I am sad, Mr Speaker, that I make him sad, because I am very fond of the hon. Member.

1645

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

**Hon. R M Clinton:** I can only echo that sentiment.

## Questions for Written Answer

1650 **Clerk:** We now proceed to 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 W36/2016 to W55/2016 inclusive.

1655

## Order of the Day

### ADJOURNMENT

**Clerk:** Order of the Day, Government Motions. The Hon. the Chief Minister.

1660 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that the House do now adjourn to Friday, 7th October at 10 a.m.

**Mr Speaker:** The House will now adjourn to Friday, 7th October at 10 a.m., when we will be dealing with the Chief Minister's motion. That will be the main subject on the Agenda and we will start off with that motion.

1665

*The House adjourned at 5.26 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**MORNING SESSION: 10.06 a.m. – 1.24 p.m.**

**Gibraltar, Friday, 7th October 2016**

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## The Gibraltar Parliament

*The Parliament met at 10.06 a.m.*

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

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

### **Personal statement by the Hon. T N Hammond**

**Mr Speaker:** The Hon. Trevor Hammond has asked leave to make a personal statement.

**Hon. T N Hammond:** Thank you, Mr Speaker, for giving me leave to make this statement.

5 My family suffered a terrible shock earlier this week when we received the news that my youngest son, Simon, had suffered an accident. He had fallen from the line wall adjacent to the Catholic Community Centre right down to Reclamation Road, a fall of some considerable height. But for the intervention of a tree, and in all probability a guardian angel, the results of such a fall would have been grave. Indeed, most of the medical professionals he has subsequently  
10 encountered have been astonished how little damage he has sustained, for his injuries are no more than superficial, and for that we are all immensely grateful.

But of course our gratitude extends beyond our relief at his luck, and I come to my reason for having requested permission to make this statement, for, once again, those who work in our emergency services have shown a fantastic degree of professionalism but also of empathy that  
15 goes beyond the call of duty, for which I know all in this House are proud.

My hon. Friend the Leader of the Opposition stood to make a statement earlier this year praising the Fire Service after his dog had suffered a fall – I certainly hope this trend of falling from objects discontinues immediately. I, however, would like to cite our other emergency services: the Royal Gibraltar Police for their swift investigation of the incident, and those who  
20 work in the GHA for the tremendous support that they have provided. In particular, I must mention a few in person who have played a significant role over the last couple of days, though there are many more who have been involved in Simon's care, all vital cogs in the GHA who have ensured he has received the best possible care: the ambulance technicians, Alan Carrara and JJ, who stabilised Simon's condition and made sure he arrived safely at St Bernard's; the  
25 anaesthetist, Richard Roberts, who kept us informed of Simon's condition while in Accident and Emergency; the nurses, Antonio Muñoz and Araceli Moreno, for the constant and attentive care they gave Simon while he was in the Critical Care Unit; and to the surgeons, Peter Kovacs and Thomas Boerger, who kept us advised of Simon's progress and condition throughout, and still do. I could mention many more, but that would require some considerable time. It is remarkable  
30 how many people it takes to properly treat one person. I salute the staff of the Ambulance Service, Accident and Emergency, the Critical Care Unit, Radiology and Rainbow Ward for their hard work and dedication. Our community is in good hands.

Thank you, Mr Speaker. (*Banging on desks*)

35 **Chief Minister (Hon. F R Picardo):** Mr Speaker, can I just associate myself with the words of the hon. Gentleman.

It came as a shock to me last night when you told me that the hon. Gentleman was going to make a statement on the reports that we had all read in the local media of the young man who had had this accident was the hon. Gentleman's son.

40 Mr Speaker, the people the hon. Gentleman has highlighted for mention in this House, and all the others who he has not been able to mention because, as he says, they are too many to single out, are providing the service that he refers to every single day to many other members of our community, and we must thank them for that, not just in the case of the hon. Gentleman's family, where he has rightly got up to thank them for that purpose, but for the service that they  
45 give to all of the community every day.

That is why, Mr Speaker, I do not hesitate to stand by the position of this Government of investing in the public sector, of investing in our public services, and, in particular, investing in the Gibraltar Health Authority and in the Royal Gibraltar Police, and if I may say so, Mr Speaker, the Hon. Minister, who was recently also afflicted by an ailment and was able to experience the  
50 fantastic service over which he presides as a Minister when he was dealt with, just like everybody else but very well indeed. *(Banging on desks)*

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** May I just say, on behalf of the many professionals who have been mentioned, the gratitude to the  
55 words that have been expressed both by the hon. Member opposite and by the Hon. the Chief Minister. I am glad to say I have seen the young man on two occasions already and he is recovering well.

I was, sadly, also within the premises of ITU just about a week ago. Fortunately, it was nothing serious. I got excellent treatment too and people were pulling my leg saying that I had  
60 got that treatment because I was the Minister. Clearly, I knew that was not the case and clearly this has confirmed that.

So congratulations to all the professionals, not just in the GHA but also in the Royal Gibraltar Police and other emergency services. We must never take them for granted and I know that this House never does. *(Banging on desks)*

## Order of the Day

### GOVERNMENT MOTIONS

65 **Clerk:** We now proceed to Government motions. The Hon. the Chief Minister.

#### **Commission on Democratic and Parliamentary Reform – View on Public Accounts Committee**

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move the motion standing in my name, which reads as follows:

*This House recalls that the Commission on Democratic and Parliamentary Reform reported to Parliament in January 2013, notes that the members of the commission were the Hon. A J Canepa GMH OBE MP, the Chairman; Mr C Gomez; the Hon. G Mascarenhas; Mr R Vasquez QC; and the Hon. F Vinet.*

*It further notes that the unanimously expressed view of the Commission that there is no need to establish a General Purpose Standing Committee or a Public Accounts Committee, given that Opposition Members have every opportunity to examine Government expenditure in detail, as well as debating the report from the Principal Auditor on the Government accounts for every financial year, and hereby endorses the view expressed by the Commission on Democratic and Parliamentary Reform.*

Mr Speaker, the proceedings of the Commission on Democratic and Political Reform led to a wide and deep public consultation. This was a process that was begun shortly after the magnificent New Dawn of 9th December 2011 saw the return to Government of the GSLP, now in coalition with the Liberal Party, for the first time since 1996, and we established the Commission on Democratic and Political Reform with, if I may say so, the expert chairmanship of yourself, given your 20 years' experience in Parliament before you returned as Speaker, and with the other individuals that I have mentioned. I would like to say a little more about them.

Mr Charles Gomez and Mr Robert Vasquez are both established lawyers in the jurisdiction. Mr George Mascarenhas, I believe, was in Parliament just shy of the 20 years that you were in Parliament for, I think, from 1976 to 1992, first with the Gibraltar Democratic Movement, then with the AACR.

Mr Fabian Vinet was a Minister in the GSD Government between 2003 and 2011 and much mystery still surrounds failure of his selection in 2011 for standing as a candidate with the GSD in that ill-fated election for them.

So, Mr Speaker, that Commission was hardly a Commission made up of people who did not understand parliamentary procedure. As it turns out, one of the members of that Commission, Mr Vasquez, subsequently decided that he would stop being an independent commentator and would join a political party, the GSD, and he subsequently stood for election at the last election in 2015, and he was not elected. I understand he remains a member of the Executive Committee of the party primarily represented opposite. I can no longer say 'the party opposite', because the hon. Lady of course is on the rocket chair at the end of the row on the right, but the party primarily represented opposite and currently, and I hope for many years, led by the Hon. the Leader of the Opposition.

Mr Speaker, so we have a Commission on Democratic and Political Reform which has set out in detail what the proposals for the reform of our democracy has been, which was set up after the General Election of 2011 and which carries out a detailed consultation exercise with the general public. Apart from just publishing a report in January 2013, you have also published the work in progress that you had and on which you consulted, and you received communications from the public in respect of the issues upon which you were consulting.

You subsequently published, in January 2013, the report to which I have referred, which set out in great detail what your analysis and recommendations were. There were four parts to it. There was a minority report, which dealt with issues relating to backbenchers but did not deal at all with the issue of Public Accounts Committee, which is the subject of this debate. That minority report was by Mr Vasquez QC, who is the person who I refer to now as being a member of the party primarily represented opposite, but it did not deal with the issue of a Public Accounts Committee.

So, Mr Speaker, that is the position which is received in this Parliament and there is then wide agreement in the Parliament that there are parts of the report on which we accept recommendations. We set up a Select Committee. In fact, by the time the Select Committee had reported, a lot of the things which were at the same time as being issues dealt with by the Select Committee were our policy and the policies on which we fought the election, were implemented, and, I am pleased to say, in large measure by agreement. So we are televising the proceedings of this Parliament, which is one of the recommendations of the report, because we all agreed that it should be televised. We are holding monthly meetings of the Parliament, because it was our policy that that should be the case, although I seem to recall that the

commission felt that, in fact, monthly might be a little too often. And I set up, Mr Speaker, a Select Committee in order to consider further parts of that report.

115 Now, it is important that we consider again why it was that the Select Committee was set up. Historically, we must put this in context. The position of the Government was that there were a lot of recommendations set out in your Commission which we would immediately accept and that we should proceed with, and that that should be it, and we were ready to act immediately. But we were persuaded, Mr Speaker, *from the Opposition benches*, not to proceed to implement  
120 all the reforms which were accepted, but that we should proceed to set up a Select Committee. This was not done on the recommendation of an average Joe – and I do not mean to disrespect Members opposite by suggesting that any of them might be an average Joe; in fact, there are some Joes who are far from average! (*Laughter and banking on desks*) This recommendation from the Opposition benches came from the man who the current – and, I hope, for many years  
125 – Leader of the Opposition, Mr Feetham, has described, if not as the greatest Gibraltarian of all time, certainly as the greatest Gibraltarian of *his* time. Well, opinion, of course, Mr Speaker, is divided as to how he was described, but in other words this was a proposal that came from the mouth of a man who the current Leader of the Opposition sees as a political God and who, when he was Chief Minister, used to pretend to speak from St Peter's chair as if he were a political  
130 God.

So, perhaps foolishly, Mr Speaker, the Government, in a moment of extreme parliamentary conviviality, decided to accept that recommendation and set up a Select Committee, and we did so, and as a result it has not been possible to implement many more of the other reforms. I hope we will be able to change that and I hope that the Select Committee which we have re-  
135 established for the lifetime of this Parliament will do as you have suggested, Mr Speaker, and deal quickly with the issues that are before it. And if we are not able to do so, the Government, not by lacking conviviality but by wishing to progress the democracy in which we live, may simply have to act and make recommendations. But let us just try to continue with the Select Committee.

140 We have not been able to meet, Mr Speaker, as much of the work of this Parliament has been delayed by consensus since the campaign in the Referendum began and unfortunately the wrong result was delivered. Of course, that has taken up a lot of the time of the Government, but there is another motion on that matter and I will come to that in a moment. But I, in any event, intend to propose reforms to the Select Committee, because I am reminded by the Hon.  
145 the Deputy Chief Minister, that we set up the Select Committee on Parliamentary Reform and we set up the Committee on Constitutional Reform in the heady days when the Opposition was united. But now that the Opposition is divided and the hon. Lady sits not with the whip of the GSD, it is our intention, of course, that she should be represented in respect of an important Commission or Select Committee which is going to deal with reform of our democracy and, of  
150 course, in respect of the committee that will deal with constitutional matters.

So, that is the state of play in respect of the report of the Commission on Democratic and Political Reform and the Select Committee that has been set up for the purposes of dealing with it.

155 So, Mr Speaker, given that it was from the Opposition benches that we were encouraged not to proceed with the reforms set out by the Commission as reforms that should proceed, but that we should in fact sit down and consider together what those issues were, given that there is a minority report which is prepared by an individual who is a member now of the Executive Committee of the party primarily represented opposite, and given that the report to Parliament on Democratic and Parliamentary Reform actually states that we should not establish a Public  
160 Accounts Committee – and I will come to that reasoning in a moment – imagine my surprise when I saw a motion coming not from the GSD Opposition, in my view, that had represented to us that we should sit down and in committee deal with these issues, the self-same GSD Opposition that is already represented in the Select Committee, because it is only Ms Nahon who is not currently represented in the Select Committee, seeking that the House should, by



165 resolution and motion, do the opposite of what the Commission has recommended. Mr Speaker,  
I thought that a huge disrespect to the procedure established by the House for considering the  
Commission's report. I was surprised that hon. Members who were the party who persuaded us  
to take into Committee the recommendations of the Commission were now purporting to do  
something different in an area which was contrary to the report of the Commission and not  
170 referred to in the minority report of their executive Member, and moved, Mr Speaker, by a  
Member of the Opposition benches who had been a Member for a few months and acting  
against the recommendations of a Commission chaired by you and including Mr Mascarenhas  
and Mr Vinet, who have a cumulative period in the Parliament just among you of approximately  
44 years. You have been there for 20 years, Mr Mascarenhas for six, and Mr Vinet for eight. It is  
175 as if all of your experience and all of your work counted for nothing, and all of the Government's  
conviviality in accepting that we should deal with these matters in Select Committee were as  
nothing to the Member who had spent less than six months here – because there is another  
motion on the Order Paper that will seek to go entirely contrary to the recommendation of the  
Commission.

180 And so, Mr Speaker, at that point I believe I should come to it. Recommendation 2.8 on  
Standing Committees sets out the following, and I am going to read it in full so that it is in the  
*Hansard*:

2.8 Standing Committees

We have considered whether there is a need for an increase in the number of parliamentary standing committees  
and whether one of these should be a general purpose committee. The standing orders only made provision for  
one standing committee, i.e. a Standing Rules Committee

– which, of course, was also established just after the election, Mr Speaker –

We have also considered whether a Public Accounts Committee should be reintroduced as it existed from 1980 to  
1984. That committee was composed of two Opposition Members, one of whom was a Chairman and two  
Government Members. There have been varied views from respondents, but in the main there has been support  
for a Public Accounts Committee and there have been suggestions that such a committee should be chaired by a  
Deputy Speaker and that backbenchers should form the backbone of the committee. We are of the view that the  
1980-84 Public Accounts Committee proved ineffective, impracticable and unworkable, particularly because  
Ministers were expected to scrutinise and question senior executives of their ministerial colleagues' Departments.  
If a Public Accounts Committee were to be set up, it would be essential for Government backbenchers to take the  
place of Ministers.

We have concluded that there is no need to establish a General Purpose Standing Committee nor a Public  
Accounts Committee, given that the Opposition Members have every opportunity to examine Government  
expenditure in detail, as well as debating the report from the Principal Auditor on the Government accounts for  
every financial year.

Two things, Mr Speaker, I think are important to highlight about that recommendation – or  
that lack of recommendation, because where you make a recommendation for action you  
185 actually box it in and make a specific recommendation. Here, you are saying there should be no  
Accounts Committee set up.

First of all, there was a Public Accounts Committee from 1980 to 1984. Both yourself and  
Mr Mascarenhas, who were members of the Commission, were in Parliament between 1980 and  
1984. So two out of the five members of the Commission were speaking authoritatively as  
190 people who had parliamentary experience, one of 20 years the other of 16 years, and had been  
Members of this House when there was a Public Accounts Committee.

And another thing, Mr Speaker: there is no member of the Commission who is a member of  
the executive committee of any of the political parties represented on this side of the House. So  
this is a totally independent Commission of whom two members have lengthy parliamentary  
195 experience and of whom those two very members were also in the Parliament when the Public  
Accounts Committee was established in the history of our Parliament.

So, Mr Speaker, I think that the Commission has done the work of demonstrating, through  
public consultation, through consideration and through a lengthy Commission report which will

200 continue to be the basis upon which the Select Committee considers its work, once it has been reconstituted with the hon. Lady having the option to be a part of it if she wishes ... and, therefore, to see a suggestion that we should act contrary to the advice of the Commission, so established, with all of the experience that the hon. Members who were part of it brought to it, seems to me a huge disrespect to the work done by that Commission, and the Government cannot be persuaded to do anything other than entirely endorse the work that you have done

205 and to accept the view set out by that independent commission that there is no need to establish a General Purpose Standing Committee nor a Public Accounts Committee, given that Opposition Members have every opportunity to examine Government expenditure in detail as well as debating the report from the Principal Auditor on the Government accounts for every financial year.

210 I remind Members opposite that, not this year but last year, in the debate on the estimates for the year 2015-16 they almost asked no questions in the Committee stage. There are plenty of opportunities to analyse every item of expenditure in Gibraltar. This is not about disclosing more or disclosing less; it is about hon. Members using the opportunities that they have and not pretending to come here to act contrary to the recommendations of an independent

215 Commission which has included members of the experience that I have referred to before. For that reason, Mr Speaker, I commend that the House support the motion. (*Banging on desks*)

**Mr Speaker:** I now propose the question in the terms of the motion moved by the Hon. Chief Minister. Does any Member wish to contribute to the debate?

220 The Hon. Roy Clinton.

**Hon. R M Clinton:** Mr Speaker, it is regrettable that the Government has seen fit to bring this counter motion in what the *New People* describes quite simply as an attempt to hijack my prior motion for the creation of a Public Accounts Committee.

225 What is even more regrettable is that the Government, rather than argue the merits or otherwise of having a Public Accounts Committee, has sought to copy its homework by referring to the report of the Commission on Democratic and Parliamentary Reform, of which, of course, you, Mr Speaker, were the distinguished Chair.

The Commission reported in January 2013 after being appointed on 2nd March 2012 with

230 wide terms of reference, and I quote:

requiring to report on all aspects of the parliamentary and electoral system in Gibraltar and to make recommendations therein to Parliament.

The final report was extensively debated in Parliament in June 2013, recommendation by recommendation. At the conclusion of that debate, the following resolutions were passed as follows:

This House welcomes the work done by the Independent Commission on Democratic and Parliamentary reform; further welcomes that the Commission was able to report to the House ahead of schedule; notes and welcomes that the Commission has made clear recommendations in proposing areas of reform for the workings of this Parliament and for democratic reform; and having today debated and considered the recommendations of the report, will refer the said report to a Select Committee on the implementation recommendations of the Independent Committee on Democratic and Parliamentary Reform (to be known as 'the Select Committee on Parliamentary Reform'), which is hereby established to include three members appointed by the Chief Minister and two appointed by the Leader of the Opposition to consider the implementation of appropriate recommendations of the report.

235 Mr Speaker, as you are aware, the Select Committee was reconstituted this year and has yet to meet, and has not, to my knowledge, issued any report in respect of the implementation of any appropriate recommendations. It is at this stage that I need to point out that the view that was quoted by the Chief Minister in his motion is merely that, a view. It was not issued as a

recommendation in a final report for consideration by Parliament. That view, it would appear, had already been arrived at by the Commission's members upon issuing the consultation document and thus before taking evidence on the utility of standing committees of Parliament.

In their final issued report the Commission stated as follows, and I quote:

There have been varied views from responders, but in the main there has been support for a Public Accounts Committee.

The Commission, they went on to say the exact opposite in the final report, namely:

We have concluded there is no need to establish a General Purpose Committee, nor a Public Accounts Committee, given that Opposition Members have every opportunity to examine Government expenditure in detail, as well as debating the report from the Principal Auditor on the Governments accounts for every financial year.

Alas, Mr Speaker, in my opinion, the Commission erred in its view. The Committee membership did not count on a single accountant and was dominated by no doubt well-meaning lawyers with, alas, no experience in such matters. A Public Accounts Committee, as a select committee of Parliament, serves a much wider role, in scrutinising the use of public funds and in calling in witnesses and preparing reports for Parliament, than merely engaging in political debate. **(A Member: Hear, hear.)** It is an essential tool most parliamentary democracies understand and have in their armoury of checks and balances on the executive and public servants. The Mother of all Parliaments in the United Kingdom has had a Public Accounts Committee since 1857, and no one has suggested it is redundant. On the contrary, its remit has grown with the increase and complexity of public finance and procurement.

Mr Speaker, I took the liberty of discussing the usefulness of the last Public Accounts Committee with its Chairman, Major Frank Dellipiani and he has kindly allowed me to express his view that it was indeed useful. In fact, Major Dellipiani told me that Sir Joshua Hassan himself was entirely supportive of the Public Accounts Committee because, to quote Sir Joshua, he had 'nothing to hide'.

I have also heard from a former senior civil servant who gave evidence to the Commission, who stated that it was important that Heads of Department felt they could be held accountable to Parliament if a Public Accounts Committee existed. This would perhaps, Mr Speaker, avoid the need for the Chief Minister to call in the Heads of Departments on 5th December and read them the riot act as regards expenditure in the final quarter.

Thus, Mr Speaker, the Chief Minister's motion is lazy, in that he is relying on an ill-considered view that has not even been the subject of a recommendation to Parliament, and indeed is contrary to public opinion, by the Commission's own admission.

In my own motion, which, I should add, preceded the Government's motion, I will argue the positive case for the creation of a Public Accounts Committee, based on reasoned argument, modern practices and the public good.

I would ask the Chief Minister to indicate that he will allow his Ministers a free vote on this motion, because I would like to think that Members of Parliament would want to improve its workings, rather than stifle transparency.

And so, Mr Speaker, I really have nothing further to say on the Chief Minister's motion, other than to ask this House to reject it as worded and allow me, in my motion, to set out the positive case for the creation of a Public Accounts Committee for the public good.

Finally, Mr Speaker, I hereby give notice that I will be calling for a division at the end of this debate, so each Member's position is clear. **(A Member: Hear, hear.)**

Thank you, Mr Speaker. *(Banging on desks)*

**Mr Speaker:** Does any other hon. Member wish to speak on the motion? The Hon. the Leader of the Opposition.

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

I am certainly not going to respond to the Hon. Gentleman the Chief Minister's barbed comments; I think they are something we should have left in the sixth-form playground many, many years ago, and it is something that is, in fact, turning people away from politics, and it is not something that we should be bringing to this House.

But I do think that the Hon. the Chief Minister's reasons for supporting his motion, behind his motion, are both confused and indeed confusing. What he is effectively saying is that the Commission on Democratic Reform, chaired by Mr Speaker, has a cumulative experience of 40 years, between various individuals, of parliamentary experience, and it would be, to quote him 'a huge disrespect' to the Commission, and in particular to those members, for the Hon. Mr Clinton's motion on the Public Accounts Committee to be endorsed by this House. It is, quite frankly, Mr Speaker, a ridiculous assertion to make. The Commission on Democratic Reform reported to Parliament for the specific purpose that Parliament consider its recommendations, and the Select Committee that was established was establish precisely to consider what recommendations that were made in their report would be adopted by Parliament and which ones would be rejected. Effectively, what he is really saying is that the work of the Select Committee over the last four years – and I will come back to the work in a moment – is a complete sham, because we might as well, all of us, endorse the recommendations of the report produced by the Democratic Commission on Parliamentary Reform. It is absolutely ridiculous, Mr Speaker. It drives a coach and horses through the entire purpose of the Select Committee.

The reality was that that report was debated in 2013. If one looks at the debate in 2013, anybody who cares to look at it will see that different views were expressed, certainly on this side of the House, to different recommendations made by the Committee in the report. Some were endorsed on this side of the House, some were rejected from this side of the House. And indeed, on this side of the House we have always been supportive of a Public Accounts Committee, Mr Speaker.

I do not criticise him for it, because everybody is entitled to change their view, but the hon. Gentleman has referred to Mr Vinet, who was a member of the Government, that I had the privilege and the pleasure to serve the people of Gibraltar between 2007 and 2011. Mr Vinet stood in this House on a motion on parliamentary reform in 2011, endorsing the virtues – in very passionate terms, it has to be said – of backbenchers and the creation of backbenchers, and Mr Vinet is one of the individuals in the Commission who has effectively gone against his previous view. I do not criticise him for it, because everybody is entitled to change their views, but what the hon. Gentleman cannot do is come to this House and give the impression for all the world to see that, effectively, the report by the Commission on Democratic Reform was a fait accompli and that somehow, because we do not agree with one or two or three of his recommendations, that we are showing disrespect to the Committee or that we are somehow doing a volte-face on our previous position – because nothing could be further from the truth.

Mr Speaker, indeed, the view that we express today on the Public Accounts Committee is the view that was expressed from this side of the House in 2013 and is the view that was expressed by some of us when we were in Government for the GSD in 2011 when we debated a motion on parliamentary reform that was moved by the then Chief Minister, Peter Caruana, as he then was. Mr Speaker, even if that were not so, even if we had not, in 2011 – or some of us had not – extolled the virtues of a Public Accounts Committee, even if we had not extolled the virtues of a Public Accounts Committee in 2013, what has happened between 2013 and to date is that the Hon. the Chief Minister and his Government have retreated behind a curtain of secrecy in the management of our public finances, because they are not answering questions on the public finances of Gibraltar. So when the Committee says that we can debate every single year the accounts and the estimates of this community and that therefore we do not need a Public Accounts Committee, well, of course, Mr Speaker reported in 2013 that Credit Finance...the £320 million that was paid from the Savings Bank into Credit Finance – that was in 2013, post the report from the Commission. The huge debt that this community has incurred and has been

saddled with by hon. Gentlemen opposite subsequent to 2013, which now stands at an eye-watering £1.1 billion ... £1.1 billion, when the hon. Gentleman used to say in 2011 that the GSD was addicted to debt, when it was less than half of that.

**Mr Speaker:** May I remind the Hon. the Leader of the Opposition of the contents of the motion and point out to him that, under the guise of this motion, I am not going to allow Parliament to debate public debt. So will you please stick to the motion. You can make a reference as an aside, which I take it that you have done. I take it that you have made a reference as an aside, and therefore I allow you to do that, but not to debate public debt.

**Hon. D A Feetham:** Mr Speaker is aware that this motion is on the Public Accounts Committee, which is a Committee that is set up in order to examine the public finances of this community. Therefore, to disassociate ... The point I am making, and with respect to Mr Speaker, is a point –

**Mr Speaker:** No, the –

**Hon. D A Feetham:** May I be allowed to finish?

**Mr Speaker:** No. Sit down a moment, and then I will allow you.

It does deal with the Public Accounts Committee, and the Public Accounts Committee in general terms would be able to look into the question of public debt, but not a specific situation which we have in Gibraltar at the moment – and that is the issue. In general terms, yes, but not in specific terms now. Carry on.

**Hon. D A Feetham:** Mr Speaker, I do not want this to turn into – which, unfortunately, on many other occasions it has turned into – an exchange between the Leader of the Opposition and the Speaker; not, I have to say, in my respectful view, of my own making. But, Mr Speaker, the reality is that the Committee that Mr Speaker chaired was a Committee that said, ‘We do not recommend a Public Accounts Committee, because one can thoroughly debate and examine in detail the estimates of accounts and expenditure for the Government of Gibraltar every single year. The point I am making, Mr Speaker, which is a point that I believe is well made and reasonable, is that that Committee reported prior to the setting up of Credit Finance Company Ltd. The position that the Government has taken on public debt ... and that is the point, that today, more than ever, Mr Speaker, because of the policies of the hon. Gentlemen opposite and the Government that the Hon. Gentleman the Chief Minister leads, it is more necessary than ever to have a Public Accounts Committee to scrutinise these issues, including the issue of, effectively, for example, what are the levels of cash reserves that the Government has, which would then allow us to calculate net debt. That is the point that I was making, Mr Speaker, and I believe it is a point that is well made.

To summarise, Mr Speaker, and conclude, the reasons that the hon. Gentleman has provided in support of his motion are confused and confusing. There is absolutely no nexus at all between our supporting a Public Accounts Committee and any view or disrespect that we may have for Mr Speaker’s Committee. In fact, that report was and has to be considered by the Select Committee. And, of course, Mr Speaker, I also remind the Hon. the Chief Minister – and I was about to turn to this particular point before Mr Speaker interrupted me – that he controls the timetable for the Select Committee. The Select Committee has met only twice since 2013 – or three times, I beg your pardon, because once I was not here, for personal reasons – so any implication or any suggestion that there has not been movement or a final decision on the recommendations from the Select Committee because of anything that the Opposition has done is totally and utterly rejected, because he controls the timetable and he controls by when the Select Committee can report to this House.

390 For all those reasons, Mr Speaker, we will be voting against the motion, although I have to say that upon the invitation of my hon. Friend, Mr Clinton, I will be allowing Members on this side of the House a free vote on this motion. (*Banging on desks*)

**Mr Speaker:** Does any other hon. Member wish to contribute to the debate? The Hon. Ms  
395 Marlene Hassan Nahon.

**Hon. Ms M D Hassan Nahon:** Mr Speaker, when the hon. Gentleman, Mr Roy Clinton, just quoted my late father, it made me think: what do we have to hide and why would we want to scrap the concept of any Public Accounts Committee or any committee which involves  
400 scrutinising public spending? How could it be detrimental to have such a committee at a time like now, when we should be welcoming any and every platform to scrutinise public spending and public accounts? What do we have to hide? (*Banging on desks*)

**Mr Speaker:** Any other contribution?  
405 I will, then, call upon the Chief Minister to reply.

**Hon. Chief Minister:** Thank you very much, Mr Speaker.  
I will start at the end: absolutely nothing, or exactly the same things that – the hon. Gentleman has brought the hon. Lady's father into the debate – exactly the same things that the  
410 AACR had to hide between 1972 and 1980, when there was not such a committee, and between 1984 and 1988, when there was not such a committee. Because, having had a committee only for one term out of the distinguished 40 years that the Hon. Sir Joshua Hassan was Leader of this House and its predecessors, it is clear to me that it was absolutely right that, although there might be absolutely nothing to hide, the Committee added very little. And that is why the two  
415 people, Mr Speaker, who were in the Commission, who served with Sir Joshua Hassan with distinction – yourself and Mr Mascarenhas – actually recommended that we should not have such a committee.

Let's understand what we are talking about in respect of such a committee. That is in effect to have a Budget session every month. In a Parliament where there are 10 Ministers, and two of  
420 them are going to have to be in the Parliament holding a Budget session and bringing members of the senior Civil Service into this Parliament to have a Budget session with them every month. The hon. Gentleman is a retired banker and accountant – he has got nothing else to do, other than to try and grind the community to a halt and its Government, asking for the price of PG Tips (*Laughter*) and digestives. Well, this Parliament does not work like the Westminster Parliament.  
425 There are not 650 of us here and there are not backbenchers here, Mr Speaker – and I will come to the issue of backbenchers and how it is relevant to this.

So there is absolutely nothing to hide. That is why we want to put much more information on line – and I will come to that now – including information relating to net debt, gross debt and spending; not to give it to the privileged few who, in this Parliament, think that they should be  
430 entitled to things so they can squirrel away and try and find the price of eggs, Mr Speaker, but to the whole community, so that the whole community can see in real time where the debt is, or as close to real time as that may be possible – and I will come to that in a moment, Mr Speaker.

The hon. Gentleman says it is regrettable – coming to my response to Mr Clinton – that I have hijacked his motion. Well, what the hon. Gentleman is never going to be able to get away with is  
435 the suggestion that he is somehow trying to be a collegiate and add to the way that our democracy works by putting a motion to create a committee of the House without picking up the phone and calling the Chief Minister, who has the majority of the votes in the Parliament, and saying, 'Fabian, I am thinking of doing this: what do you think? I think it would add to the way that we do things in Parliament. If I were to put this motion, would you be prepared to  
440 support it? Or, alternatively, would you suggest a motion in such terms which we could support?' Well, Mr Speaker, in the time that he has been privileged to be a Member of this

House, although he has sent me back his tickets to the GMF in an envelope amusingly marked 'Urgent Parliamentary Business' – although I commend him for it, because I was able to give his tickets to somebody else, whilst the Hon. the Leader of the Opposition sent me a letter through his secretary on the letterhead of his law firm, which did not arrive until Tuesday and nobody took the benefit of those tickets – that is the only communication I have had from him ... and the letter now which I think is pending answer, in relation to a question that came up in the context of the Budget debate, and I have been travelling so I have not been able to give it attention yet, but I will. But if you are going to be bringing a motion and you want it to prosper, then I think you should ask the guy who leads the team that has got the most hands to put up in this place. I know that they proceed on the basis that politics is not a popularity contest, although that is how it was established in Athens more than two millennia ago: it is the people who get the most votes who get in, and with the most votes they pass laws. But if they get over this idea and they would like to form part of the process of change and they want to persuade the Government of something, they just have to pick up the phone. I would have told him in this instance, 'Roy read the report on parliamentary ...' – I would have called him Roy, and not the hon. Gentleman, over the phone ... 'Read the report on the Commission, which says the opposite, and Sir Joshua Hassan – who said he had nothing to hide, to Mr Dellipiani, by the way – did not have a Commission when he came back the following year in 1984 and he did not have one between 1972 and 1980; and I assume and entirely believe that Sir Joshua had nothing to hide in those years either or in the years before. So it is not about hiding anything.

But I will say one thing, Mr Speaker, to the hon. Gentleman. I continue to commend his reading of the *New People*. It is an excellent publication. It was wrong to ban it from No. 6 Convent Place, it was wrong not to send them press releases, it was wrong to keep the editor of the *New People* out of Government press conferences. That has now been fixed. We did not need the Commission on Parliamentary Reform to sweep away the attempted secrecy in keeping from that inquisitive media of Government information, and, in fact, for the first four years that I was at No. 6 Convent Place, a copy of the front page of the first edition of the *New People* after the glorious new dawn of 9th December 2011 hung in my office, and if I find it again I will make sure it is put back in its rightful place so the hon. Gentleman can see it when he comes to meet me for extra-parliamentary meetings.

Mr Speaker, on the issue of a free vote – this is an issue that might come up again during the course of this meeting or the next meeting – I do not carry a whip hand in the way that I do politics. I note that the highly experienced Rosie Winterton, who has been Chief Whip of the Labour Party through many leaders from the time of Tony Blair, Gordon Brown and Ed Miliband, has recently, this morning, been announced not to be Chief Whip anymore as a result of the ongoing reshuffle that Mr Corbyn is carrying out. On this side of the House, the hon. Members can see the ministerial portfolios. No one is a whip. I do not whip my people, or indeed the Hon. Dr Garcia's people. The Liberals might get up to that sort of thing in private, (*Laughter*) but certainly I have never seen it happen in the privacy of the Cabinet Office, Mr Speaker! People here always are encouraged to vote their consciences. We come here with a position which we think is right for the community. We come here with a view that we have arrived at together in consensus. Nobody here is being told to vote one way or vote the other, because I would not have the conscience to tell somebody not to vote their conscience. So I am sorry to tell him that all of the defeats that he has suffered in the past six months when he has put motions since he was elected, and that he will continue to suffer if he continues to put motions in a way that are not going to be agreed between us, those are all not inflicted by a conniving Picardo whipping the other nine to support him and vote in a particular way. This is the 10 opposite him not voting with him of their own motion and in full conscience of what they are each doing.

Mr Speaker, I also noted that the hon. Gentleman got up and delivered the speech that he had written in response to my motion and ignored much of what I had said. He said, for example, 'the Committee has yet to meet' – I had explained why the Committee had yet to meet; 'the Committee has not issued a report yet' – of course it has not, because it has not met,

for the reasons that I had explained. He thought he would just read his speech. Perhaps when he is a little more experienced in parliamentary terms, and despite the fact that he is an accountant and not a lawyer, he may be able to get up and deal with issues as they arise in debate and not have to rely just on the speeches that he has written.

Mr Speaker, the hon. Gentleman then went on to denigrate the work of the Commission by suggesting that you had not taken sufficient cognisance of what the public believed in making your view clear that there should not be a Public Accounts Committee. The hon. Gentleman said there is no recommendation, there is just a view. Well, it is because when there is a recommendation to do something it is in a box; when they take a view in the Commission that something should not be done, they just express it in that way, and that is their recommendation on that subject. Mr Speaker, the fact is that whether they are accountants or lawyers – and there were three lawyers and no accountants – there were two members of that Commission whom I will not tire of telling him were with Sir Joshua, who had nothing to hide when he had an Accounts Committee and when he did not have a Public Accounts Committee and who were in this House for the period when there was a Committee, and they took the view that there should not be a Committee. I think they are much better qualified, Mr Speaker, to give a recommendation than somebody who simply has an accountant's qualification. You are dealing with people who were in this Parliament for four years and are able to say, 'We believed that there was no need for the Committee, although we had nothing to hide,' because we are not going to assume for one moment that Sir Joshua had nothing to hide but that Mr Mascarenhas did or indeed that Mr Canepa did – of course not. Nobody had anything to hide, but there was still the view taken, rightly, despite the absence of accounting qualifications, that it was not the best way to spend the time of this House.

Mr Speaker, I am accused of barbed comments when I say something slightly political, and yet I am exposed to allegations of laziness. Now, look, Mr Speaker, opinions of me may be divided on many subjects, and I am sure that they are, because the minute you win an election people rightly take a view about you, and if you are in politics and you do not divide opinion, good luck to you, you are never going to get anywhere. I divide opinion. That is fine, I am up for that, but I do not think anybody could reasonably call me lazy, and so to say that I am bringing a lazy motion when I am spending already over an hour of Government time debating a motion in this Parliament and preparing for it, and then be accused that I am the one who brings barbed comments into the debate and that I do this on a sixth-form basis, and yet somebody who has obviously spent quite a few hours thinking of a phrase like 'confused and confusing', that does not otherwise roll off his tongue unless he thinks about it and spends time writing it down to read it out to the House, is really quite a joke, and that is to conflate both the attitude of the Hon. Mr Clinton and the attitude of Mr Feetham.

But, look, Mr Speaker, let me tell them what is confused and confusing. The hon. Gentleman says the Commission has done the wrong thing because the public has told you that they would like to see a Public Accounts Committee and you have recommended that there should not be one. Well, for good reason, because none of those members of the public are likely to have been in this Parliament when it was the House of Assembly between 1980 and 1984 when two members of the Commission were members and that is where they made the recommendation. But how confused and confusing that you want the Commission to follow the public's view on this subject, and yet on the other subject, where the Members opposite represented in the GSD take a contrary view, the public said this, which is the issue of backbenchers. On page 13 of the Commission Report the last sentence:

The majority of the responders are also opposed to any increase in the size of the Parliament, as the electorate is well served by 17 elected Members and the additional expenditure is unwarranted.

So they want you, Mr Speaker, to follow the view of the public when it accords to them and they say that they really cannot understand why you do not take the view; and yet, when you do



follow the views of the public, which is to say the public do not want backbenchers and the Commission reports that there should not be backbenchers, there they want you to go *against* the views of the public. Confused and confusing, Mr Speaker. Sorry that that might sound like the sixth form, but I think the whole community is going to be in the sixth form trying to work out what it is that the hon. Members want. They position themselves with the public when they think it suits them, and they position themselves against the public when they think it suits them. Confused and confusing, Mr Speaker. Confused and confusing.

Anyway, Mr Speaker, the hon. Gentleman, Mr Feetham, when he gets up as the current Leader of the Opposition, says that I said that you represented, with Mr Mascarenhas and with Mr Vinet, 40 years of experience. Well, Mr Speaker, I think actually he misquotes me even in that respect, and the arithmetic I think I referred to was 44. The experience represented by members of the Commission who had been parliamentarians was 44 years. In fact, that is the experience contained in – no ordinary Joe – Joe Bossano, who has had, himself, 44 years, on his own, of experience of this Parliament. Of course, Mr Speaker, as I often tell the House, I can never forget that, because he got in in 1972 and I got out in 1972. Namely, I got out – I was born – in 1972, (*Laughter*) so I always remember how many years he has been here. (*Interjection*) Listen, I cannot refer to what I got out of, Mr Speaker, because it would be unparliamentary, I suppose, but it is really, frankly, important for the House to reflect on the fact that a Member with 20 years' experience yourself, a Member with 16 years' experience, Mr Mascarenhas, both of them Members at the time that the House had a Public Accounts Committee and had nothing to hide, and Mr Vinet who was a Member of this House for eight years, and Mr Bossano who is a Member of the House for 44 years and counting – (**Hon. J J Bossano:** Absolutely.) *por muchos años*, Mr Speaker, as they say in El Calpe, where I am from – all are against the establishment of a Public Accounts Committee, (**Hon. J J Bossano:** Yes.) and the hon. Member brings us what he says is a quote from Mr Dellipiani about what Mr Dellipiani says the Hon. Sir Joshua Hassan, who is no longer with us, said. Well, Mr Speaker, I know he is an accountant and he is not a lawyer, but that statement offends the rule against double hearsay. So, if he does not mind, I am going to rely on the statements put in black upon white by the Independent Commission and the advice of Joe Bossano.

Mr Speaker, then Mr Feetham says that the Select Committee was established to report to the Parliament and it has not yet reported to the Parliament, and that the Commission had reported to the Parliament and all the rest of it, and that we had debated in the Parliament. Well, look, when the Commission reported to the Parliament, the Commission did not envisage that we were going to set up a Select Committee to consider its report. It cannot have, because nobody envisaged it, and in fact it was in the ante-Chamber that the greatest Gibraltarian of his, of all time approached me and suggested that we should have a Select Committee. We considered it, and, in that moment of conviviality, decided to do it, and we could have just dealt with the reports to Parliament in Parliament, we could have just dealt with it then, and then there would be no need for a Select Committee to meet. Of course, Mr Speaker, it is difficult for a Select Committee to meet, because we need to find time for it, etc. Well, it will meet, Mr Speaker, because we have now determined to go down that road, but I remind the hon. Gentleman that on occasion it was not possible to meet because of his diary commitments, and we went ahead without him on one occasion. On one occasion we went ahead without him, but on other occasions we were unable to meet because of his diary commitments.

The hon. Gentleman says, of course ... as you would expect them to, because another confused and confusing aspect of what Members opposite, except the hon. Lady, do is that they say, 'We don't want to talk about history; we just want to look forward. Why are you looking at history?' But then they refer us to history when it suits them, and so the hon. Gentleman's reference to history is to say that the GSD has *always* been in favour of a Public Accounts Committee. Well, an ex-Member of the GSD in this Parliament, Mr Vinet, is no longer in favour. He might have been in favour before, but that was before he heard all the evidence and considered it in Commission. And a current Member of the GSD executive was against – in fact, I

think it may be the Chairman of the GSD Mr Vasquez may be the Chairman of the GSD, as I understand it, and a candidate at the election – he was against a Public Accounts Committee when the recommendation was made. The hon. Gentleman says that is no volte-face. Mr Speaker, I am not going to talk about people who are not here to defend themselves; I am just expressing the position that they expressed. Whether it is a volte-face or not is another matter. I am not going to express a view in respect of people who are not here to defend themselves or to put their view. Nobody needs to defend themselves. But hon. Members were in Government between 1996 and 2011. Mr Speaker, there was a lot of whipping then – I still have the scars on my back! *(Laughter)* There could have been parliamentary reform in a moment in the way things were done then. There was no collegiate conviviality in this Parliament and Select Committees established; there was then the rule of the rod from St Peter's chair. *(Laughter)*

Mr Speaker, where is the Select Committee that we were able to attend meetings of between 1996 and 2011? Where is that fulsome and constant support? Or is it that we are to judge the absence of a Select Committee between 1996 and 2011 as something to hide? Or is it that hon. Members apply a measure to themselves and a measure to others? So, if there is not a volte-face, there must at least have been a difference of opinion – which I suppose is the posher way of explaining it, Mr Speaker – because when they were in Government they did one thing, and the minute they are out of Government they start recommending another.

And then we had this attempt to turn the debate to this question of the curtain of secrecy and the debate of debt. Mr Speaker, on that issue you rightly say this is not what this motion is about, but hon. Members are from Mars and we are from Venus. As far as we are concerned, Gibraltar's public finances are stronger than ever. We have already explained our position on the debt. Hon. Members just want to pretend to the public that we are not being transparent. They are going to find it very difficult, Mr Speaker, because what we are saying is we will continue to give you everything you have always had, we will continue to give you everything you gave when you were in Government. What we will not give you – because we cannot be sure of the accuracy, and then if we give it and it is not accurate you are then going to come back at us – is the management accounts on a day-to-day basis more accelerated than ever before. That is what is not going to happen. This is not an attempt at secrecy; this is an attempt at accuracy and at then transmitting information further than just in this Parliament, to the whole community. I know that the hon. Members think that they should be privileged to have information here, laid in this House just for them. Even things which are public, they want us to go and fetch them for them and bring them and put them at their feet here. Look, it is not going to happen, Mr Speaker. We believe in openness and transparency to the whole community. That is why we are going to give more information than they gave on debt, net debt and gross debt, but we are going to give it online.

**Mr Speaker:** May I also ask the Chief Minister to limit himself now on the question of public debt.

**Hon. Chief Minister:** Absolutely, Mr Speaker. I will not argue with you, as the Hon. the Leader of the Opposition does every time that you rule against him.

And so, Mr Speaker, that issue which I have no doubt we will be able to debate in respect of some of the other motions that are on the Order Paper, or when the time comes, is irrelevant to this, but of course it is an attempt to hijack this debate for that purpose – which you, if I may say so, with respect, Mr Speaker, rightly spotted and brought us both back onto the straight and narrow.

But, Mr Speaker, the one thing the hon. Gentleman did say, which I have to reply to him on, is that he said, 'Of course, the recommendation of the Commission was before Credit Finance; now we need this because Credit Finance has been set up.' Well, look, Mr Speaker, Credit Finance has been set up. It has got nothing to do with the public accounts of Gibraltar; it has got to do with the Savings Bank. This is even more off tangent than the hon. Gentleman was going

before, but he just wants to make it all about that, despite having suffered a crushing electoral defeat, having staked all his eggs in that basket before. Credit Finance would not come within the purview of a Public Accounts Committee; it is a subsidiary of the Savings Bank.

650 **Hon. D A Feetham:** No, it's not.

**Hon. Chief Minister:** Well, Mr Speaker, it is not a company (*Interjection*) that would come within the purview of the Public Accounts Committee, which is their complaint. It is their complaint, so how can they pretend to fix the malaise that they say is there with something that is aimed in a completely different direction? It does not make absolutely any sense. But they, 655 Members opposite, say that all of that attempt to row contrary to the conclusions of the Commission on Parliamentary and Democratic Reform, is not to disrespect its findings. Well, Mr Speaker, to recommend the complete opposite of what the Commission has proposed but to try and side with some members of the public – we do not know how many – on that, and to 660 also try and go completely contrary to the view expressed by the Commission, absent the minority report on the other issue, despite the public being on the same side as the Commission, is to do a volte-face on where the Commission should be, whether it should just be with the public or not, is to disrespect the Commission, and is, frankly, Mr Speaker, an attempt to just bring to this Parliament issues to try and raise the spectre of a lack of transparency in respect of 665 a Government which is more transparent than any Government in history has ever been – because technology avails us of opportunities to do so – that puts more information of the sort that would be before the Public Accounts Committee online every day – for example, travel expenses and any other expense, where before hundreds of questions had to be asked orally in this House to get that information and which information is now there for every member of the 670 public to see, not just Members opposite.

For all of those reasons, Mr Speaker, I commend the motion to the House as it stands on the Order Paper and I do not mind telling the hon. Gentleman that of course that means that we will not be supporting the motion which he brings later. And I suggest to him that he should consider that this is the debate that we would have had in respect of that motion and that he may wish 675 simply to save parliamentary time and proceed now to seek to garner sufficient votes. Now that the debate is over, we will see how people vote, and if he sees that he has not managed to persuade any of the Members on this side of the House, who will vote their consciences freely on the subject that he has referred to in the context of this debate and on the subject of this motion, he may want to abandon his motion when it comes later on, because we are just going 680 to be arguing exactly the same thing over and over again and reaching the same conclusion.

**Mr Speaker:** I now put the question in the terms of the motion proposed by the Hon. the Chief Minister, and the Clerk will now call a division as requested.

*A division was called for and voting resulted as follows:*

**FOR**

The Hon. P J Balban  
The Hon. J J Bossano  
The Hon. Dr J E Cortes  
The Hon. N F Costa  
The Hon. Dr J J Garcia  
The Hon. A J Isola  
The Hon. G H Licudi  
The Hon. S E Linares  
The Hon. F R Picardo  
The Hon. Miss S J Sacramento

**AGAINST**

The Hon. R M Clinton  
The Hon. D A Feetham  
The Hon. T N Hammond  
The Hon. Ms M D Hassan Nahon  
The Hon. L F Llamas  
The Hon. E J Phillips  
The Hon. E J Reyes

**ABSENT**

None

685

**Mr Speaker:** There are 10 votes in favour of the motion, 7 against. The motion is carried.

**Select Committee on the European Union –  
Establishment of**

690

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move the motion  
695 standing in my name, which reads as follows:

*This House regrets that the outcome of the Referendum on 23rd June 2016, on whether the United Kingdom and Gibraltar should remain in the European Union or should leave, resulted in an overall decision to leave; notes the statement made by the United Kingdom Government that Gibraltar will be fully involved in the formulation of the United Kingdom's policy in relation to a potential withdrawal from the European Union, known as a 'Brexit'; welcomes the declared intention of the Government and Opposition to co-operate in determining both the impact on Gibraltar of a potential withdrawal from the European Union and Gibraltar's future relationship with the European Union; considers that the formal structure to take this co-operation forward should be a select committee of the House, which will be known as the Select Committee on the European Union; believes that the composition of the Select Committee should reflect the composition of the House; and hereby resolves the establishment of a select committee to report to the House on these matters, consisting of four Members nominated by the Chief Minister and two Members nominated by the Leader of the Opposition and the Independent Member of Parliament.*

Mr Speaker, it is now over a hundred days since the morning of 24th June when Gibraltar and the rest of the United Kingdom, Europe and the world heard the result of the view of the British people that the United Kingdom should leave the European Union. In that time, hon. Members will know that the Government has been engaged in a lot of work of lobbying and in a lot of  
700 work of preparing the Gibraltar public sector and private sector for the purposes of providing all of the information necessary to the United Kingdom in the context of the negotiation that will take place when Article 50 of the Lisbon Agreement or Treaty is triggered. The Prime Minister, hon. Members will know, has indicated in a speech to her party, not to the Parliament, that it is her intention to trigger Article 50 by the end of March at the latest.

705 Mr Speaker, it is also true that in the United Kingdom Parliament a similar mechanism for the understanding by Parliament of the work being done by the executive on Brexit is to be adopted and a select committee is to be established to deal with Brexit issues. I am delighted to say that I shared a platform with Hilary Benn of the Labour Party, who is seeking to be appointed – as he confirmed at that *New Statesman* fringe event around the Labour Party Conference events in  
710 Liverpool some weeks ago – he is seeking to be appointed the chairman of that select committee. It is not clear yet, Mr Speaker, which of the parties will have the chairmanship of the committee, but Mr Benn is seeking it should be Labour and that it should be him. It is also true that similar committees have been set up in other parliaments, including the Scottish Parliament, as the mechanism for co-operation between the parliamentarians represented there and with the executive. The Scottish Parliament's Brexit Committee, I understand, has already  
715 been set up; the Westminster Parliament Brexit Committee is to be set up.

Mr Speaker, in the moments after the Referendum result I had an opportunity of meeting with the Leader of the Opposition. On one occasion when I was briefing him on the meetings we had had in the United Kingdom he, in fact, in writing, had proposed a select committee, which I

720 reflected to him in the context of our discussion was actually the position that had been  
proposed to me already by the Deputy Chief Minister and was therefore agreeable to the  
Government. This is a motion that, as a result, I put before the Parliament some time ago. This is  
the first opportunity for taking motions, and therefore, Mr Speaker, I look forward to having the  
full support of the House for the establishment of this committee, which will, I hope, give us the  
725 opportunity of working together at a parliamentary level and reflecting there the work that we  
as a Government and as an executive will have done and will be dealing with now going forward  
in respect of Brexit.

Mr Speaker, there has been an exchange of press releases on the subject of Brexit in the past  
few days. I would rather leave those issues outside of this debate, because what we are doing  
730 here is establishing a committee for the purposes of being able to work together. If there have  
been disagreements in that respect, I think it is important that we start this work and we start to  
do it together in the context of the select committee, and perhaps in the select committee the  
hon. Members may wish to put some of their concerns about how the committee should work.  
But we have to be clear that Gibraltar does not have and does not need a Government of  
735 national unity. Therefore, the Government is governing, the Government continues to control  
the executive, and will continue therefore to lead on the Brexit strategy, although it wishes to be  
able to work with the Opposition in the context of the select committee.

The Government will take the blame for anything that goes wrong as a result of the Brexit  
negotiations that we lead and we will shoulder the responsibility of where that leads Gibraltar  
740 to, because we are in Government. Similarly, Mr Speaker, we will take the credit of anything that  
we do in the context of that process which takes Gibraltar to a better place. Mr Speaker, let us  
be clear. That is not to say that we are confident that Gibraltar is going to do extraordinarily well  
out of Brexit. Brexit is going to present a lot of challenges for a lot of areas of this community.  
We have to do our best to achieve the best for each of those sectors, as will be the case for the  
745 United Kingdom and its many industrial sectors, and the case for most Member States of the  
European Union that have a relationship with the United Kingdom.

If I may say so, Mr Speaker, I think the best way to paraphrase what the Prime Minister has  
been saying in the context of her party's annual conference in Birmingham, which I was  
privileged to attend to represent the Government last Sunday and had massive support from  
750 Members of the Conservative Party, as we had in the Labour Party, in the Liberal Party, and no  
doubt will have also at the SNP, where the Hon. the Deputy Chief Minister will lead a delegation  
next week ... What she has been saying there in respect of Brexit, and what she has been saying  
there in respect of her party's policies for the country, I think can be synthesised into a phrase  
that should represent both those aspects of the Prime Minister's policies and which should  
755 reflect our policies going forward and those of all the devolved parliaments and the Crown  
Dependencies, namely that we need to find a Brexit that works for everybody. Mr Speaker, that  
is the work which on which we are engaged and will continue to be engaged. It is true to say that  
it is taking a lot of Government time and, as a result, the Deputy Chief Minister and I have been  
unable to give the full attention that we might have wished to give to other areas of  
760 Government, but we expect to be able to continue to turn our attention to those. The hon.  
Gentlemen will be disappointed to know that we expect to be able to comply entirely with all  
our manifesto commitments and deal with Brexit.

Mr Speaker, the one thing that I think is important is that I explain why the composition  
would be four, two and one. In the context of select committees the Government will have  
765 always an inbuilt majority, and, in order to ensure that the committee stays nimble and small  
enough, the only way that we would be able to have an inbuilt majority if it were bigger would  
be to have five Members of the Government, three Members of the Opposition, and the hon.  
Lady, because we think the hon. Lady, as an independent parliamentarian, should be  
represented in the select committee. That would mean that the Parliament would be meeting  
770 with almost half its Members in select committee – there would be eight of us – so, in order to  
keep it nimble and try and reflect the numbers opposite, the only way we can do it is to do three

and therefore four on our side, if the hon. Lady is going to be one on the other side. Of course, the other way to do it is to keep it three on our side, the hon. Lady, and just one of the Members representing the party opposite. We thought that would be less representative, so that is why we are proposing four, two and one, to keep it nimble in that way.

Mr Speaker, I would propose that this select committee should meet with regularity in order to ensure that we are able to give Members opposite the sort of information and to have the exchanges that we think we should have, and we think it should meet in camera. In other words, we do not think it should be a select committee that should meet in public, although it should be a select committee that should be able to make public such information as the committee considers appropriate.

Mr Speaker, I think that with those remarks I have dealt with also a communication which we received from the Deputy Leader of the GSD, Mr Hammond, in respect of this committee and I hope that that will enable Members opposite to better understand how we propose that the committee should work.

As I say, Mr Speaker, I could simply now deal with all of the remarks that have been contained in the press releases from Members opposite which have been the subject of exchanges between the Government and the Opposition, but I call on Members opposite to leave the public exchanges outside of the consideration of the establishment of this important committee of this House, where we will be able to co-operate and work together as a Parliament to deal with the parliamentary aspects of what Brexit may mean for our community. I encourage them to do that and to work with us on the subject and not to allow this debate to simply descend into an exchange of – to use the words that the hon. Lady of the Opposition used a few moments ago – press release barbs, and I invite the hon. Gentlemen to support the motion establishing the Select Committee. So that we can meet in the composition that I have proposed as soon as possible during the course of this month and then continue to have regular monthly meetings and such other meetings as we may consider may be appropriate, and even to invite members of the public to provide information to the committee in the context of such consultation as the committee may agree at its first meeting we should do.

I also invite the hon. Lady to support the establishment of the committee for the purpose that I proposed. I think I detected in her earlier speech in respect of the other committee proposed, that she thought there should be more committees, so this is an opportunity to see that part of her stated wish come true, because I think without the need for flagellation all 10 Members on this side are likely to be supporting this motion.

**Mr Speaker:** I now propose the question in terms of the motion moved by the Hon. the Chief Minister. Does any hon. Member wish to contribute to the motion? The Hon. Trevor Hammond.

**Hon. T N Hammond:** Mr Speaker, it is indeed over a hundred days since the Referendum that saw the United Kingdom propose to leave the European Union and it is regrettable that this motion is only now being heard, because I believe there has been ample opportunity and sufficient meetings of Parliament to have suspended orders and have heard this motion.

The trigger of Article 50, as the Chief Minister has said, will occur, according to the Prime Minister of the United Kingdom, next March, which means we have already lost a third of the time that would have been available to us to deal with these matters, and I think that is regrettable. We nevertheless do welcome that this motion has now been tabled, and it is the intention of those in this House representing Her Majesty's Opposition, to do all that we can to work with Government to assist Government in navigating the challenges ahead brought about by the decision made by the people of the United Kingdom to leave the European Union.

We fully recognise how significant – indeed existential, as the Chief Minister has put it – this process will be for the economy of this community as it presently exists and we stand willing to play a part, whatever part we are permitted to play by Government.

There are elements within this motion that we fully endorse. We share Government's regret that the outcome of the referendum on whether the United Kingdom and Gibraltar should remain in the European Union or should leave resulted in an overall decision to leave. We welcome that the United Kingdom government has stated that Gibraltar will be fully involved in the formulation of the United Kingdom's policy in relation to a potential withdrawal from Europe, a policy which seems increasingly inevitable.

Of course, a note of caution here is necessary, as 'fully involved' does not mean that Gibraltar will be influential in the outcome of that policy, and indeed could be interpreted in many ways. Just as Her Majesty's Opposition here in Gibraltar, through the formation of this select committee, might be considered to be 'fully involved' in determining both the impact of a withdrawal by Gibraltar from the European Union and our future relationship with the European Union, as stated in this motion, our actual influence, when the composition of the committee is considered, will be negligible. We might be 'fully involved', but it does not mean that we can necessarily influence the outcome of any decisions taken by the committee or effect Government policy in this regard should Government choose to follow its own path, in the same way that Gibraltar will not be able to influence the United Kingdom Government should it choose to follow its own path, despite being 'fully involved' in the process. Let us maintain a sense of reality and not hang our hats on such phrases.

The motion fails to set out terms of reference for the select committee in anything but the vaguest terms. It sets out that the Select Committee is to report to this House on matters involving both the impact of a withdrawal by Gibraltar from the European Union and our future relationship with the European Union. Implicit in this wording is that the select committee will play a passive role, reporting on events rather than being actively involved in those events. Time will tell how effective and influential the role of this select committee will be, or is allowed to be by Government.

The length of time that it has taken to bring this matter to the House is a disappointment, as I said earlier. The matter is one of some urgency, even considering that the declaration of Article 50 by the United Kingdom has not yet been made, though will be made next March, according the Prime Minister, and, of course, as I said earlier, it means we have effectively lost one third of the time that would have been available to us in order to deal with this issue. The urgency is clear from the fact that Government, and in particular the Chief Minister, has rightly been working to develop the strategy to try and navigate the inevitable challenges that will be faced. Some of this work has been public and we have become aware of it through local and international press announcements. That this Select Committee has not been established with the same degree of urgency reaffirms the view that Government does not intend to be steered by the committee but to report to the committee. It is yet to be seen how such reporting will function, but those on the committee, including Members of the Opposition, will certainly not be providing direction to Government. Had that been the purpose, this committee would surely have been established some months ago and in time to do so.

The Chief Minister has, to some extent, explained further the functioning of the committee and certainly the fact that it will meet in camera, but I do welcome the fact that those meetings, despite being in camera ... information that is made available will be subsequently made available to the public, as I understand it.

Ultimately, the absence of clear terms of reference within the motion and the potential lack of influence that the select committee will have, and certainly that Members of Her Majesty's Opposition will have, over determining policy in this area does not and will not deter us from doing our duty, as we see it, to the people of Gibraltar. Despite being invited to participate in a process about which we have been told relatively little – rather like being invited to play a game but not being told what the rules are, or even indeed what game is being played – we will be voting in favour of this motion. We will continue to strive to work with Government through this select committee as the mechanism chosen by this House to permit that co-operation and demonstrate to the governments of both the United Kingdom and the Kingdom of Spain that

875 when Gibraltar is presented with an existential threat there is no question of division either among its political classes or its people.

**Mr Speaker:** Any other hon. Member? The Hon. the Leader of the Opposition.

880 **Hon. D A Feetham:** Mr Speaker, very briefly. As my hon. Friend, Mr Hammond, has just said, the Opposition certainly welcomes the creation of the select committee. The select committee was suggested by the Opposition in a letter that I wrote to the Chief Minister several months ago. It would have been our preference for the select committee to have been the vehicle whereby the Government and the Opposition make joint decisions and develop a joint strategy  
885 in relation to how we deal with the question of Brexit. That is what my friend, Mr Hammond, means when he talks about terms of reference.

Our understanding of the situation ... and I am not criticising the hon. Gentleman for it, because at the end of the day he is quite right, the Government governs, the Opposition opposes, and he is perfectly entitled to come to this House to seek the creation of a select  
890 committee whereby the select committee would be the vehicle whereby the Government effectively keeps the Select Committee and Members on this side of the House informed of decisions that the Government has already taken. It is up to the Government, and I certainly do not criticise it. Our preference, of course, would have been for the Select Committee to have been that vehicle for the Government and the Opposition to be working towards that joint  
895 strategy and that joint response. That does not appear to be what the Government is going to be using the select committee for, and I think that it is important, Mr Speaker, in the absence of those terms of reference, that that ought to be emphasised in this House, so that we are all clear exactly what it is that this select committee is being used for.

Mr Speaker, certainly the Opposition is not going to be found wanting. Every time that the  
900 Government comes to the Opposition and seeks the Opposition's assistance, or the Opposition's advice, or the Opposition's counsel in relation to any initiative that the Government is bringing to bear in relation to Brexit we will be providing that counsel and that advice – in confidence, obviously, because that is the way that the select committee is going to be operating, in camera – to the Government in good faith always if we can support any initiative, and indeed we will  
905 attempt to bend over backwards to support initiatives from the Government.

Obviously, we hope that it will never become necessary for us to take a strong different view to the Government. At the end of the day, that cannot be ruled out, because that is how politics operate, and to use the Chief Minister's phrase again and quote him, governments govern and the oppositions oppose, but everything that we do we will do in good faith, and certainly the  
910 community will not find the Opposition wanting in its participation in relation to the select committee, to whatever degree the Chief Minister wants us to participate. *(Banging on desks)*

**Mr Speaker:** Does the Hon. Marlene Hassan Nahon wish to contribute to the debate? I call on her.  
915

**Hon. Ms M D Hassan Nahon:** Mr Speaker, I think, with respect, the Hon. Member, Mr Trevor Hammond and the Leader of the Opposition have at times shown some level of pettiness towards their perception of the committee and the management of Government in handling the issue of Brexit. The fact is that the Government has done well to set up a committee at this  
920 delicate time, while working right now on all we have, which is speculation. I do accept and respect that in the last few months and over the sleepy summer break the Chief Minister has had bigger fish to fry, and on this one I have to say to the GSD Opposition and the House in general that Brexit is too important to make this a partisan battleground in the press or beyond. This issue is just way too precious and delicate. We have to do Brexit together, so I welcome the select committee and I am grateful for my inclusion.  
925

Thank you.



**Mr Speaker:** Any other Member wishing to debate? I will, then, call upon the Chief Minister to reply.

**Hon. Chief Minister:** Mr Speaker, I intend to try and deal with the issues that have been raised in a way that is as constructive as possible, but I must say that I do not think that we are dealing with the establishment of this select committee late in the day and having lost a third of the time available, because the time available is not the time between now and the triggering of Article 50 – which may or may not be by the end of March, it may be earlier, it could have been already. Hon. Members know that the position of the former Prime Minister, Mr Cameron, was that Article 50 would have to be triggered immediately after a result. He took the view that he should resign the morning after the result because he could not steer the United Kingdom through a Brexit with which he did not agree, and therefore that did not happen. The position of some members of the Conservative Party continues to believe that the Article 50 notice should be given as soon as possible and the Prime Minister has now given an indication, not in Parliament but in a party context, of when she thinks it is likely that Article 50 would be triggered.

All that happens under Article 50 is that a letter is sent from the United Kingdom to the President of the Council and the President of the Commission, indicating that trigger is pressed and it will contain the issues for negotiation. But of course it will not be exhaustive, and so can I just please persuade hon. Members to view the process as one that is going to continue. This is not a select committee that will have to do its work by 31st March or earlier, by the time that the Article 50 letter goes. This work will endure and it will endure likely even beyond the two-year initial period if the negotiation is extended beyond that, or potentially even further whilst Brexit continues. And I dare say, Mr Speaker, it is very likely that whoever is entrusted with the administration of Gibraltar's affairs after the next election and whoever sits where I sit today as Leader of the House – and I sincerely hope it will be me and the colleagues that I have around me today and the parties that we represent, but that is a matter for the electorate – will have to reconstitute the select committee for the lifetime of the next Parliament, because Brexit is something that is going to have consequences over a considerable period of time, not just between now and April.

So can I please disabuse hon. Members of the idea that this is a race to the Article 50 letter. The Article 50 letter is almost the beginning of the action, not the end of it. Can I also remind hon. Members that the Parliament that will trigger the Article 50 notice, or which is the Parliament of which the executive of which will trigger the Article 50 notice, has not yet had its select committee on Brexit established, so I do not think we are doing so badly.

The Hon. Mr Hammond said something in the course of his intervention which I think I should correct in parliamentary terms. He said, 'speaking for those who represent Her Majesty's Opposition'. I think, with respect, that is an incorrect way of phrasing his position in this Parliament and the position of all those who sit on the GSD benches, if I can call them that. All Members opposite are Her Majesty's Opposition. There may be an official Opposition and there may be others who are not an official Opposition, but the hon. Lady insists on sitting over there instead of over here and therefore is, as far as the Government is concerned, a Member of the Opposition. And so hon. Members who speak not for her speak for the official Opposition, but it is not as if they are the only Opposition. I think it is important to keep that in mind.

I have said that Brexit represents an existential threat to the current economic model of Gibraltar, and it is important that we always insist on that, that this is an existential threat to the current economic model and not an existential threat to Gibraltar. I took great issue and great umbrage with one headline writer who took that and turned it into a headline: 'Brexit will destroy Gibraltar'. As I have said before and I will say again, *nothing* will destroy Gibraltar. It may be that we have to reposition parts of our economy – of course we will. So will the United Kingdom and so will large parts of the European Union where some industries depend on the United Kingdom.

Let me give hon. Members one example. This year, Spain has published statistics which show it has had a record year in the number of tourists reaching Spain. The largest numbers of tourists have come from the United Kingdom; the second largest number of tourists from Germany. Of course, German and English or UK citizens have the right of free movement today into Spain and are therefore able to holiday there without the need for visas, etc. So, to take a terminology which is falling into disrepute even as we speak, but a 'hard Brexit' – because we all think we know what that means; a Brexit without any of the fundamental freedoms attached to it continuing, so a Brexit where there is no freedom of movement between the United Kingdom and the rest of Europe, also Spain – is an existential threat therefore also to the Spanish tourist industry, and the Spanish tourist industry is credited also as being the industry that has pulled Spain out of recession. That does not mean that Brexit is an existential threat to Spain, but we need to understand that a lot of the cogs in the economy of the European Union and the United Kingdom depend on the exercise of the four freedoms that make up the European Union and that those industries therefore now place potential difficulties and existential threats.

Because the United Kingdom government recognises how relevant all of those areas are to Gibraltar – in particular, of course, access to the single European market in financial services and freedom of movement – we are being fully involved in the process of the United Kingdom making decisions about how it represents the case for itself and for Gibraltar in the context of the negotiation. I do not want to comment on things that have been said outside here, but telling Scotland that it will not be able to have a veto on Brexit is not to say that Scotland is not going to be fully involved in helping to shape what Brexit might look like in relation to Scotland. Telling Scotland that it is not going to be able to stay in the European Union in the context of what is also a negotiation between the United Kingdom represented by Mrs May and the Scottish First Minister of the Scottish National Party – it is not as if Mrs Sturgeon hides what she represents – is also a part of the internal politics of the United Kingdom. But Members opposite should also, in the same way as they advise us not to hang our hat on those words, realise that in politics it is words that are important, and those words which have been extended to Gibraltar in the context of how we will influence how the United Kingdom begins its negotiations are not just words. They are, as hon. Members will have seen from some of the things we have said publicly and as they will know from some of the things we have told them not publicly, actually the way in which we are being treated. We are being fully involved in the context of shaping the negotiation as we go forward, but that is not to say when Mrs May sits at the table with the other 26 members of the European Union, who are represented by the heads of state, that for the United Kingdom there will be Mrs May, Mr Carwyn Jones, Ms Arlene Phillips, Mr Fabian Picardo for Gibraltar, Mrs Sturgeon and the other representatives as Heads of Government of the Crown Dependencies. There will be one person doing the negotiation in each potential area. But that is the position today, so when there are meetings of the Council today Gibraltar influences any aspect which relates to Gibraltar and which is relevant to Gibraltar. The Hon. the Minister for the Environment will be asked for details for a negotiation that is ongoing on Brussels relating to environmental matters.

We only hear of things when they go wrong, so when there is a disagreement and something comes out, it may be that there has been a failure of a request of information here and therefore that information is not provided to the UK because they do not seek it and the UK then negotiates something which the UK usually does not realise is bad for Gibraltar but Spain does, and that is why it has got into the text. The last time that happened, hon. Members will recall, was in relation to the sites of community interest which happened, I think, in 2007-08. It is not happening now. The very strong relationship we have with the United Kingdom I think helps in that respect. The Constitution is very clear that we have to be involved and that EU matters are not external relations matters simply because they are EU matters. If they are EU matters relating to areas which are not the special reserved matters which the Governor has responsibility for, then they are matters which Gibraltar drives, but Gibraltar does not sit at the negotiating table with the other 27. And so I would counsel against suggesting that we are not

being fully involved because of things that Members opposite may see in the politics of the United Kingdom, because we are very pleased to be very fully involved.

That is not to say, Mr Speaker, that either in the select committee the tail is going to wag the dog, nor in the context of the negotiations between the United Kingdom and the European Union. So people who have garnered just over 4,000 votes are not going to determine what the executive – well, on average it is about 4,000 if you work it out – which has been elected with an average of 10,000 votes, is going to determine, because there is not a Government of national unity. There is a Government led by the executive, which is going to continue to make decisions, but the select committee can be an important part of where we work with Members opposite. And in the same way, Mr Speaker, 30,000 people are not going to determine what is going to be done for 60 million people, but there is a political commitment that what is in the interest of the 30,000 people is not going to be disregarded and we are going to be fully involved in negotiating the aspects that matter to us.

The hon. Gentleman says ‘the vague terms on which the select committee has been established’. Well, I think this is one of the longest motions establishing a select committee ever brought to this House. Select committees have a way in which they operate, and that is dealt with in the Standing Orders and Rules and in the practice of this House. A select committee has a passive role. Therefore, Mr Speaker, only if you are thinking that a select committee can actually be an instrument of the executive taking executive decisions and executive action and you are disappointed because you are not, but there is no select committee that I have ever seen operating in this House or in any other House which is a part of the executive. A select committee is not a place from which you govern a nation; it is a place from which you debate how a nation is being governed. You can make recommendations which may lead to a Parliament seeking to do things in a particular way, which will then bind the executive, but it is not more than that, and in the context of where we are, the way that a select committee has been used in issues as important as Brexit, like namely, the Select Committee on the Constitution, it is because you use the select committee to be able to take a barometer of public opinion, to consult with the public, you are able to use the select committee to consider that consultation process together and to then represent together to the Parliament, insofar as may be appropriate, a joint view. Of course hon. Members have the opportunity of doing a minority report on issues which the select committee thinks the Parliament should have a recommendation on. It is nothing else, and therefore, in that context, it is far from passive. It is going to do the work that the select committee in the United Kingdom and in Scotland and everywhere else is going to do and the work that the select committees of this House have traditionally done. And, if I may say so, Mr Speaker, as the hon. Gentleman has repeated himself, it is what they proposed. So, unless they proposed a select committee not knowing what it is that a select committee does, they are not getting anything more passive or more active than they proposed.

Mr Speaker, the length of time between the publishing of the select committee motion and taking it I do not think is extraordinary. This is the first opportunity for motions to be taken, unless we had suspended Standing Orders. The suspension of Standing Orders has not seemed necessary to us, because in the context of what is happening in September ... And hon. Members may recall; I do not know whether they do. I sometimes appear to impute to them corporate knowledge that they do not have, but the position of the GSD, as far as we have always understood it, is that they do not want parliamentary meetings in August. We could have had a parliamentary meeting in August, but their position is not to have parliamentary meetings in August. Mr Speaker, hon. Members actually voted down – because on that particular day they had a majority of one – a proposal to adjourn the Parliament to August in 2012. They said, ‘No, we should never have meetings of the Parliament in August,’ so we did not have a meeting of the Parliament in August, although I cancelled part of my family holiday and continued working – I would have happily come here to have a meeting in August if they had wished. In September we have been doing the work that we have to do. As hon. Members will know, September and

October are very busy months. They will learn from their time in Parliament, Mr Speaker, that June, July, September and October are examination months in Government executive terms, especially for anybody who wishes to occupy this chair, because there are the party conferences, etc. and there is, of course, the session in New York of the Fourth Committee, as hon. Gentlemen will have seen. Therefore, Mr Speaker, there is a need to continue with the executive action that is going to produce the results for Gibraltar on Brexit and other areas which we have been pursuing, and I am grateful that the hon. Gentleman has said, rightly, in the context of what they have seen publicly already and some of which they would have also had comment on from us not publicly.

In particular, hon. Gentlemen will know that the past week has been very active indeed in respect of the sovereignty of Gibraltar, which is an issue that Brexit opens, as far as some are concerned in the Kingdom of Spain. The hon. Gentleman introduced that aspect into the discussion, in my view correctly, because this is one of the issues we will be dealing with in the context of Brexit ... that there was political unity in Gibraltar on the subject leading up to the Referendum, all of the former Chief Ministers of Gibraltar joined me, as the current Chief Minister, in saying to the general public, 'The big issue is that Spain is likely to want to exploit a potential Brexit for its own purposes, and therefore tangentially this is a vote about whether joint sovereignty should be put back on the table or not.' Hon. Members have seen that played out from the morning of the 24th, but with growing intensity in the past 72 hours since the Tuesday afternoon in New York, and there is even today a further interview by the current caretaker Foreign Minister of Spain in *ABC* newspaper, responding to a Government press conference of yesterday at five o'clock. So hon. Gentlemen must not think that these things happen just when they pop up. There is a lot of build up to what eventually emerges and a lot needed to prepare to be able to respond in a strategic and tactical manner to some of the things that we are dealing with.

Mr Speaker, I think it is important to speak on behalf of the whole House to say that, on the subject of Brexit, if somebody thinks that the sovereignty of Gibraltar is somehow on the table for discussion or negotiation, what they will get from the select committee – whether it is passive or less passive from the executive and, I hope, also and no doubt from the Opposition and the whole of it represented by the seven Members opposite – is a very clear statement that Gibraltar will never be Spanish, whether in the context of Brexit negotiations or not in the context of Brexit negotiations; that never means never, that no means no – all the things I have said in the last 72 hours, that I have been saying since the 24th, and that nobody should begin to believe that any door opens on the issue of sovereignty. I have seen some suggestions that the issue is the economy. Well, of course the issue is the economy, but there is no back door into sovereignty, either through Brexit or through the economy. Sovereignty, as far as the Government of Gibraltar is concerned – and, I am sure, Members opposite – is an issue which will *never* be on the table, and to have heard, as one has in the past 24 hours, that not just does Mr Margallo think he will get his hands on the Rock but that he will raise the Spanish flag in the next four years, is really to see the diplomacy of a great European kingdom like Spain descend into utter farce. Nothing that we have heard in the past 72 hours is going to change the opinion of the Gibraltarians on the issue of the sovereignty of Gibraltar and there is no argument that can be put to us, because we are determined that the sovereignty of Gibraltar shall continue to be entirely British.

As I said yesterday, Mr Speaker, this is not about threats and it is not about benefits; this is about respect. Fifty years ago, the United Kingdom suggested to Spain that if you have an issue with the sovereignty of Gibraltar you should go to the International Court of Justice. Spain refused and wished to pursue a political attempt to take over Gibraltar's sovereignty, and hon. Members will have heard what I told the United Nations in that respect. What we need to do and to be united on is to ensure that everything that we do in dealing with Brexit maintains that very clear position and that Spain does not see an opportunity to somehow put her foot in the door. Indeed, Mr Speaker, it is true that some of Gibraltar's best friends in the British Parliament

1135 said that actually one of the reasons they supported Brexit, contrary to our own views in  
Gibraltar, was because they saw the European institutions and the 26 other Member States  
getting their foot in the door of British sovereignty over the United Kingdom, let alone Gibraltar,  
and some of our friends said, 'Therefore, you see, Spain has  $\frac{1}{27}$ th of her foot in already the  
sovereignty of Gibraltar. So those of us who did not support Brexit now have the comfort of at  
1140 least taking the view that if those who did support Brexit were right, then we are kicking that  
Spanish toe, or  $\frac{1}{27}$ th of the Spanish foot, out of the door with Brexit. So, if Señor Margallo might  
care to reconsider, he might find that Brexit is actually not an advantage towards Spanish  
sovereignty; it is actually the withdrawal of  $\frac{1}{27}$ th of the Spanish sovereignty attained over  
Gibraltar in the lexicon of those who backed Brexit, because that is how they saw it in respect of  
1145 the United Kingdom, which we did not.

So, Mr Speaker, the reason that we will meet in camera is because we may need to discuss  
things which are sensitive in order to be able to take a common position on them and we do not  
want those who wish to get not just  $\frac{1}{27}$ th of their toe in but the whole of their big feet into our  
sovereignty ... but that does not mean that we should not also meet in public when it is  
1150 appropriate for us to do so and call in those members of the public who may wish to come in to  
give us the evidence.

It is also true, Mr Speaker, that the select committee, as I have said, and the Government  
cannot deal with this negotiation on the basis of giving a blow by blow account publicly of what  
is going on. We can have such debates as hon. Members wish in respect of transparency and  
1155 debt and all the rest of it, and no doubt this will continue, because it appears that my skills in  
advocacy persuade 10,500 people but they do not persuade six or seven. So be it, I am quite  
happy to persuade 10,500 and not six or seven. But in relation to this matter, this is not an issue  
of transparency. If we are going to simply look at what happens in the Westminster Parliament,  
the Prime Minister herself has said, and so have the Foreign Minister and the Minister for DExEU  
1160 – the Department for Exiting the European Union – that they will not be giving a blow by blow  
account of negotiations, and that means I think negotiations inter-UK and extra-UK. It would not  
make sense to do so.

But hon. Members should know that we do intend to advise them, even outwith the select  
committee, of such aspects of the discussion and negotiation – I am going to come to you in a  
1165 second; I will give way in a second – where we believe that they should be informed of any  
particular issue, and we will do that, Mr Speaker, where the things that we are discussing with  
the United Kingdom are not things that we can say publicly and they are things which hon.  
Members should know. I think it is important that I should complete this point before I give way  
to the hon. Member. One of the things that the Deputy Chief Minister was very clear on in the  
1170 context of the discussions we had in the days after Brexit is that, of course, many meetings that  
we hold with Ministers and others outside of Gibraltar, in the United Kingdom in particular, deal  
with matters of government business at the same time as they deal with related Brexit matters  
of government business. Government business is something that has to remain confidential  
government to government and it is not something that we can give hon. Members a blow by  
1175 blow account of anyway, but where there are areas where it is clear to us that we cannot say  
something publicly, but that the hon. Members should be briefed, they will be, select committee  
or no select committee. It will be a conversation either between the Deputy Chief Minister and  
the Deputy Leader of the Opposition or between myself and the Leader of the Opposition where  
appropriate – although he is very difficult to catch, he is often in court, so it is easier usually for  
1180 the Deputy Chief Minister to get in touch with the Deputy Leader of the Opposition.

I think the hon. Gentleman wanted to say something.

**Hon. D A Feetham:** Yes. I do not know where the hon. Gentleman gets the fact that I am very  
busy. I am very busy in court, but never has the hon. Gentleman attempted to contact me and I  
1185 have not been there at the end of the telephone in order to answer his call, or indeed your call  
whenever you have asked to see me.

Let me remind him, before I get to the point that I was going to make, that I make the decisions as to who is Deputy and who is not Deputy within my ranks, but thank you very much for appearing to endorse Mr Hammond. He is probably very appreciative of it, but I make those decisions and I will make an announcement, if I do, when and if I am ready to do so.

But, Mr Speaker, one of the issues that concerns me about Article 50, and hence from our side the concern about time and whether we have made use of all the time available in order for us to impart to the hon. Gentleman what are our concerns, is that we have seen how the Prime Minister, Theresa May, has now said that the Article 50 notice is going to be triggered by the end of March. It could be earlier, it does not necessarily have to be the end of March, but there is a date, end of March, to trigger Article 50. Now, this is my understanding and this is what I would ask the hon. Gentleman to comment on, if he has an answer in relation to this. My understanding of the position is that once the Article 50 notice is triggered, what there will then be is a list of issues that is produced on the United Kingdom side. So the United Kingdom will say, 'These are the points that we would wish included within any deal,' and then on the EU side there is a list of points the EU would like to discuss and include within any deal. What then happens is that there is then an agreement. Usually, it is ... Well, we are in uncharted territory, but normally in these things there would be a consensus, and it is a point that the hon. Gentleman made, and perhaps the hon. Gentleman therefore has considered this particular point – that is why I am rising – that it would be dealt with by way of consensus about what are the issues, what are the parameters of this particular deal.

The danger for Gibraltar, as far as I can see, is that the Spanish government, through its lobbying – and it already commenced its very hard lobbying some months ago and sent diplomats to every single EU country – manages to then persuade effectively the United Kingdom and the EU to leave Gibraltar out. So, what we are then faced with is a situation, at a very early juncture, where the issue of Gibraltar is excluded from that parameter and those issues for discussion. I just wonder whether the hon. Gentleman can comment in relation to that and whether he thinks that that is a possibility and whether the Government has considered that, because that is something that does concern me and would, of course, then mean that the timetable, in terms of for us, is not two years from the exercise of the Article 50 notice – it is within a few months of the Article 50 notice that we would be faced with considerable difficulties.

**Hon. Chief Minister:** Well, Mr Speaker, I have tried to be in touch with him on some occasions and not been able to reach him. The hon. Gentleman may not recall, but that has happened on a number of occasions. He has called me much later, I have been unavailable and he has had to speak to the Deputy Chief Minister. I am not saying there is anything wrong with that, it is normal, but he cannot pretend that he is always there to pick up my phone. He is sometimes before a judge, and he cannot pick up a phone when he is in front of a judge.

**Hon. D A Feetham:** He does not phone me very often.

**Hon. Chief Minister:** No, I do not phone him very often, Mr Speaker, because we have diametrically opposed views on just about everything; and when we do not, when we seem to have the same view about something, there is no better way of ensuring that we have a different view than for us to discuss it, so it is usually better to remain of the same view, absent discussion, than to find a way to disagree. But, look, Mr Speaker, maybe that can change.

I did not know that the Hon. Mr Hammond was not the Deputy Leader of the Opposition, otherwise I would not have called him that. I sincerely thought that that was the case. Perhaps I have also got it wrong that Mr Vasquez is the Chairman of the Party, but I was simply reflecting what I thought had been the announcement that he had made, but it is clear that he makes those decisions, as he has told us today. I am constitutionally empowered to make decisions in relation to constitutional portfolios, but in my party I am slightly more constrained by a little

1240 thing called democracy – but never mind. It is a live issue in the Labour Party how members of the Shadow Cabinet are going to be appointed ... but anyway, never mind. It reminds me of that idea, Mr Speaker, that the hon. Gentleman had of something called ‘annual’ general meetings that happen once every three or four years! Anyway, leaving all those issues aside, because I do not want to go into partisan ...

1245 Mr Speaker, the Article 50 notice will set out some of the issues that the United Kingdom wants to deal with. It will be general, it will not be specific; it will be about the exit deal, it will not be about the new deal that the United Kingdom has with the European Union. This is an area where there is a large measure of disagreement – between the Council and the Commission and the Commission and the Council in the United Kingdom, and the United Kingdom, the Commission and the Council and the remaining 26 Member States – whether the exit deal is also  
1250 the deal going forward, or whether there is an exit deal and then a negotiation of a deal going forward. And that is very likely to be the case. There is very likely to be an exit deal first and then a new trade deal between the United Kingdom and the European Union. That has been repeated by Cecilia Malmström, who is the Commissioner for International Trade, and it is also repeated by some of the relevant British Ministers, and that has been said to be potentially very  
1255 dangerous for the United Kingdom. It is dangerous also for Germany, it is dangerous for other EU nations and it will be, of course, as dangerous for Gibraltar and for Spain, and navigating these issues is complex.

The Council leads the negotiation for the European Union. The Council acts either by consensus or qualified majority voting. What is clear, Mr Speaker, is that the Council and  
1260 therefore the President of the Council, who will represent the EU in its negotiations with the United Kingdom, will represent the position of the 26, not the position of the 27, so our work with the United Kingdom is not going to be reflected in what comes from the EU to the United Kingdom. That is our work with the EU, and the hon. Gentleman will see that we have done a lot of work already, not just with the United Kingdom but also with the EU, and we are continuing  
1265 to do that work in partnership with the United Kingdom in respect of the recent lobbying campaign that we have seen from Señor Margallo in respect of other EU foreign ministers, which the hon. Gentleman should not for one moment think is just happening now. This is constant and it does not just happen in respect of the European Union; it happens in Washington, it happens in New York, it happens everywhere we go or might go. During the time of the creation  
1270 of the magnificent artificial reef just in the north of Gibraltar’s territorial sea, the Spanish government was lobbying everywhere it had an embassy – and it has got almost 200 of them – and we were counter lobbying in 200 places where we had an embassy through the United Kingdom. We will be doing that in European capitals, of course, as well, but that does not mean that we will be able to influence what comes from the Council in the context of the negotiation.  
1275 *(Interjection by Hon. D A Feetham)* Of what? Out of what? At the risk of staying out of what? Of the negotiation? Mr Speaker, I do not mean to get partisan, but the hon. Gentleman needs to understand that one of the issues here is whether the United Kingdom stays in the Common Customs Union or not – the common market in goods, the single market in goods – right? We are out of it. We cannot have a hard Brexit of the single market in goods, because we are not in  
1280 it, and it has gone very well for us, right? We are in the single market in services. The United Kingdom may not be seeking access to the single market in services. It may be seeking a hard Brexit, so there will be nothing to negotiate, other than potentially those areas of the United Kingdom that might wish to have access to the single market.

There is potentially only one part of the Member State United Kingdom – because we are not  
1285 part of the United Kingdom, but we are part of the Member State United Kingdom for EU purposes under Article 355; and I do not think we should be having this discussion in public, but given that he has opened it – that would be seeking access to the single market and would be prepared to accept what the UK has told us is the price of access to the single market, which is freedom of movement of persons. Northern Ireland cannot do that, Scotland cannot do that,  
1290 because they have not got a border with the rest of England and Wales; but we can, because we

have got a border with England and Wales and we want to have less of a border with the rest of Europe. But if the 26 come back to the United Kingdom and say, 'Right, here's the price for access to the single market in goods, here is the price for access to the single market in services,' and all of that includes freedom of movement of people, and if the United Kingdom has already made the decision that it does not want access to the single market in good, it does not want access to the single market in services and it does not want access to the freedom of movement of people, good luck to Margallo if he thinks he is going to use that as a negotiating ploy for Gibraltar. That which he and I would not agree is the right position to take, I am sure, for the United Kingdom but is increasingly looking likely actually disarms the person who thinks he has got a good negotiating position with Gibraltar, because it takes what he thinks are his three aces out of his pocket, completely. He has got nothing left to negotiate with.

Where are we left? Where everybody in this community understands that we are left. We are left with a free market with the United Kingdom that hon. Members know I have said we are doing a lot of work on already. We are left with freedom of movement not enshrined in the European Treaty, because by leaving we are accepting that that is gone – and the UK is leaving the European Union largely, political commentators will say and the Prime Minister herself has said, because they do not want freedom of movement of people. And so the question is: do you have to have access to the fundamental freedom of movement of people in order to have an open frontier with people moving in one direction and the other, or do you not need that? And the answer is you do not need that, because we had an open Frontier before 1969, when neither Spain nor the United Kingdom were part of the European Union.

Mr Speaker, all of those things are the issues that are live, but this is not just about the Article 50 letter, it is about what deal the United Kingdom seeks, and those are the issues that we are dealing with and seeking to address. That is why part of the process has to be to work with the United Kingdom in the process of the exit deal as much as in the process of the new deal, if I can put it in that way.

So, Mr Speaker, the hon. Gentleman, when he was dealing with the issue of the fact that he had suggested this, I think evinced the suggestion that he had proposed a select committee thinking a select committee might be something else, as if a select committee were a place where Government and Opposition together run the executive; and as I said to his hon. colleague not the Deputy Leader of the Opposition, that is not what a select committee is about. This was not a process which we proposed also and which he wrote about, where we were creating a committee for joint decisions to be taken. Some joint decisions may have to be taken there about some issues which are appropriate for Parliament, but we have to continue to run the process of the Executive negotiating on these issues. This is not to create the joint sovereignty of the decision-making process in respect of Brexit.

Although I was grateful that he got up and said 'what Mr Hammond means', almost as if he had to explain what Mr Hammond had meant. I thought Mr Hammond had explained himself very eloquently today. When he is not talking gas he speaks very clearly, (*Laughter*) and I thought there was no need for him to be traduced by his leader. I had perfectly understood what the hon. Gentleman had said.

Mr Speaker, there may be areas where we do need a joint strategy, and although his advice, his assistance and his counsel are not something we will often seek, on this issue we will often seek to inform him of things that we cannot inform the general public and take his view on. He has said he will give us that view in good faith; I sincerely hope that that is the case. I would not expect anything else, but I am grateful that, given that he felt it necessary to tell us that he would give us his view in good faith, we will accept it in good faith.

The hon. Lady does not often praise the Government; I am grateful that she did on this occasion for the work that we have done. This was a period in our history where we had to act, and quickly, to deal with a lot of the issues that were coming up. Hon. Members will have seen, as I have said, just in the last 72 hours how aggressive, belligerent and predatory Spain has become, for reasons which I am clear relate more to Mr Margallo's own very clear existential



view of where *he* is going and wanting to act quickly and get his claws into a joint sovereignty negotiation quickly, and nothing to do with where Gibraltar is going, what risks Gibraltar may be at and what potential likelihood there is that Gibraltar might in some way be prepared to agree anything to do with joint sovereignty.

And so, Mr Speaker, I detect that there is support, whipped or otherwise, for six on one side and from the hon. Lady for this motion, for which I am grateful, and I commend the motion to the House. *(Banging on desks)*

**Mr Speaker:** I now put the question in terms of the motion proposed by the Hon. the Chief Minister. Those in favour? **(Members: Aye.)** Those against? Carried.

### Public debt – Definition

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

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move the motion standing in my name which reads as follows:

*That this House notes that section 73(1) of the Gibraltar Constitution Order 2006 defines public debt as all debt charges for which Gibraltar is liable. The House further notes that the Public Finance (Borrowing Powers Act) Public Debt is defined as any borrowing of money by the Government, and this House thus endorses the practice established under the former GSD administration under both the 1969 and 2006 Constitutions that borrowings by Government-owned and controlled companies are not considered and included in the measure of public debt.*

Mr Speaker, the origin of this motion is much like the origin of the earlier motion in respect of a motion that the Hon. Mr Clinton has put, again without contacting the Government, in an attempt to change the way that the Parliament interprets public debt.

You would have thought that if Mr Clinton were of the view that this is something that he wanted to genuinely achieve, again he would have picked up the phone and said, 'Look, Fabian, you are the Minister for Public Finance – I want to change the way that Public Finance is dealt with. I think with my accounting qualification I am better able to determine what should or should not be public debt and I propose this wholesale change to the way in which the Government works and the interpretation of section 73(1) of the Constitution and the way that you interpret the Public Finance Borrowing Powers Act. And not just you Fabian, by the way – I want to change the way that it was interpreted under the GSD and I would like to restate the accounts of Gibraltar for 1996 to 2011, and before then, before 1996,' to which I would have said, 'Well, Roy, don't worry, because there was not any Government company borrowing before 1996 whatsoever. We had nothing to hide before 1996, neither did the Government before 1988, and therefore if you want to do this and you want to restate the accounts of the GSD in Government ... we take the view that this is established and therefore it must be that you have a serious division in your ranks because you want to change the way that the GSD worked for 16 successful, if I may say so – electorally successful – years in Government and accounted successfully again to the electorate, although we did not agree with much of what they did for this issue to the electorate.' And he would have also have met with my view that he was trying to take Gibraltar in a direction that the Principal Auditor, who would have an accounting qualification, does not think it needs to go, and therefore that we think that the public accounts of Gibraltar, the definition of public debt, should continue to be as it was calculated in respect of

1380 the division between the Government accounts and the Government company accounts in the way that the GSD did between 1996 and 2011 and indeed in the way that the GSD defended in the 2011 General Election, because they did not propose to change it, and frankly it would have seemed, I think, facetious for the hon. Member therefore to have sought to persuade me to change that.

1385 But he might have then realised, if he had made that call, that what he was going to do was going to pit the current GSD head on against the former GSD. And I have not detected a change of name – they are not calling themselves the New GSD or anything Blairite like that. There is not a Mandelsonian text message in the morning, is there, telling them what to think and to be on message. But this appears to be a complete change in the position of the GSD, the current  
1390 official Opposition, in respect of the way in which debt is calculated.

I am sorry to have to raise this issue again, but in the context of a party that has considered, stated and repeated that the trajectory of Sir Peter Caruana, when he was Chief Minister of this House, is best referred to as that of the greatest Gibraltarian of his or all time, you would have thought that something so fundamentally opposed to the way that the GSD did business  
1395 between 1996 and 2011 would have been a source of huge embarrassment to them. But it may be, I assume, that the hon. Gentleman does not have the benefit of a corporate memory that reminds him of these issues; or it may be that he is going to get up and tell us that he thinks that things were not done right between 1996 and 2011. That would at least avail him of the defence that he is being no hypocrite. It would, of course, create a huge potential problem for the Leader  
1400 of the Opposition, who sometimes, not always, likes to remind us that he was a member of the Government between 2007 and 2011 when they won the election by a whisker, which was 400 votes, although Sir Peter then had the ability to remind me between 2011 and 2015 that we won by half a whisker, when we won by 200 votes – without the need for any accounting qualification.

1405 Mr Speaker, as a result, when I see the motion that the hon. Member moves I think that it is actually quite dangerous that we should be changing a constitutional interpretation and a legal interpretation based on the view of somebody who has been, at the time he moves the motion, in the House for six months, and that we should act contrary to the view of Sir Peter, who spent 24-25 years in this House.

1410 The GSD took a company structure established by the GSLP, which had no borrowing in it, and turned it into a trading structure of Government companies, which included a lot of borrowing in it, and in doing so and establishing that practice did so without changing the interpretations under section 73 of the Constitution or the Public Finance (Borrowing Powers) Act. So, what is it that has changed in our Constitution, or indeed in the Act, which changes the  
1415 way in which we must interpret it on this basis? Well, absolutely nothing, Mr Speaker, because none of the changes that have been made to the Act – and there have been no changes made to the Constitution – change that. And indeed, what changed in 2006 under the new Constitution? Well, in relation to this matter, nothing, Mr Speaker, because none of the changes that we saw swept in after 2006, with the amendments to the General Interpretation and Clauses Act, with  
1420 the other legal amendments, with the changes in practice, none of them meant that after 2006 we were accounting in a different way for the Government companies than we were between 1996 and 2006 in that 10-year period when *they* created the borrowing from Government companies and *they* accounted for the Government companies in the same way that we do, except for one important difference that hon. Members must not forget and will not be allowed  
1425 to forget, Mr Speaker, and it is an important point that the hon. Member should make a note of. Government companies did not file accounts under the GSD and they *will* file accounts under the GSLP Liberals, except that it is sometimes difficult to file those accounts when you are reconstructing the accounts of the companies between the period 1996 and 2011. But we are closer to doing so and we will be able to give them the benefit of the publication of the accounts  
1430 of the companies that *they* ran and *they* brought into trading and *they* brought into debt, in the

context of company accounts – which will be public and they will be filed and subject to the Companies Act. But they did not do any of that.

Now, I know we are now going to go into the territory of one of those debates where they do not *want* to look back. This is the ‘don’t look back’ mantra. They will get the Mandelsonian SMS now: ‘This is the don’t look back debate.’ This is not the ‘history shows you that we were the best Government ever’; this is the ‘forget we were ever in Government’ debate. But because they were in Government and because they behaved in a particular way, straddling old Constitution and new Constitution, 1969 Constitution and 2006 Constitution and the same Borrowing Powers Act, they cannot, absent getting up and saying it was done wrong by the GSD between 1996 and 2011, and that includes Daniel Feetham because he was a Minister in that Government between 2007 and 2011 ... they have absolutely no moral authority to put a motion that says the opposite of what this one does. Therefore, it is absolutely essential, in order to have clarity in respect of how the accounts of Gibraltar are going to be handled going forward, that we continue, by resolution of this House, to affirm what has been the case until now and approved, not just by Fabian Picardo but by Peter Caruana, successive Financial Secretaries – Tim Bristow, appointed by the United Kingdom; Dilip Dayaram, appointed by the former Chief Minister, Sir Peter Caruana – and successive auditors, because if this had been an improper practice, the auditor would have been the first one to point it out.

In the context of a debate that the Hon. the Leader of the Opposition and I had some time in December 2014 – I think it was the one involving the infamous close personal contact and arms going around each other’s bodies at the end; I think we hugged each other at the end of that one, for reasons that both of us probably cannot work out even now, but you hugged me first (*Laughter*) – the hon. Gentleman suggested that what Gibraltar needed was an auditor to audit its accounts independently. I was delighted when he said this, because I was able to say, ‘For goodness’ sake, where have you been operating?’ Gibraltar has an audit ‘*el chivatito*’ the transcript is available, if the hon. Gentleman likes. We have a Principal Auditor who audits the accounts of Gibraltar already, and that Auditor would immediately have said that the practice that the GSD had started, and we had simply continued under the same Financial Secretary that we inherited etc., was contrary to section 73 of the Constitution and the Public Finance (Borrowing Powers) Act, if it were.

So, Mr Speaker, this motion deals with that attempted change of interpretation, which would be contrary to the clear interpretation given between 1996 and 2011 under the 1969 Constitution and the 2006 Constitution, under the old Public Finance (Borrowing Powers) Act and the new Public Finance (Borrowing Powers) Act as amended by the GSD, and nothing has changed. Therefore, Mr Speaker, I never thought I would say these words: I commend to the House that we continue the practice established by Sir Peter Caruana and the GSD and continued by Sir Peter Caruana and Daniel Feetham when he was in Government with him, as set out in this motion, and that we do not accept the opposite, which is the motion that the Member opposite moved to suggest the contrary. (*Banging on desks*)

**Mr Speaker:** I now propose the question in the terms of the motion moved by the Hon. the Chief Minister. Does any hon. Member wish to contribute to the debate on the motion? The Hon. Roy Clinton.

**Hon. R M Clinton:** Mr Speaker, I must confess to feeling déjà vu. To have one motion hijacked is perhaps unfortunate; to have two motions hijacked is perhaps complete misfortune. Yet, on the other hand, I should be flattered, because I had to take a double take when I read the Chief Minister’s motion, because not only is he hijacking my motions quite deliberately, but now he is not even bothering to change the wording in my motions. He has, in fact, copied two thirds of my motion and only changed the last paragraph. Well, of course, as he himself has said, no he is not lazy – but that looks lazy to me.

Mr Speaker, I do not propose to give a great speech on this motion because, frankly, I have my own prepared speech for the Chief Minister's delight and consumption. If I were to call the Chief Minister every time I proposed to bring an idea, a motion or question to this House, I might be rightly accused of wanting to be subject to his whip. Do I have to go to No. 6 every time I want something debated in this House? *(Laughter)* Perhaps it would be easier if I just crossed the floor and joined him on that side of the House, but obviously I have no intention of doing that.

But I really do appreciate his increasing 'fondness' – dare I use the word – for accountants, because thankfully accountants are now figuring more in this House than they ever have before, whereas before it would appear that this was a finishing school for lawyers.

So, Mr Speaker, the substance of my motion I will debate when I come to my motion. And, again, I have subject matter which I think I will attempt to persuade the Members opposite as to the merits of my motion.

He did say at one point, 'Well, Mr Speaker, this has been the rule for years, nothing has changed – what has changed?' Well, I can think of two things that have changed, Mr Speaker: (1) Credit Finance, £400 million; and (2) Gibraltar Capital Assets Ltd, £300 million. But, of course, the Principal Auditor cannot comment on these areas because they are not within his remit, and therefore of course the Principal Auditor has nothing to say on the matter because they are not within his remit. But my motion is exactly the point: they *should* be within his remit. He *should* be reporting on these companies and reporting to Parliament and including them in his report. So I do not see what the Chief Minister finds at fault in my motion.

Of course I am happy to keep on calling the Chief Minister every time I have an idea – morning, noon or night – but he may find that objectionable. In fact, as he said, I have three letters that I have written to him: one prior to the Budget, which he never responded to; one subsequent to the Budget, which I am still waiting for; and one in which I am requesting a technical meeting on the £300 million, which I appreciate the Chief Minister has been travelling and may not have had time to respond to.

And so, Mr Speaker, I do not propose to debate with the Chief Minister at this point in time. I have my own views which I will express in my own motion and perhaps ... I do not know how we can get round this, Mr Speaker, in this idea of somehow wasting the House's time in debating duplicate motions, but it may assist the House if the Chief Minister stopped attempting to hijack my own motions and debate the merits of the subject.

Again, Mr Speaker, I will be calling for a division. Thank you.

**Mr Speaker:** Does any other hon. Member wish to speak on the motion? The Hon. Marlene Hassan Nahon.

**Hon. Ms. M D Hassan Nahon:** Mr Speaker, given that I am in the privileged position to not contradict any stance or history of any party position, and that I have the benefit of representing from this chair what is truly in the best interests of this community, which is maximum transparency and accountability, and then of course taking into account this Government's mantra of implementing a new dawn, where it is the Government's duty to look forward and not backward, I oppose this Government's motion to not incorporate or include borrowing by Government-owned and controlled companies.

**Mr Speaker:** The Hon. the Leader of the Opposition.

**Hon. D A Feetham:** Yes, Mr Speaker, I am very grateful to the hon. Lady for the stance that she has taken. Of course she could not have taken a different stance, because when she stood for the by-election in 2013 with the GSD and defending GSD policy – and indeed when she also stood in 2015 defending GSD policy, of which this issue loomed very large, but particularly in 2013 – one of the points that she made in the by-election, which is a point that is extremely

important in this debate and is the distinguishing feature of what was happening between 1996 and subsequent to 2008-09 is that what has happened in the world is that we have had Greece and we have had the consequences of Greece. Indeed, if you look at the consequences of Greece and the effect that it had on the financial system, not only as a response to the effect that it had on the financial system and the contagion and the depression that that led, not only in Europe but also worldwide, Governments within Europe reacted, and indeed the United Kingdom, not during the time that we were in Government but actually subsequent to that, analysing what had happened subsequent to 2008 and between 2008 and 2011-12, what they did, as indeed the Governments in other parts of Europe and the world, was that they changed the definition of public debt. And the United Kingdom in particular – yes, absolutely, the United Kingdom in particular – which had a policy of not including the debts of Government-owned companies, of not including, for example, certain aspects of PFI arrangements within the calculation of public debt and how public debt was computed, then started to include, for the sake of transparency because Greece led Governments to be more transparent, because part of the problem with Greece was that lack of transparency ... it led to more transparency and the inclusion of the debts of Government-owned companies as part of the computation of public debt.

We fought the election last time round on the basis of those arguments, but we lost. Absolutely, we lost the election. But the reality is that the situations then and now are markedly different. And, of course, as my hon. Friend, Mr Clinton, also correctly points out, the situation then and the situation now are, in our view, materially and significantly different, because what the Government is seeking to do and what the Government has sought to do since 2012 when it amended the Gibraltar Savings Bank Act in March of 2012, and in 2013 when it created Credit Finance Company Ltd and decided to invest £400 million of savers' money into that particular company, is to have the bulk of its public debt off balance sheet. In other words, not directly the debt of the Government but the debt of Government-owned companies. And what that has allowed the Government to do is to effectively come to this House, or to the public, and say our public debt in gross terms is four hundred and –

**Mr Speaker:** May I interrupt just a moment? I want to give some guidance for the rest of this motion and Mr Clinton's motion as well.

The motion is about definition of debt; it is not about the amounts. Whether the public debt is £400 million or whether it is £1 has got nothing to do with it. Therefore, I am laying down a marker with the Leader of the Opposition, which I will carry over when anybody else takes part in the debate, including the Chief Minister's right to reply and to Mr Roy Clinton's motion. Because, you see, the Government and the Opposition have for months been going at each other hammer and tongs in exchanges outside this Parliament about the question of public debt and the amounts involved, and what we are not going to do ... If you want to bring this debate to the House you are perfectly entitled to do so, but you cannot do that under a motion which has got nothing to do with the amount of public debt but just has to do with the definition of debt. I want to make that abundantly clear, because the moment that hon. Members begin to throw sums of money across the floor of the House I will call them to account. I hope that that is clear.

Now the Hon. Mr Clinton, yes.

**Hon. R M Clinton:** Mr Speaker, I must bring to your attention that of course my motion is specifically directed at bringing in Government companies into the definition of public debt, so I cannot but mention them. So if you have a problem with me mentioning a number ... but I will have to mention them, although I will exclude the number if you so wish.

**Hon. D A Feetham:** Mr Speaker, that is the second time that Mr Speaker has interrupted me during the course of my –

**Mr Speaker:** That is indeed the second time, and let me tell the Leader of the Opposition that if I have to interrupt him 10 times, or anybody else in this House, (*Banging on desks*) I will do so because that is my job. That is what I have been appointed Speaker for. The moment that hon. Members are not happy with that, all they have to do is to bring a motion of censure against me and then I will be quite happy to go home, having done my duty to the best of my ability. (1590) (**Several Members:** Hear, hear.) (*Banging on desks*)

I thought for months that the Leader of the Opposition and I were getting on very much better since the last election. The moment that earlier today I had to call his attention to a very small matter he immediately challenged me, and now he is doing it again. If he wants to (1595) continue to do that, let me tell you that for as long as I am Speaker there is only going to be one winner, unless he does bring a motion of censure against me and is successful. I would like to get on with him as we have been doing since the last General Election, and therefore I am giving general guidance, which I am doing now because I know that the moment that he sits down the Chief Minister will stand up and then the debate will become one about the level of public debt (1600) and not about the definition – and it can happen again later this afternoon under Mr Roy Clinton’s motion. That is all I am doing – I am laying a marker. I think I am very liberal. When hon. Members are debating in a motion I am very liberal and hardly ever call any of them to attention.

(1605) **Hon. D A Feetham:** May I now continue?

**Mr Speaker:** Yes, you may.

**Hon. D A Feetham:** Well, thank you very much, Mr Speaker, but of course we live in a (1610) democracy and this is the heart of our democracy, and I am as entitled to express my view in the heart of the democracy as Mr Speaker is entitled to express his. And let me tell Mr Speaker he has got it hopelessly wrong. Twice he has got it hopelessly wrong, (**A Member:** Oh!) and I am entitled to express that view to this House and to Mr Speaker.

What we are debating is the definition of public debt, and the reason why we are debating (1615) that is because the Government says the definition of public debt ... The Government debt, the debt that the Government owns, on the current definition they say is £446 million gross, and what we are saying is, ‘Well, actually, you should be taking the debts of Government-owned companies, and if you did then it would take the debt of this community to over £1.1 million.’

How an earth am I expected to debate, Mr Speaker? How can we debate the –

(1620) **Mr Speaker:** Very simply –

**Hon. D A Feetham:** ... without actually...

(1625) **Mr Speaker:** Very Simple.

**Hon. D A Feetham:** May I finish, please?

**Mr Speaker:** Very simple: by saying that if the Government’s definition is the issue, then the (1630) level of debt is a certain figure.

**Hon. D A Feetham:** But I was about to do that.

**Mr Speaker:** If it is something else, it is another figure. But what I am doing is laying down a (1635) marker that I am not going to allow a debate about the actual debt as seen by the Government or as seen by the Opposition.

Of course this is a democracy, but in this democracy the hon. Members have handed me this, the Standing Rules and Orders, and it is for me to apply these rules, not for the Leader of the Opposition, not for the Chief Minister, not for Mr Bossano, who has been here for as long as long as I have, or anybody else. It is for me, and I said, when I was appointed Speaker last time, I would do it without fear or favour. I do it to the best of my ability. I am impartial. I do not belong to any political party. I ceased doing that many years ago, and in the intervening period I have been totally aparty political. Therefore, I think I am entitled to say that I have a duty to apply the rules of this House as to the best of my ability and as I think fit. *(Banging on desks)*

**Hon. D A Feetham:** Yes, Mr Speaker, and nobody is disputing whether Mr Speaker whether Mr Speaker is applying the rules impartially or not. What I am saying is that it is wrong – that you have applied the rules wrongly and that your view on this particular intervention is wrong, and indeed it is easily tested that it is wrong. The hon. Gentleman has spent, during the course of his speech, three-quarters of his speech talking about the practice under the GSD and talking about how the GSD use to – *(Interjection)* May I, Mr Speaker, please –

**Mr Speaker:** But he did not mention a single figure once. Not once did he bring in any of the exchanges that hon. Members have been having for months.

**Hon. D A Feetham:** But Mr Speaker... Okay, I see that what Mr Speaker finds objectionable is my mentioning the fact that Government gross debt is £446 million and if we took the debts of Government owned companies into account it is £1.1 million. Quite frankly, I do think that Mr Speaker – *(Interjection)* Mr Speaker, can I –

**Mr Speaker:** Leader of the Opposition, please sit down.

You do not seem to understand what I am telling you. You do not seem to understand. I said that I was laying a marker, I was issuing a warning that I did not want those figures that the Hon. the Leader of the Opposition has been mentioning to become the subject of debate. I am laying down a marker in anticipation. That is all I am doing, but you are taking it much further.

**Hon. D A Feetham:** Well, okay, so Mr Speaker is laying a marker for the House in general. Perhaps I would invite Mr Speaker, that maybe if he is laying a marker next time round, that perhaps rather than interrupt Members of the House in the middle of a speech to lay a marker, that perhaps one could wait until after the speech.

May I say, Mr Speaker, that the point is very simple. The point made by the hon. Gentleman, Mr Clinton, is absolutely right. What has changed, apart from the fact that we had Greece in 2008 and that countries have responded to that in terms of their additional transparency, is that what has happened over the last five years is that the Government is increasingly borrowing off balance sheet. In other words, it is not borrowing directly itself in order so that it does not appear on the Government accounts, but it is borrowing off balance sheet via the accounts of Government-owned companies so that then it can come to this House – and I am not going to mention any figures, because I do not want to incur the wrath of Mr Speaker, but in order to say to this House there is £x million owed by the Government, and that is the end of the matter.

That, we believe, is fundamentally wrong, because it does not give an adequate or accurate picture of the indebtedness of this community because, at the end of the day, if a Government-owned company cannot repay, for example, the £300 million that has been borrowed, mortgaged and secured on a mortgage of six housing estates, it is the Government that is going to have to pay it. It is the Government, effectively. These are Government-owned companies, and therefore what we are certainly saying is that whatever has happened in the past, let us be more transparent. Let us be transparent with the people of Gibraltar, let us be *realistic* about what the levels of public debt are, by taking into account not only the direct debt of the Government but also the debt of Government-owned companies.

1690 Mr Speaker will be glad to hear that I am concluding, and there is an additional... and I hope  
that I am not straying into territory that Mr Speaker does not want me to stray into, but there is  
an additional reason, of course, why the situation is different even today than it was seven  
months ago. We have had a vote for Brexit at the Referendum. The responsibility now on all of  
us is to be more transparent about where we are as a community in relation to our public  
finances, where we are as a community in terms of the borrowing of this community. And you  
1695 cannot judge, Mr Speaker, how the public finances of Gibraltar are performing by undertaking  
an ostrich exercise and sticking your head in the sand about all that money, the £400 million. I  
apologise for mentioning £400 million, but the money in Credit Finance (*Interjection*) – no, £400  
million in Credit Finance – and indeed the figure that should not be named, the other figures in  
relation to the mortgage on the six housing estates, because combined that is substantially more  
1700 than what the Government directly owes in debt.

That is really what divides us. We want to be more transparent and give an accurate picture;  
they want to be less transparent and give a picture that is completely and utterly skewered.  
(*Banging on desks*)

1705 **Mr Speaker:** Any other contributor to the debate? I call on the mover to reply.

**Hon. Chief Minister:** Mr Speaker, I want to start by saying that, under the provisions of  
sections 50 and 51 of the Standing Orders and Rules of this House, when you speak you must be  
heard in silence and that you have responsibility for order and that those of us who represent  
1710 the Government on this side of the House entirely accept that. Given where the exchanges have  
gone with the Hon. the Leader of the Opposition – who I think should take a healthy dose of  
respect medicine – I want to thank you for your service in this House as a Member of it between  
1972 and 1992 and for your service as Speaker in this House since you were called upon to serve  
again. I thank you in particular, Mr Speaker, for every time you have spoken out against me, for  
1715 every time you have interrupted me and for every time that you have interrupted a Member on  
this side and you have felt it necessary to call us to order, because that is what we, on behalf of  
our community, all of us together, have asked you to do. Therefore, I think it is important that  
you know that you enjoy the confidence of everyone who sits on this side of the House and that  
you enjoy that confidence even when we disagree with you, because we know that you are  
1720 making rulings based on your experience and your interpretation of the rules.

Moving on now to the speeches we have heard from hon. Members, the Hon. Mr Clinton  
says that he feels déjà vu in having another motion hijacked. Well, Mr Speaker, I feel déjà vu in  
being called lazy twice in one day. It has never happened to me before. Of all the  
characterisations which are less than attractive of me, laziness is not one that has often been  
1725 put to me. The reason I have copied the first two paragraphs of his motion is to demonstrate to  
him in the context of my motion that he is condemning that which his party was responsible for  
when it was in Government and his Leader was responsible for as a Minister when he was in  
Government. This is not an exercise in laziness; this is an exercise in demonstration of how  
wrong his motion is.

1730 Mr Speaker, again, if he wants to change the way that the accounts of Gibraltar are  
determined and the interpretation given under a Constitution, under a Public Finance  
(Borrowing Powers) Act, the least he should do – if he really wants to succeed and is not trying  
just to create a show to try and pretend that he might somehow be now a new GSD that will do  
things in a different way, which is clearly all he is doing – then he would call No. 6, not to be  
1735 whipped, because I have told him I do not whip my own people, so the last thing I would do is  
whip him. Mr Speaker, what he would do is determine whether his motion is likely to succeed or  
not. It is not to seek permission. It is that we work in a parliamentary democracy, and if he wants  
to get 10 votes, or if he wants to get nine votes so that I get eight and he does not prosper, he  
should ask me whether I would back a motion he is going to put or whether I should think of  
1740 putting a motion in the same way.



If he has many ideas and he does not want to disturb me at three o'clock in the morning – and I daresay, Mr Speaker, that although I think the public service gives an excellent service, there would be no one to pick up at three o'clock in the morning; and I am not going to be giving him my mobile given that he has evinced an intention to call me at that hour, although he will find that despite being called lazy, I am usually working at that time but on matters more important than whatever motion he might want to be setting up the Parliament for – then he would know from me whether he stands any prospect of success, or whether all that is going to happen is that he is going to put a motion to give a speech on to try and persuade people of something, which is fine. That can also be something that motions are for, but they do not then result in changes in the way that things are calculated.

The hon. Gentleman has said that there are accountants here at last. Well, there may be an accountant here, Mr Speaker – I do not know whether it is at last or not, but there has been an economist here for 44 years and that economist, by working with people, has been able to change the way that Gibraltar's economy is run and actually put it on a much better footing. Not because I say so. I would say that, wouldn't I, Mr Speaker, of Joe Bossano, but even the greatest Gibraltarian of all time said it in his valedictory speech here when he spoke in the last Budget that he spoke on in 2015. In fact, Mr Bossano was not here to hear him say that Gibraltar owed Joe Bossano a huge debt of gratitude for the repositioning of the Gibraltar economy after the closure in 1984 of the dockyard and the work that he had done thereafter.

I do not think this is a finishing school for lawyers; it should not be. Lawyers should come here ready and finished, ready to do political work, to be architects – like accountants, like journalists, like mothers, like fathers – of our future, of our society, because that is what we are as lawmakers. We are not here to look at the price of PG Tips and of Brooke Bond; we are here to become architects of the future of our community.

There is one element of the architecture of the way our community is run which we accept and which I will say to the hon. Lady does not go to transparency in the way that hon. Members are painting it, with the very greatest of respect. The hon. Gentleman referred to Gibraltar Capital Assets having happened and this was one of the reasons why he brought his motion. Well, he is getting his chronology wrong. Gibraltar Capital Assets had not been announced at the time that he put his motion. He found out about Gibraltar Capital Assets because I told him. The community found out about the great secret that is Gibraltar Capital Assets because I talked about it during my Budget speech and I informed the community of the structure of that. I told them about the amounts involved. I told them – the person who he alleges is trying to secretively avoid the company's accounts being talked about. I brought it here, Mr Speaker, so it does not make any sense for him to say that he needs to bring this motion for this purpose. Indeed, doesn't he know that we publish, from Credit Finance Company Ltd, statements online every month? Doesn't he know, Mr Speaker? Of course he does, because when he makes his arguments, which in my respectful submission are nonsensical, about what the level of debt is ... He says during a General Election campaign that he is going to take the amounts there – and he takes the full amount of £400 million and all the rest of it, and we will talk about later about those amounts, if you like – and he is going to increase the level of debt to £900 million – he said that during his election campaign – in order to ensure that what they say are the amounts involved are covered. That is what they say.

Mr Speaker, how can he say that he needs this change in order to know what is going on in Credit Finance and GCA? He may want to say – no doubt he will in his motion, and as he has indicated today – that he just wants all of the companies to be under the scrutiny of the Principal Auditor. Well, that is his position, but it is nonsensical to say that Credit Finance and GCA are the ones that in particular make that relevant and are relevant after the GSD, because Credit Finance and the GCA, which are the two he says we are responsible for – of course we are, we created them – are the ones on which he has most information. Most information. What information does he have about the accounts of the Bus Company, which they created, or any of the other companies that they created and operated as trading companies, and which

borrowed? And he says that the change is Credit Finance and GCA. Well, look, Mr Speaker, it is utter nonsense.

1795 And of course the Auditor does not say anything about these accounts, because they are not in his remit. Exactly, Mr Speaker – they are not in his remit, and that is where the Hon. Mr Clinton is entirely wrong, for a simple reason: section 73 of the Constitution and the Public Finance (Borrowing Powers) Act mean what they mean, not what I say they mean, and if the Auditor thought that therefore they cover the companies, he would say so and he would ask for  
1800 the accounts and he would put it in his report.

It is not up to this Parliament to say section 73 of the Constitution means this or the Borrowing Powers Act means that, because neither the Chief Justice in our courts or any other judge, nor the Principal Auditor, nor any other party that interprets our laws asks the Chief Minister what it means. That is why we create laws and Constitutions. They are objective  
1805 standards that go out into the community and others interpret. And he is coming here to tell us what he says they must mean in the future. He is not saying ‘amend’ it to say this; he says ‘interpret’ it to say this. And so it is not that these companies are not within the remit and can be brought within the remit of the Auditor by something we say here; it is that the Constitution and the law do not put them within the remit under the GSD, under the GSLP, under the  
1810 independent Member leading a party informing Government, or anybody else. That is the nonsense of the motion that he has brought.

He says he has three letters waiting for reply; I thought he had two. He will get replies to his letters as soon as I am able to attend to them, but he has to understand that, in the context of what I deal with as Chief Minister, replying to his letters is not a priority. That does not mean  
1815 that he should not approach me in writing to deal with things. I commend to him an advance called e-mail, which now enables me to read correspondence wherever I am. It involves small devices or large devices onto which people type and uses the phone lines. I do not know whether he has moved on from letters to e-mail, but if he sends me e-mails I usually try and reply more quickly – I have the opportunity of replying when I am on aircraft, etc. but I do  
1820 commend that to him. Others will be able to tell him that I tend to be able to reply quite quickly to queries to which I have the answer when I receive an electronic communication which is mobile.

Then he told us he does not propose to deal with my motion now and he will speak on his motion in respect of the things that he would have dealt with in response to my motion. Very  
1825 well, Mr Speaker, he is going to disjoint the debate. I am quite happy for it to be disjointed, we can do it in that way, but I can tell him now that if he continues to put motions that I think are nonsensical he will continue to receive motions from the Government affirming practices even under the GSD, as he has in respect of this one.

Mr Speaker, I cannot agree with the interpretation of Ms Hassan Nahon in relation to  
1830 transparency, because, as I have said to her, the issue that we are dealing with – and in fact the Leader of the Opposition then usefully got up and demonstrated it for me, this question that he said, which is the post-Greek issue and Gibraltar Capital Assets and Credit Finance Company Limited. That information is out there, and they have got it because I give it to them. So can they at least please acknowledge in the context of what they are saying that this Government is  
1835 giving more information than any Government in the history of Gibraltar in respect of the Government companies – two of them in particular, Gibraltar Capital Assets and Credit Finance Company Ltd? And the information that we do not give in respect of Credit Finance Company Ltd – the Hon. the Leader of the Opposition, who is often the one up asking for it, knows that it is impossible for us to give, because it is who is Credit Finance lending to, how much have you lent  
1840 to them, what is the interest rate you are charging. It is nonsensical for him to ask for that information, and he must not get away with using our inability to reply to that, because of confidentiality of the borrower, as an attempt to suggest that something is not transparent.

The best alternative example is the Royal Bank of Scotland and Lloyds Bank – which is owned primarily by the British taxpayer in the same way as Credit Finance is owned primarily by the

1845 Government of Gibraltar – not being able to tell you what they are lending to whom. So the  
nonsense that the Hon. the Leader of the Opposition is perpetuating by that argument, and  
which the hon. Lady should not fall for and neither should anybody else in this community, is  
that he gets up and says, if he were in another Parliament, ‘Theresa, I have seen the accounts of  
1850 the Royal Bank of Scotland – what is the amount of lending in Gibraltar, who has it been lent to  
and how much is the interest?’ He would get exactly the same answer from Theresa May that he  
gets from Fabian Picardo. It may be a Government-owned company, but I cannot give him the  
information because of covenants of confidentiality. But you have online a lot of information  
about Credit Finance Company Ltd and you have in your possession already a lot of information  
1855 in relation to Gibraltar Capital Assets Ltd and you have been invited to a meeting on that. But I  
will tell you what you do not have and what you did not defend in the General Election or in the  
by-election when you stood with the GSD, and what you have not sought is the information in  
relation to the companies that they established – because they did not even file the accounts.  
They did not even comply with the law to file accounts. So the hon. Lady will find me not able to  
agree with her in respect of this amount of transparency, because if she were at least to say, in  
1860 the context of the way she puts her argument, ‘I accept that you are giving more than they gave,  
but I would like you to give more,’ fair enough. That is an argument which then I would meet by  
saying, ‘We invite you to a meeting on one, and the information we are not giving on the other is  
the confidential information.’ (*Interjection by Hon. Ms M D Hassan Nahon*) Fair enough. But it is  
different, in my respectful submission, to simply say, ‘I believe in transparency – you should give  
1865 more.’

The hon. Gentleman then got up and told us that the hon. Lady had spoken because she had  
no alternative than to defend the record that she had defended at the General Election and the  
by-election and the position she had put. I think he is trying to somehow cast the net wide  
enough that she is stuck with all of the historical baggage that she has now unstuck herself from,  
1870 so that at least there is not a rising star on the Opposition benches who can speak freely without  
historical baggage and he is stuck with the excess luggage of 16 years of GSD Government, which  
is really enough baggage that he would not be accepted on a British Airways flight. But he says  
this is an issue that loomed large at the General Election. It loomed large because Credit Finance,  
of course, had been created by the time of the General Election and was one of the central  
1875 pillars of what we were told was a coming GSD return to Government. ‘We lost,’ he said, but he  
did not lose, Mr Speaker – he lost with, on average, less than half the votes. If he wants  
transparency on figures, we are talking about over 10,000 and an average of about four. People  
believed the Government was right, therefore, in many of the things that we were doing, and in  
particular this, because he said it was a central tenet of the thing. Well, it was a central tenet  
1880 and we won. Don’t tell me that we won because of our designs for a new Commonwealth Park  
on the Upper Rock. If it was a central tenet, then the people are with us on that issue.

Then he started to refer to Greece, Mr Speaker, and I thought for one moment that he was  
going to do a Travolta-like turn on something. (*Laughter*) He has done so many U-turns in his  
political career, I thought we were in for a *Strictly Come Dancing* style spin on his toes. It is  
1885 nonsense to say that Greece is what changes everything. Knowing, as I do, how his brain  
functions, he must have spent hours trying to work out how to try to draw a distinction between  
2011 and everything that was done then being done right, and exactly the same thing being  
done thereafter, with more transparency and more information given out, and still not  
demonstrate what a political hypocrite he is to pretend that we should now do things  
1890 differently. And he thought ‘Greece!’ Mr Speaker, he needs to watch that movie again, because  
he really was not able to sound persuasive in any material respect in any of the arguments that  
he made.

The figures that he quoted – and in my view, Mr Speaker, you rightly have tried to prevent us  
from having a debate on the level of public debt; I will only say this – are wrong. They have now  
1895 spent quite a considerable period of time, as you have detected, trying to pretend that the gross  
debt of Gibraltar is £1.1 billion. It is utter nonsense. I have enough of a high regard for him as a

professional – not as a politician, and I always try and divide the two – that even he cannot, as a politician, believe that the numbers that he is giving are true. I have to accept that he therefore thinks that he can pull the wool over people’s eyes and pretend to somehow persuade some people that that is true, but we are not going to fall into the trap of being ostriches and allowing him to do that. We are going to challenge him every time he tries to pretend that that is the case, and we will demonstrate that that is not true.

Because he would like to forget, Mr Speaker, in the analysis that he is doing and does, the amounts – it was about two hundred, let’s not get into it – of the Savings Bank bonds that they had when they were in Government, because when they do their calculations they try to ignore all of those things, and the company debt that they had when they were in Government. Or doesn’t he remember the debate that we had about fitness to govern when I was Leader of the Opposition? *(Interjection by Hon. D A Feetham)* Mr Speaker, the Hon. Gentleman is saying the figure of £24 million in bonds in the Savings Bank. Okay, I am delighted that he has given that figure. Given that we are going to have another debate on this subject later, where it appears that figures may be more of an amenable issue and they may be mentioned, I will leave it to then, but we are going to have a lot of fun with £24 million, Mr Speaker.

It is absolutely right that the Government should come to this House not just to deal with the motion put by the Hon. Mr Clinton, which we will deal with later, but to actually put a positive motion asserting the position that has been accepted for the past 21 years in the interpretation of the Constitution and the Public Finance (Borrowing Powers) Act and continue to assert that that is the correct position to take. It is absolute nonsense to pretend by motion to change the meaning of a principal and overriding enactment like a Constitution or to think that by motion one can change the meaning of a law. Therefore, Mr Speaker, the Government was not just hijacking a motion, the Government was acting entirely properly in bringing a motion affirming the interpretation actions and accounting of this nation from 1996 onwards under its former Chief Minister, my predecessor – for whom I have a lot of respect but I had very little regard for much of what he did in Government – and every Financial Secretary and Accountant General since, and to deprecate an attempt to do the opposite by somebody who has been in this Parliament for months.

And therefore, Mr Speaker, pleased that there will be a division on this vote. I commend this motion to the House. *(Banging on desks)*

**Mr Speaker:** I now put the question in the terms of the motion moved by the Chief Minister. Do you want the Clerk to call a division?

**Hon. Chief Minister:** Well, I mean, Mr Speaker, as I understand it, the division has been called for by Mr Clinton but it is seconded by me.

**Mr Speaker:** Very well.

*A division was called for and voting resulted as follows:*

**FOR**

The Hon. P J Balban  
The Hon. J J Bossano  
The Hon. Dr J E Cortes  
The Hon. N F Costa  
The Hon. Dr J J Garcia  
The Hon. A J Isola  
The Hon. G H Licudi  
The Hon. S E Linares  
The Hon. F R Picardo  
The Hon. Miss S J Sacramento

**AGAINST**

The Hon. R M Clinton  
The Hon. D A Feetham  
The Hon. Ms M D Hassan Nahon  
The Hon. L F Llamas  
The Hon. E J Phillips  
The Hon. E J Reyes

**ABSENT**

The Hon. T N Hammond

**Mr Speaker:** The motion is carried by 10 votes to 6, with one Member being unavoidably absent.

When we return this afternoon, it is the Hon. the Minister for Business who has two fairly routine motions.

1940 I propose we recess until 3.15.

**Chief Minister (Hon. F R Picardo):** I was going to propose exactly that, Mr Speaker.

**Mr Speaker:** The House will now recess until 3.15.

1945

*The House recessed at 1.24 p.m. and resumed its sitting at 3.15 p.m.*



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**AFTERNOON SESSION: 3.15 p.m. – 8.53 p.m.**

**Gibraltar, Friday, 7th October 2016**

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# The Gibraltar Parliament

*The Parliament met at 3.21 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 MOTIONS

#### **Old age pensions and survivor's benefits – Up-rating from 1st August 2015 approved**

**Clerk:** We continue with Government motions. The Hon. the Minister for Business and Employment.

5

**Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, I have the honour to move the motion standing in my name, which reads as follows:

*That this House approve by resolution, pursuant to section 46 of the Social Security (Open Long-Term Benefits Scheme) Act 1997, the making of the Social Security (Open Long-Term Benefits Scheme) (Amendment of Benefits) (No. 2) Order 2016.*

Mr Speaker, this Order seeks to amend the Social Security (Open Long-Term Benefits Scheme) Act 1997 by increasing the rate of old age pensions and survivor's benefit by 1.6% with effect from 1st August 2015, which represents the annual increase for that year.

10 In previous years, old age pensions and survivor's benefits have been up-rated in line with the annual increase in the general index of retail prices. The year prior, the rise in the index of retail prices was 0.1% over the year and would therefore have represented a very low increase. Her Majesty's Government of Gibraltar therefore decided to apply the same pensions increase of 1.6% as was implemented in August 2014.

15 Accordingly, the full monthly pension for a single person will rise from £431.87 to £438.78, and for a married couple from £647.85 to £658.22.

**Mr Speaker:** I now propose the question in terms of the motion moved by the Hon. the Minister for Business and Employment. Does anybody want to speak on the motion?

20 I now put the question in the terms of the motion proposed by the Hon. the Minister for Business and Employment. Those in favour? (**Members:** Aye.) Those against? Carried.



**Old age pensions and survivor's benefits –  
Uprating from 1st August 2016 approved**

**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 move the motion standing in my name, which reads as follows:

*That this House approve by resolution, pursuant to section 46 of the Social Security (Open Long-Term Benefits Scheme) Act 1997, the making of the Social Security (Open Long-Term Benefits Scheme) (Amendment of Benefits) (No. 2) Order 2016.*

25 Mr Speaker, this Order seeks to amend the Social Security (Open Long-Term Benefits Scheme) Act 1997 by increasing the rate of old age pensions and survivor's benefit by 0.4% with effect from 1st August 2016, which represents the annual increase for this year.

Accordingly, the full monthly pension for a single person will rise from £438.78 to £440.54, and for a couple from £658.22 to £660.85.

30

**Mr Speaker:** Does any other hon. Member wish to speak on the motion?

I will put the motion in the terms moved by the Hon. the Minister for Business and Employment. Those in favour? (**Members:** Aye.) Those against? Carried.

**BILLS**

**FIRST AND SECOND READING**

**Magistrates' Poor Fund (Repeal) Bill 2016 –  
First Reading approved**

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

35 A Bill for an Act to repeal the Magistrates' Poor Fund Act and make provisions for the dissolution of the charitable trust constituted by such Act.

The Hon. the Chief Minister.

40 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that a Bill for an Act to repeal the Magistrates' Poor Fund Act and make provision for the dissolution of the charitable trust constituted by such Act be now read a first time.

**Mr Speaker:** I now propose that an Act to repeal the Magistrates' Poor Fund Act and make provision for the dissolution of the charitable trust constituted by such Act, be read a first time.

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

**Clerk:** The Magistrates Poor Fund (Repeal) Act 2016.

**Magistrates' Poor Fund (Repeal) Bill 2016 –  
Second Reading approved**

50 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that the Bill for the Magistrates' Poor Fund Repeal Act now be read a second time.

This Bill repeals the Magistrates' Poor Fund Act and transfers the funding held by that fund to the John Mackintosh Trust, which is the sole contributor to the fund in any event.

55 This Bill is presented to Parliament by the Government, as the members of the board of trustees of the Magistrates' Poor Fund are of the opinion that the fund has outlived its original purpose and that the current costs of its administration outweigh the benefits that the fund is able to provide as a separate legal entity.

As the fund is a statutory body, this change may only be effected by means of an Act of Parliament. I therefore commend the Bill to the House.

60 **Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of the Bill?

I now put the question, which is that a Bill for an Act to repeal the Magistrates' Poor Fund Act and make provision for the dissolution of the charitable trust constituted by such Act be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

65

**Clerk:** The Magistrates' Poor Fund (Repeal) Act 2016.

**Magistrates' Poor Fund (Repeal) Bill 2016 –  
Committee Stage and Third Reading to be taken at this sitting**

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken later today, if all hon. Members agree.

70 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

**Mental Health Bill 2016 –  
First Reading approved**

**Clerk:** A Bill for an Act to make provision with respect to the reception, care and treatment of mentally disordered persons; the management of the personal welfare, property and affairs of persons who lack capacity; and for connected purposes.

75 The Hon. the Minister for Health, the Environment, Energy and Climate Change.

**Minister for Health, the Environment, Energy and Climate Change (Dr J E Cortes):** Mr Speaker, I have the honour to move that a Bill for an Act to make provision with respect to the reception, care and treatment of mentally disordered persons, the management of the personal welfare, property and affairs of persons who lack capacity, and for connected purposes, be read a first time.

80

Mr Speaker, I sent a letter to you dated 12th September and I will be moving an amendment to a clause at Committee Stage.

**Mr Speaker:** I now propose the question, which is that a Bill for an Act to make provision with respect to the reception, care and treatment of mentally disordered persons, the management of the personal welfare, property and affairs of persons who lack capacity, and for connected purposes, be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Mental Health Act 2016.

**Mental Health Bill 2016 –  
Second Reading approved**

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):**

Mr Speaker, I have the honour to move that the Bill be now read a second time.

In apologising for the length of my contribution, I justify it by saying that this is a landmark Bill which will change the direction of the way we treat fellow citizens with mental health problems in several fundamental ways.

The Bill is primarily concerned with the circumstances in which a person with a mental disorder can be detained for treatment for that disorder. It sets out the processes which must be followed and the safeguards for patients to ensure that they are not inappropriately detained or treated. The Bill ensures that people with serious mental disorders which threaten their health or safety, or the safety of the public, can be treated where it is necessary to prevent them from harming themselves or others.

The Bill is divided into 10 parts, which I will deal with in turn.

Part 1 of the Bill contains two important new definitions, which are 'mental disorder' and 'approved clinicians'. Mental disorder is defined in the Bill as any disorder or disability of the mind. This single definition applies throughout the Act and it abolishes the four categories of mental disorder currently found in the old Mental Health Act, which are, namely, mental illness, arrested or incomplete development of mind, psychopathic disorder, and any other disorder or disability of the mind. The single definition of mental disorder will also mean that a patient's risk and needs should determine when and what action is taken and not the label that happens to be applied to a person's mental disorder. Furthermore, clause 1(7) now has a single exclusion, stating that dependence on alcohol or drugs is not considered to be a disorder or disability of the mind for the purposes of the definition of mental disorder. Furthermore, you will also find a new definition of the responsible medical officer, which is that of the approved or responsible clinician. This change potentially opens up the role of the responsible medical officer to a wider range of professionals, which has until now been restricted to psychiatrists. The approved or responsible clinician need not be restricted to medical practitioners and may be extended to practitioners from other professions, such as nursing, psychology, occupational therapy and social work.

Moving on to Part 2 of the Bill, one of the fundamental powers of the Act is the admission for treatment of a person suffering from mental disorder. While being a fundamental power, it is also a significant incursion into private life and liberty. The criteria for admission contained in clause 3 of the Bill have been revised and tightened so that, in addition to what are the current criteria, the application for detention now has to prove that the treatment can only be provided if the patient is detained, so that if it can be given by an informal admission that option should be exercised instead. Furthermore, there is the additional test of appropriate medical treatment, which emphasises the fundamental principle that detention must always be for a clinical purpose. It is designed to ensure that no one will be brought or kept under compulsion unless suitable treatment is available. Admission for treatment is for up to six months in the first place and can be renewed periodically thereafter. An application for treatment under this clause can be made by the patient's nearest relative or an approved mental health professional. Clause 5

deals with applications for compulsory detention under clauses 2 or 3 to be made in respect of patients who are already receiving treatment in hospital as informal patients. It contains a necessary holding power to the nurse in charge of the ward to detain an informal patient for up to six hours if it is considered that the patient might leave before there is time to complete an application under clause 2 or 3. This part also deals with a new power of guardianship. Clauses 7 to 10 of the Bill deal with guardianship. The Bill introduces a new alternative to applying for admission to hospital for treatment, and that is the power to make a guardianship application. The application can be made by the patient's nearest relative or an approved mental health professional, and the person named as guardian may be the Care Agency or another person approved by the Care Agency. Guardianship is appropriate for a small number of mentally disordered people who do not require treatment in hospital either formally or informally but who nevertheless need close supervision and some control in the community as a consequence of their mental disorder. In the UK, where guardianship has existed for some time, it is invoked predominantly for mentally ill people who are over 65 years of age.

Mr Speaker, please note that, as commented in my letter to you of 12th September, I will be moving an amendment to clause 14 of the Bill at Committee Stage following discussion with the Care Agency. Clause 14 specifically places a duty on the approved mental health professional to make an application for admission to hospital or guardianship. Since guardianship falls within the ambit of the Care Agency, the amendment provides that, where necessary, the Care Agency shall prompt the approved mental health professional to make arrangements to consider the patient's case on their behalf.

The Bill also introduces for the first time the power to make community treatment orders. At present, most patients detained under the Mental Health Act are detained in hospital, but there has been, for some time, a desire to bring more community-based mental health services. There is scope for some patients to be treated under compulsory powers but to live in the community, not in hospital. For suitable patients, the community treatment order meets the need for a framework to their treatment and safe management in the community. To be eligible for a community treatment order, patients must have had an initial period of detention and treatment in hospital. This means their medical condition and treatment would be well established before they go into the community. It would be for the clinicians, working closely with the approved mental health professionals, to determine if a patient meets the necessary criteria to be put into a community treatment order. Under community treatment orders, patients can be recalled to hospital for treatment if they need to be. Clause 18 sets out the conditions to which a community treatment patient will be subject and clause 21 sets out when the power to recall can be exercised. A patient will be admitted to hospital in pursuance of an application for admission for treatment and will only now be detained for an initial period of six months. The period can be renewed for another six months and thereafter for a period of one year at a time. Currently, the initial period of detention is for one year with renewal for another year and two years thereafter. The new periods of detention allow patients to be examined more often before detention is renewed. The test for renewing detention is also more stringent now, in line with the renewed criteria for admission to treatment.

Another significant change introduced by this Bill is Part 3, regarding consent to treatment. There are currently no provisions in the Mental Health Act on whether a detained patient can be treated without his consent. The purpose of this part is to clarify the extent to which treatment for mental disorder can be imposed on detained patients in hospitals. It sets out three main categories of treatment, where, due to the seriousness of the treatment, consent and/or a second independent opinion must be obtained before treatment can be provided. Clause 45 deals with the surgical operation for destroying brain tissue or for destroying the functioning of brain tissue, and any other treatment specified by regulations. This form of treatment is extremely rare and the most serious form of treatment. Clause 46 deals with the administration of medicine to an in-patient in hospital where three months or more have elapsed since he was first administered medicine during the current period of detention. Clause 47 deals with

electroconvulsive therapy and medicine administered as part of that therapy. All these ensure strict criteria under clinical direction. Where a patient needs to be treated urgently in order to save his life or prevent a serious deterioration of his condition, clause 51 allows the safeguards provided by clauses 45, 46 and 47 to be overridden, but only in the very limited circumstances prescribed. In respect of any other form of treatment not being a form of treatment to which clauses 45, 46 or 47 apply, clause 53 sets out how and when such treatment can be administered and the consent required.

Part 4 of the Bill regulates the treatment of a community patient. It is the equivalent of Part 3 on consent to treatment, but for community patients. Such patients can only be given treatment if they consent, or, if they lack the capacity to consent, do not actively object. Treatment can only be given in emergencies to a mentally incapacitated patient who resists it. This part therefore provides authority to treat a community patient, sets out the conditions that need to be satisfied before relevant treatment can be provided to a community patient who lacks capacity to consent, and the criteria that must be satisfied before relevant treatment can be given in an emergency.

Part 5 of the Bill deals mainly with the management of property and affairs of patients and the personal welfare of the patient. The core jurisdiction of the Court of Protection has been expanded to include the power to make substitute decisions or to appoint a deputy, if this is in their best interest, for persons lacking the required mental capacity to make decisions for themselves about their personal welfare. Formerly, it was limited to just their property and affairs. This part applies in relation to a person who lacks capacity as defined in clauses 86 to 89. Clause 65 contains the core jurisdiction of the Court of Protection. It gives the court power to make decisions for persons lacking the required mental capacity to make decisions for themselves about either their personal welfare or their property and affairs, or to appoint a deputy to do so if this is in their best interest. There are, however, restrictions as to what a deputy can and cannot do under clause 70. Clause 66 gives the court the power to make declarations as to whether a person has mental capacity and whether an Act or proposed Act was or would be lawful. Clauses 67 and 68 set out a non-exhaustive but indicative list of matters, relating to the personal welfare and property of a person who lacks capacity, that come within the jurisdiction of the court. The powers of the court to make an order in relation to the personal welfare of a person who lacks capacity includes, but is not limited to, matters such as deciding where a person who lacks the capacity is to live, making an order prohibiting a person from having contact with that person, giving or refusing consent for treatment, and directing that a different person take over the responsibility for that person's healthcare. Finally clause 78 sets out a list of matters that are excluded for the purposes of this part – that is decisions that cannot be made on behalf of a person, such as consenting to a marriage or civil partnership.

Part 6 of the Bill identifies the occasions on which a patient or his nearest relative may make an application to the Mental Health Review Tribunal. It also represents a fundamental change in the mental health regime, in particular as regards safeguarding the rights of patients, as the circumstances in which a patient can apply to the tribunal are increased. There is also now a duty on the authority to refer patients to the tribunal where they have not exercised their right to apply to the tribunal and the period of six months since their first admission to hospital has expired. With regard to patients whose authority for detention has been renewed, there is a duty to refer patients if three years have passed and the tribunal has not reviewed the case in that time. This part also makes provision for the first time for applications to the tribunal concerning restricted patients and the powers of the tribunals with regard to these types of patients in the light with the European Convention on Human Rights requirements. The tribunal has the power to discharge patients from hospital, guardianship or community treatment orders. Under clause 96, the tribunal must direct the discharge of a patient if there are not satisfied as to any one or more of the criteria as set out in the various sub-clauses. This is a significant change from the current test, whereby the tribunal *may* direct that the patient be discharged if they are satisfied that he is not suffering from mental illness, etc. The burden is

currently placed on the patient to prove that the criteria justifying his detention in hospital for treatment no longer exists. UK case law held that this was incompatible with Articles 5(1) and 5(4) of the European Convention on Human Rights, since these Articles require the tribunal to be positively satisfied that all the criteria justifying the patient's detention continue to exist before refusing to order a patient's discharge. As a result, the law in England and Wales was amended and the test there is the same as in this Bill, which is that the tribunal shall direct the discharge if not satisfied that the criteria for detention in hospital continue to exist.

Part 7 of the Bill deals with the various functions and powers of the approved mental health professional, the Care Agency and the Minister. Clause 106 allows the Minister to issue a code of practice for the guidance of practitioners, managers and the staff of the hospital. We are currently finalising the code of practice and will be issuing it when the Act is brought into force. Clause 107 deals with the approval of persons to act, for the purpose of the Bill, as approved mental health professionals and approved clinicians.

Part 8 of the Bill sets out the offences under the Act, which are those of forging a document or making a false statement, ill treatment of a patient, assisting patients to absent themselves without leave and obstructing a person from performing his or her functions under the Act.

Part 9 replaces the current system of visitors as contained in sections 69 to 72 of the Mental Health Act. It creates a Mental Health Board, which is an independent body whose role is to satisfy itself as to the treatment of patients and to report any ill treatment or improper detention, similar to the Prison Board and separate from the Mental Health Appeal Tribunal. The board must meet at least once a month and each member must take it in turn to visit the hospital and hear requests and complaints made by patients. It also has to provide an annual report to the Minister of its activities and findings. It shall consist of at least five members and must include a lawyer and a doctor. The functions, as outlined in clause 115, include satisfying themselves as to the state of the hospital and treatment of patients; making enquiries into the care, treatment and detention in hospital of a patient; and bringing matters to the attention of the Minister. The board also has the power, under clause 115, to refer a patient to the tribunal and require the production of any documents relating to the detention or treatment of a patient.

Part 10 is the final part of the Bill, which deals with various matters, including imposing a duty on the authority under the Act to give information to detained patients, community patients and the nearest relatives of patients. This information includes the rights of the applicant to apply to the tribunal, the effect of certain provisions of the Act, and of providing the nearest relative with a copy of such information.

Mr Speaker, this Bill has been the result of many hours of hard work by a committee of professionals, mainly from the GHA, with Care Agency involvement and discussion also with the Ministry for Justice. I have had the pleasure to chair that committee. I also have to acknowledge the work of the Gibraltar Law Officers, whose work too has shown extraordinary dedication and incredible insight to the issues relating to mental health. I thank them all for this work, and all in Gibraltar who are affected by mental health, which is probably all of us, are indebted to them.

With that, Mr Speaker, I commend the Bill to the House. *(Banging on desks)*

**Mr Speaker:** Before I put the question, does any other hon. Member wish to speak on the general principles and merits of this Bill? The Hon. Roy Clinton.

**Hon. R M Clinton:** Mr Speaker, thank you.

This Bill which comes before us today was the subject of a Command Paper issued on 19th February 2015, and I for one congratulate the Minister for bringing it onto the agenda today. It is an important piece of legislation, without doubt, which will affect the most vulnerable in our society.

Yesterday, I had the opportunity to meet, with my colleague the Hon. Mr Llamas, members of Clubhouse, and of course they deal, at the front line, with many individuals who are affected one

way or another by mental health issues. This legislation will go a long way to helping, and is obviously a modernising piece of legislation. One thing I noticed the Minister mention is that there is a code of practice in development for, I imagine, the health professionals and people in agencies, etc. I would make perhaps a suggestion, from our conversation with Clubhouse, not to forget the NGOs and the voluntary organisation. Also, I note that the code of practice is going to come in or be finalised more or less at the same time when the Bill comes into force. Again, purely a suggestion, but I think it might be helpful if there was some thought given to perhaps a training session, not just internally but obviously for NGOs, in terms of the practical effect of what is a very complex piece of legislation, as we can all see, running to 206 pages, and I think they will probably be well received.

Also, a final thought on this is that perhaps, given that we are dealing with the most vulnerable in our society – and I know, for example, for things like the Data Protection Act we have produced little leaflets for people to read and understand what their rights are under Data Protection – whether the Government will give some consideration to some kind of information booklet – I am sure they would in due course – in advance of the legislation coming into force, so that people will have access in a very simple way, without perhaps having to seek the aid of a lawyer, to understand what their rights are in a simple booklet.

Again, I thank the Minister. I think on this side of the House we will not have a problem with this Bill. Obviously, we have not had sight of the feedback you had on the Command Paper; but, as I have discussed with the Minister, we obviously take it in good faith that he has taken on board any concerns that any body that made representations had in the drafting of this Bill.

I hope the Minister will take that as just some constructive suggestions that he may or may not take on board. Overall, I think this is an important piece of legislation which will protect the most vulnerable in our society.

Thank you, Mr Speaker.

**Mr Speaker:** Any other hon. Member wish to speak on the general principles and merits of the Bill?

**Hon. Ms M D Hassan Nahon:** Mr Speaker, can I ask the hon. Gentleman what he said at the beginning, regarding drugs and the connection with the Mental Health Act with drugs, please?

**Mr Speaker:** I call on the mover to reply.

**Hon. Dr J E Cortes:** Mr Speaker, I would like to thank the Hon. Mr Clinton for supporting the Bill, which has been a long time coming. I am very pleased to have been able to have brought it here, because I know that some of the mental health professionals, before this Government came into office, were struggling with convincing the Government at the time regarding certain provisions. So I am very pleased that the ‘official Opposition’, to coin the phrase that the Chief Minister used this morning, supports it.

In answer, first of all, to the hon. Lady, what this is saying is that being under the influence of drugs and alcohol is not considered a mental disorder. That is the distinction. There may be similarities in symptoms and behaviour, but is not de facto a mental illness. That is the difference that is being made.

If I may just answer some of the points that the hon. Member made, which I take as constructive, some of them are, in fact, things that we are already envisaging and I will explain. The Command Paper had considerable interest and we had responses from some of the NGOs that the hon. Member has mentioned, and these were taken on board. There was also a delegation from the Council of Europe, who coincidentally came to Gibraltar just as we were preparing the Bill, and some of their recommendations have also been taken on board; and some retired psychiatrists, including Dr Cecil Montegriffo, who was for many years *the* psychiatrist for Gibraltar, also made his contribution, as did members of the Mental Health

Appeals Tribunal. So the feedback was good, it was all positive, and most of the matters were incorporated in the drafts.

340 Regarding the code of practice, this is now being circulated in near final draft form. There are a number of meetings being held with the mental health team that prepared the Act, and I find it a very useful way of interpreting all these hundreds of pages so that practitioners can use it. I explained that once that is approved there will be a period of induction, which has already been prepared, of mental health professionals and there will be sharing with those charities – he mentioned Clubhouse, there is also Mental Health Society and Psychological Support Group who  
345 work in this – so that they are also aware of the benefits that will be forthcoming from it. So, very much so.

The code of practice itself is probably too complex a document to give out as a leaflet – although it will not be hidden, it will be publicly available – but the point of having a leaflet which will explain some of the basic tenets of the code of practice I think is a worthwhile  
350 suggestion, which I will certainly take up.

I think, Mr Speaker, that that answers all the points that have been made and I genuinely welcome what I feel is widespread support from both sides of the House for something which will no doubt benefit all those of us who at some time in our lives will have ourselves, family or friends affected by mental health issues.  
355

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

**Mr Speaker:** I now put the question, which is that a Bill for an Act to make provision with respect of the reception, care and treatment of mentally disordered persons, the management  
360 of the personal welfare, property and affairs of persons who lack capacity, and for connected purposes, be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Mental Health Act 2016.

**Mental Health Bill 2016 –  
Committee Stage and Third Reading to be taken at this sitting**

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):**  
365 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.)

**Animals and Birds (Amendment) (No.2) Bill 2016 –  
First Reading approved**

370 **Clerk:** A Bill for an Act to amend the Animal and Birds Act.  
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 have the honour to move that a Bill for an Act to amend the Animals and Birds Act  
375 be read a first time.



**Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Animals and Birds Act be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

380 **Clerk:** The Animals and Birds (Amendment) (No. 2) Act 2016.

**Animals and Birds (Amendment) (No.2) Bill 2016 –  
Second Reading approved**

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):**  
Mr Speaker, I have the honour to move that the Bill now be read a second time.

385 In March of this year the Government announced that we would be bringing in legislation making dog DNA profiling compulsory in order to combat dog fouling. This Bill, together with the amendments that will subsequently be made to the Animals and Birds Rules 2004, will allow us to carry this out.

390 The Environmental Agency has been working in schools together with other parts of the public service, including the Royal Gibraltar Police, on increasing awareness of the dangers of dog fouling and has been conducting joint patrols with the RGP in dog fouling hot spots. CCTV cameras have also been deployed to deal with this problem. These measures have sometimes resulted in less dog fouling in the areas where such patrols or cameras have been introduced, but irresponsible pet owners then just move elsewhere. DNA profiling will allow us to follow them and allow us to overcome this problem by letting us identify the registered owner of the dog responsible for the dog fouling.

395 Clause 2(2) of the Bill updates an out-of-date reference to the Order designating the Gibraltar Nature Reserve which was recently published.

Clause 2(3) increases the penalty to level 3 if there is a contravention of subsection (1) – that is the dog is not registered or does not hold a valid and subsisting licence, or has not been vaccinated within the last 12 months.

400 Clause 2(4) makes it compulsory, prior to registration or licensing, for a dog to have a blood sample taken by a competent person. This will enable us to build up a database of all dogs registered and licensed, and such a database is fundamental to the operation of the scheme. Since all licences must be renewed yearly by 1st January, we should have a DNA record of all dogs registered and licensed soon after that date next year. It is against this database that a sample of dog faeces collected by the authorised officers will be matched against the registered owner of a dog. The offence of failing to pick up after your dog is contained in rule 12 of the Animals and Birds Rules 2004. Amendments are to be made to that rule so that a first offence will attract a penalty at level 3 and any subsequent offence will make the offender liable to a fine up to level 4. However, if a match is made against a registered owner, he or she will be issued with a fixed penalty notice of £250 in the first instance. Failure to pay may result in proceedings being instituted.

410 Clause 2(5) sets out who is qualified to take a blood sample and, once obtained, the sample shall be entered in the dog register, which is the database that holds the information relating to a dog, which contains the name and address of the owner or keeper of the dog.

415 Clause 2(6) contains some housekeeping provisions.

Clause 2(7) amends the schedule which contains the list of persons who are authorised officers for the purposes of the Act to include officers of the Department of the Environment. This will allow environmental protection officers to enforce the provisions of the Act.

Finally, Mr Speaker, I commend this Bill to the House.

420

**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. Lawrence Llamas.

**Hon. L F Llamas:** Mr Speaker, first I must thank the Hon. Minister Cortes for sending me a copy of the draft Bill before actually gazetting it, in order to ensure that any recommendations that I wanted to include or recommend to him were dealt with before we published the actual draft.

Earlier this year, the Government also gazetted the increase of dog registration and licence fees by 300% and 400% respectively, coming into effect as from 1st November 2016. We understand that this has been done in anticipation of the DNA profiling policy being brought to the House today. In the amendment today it is welcoming to see the summary conviction level fine for dog owners who keep unlicensed dogs being increased from level 2 to level 3 of the standard scale. Nevertheless, it would be equally justifiable to increase in tandem the levels of fines imposed to those successfully convicted of dog fouling on our streets, which currently stands at level 1 on first conviction and level 2 or three months in imprisonment for second and subsequent convictions. This side of the House supports initiatives and policies to curtail antisocial behaviour. Other jurisdictions which have implemented this policy have reported that this behaviour has decreased by the mere fact that the policy exists. But, above all, we would expect to see an offenders-led policy and moneys received in relation to fines being brought into the initial cost of DNA profiling, thus allowing moneys paid by the responsible dog owners to be invested back into the dog-owning community once the DNA profiling has been satisfied.

Thank you.

**Mr Speaker:** Does any other hon. Member wish to speak on this Bill?

I call the mover to reply.

**Hon. Dr J E Cortes:** Mr Speaker, I thank the Hon. Mr Llamas for supporting this Bill. I note his desire to see fines increase further. We have discussed this before at Question Time. I am not rejecting the suggestion, and what I said at the time is that I think we are going to see how this works to see if there is a need to do so; but that is still there and has not been discarded.

I would like to say that certainly the increase in licence fees has been carried out just to give us a few months lead in for newly registered dogs before we implement the profiling on 1st January; and, as I think I have also said before, the new licence fees will, in fact, cover all the costs that we expect to have in relation to the DNA testing. So it will not be a burden on the general taxpayer but on dog owners, and we must consider that.

As a former dog owner – and not ‘former’ because I do not like dogs any more, but former because my time does not allow me to look after them properly and it would be irresponsible to just have them locked away – I feel that it is important that we should assume responsibility for our actions. Therefore, I think that this will not only be welcomed by both sides of this House but also by the community at large. Even the irresponsible dog owners who are currently not perhaps behaving as they should will ultimately welcome it, because, after all, they too walk our streets and they too will benefit from it becoming free from dog fouling.

I think, Mr Speaker, I have covered all the points, and I have nothing further to add. *(Banging on desks)*

**Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Animals and Birds Act be read a second time. Those in favour? **(Members: Aye.)** Those against? Carried.

**Clerk:** The Animals and Birds (Amendment) (No. 2) Act 2016.

**Animals and Birds (Amendment) (No.2) Bill 2016 –  
Committee Stage and Third Reading to be taken at this sitting**

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):**  
470 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.)

**Employment (Amendment) Bill 2016 –  
First Reading approved**

475 **Clerk:** We move now to Bill number 8 on the Order Paper. This is a Bill for an Act to amend the Employment Act.  
The Hon. the Minister for Business and Employment.

**Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, I have the honour to  
480 move that a Bill for an Act to amend the Employment Act be read a first time.

**Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Employment Act be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

485 **Clerk:** The Employment Amendment Act 2016.

**Employment (Amendment) Bill 2016 –  
Second Reading approved**

**Minister for Business and Employment (Hon. N F Costa):** Mr Speaker, I have the honour to move that the Bill be now read a second time.

The Bill amends the Employment Act by introducing a new statutory framework for the industrial tribunal that will now be known as the Employment Tribunal.

490 The full extent of the reform can only be appreciated by review of the supporting Rules, Regulations and Order that supplement these enabling amendments to the Employment Act.

As the House may be aware, copies of the final drafts of the supporting legislation were circulated to the various stakeholders that were extensively consulted throughout all drafting stages of the reform process. I would like to take this opportunity, therefore, to thank the Bar Council, in particular Mr Kenneth Navas and Mr Andrew Cardona, who have made a tremendous  
495 contribution in assisting us to reach a legislative architecture that is fair and that works for employers and employees. I want to place on the record as well my thanks to Gabrielle O'Hagan of Triay Stagnetto Neish, the Gibraltar Chamber of Commerce, the Gibraltar Federation of Small Businesses, Unite the Union, the Gibraltar General and Clerical Association and the Gibraltar  
500 Teachers Union, for their valuable contributions. I also wish to thank the Hon. the Chief Justice for his views and advice and for unstintingly giving of his time to discuss the various aspects of our wide-ranging and substantive reforms.

Mr Speaker, in debating the general principles and merits of the Bill, I highlight the main clauses that will usher this very important review of the administration of justice in relation to  
505 employment matters. The amendment to section 12 of the Employment Act in essence widens

the enabling provisions of the Act to create the supporting Rules, Regulations and Order. There are consequential amendments that have been made to sections 13 and 14 of the Act so that references to 'Industrial Tribunal' are replaced with 'Employment Tribunal'.

510     Clauses 14A and 14B introduce new terminology for originating applications, now known as claim forms, and for complaints, which will be known as claims.

515     Clause 14C introduces a new mechanism for the appointment of chairpersons. This has been substantively revised. Chairpersons will still be appointed with the Minister with responsibility for employment acting on the advice of the Judicial Services Commission (JSC). The JSC will take into account a prospective chairperson's relevant experience, qualifications and background to serve as a chairperson to the Employment Tribunal. Once elected, the Minister with responsibility for Employment will formalise their appointments by notice in the *Gazette*, and thereafter it is the secretary to the Employment Tribunal that will allocate a chairperson for each case from the panel of appointed chairpersons available to preside over cases. This now means that the Minister will no longer select chairpersons to preside over a specific case and codifies the practice instituted to ensure allocation of cases by the Industrial Tribunal secretary by strict rota.

520     Clause 14F is the enabling provision that allows the Employment Tribunal (Remuneration Regulations) 2016 to be created.

525     Clause 14G affirms that litigants in person may appear before an Employment Tribunal themselves, or that they may choose to have a lawyer, a family member or even a friend to make representations to the Employment Tribunal on their behalf.

Clause 71 has been amended so that the basic and compensatory awards are prescribed by regulation, namely the Employment Tribunal (Calculation of Compensation Regulations) 2016.

Clause 91 repeals the Industrial Tribunal (Calculation of Compensation Regulations) 1992.

530     Clause 92 prescribes the savings and transitional provisions that apply to ongoing disputes, which will continue to be governed under the jurisdiction of the previous rules and regulations.

Mr Speaker, having set out the main principles of the Bill, I turn to the subsidiary legislation that forms an integral part of the Government's reforms.

535     The Employment Tribunal (Constitution and Procedure) Rules 2016 set out how an Employment Tribunal operates and how a claim is managed through the process. The rules implement changes to procedures in relation to costs; prescribed forms; determinations without a hearing; preliminary hearings; final hearings; claims; conciliation by mediators; dismissal and rejection of a claim or response; case management orders, including striking out claims and unless orders; withdrawing claims; decisions and reasons. Further, new rules have been introduced for the evidence to be given by witnesses in person, as well as timetabling, non-attendance and privacy and restrictions on disclosure. The rules empower chairpersons to issue cost orders, preparation time orders and waste of cost orders. I am confident that the rules will make the operation and decision making of the tribunal much more efficient and effective by ensuring consistency and fairness in the decisions of the Employment Tribunal. Furthermore, the rules have been drafted in plain English to assist litigants in person.

545     The Employment Tribunal (Forms) Regulations prescribe the claim form and response form that a party in dispute needs to file with the Employment Tribunal prior to the dispute being processed. The forms will be accompanied by an extensive set of guidelines for employees and employers and will be made available at the Employment Tribunal offices and online as soon as the rules come into effect. The guidance will also be placed on the website.

555     The Employment Tribunal (Calculation of Compensation) Regulations prescribe the method of calculation and calculating the awards that may be made by the Employment Tribunal. The regulations retain the basic and compensatory awards but there is greater guidance available to chairpersons on how to calculate these awards. The feature allows the parties in dispute to accurately assess the financial exposure or potential awards.

The Employment Tribunal (Remuneration) Regulations prescribe the amounts to be paid to chairpersons of an Employment Tribunal for sessions and judgments and the amount to be paid to mediators for hosting a mediation session between the parties in dispute.

Finally, the Employment Tribunal (Extension of Jurisdiction) Order enables an employee to bring a claim for damages for breach of the contract of employment or for a sum due under the contract before an Employment Tribunal if the claim arises or is outstanding on the termination of their employment.

Mr Speaker, the House will be pleased that the Government will not introduce fees to commence or defend proceedings. Such fees are, in the Government's view, an unreasonable and unnecessary tax on justice.

Further, the Ministry of Employment, in partnership with the University of Gibraltar, will offer a tailor-made course for lawyers who may be eligible for selection as chairpersons of the tribunal. This is the first time that training for Employment Tribunal chairpersons will be offered in Gibraltar. This will provide chairpersons who preside over employment tribunals with an opportunity to develop the knowledge and understanding of the new laws, procedures and rules. The training will include topics on managing and solving the problems commonly encountered in assessing evidence, structuring decisions, formulating reasons, and, of course, importantly, addressing litigants who appear in person.

This root and branch legislative review was commenced immediately upon my appointment as Employment Minister. I consider myself to have been fortunate in that appointment, given that in my previous inclination as an employment lawyer I had the benefit of appearing before industrial tribunals as counsel. In my view, this first-hand experience served me in good stead to lead and oversee the reform – a reform that, like with everything else in the administration of the affairs of our great nation, I could not, of course, have achieved alone.

Although I have already thanked our stakeholders for their views and assistance, I wish to highlight that their respective contributions have produced what I consider to be a working balance between the rights of employees and employers; a balance that enables the Employment Tribunal to deal with cases fairly and justly, which is the overriding objective that underpins the Employment Tribunal Rules.

All in all, and in view of the Government, these much needed reforms will provide a clear adjudication process to the benefit of the parties before the tribunal. The wholesale review also modernises the legal process and provides chairpersons with robust and efficient case management powers. In accordance with our electoral pledge, compulsory mediation is introduced at no cost to the parties in dispute, with the hope that some parties will settle their disputes without the need for a full hearing.

I also wish to thank my Ministry's legal counsel, here present, John Paul Fa, for his excellent work in preparing the different pieces of legislation. I am proud to have led in this extensive reform which will make access to justice easier, expeditious and fairer.

Mr Speaker, 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. Elliott Phillips.

**Hon. E J Phillips:** Mr Speaker, this Bill will be met with the support of this side of the House and I too would like to congratulate the team who have been working with the Minister in relation to this matter, and Mr Fa, personally. It is clearly something that needed to be done and is being done.

In relation to the wider point that we would like to make in respect of access to justice that was made by the Minister, obviously our views are that there should be a combined courts and tribunal service under one head, but I just simply make that point in relation to a combined courts and tribunal service. But this Bill will receive and the regulations thereto will receive support from this side of the House.

**Mr Speaker:** Does the hon mover wish to reply?

610 **Hon. D A Feetham:** Mr Speaker, may I?

**Mr Speaker:** Sorry, yes, fine.

615 **Hon. D A Feetham:** Mr Speaker, just to make the point that, yes, as my hon. Friend Mr Phillips has said, it will be supported from this side of the House, and I congratulate as well the Hon. the Minister for what is a very good piece of legislation. But in terms of our policy, something that I would hope the hon. Gentleman does consider perhaps in due course is the establishment of a permanent chairman of the Industrial Tribunal. That is something that would improve the flow and the efficiency of the system and it is something that I commend, certainly  
620 we commend on this side of the House, to the hon. Gentleman.

Of course, another policy that we advocate, and again we commend in the context of these reforms, is that there ought to be one area, we say – in fact, ideally it would be the central police station, for example – one building where you could house not only the Employment Tribunal but also all the other tribunals that we have in Gibraltar, so that they can all come within one  
625 umbrella and effectively one backroom administration. We think that would certainly improve the functioning of all those tribunals.

But apart from that, commending what are our longstanding policies in relation to this and asking the hon. Gentleman to consider those, we certainly support this Bill and will be voting in favour.  
630

**Mr Speaker:** The Hon. Gilbert Licudi.

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Speaker, I just rise to deal not with the general principles of the Bill itself but with a  
635 more general point on courts and tribunal service and bringing all under one umbrella. This was, in fact, the subject of a recent question that was asked in this House by Mr Phillips and in which I gave the Government's view on that. And for the reasons given by me at the time, which are clearly reflected already in *Hansard*, I would just repeat that the Government is not currently minded to go down the route of a general courts and tribunal service or having all the tribunals  
640 under the same administrative roof. But I did give my reasons at the time and it will be recorded in *Hansard*. Given that the point has been raised again, I thought it was important to restate the Government's position.

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr  
645 Speaker, I am astonished at the interpretation of the performance of the GSD Government by the hon. Member who now leads them, because in their 15 years the only thing they did about the law was to change it against the interest of the workers by putting a cap on the amount that could be given in the basic compensation, which we were committed to removing, and the only thing they did next, when we removed it, was to express fears which were not justified and have  
650 not had the effect that they thought it would have in ruining all the businesses in Gibraltar. So, if they had great interest in modernising the system it was a very tightly held secret by the GSD Government; and therefore, if they had a curtain of secrecy it was almost an iron curtain.  
(Laughter)

655 **Hon. N F Costa:** Mr Speaker, in the first place, to thank the Hon. the Leader of the Opposition and the Hon. Mr Phillips for pointing out that they will be supporting the Bill. I am grateful to them.

In respect of the point that the Hon. the Leader of the Opposition raises as to having a full-time chairperson, when we first started looking at this with a blank canvas – and of course the

660 Minister for Employment previously, Mr Bossano, and I had held discussions on it – we did  
 approach the project with a completely open mind. After several discussions, and even after  
 having discussed the matter with the Hon. the Chief Justice, the conclusion was arrived at that  
 the current number of cases presently before the tribunal do not warrant a full-time  
 chairperson. The powers that are provided for in the Constitution Rules do specifically cater for  
 665 deadlines in delivering judgments, by when parties need to submit statements and skeleton  
 arguments and so on, and therefore we do not envisage that there would be any delay of  
 backlog – as used to happen, or as does currently happen, because of the antiquated rules we  
 have had since, I believe, 1972, where there were no deadlines by which a Chairperson had to  
 submit the judgment or by which written decisions had to be given. These are now firmly  
 670 stipulated, so a case would have to be finished by a certain point, definitely. So there is no  
 chance of a case being prolonged indefinitely. In addition, because we wanted to make sure that  
 a person who truly did not have the means to appear before a tribunal with a lawyer, or did not  
 feel the need to do so because in his or her mind the issue was quite clear cut ... we bend  
 backwards to enable that to happen, so the rules specifically empower a chairperson to be able  
 675 to deal with a case by way of oral evidence, if it is that simple. The parties can be called in, they  
 can give evidence and then they can be cross-examined thereafter, which, as I understand it  
 from speaking with the Hon. Minister Bossano and indeed the Hon. Minister for Justice, used to  
 be the case, where employment tribunals were prior seen as, if not entirely complicated, easier  
 to deal with, and therefore you could call people in, have evidence in chief being given, then  
 680 lawyers being able to cross examine. That is specifically catered for, so that in simple cases you  
 can do that without the need for skeleton arguments, disclosures, witness statements and all  
 the panoply of documents that we are used to dealing with in the Supreme Court but may not  
 necessarily be appropriate in an industrial tribunal.

But, sorry, to answer the issue raised by the hon. Gentleman, on wide consultation with the  
 685 Hon. Minister Bossano, with the Hon. the Chief Justice and with the Bar Council, all the  
 stakeholders who have a real stake in the proper functioning of this process were all of the view  
 that a permanent chairperson, certainly at this point in time and given the provisions of the  
 current regulations that should make delays a thing of the past ... did not feel that a permanent  
 Chairperson was necessary.

690 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Employment  
 Act be read a second time.

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

695 **Clerk:** The Employment Amendment Act 2016.

### **Employment (Amendment) Bill 2016 – Committee Stage and Third Reading to be taken at this sitting**

**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.

700 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the  
 Bill be taken today? (**Members:** Aye.)

**Traffic (Amendment) Bill 2016 –  
First Reading approved**

**Clerk:** We now move to Bill 10 on the Order Paper. This is a Bill for an Act to amend the Traffic Act 2005 to make further provision in respect of certain driving offences: to further provide for the use of certain devices in the prosecution of offences; amend the provisions relating to fixed penalty notices; confer powers for the issue of penalty points; make further provision in relation to driving under the influence of drink or drugs, including preliminary testing; and for connected purposes.

The Hon. the Minister for Transport, Traffic and Technical Services.

**Minister for Transport, Traffic and Technical Services (Hon. P J Balban):** Mr Speaker, I have the honour to move that a Bill for an Act to amend the Traffic Act 2005 to make further provision in respect of certain driving offences, to further provide for the use of certain devices in the prosecution of offences, amend the provisions relating to fixed penalty notices, confer powers for the issue of penalty points, make further provision in relation to driving under the influence of drink or drugs, including preliminary testing, and for connected purposes be read a first time.

**Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Traffic Act 2005 to make further provision in respect of certain driving offences, to further provide for the use of certain devices in the prosecution of offences, amend the provisions relating to fixed penalty notices, confer powers for the issue of penalty points, make further provision in relation to driving under the influence of drink or drugs, including preliminary testing, and for connected purposes be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Traffic Amendment Act 2016.

**Traffic (Amendment) Bill 2016 –  
Second Reading approved**

**Minister for Transport, Traffic and Technical Services (Hon. P J Balban):** Mr Speaker, I have the honour to move that the Bill be now read a second time.

This Bill amends the Traffic Act 2005 in order to achieve a number of purposes, which I will now set out.

In the first instance, the Bill will enable the prosecution of speeding through the use of fixed cameras, which have been installed at various locations throughout Gibraltar and which would be capable of being processed through the issue of fixed penalty notices. The speed cameras have been placed in consultation with the RGP, who are the experts on the ground when it comes to recognising speeding hotspots.

Another objective of the Bill is to amend the provisions for drinking under the influence, and this Bill introduces the power to conduct roadside testing of drivers who are suspected of being under the influence of alcohol or drugs.

The Bill also makes provision for new offences that have led to a fatality due to the driver's carelessness, including where the driver has been under the influence of alcohol or drugs.

Lastly, the Bill confirms the powers for the introduction of a penalty points regime through regulations.

With respect to the offence of speeding, section 44 has been recast in order to accommodate the possibility of being prosecuted on the basis of a prescribed device, namely a speed camera. Currently, handheld devices have been deployed by the RGP, but in principle any device may be



used as long as it has been prescribed. Additionally, sections 44A and 44B insert new provisions relating to the identity of the driver, and in particular the duty to provide information as to the identity of the driver, when requested to do so. Failure to provide such information is an offence in its own right.

In the case of fixed cameras, there is no certainty that the identity of the driver will be apparent. It is therefore necessary to have a mechanism whereby there is an element of compulsion in order to establish the facts. Section 44A makes provision for businesses that may have a fleet of vehicles and a number of drivers capable of driving these vehicles. Essentially, businesses and companies need to keep records of drivers who have been assigned specific vehicles, but if they cannot identify the driver and can prove to the court that it was reasonable not to maintain records, they may avoid liability themselves as an entity.

Clause 7 effects an amendment to section 45 and clause 8 adds sections 45A and 45B and relate to instances where the use of a motor vehicle has resulted in death. The penalty for death caused by reckless or dangerous driving is increased from a maximum of five to 14 years imprisonment. Section 45A provides a separate offence where a person causes death through careless or inconsiderate driving, and Section 45B where there has been careless driving and the driver was under the influence of alcohol or drugs.

Clause 10 inserts a new Part 3A and provides the Minister with powers to make regulations for the introduction and administration of a penalty points regime. The powers therein include the ability to designate what offences will attract penalty points and will allow for disqualification of drivers who accumulate a certain number of points.

Clause 11 inserts sections 63A to 63F and are provisions that confer added powers to deal with breath and drugs tests for drivers. Additionally, section 63A creates an offence of driving when the amount of specified drugs exceeds a prescribed limit. The drugs and limits will be prescribed in subsidiary legislation. The amendments also confer new powers to require a preliminary drugs and breath test other than in a police station, and in certain circumstances, including where there is a reasonable suspicion that a person has been driving under the influence.

There are also attendant powers of arrest and entry. In essence, these will enable the Police to require that a person undergoes a breath test or a drugs test by sweat or saliva and thereafter to arrest a person who either refuses to undergo the test or fails the test itself.

Finally, Mr Speaker, at the Committee Stage I will be moving an amendment to clause 2 to provide for separate provisions of the Act to be commenced at separate times.

I commend this Bill to Parliament. *(Banging on desks)*

**Mr Speaker:** Before I put the question, does any other hon. Member wish to speak on the general principles and merits of this Bill? The Hon. Trevor Hammond.

**Hon. T N Hammond:** Mr Speaker, I stand simply to say that Members of Her Majesty's Opposition will be voting to support this Bill, particularly the measures which will allow the introduction of the fixed cameras; they are very welcome. I think particularly in Gibraltar we will see an improvement in road safety. The hot spots have been identified by the Royal Gibraltar Police, people will know where the cameras are and they will know there is no escaping a penalty if they speed in those areas. So that has to be an improvement to road safety, which is something that everyone in this House will clearly wish to support. I think the introduction of a points regime is also welcome. It will hopefully curb repeat offences.

And so, overall, I congratulate the Minister on a good piece of legislation. I know I have been critical in the past about the speed with which the legislation, in particular with respect to the speed cameras, has come about, but it is very welcome at this point in time.

**Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Traffic Act 2005 to make further provision in respect of certain driving offences, to further provide for the

800 use of certain devices in the prosecution of offences, amend the provisions relating to fixed penalty notices, confer powers for the issue of penalty points, make further provision in relation to driving under the influence of drink or drugs, including preliminary testing, and for connected purposes be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

**Clerk:** The Traffic Amendment Act 2016.

**Traffic (Amendment) Bill 2016 –  
Committee Stage and Third Reading to be taken at this sitting**

805 **Minister for Transport, Traffic and Technical Services (Hon. P J Balban):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

**Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

**COMMITTEE STAGE AND THIRD READING**

810 **Clerk:** Committee Stage and Third Reading.  
The Hon. the Chief Minister.

815 **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 Magistrates' Poor Fund (Repeal) Bill 2016, the Mental Health Bill 2016, the Animals and Birds (Amendment) (No.2) Bill 2016, the Employment (Amendment) Bill 2016 and the Traffic (Amendment) Bill 2016.

*In Committee of the whole Parliament*

**Magistrates' Poor Fund (Repeal) Bill 2016 –  
Clauses considered and approved**

820 **Clerk:** A Bill for an Act to repeal the Magistrates' Poor Fund Act and make provision for the dissolution of the charitable trust constituted by such Act.  
Clauses 1 and 2.

**Mr Chairman:** Stand part of the Bill.

**Clerk:** The long title.

825 **Mr Chairman:** Stands part of the Bill.

**Mental Health Bill 2016 –  
Clauses considered and approved**

**Clerk:** A Bill for an Act to make provision with respect of the reception, care and treatment of mentally disordered persons, the management of the personal welfare, property and affairs of persons who lack capacity and for connected purposes.

Part 1, clause A.

830

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Part 2, clauses 2 to 13.

835

**Mr Chairman:** Stand part of the Bill.

**Clerk:** Clause 14 as amended.

840

**Mr Chairman:** An amendment was circulated on 12th September. Unless any hon. Members have any objection, I take it that it is approved and be incorporated into the Bill. So, clause 14, as amended, stands part of the Bill.

**Clerk:** Clauses 15 to 43.

845

**Mr Chairman:** Stand part of the Bill.

**Clerk:** Part 3, clauses 44 to 54.

**Mr Chairman:** Stand part of the Bill.

850

**Clerk:** Part 4, clauses 55 to 63.

**Mr Chairman:** Stand part of the Bill.

855

**Clerk:** Part 5, clauses 64 to 89.

**Mr Chairman:** Stand part of the Bill.  
The Hon. Elliott Phillips.

860

**Hon. E J Phillips:** Just in relation to section 89, in relation to ‘best interests’ and ‘life-sustaining treatment’, is it envisaged that there would be provision for an application to the court in relation to the withdrawal of life-sustaining treatment? I am talking about those circumstances where a patient lacks capacity and therefore the GHA would have to make, for example, an application to the court in relation to the withdrawal of life-sustaining treatment. That will follow on from the ‘best interest’ section, section 89. Is that what is envisaged by that section?

865

**Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes):** Mr Chairman, I do believe so. I would not disagree with what the Member has said; I think that is the right interpretation.

870

**Hon. E J Phillips:** The only concern I had in relation to applications that are made for the withdrawal of life-sustaining treatment, was that quite clearly that would result in death. So, insofar as that section is concerned, it would be motivated by the desire to bring about a

875 patient's death. Quite clearly, if nourishing tubes are removed from a patient, where the best  
interests of the patient are to remove them in relation to the life-sustaining treatment, that will  
bring about and cause the death of the patient. That is the only question I had in relation to this  
legislation. I really could not find it anywhere else within the section. That is why I have asked it  
at the Committee Stage, rather than at the Second Reading.

880

**Dr J E Cortes:** Was there a question in that?

**Hon. E J Phillips:** Just to clarify what I was asking.

885

**Clerk:** Part 6, clauses 90 to 103.

**Mr Chairman:** Stand part of the Bill.

**Clerk:** Part 7, clauses 104 to 108.

890

**Mr Chairman:** Stand part of the Bill.

**Clerk:** Part 8, clauses 109 to 112.

895

**Mr Chairman:** Stand part of the Bill.

**Clerk:** Part 9, clauses 113 to 116.

**Mr Chairman:** Stand part of the Bill.

900

**Clerk:** Part 10, clauses 117 to 135.

**Mr Chairman:** Stand part of the Bill.

905

**Clerk:** Schedules 1 to 3.

**Mr Chairman:** Stand part of the Bill.

**Clerk:** The long title.

910

**Mr Chairman:** Stands part of the Bill.

**Animal and Birds (Amendment) (No. 2) Bill 2016 –  
Clauses considered and approved**

**Clerk:** A Bill for an Act to amend the Animals and Birds Act.  
Clauses 1 to 3.

915

**Mr Chairman:** Stand part of the Bill.

**Clerk:** The long title.

**Mr Chairman:** Stands part of the Bill.

**Employment (Amendment) Bill 2016 –  
Clauses considered and approved**

920 **Clerk:** A Bill for an Act to amend the Employment Act.  
Clause 1.

**Mr Chairman:** Stands part of the Bill.

925 **Clerk:** Clause 2, as amended.

**Mr Chairman:** A number of amendments were circulated from hon. Members of the Opposition on 5th July. They amend clause 2, paragraph 4, and clause 2, paragraph 5 – a number of them, in the case of the latter. I take it that unless hon. Members have any comments, they are agreed to and therefore incorporated into the Bill, and they will stand part of the Bill.  
930 So, clause 2, as amended, stand part of the Bill.

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licuidi):** Mr Chairman, just for clarification, I understand that you referred to amendments which were being proposed by Members of the Opposition.  
935

**Mr Chairman:** Did I?

**Minister for Health, the Environment, Energy and Climate Change (Dr J E Cortes):** I understood that. Just for the record and for the sake of clarity.  
940

**Mr Chairman:** I amend what I said by deleting the word ‘Opposition’ and inserting, therefore, ‘Government’.

945 **Clerk:** Clause 2, as amended.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** The long title.  
950

**Mr Chairman:** Stands part of the Bill.

**Traffic (Amendment) Bill 2016 –  
Clauses considered and approved**

**Clerk:** A Bill for an Act to amend the Traffic Act 2005 to make further provision in respect of certain driving offences, to further provide for the use of certain devices in the prosecution of offences, amend the provisions relating to fixed penalty notices, confer powers for the issue of penalty points, make further provision in relation to driving under the influence of drink or drugs, including preliminary testing, and for connected purposes be read a first time.  
955

**Clerk:** Clause 1.

960 **Mr Chairman:** Stands part of the Bill.

**Clerk:** Clause 2, as amended.

**Mr Chairman:** The amendment here is with respect to the day of operation into the Act by notice in the *Gazette* and that different dates may be appointed for different provisions. That was circulated a couple of days ago. Are all hon. Members happy with that?

**Hon T N Hammond:** If I may, Mr Chairman, simply in terms of the amendment, clearly the effect of the amendment, I presume, could be to cause further delay to the implementation of certain aspects of the legislation. Having congratulated the Minister earlier on bringing the legislation to this stage, I wonder if he has any idea in terms of..., particularly for the fixed cameras, whether or not he envisages any significant delay from this point going forward as to the introduction of those cameras.

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** Mr Chairman, the purpose is precisely to avoid particular delays in relation specifically to the fixed speed cameras. There have to be administrative arrangements made, there have to be infrastructural arrangements made, particularly from an IT side in relation to the penalty points system, which are not ready yet. Therefore, as of today we are not ready to press the button and implement the penalty points system; but we may be ready, as soon as all administrative arrangements are made, to issue and process the fixed penalty notices in respect of the speed cameras, to implement that part of the legislation as well as the other parts in relation to offences of causing death, certain driving offences causing death and also the introduction of devices and prescribing devices for drugs testing in particular.

At the moment we have a general offence of driving under the influence of drink or drugs. We have a prescribed limit for drink but not for drugs, and therefore we are creating the legislation to be able to prescribe limits for drugs and the type of drugs that would be prescribed. What we do not want is to have to have everything that this Bill caters for absolutely ready before we can press any button at all. Therefore, to the extent that we can start implementing the pieces of legislation that we can immediately, or as soon as possible, then that is the purpose of the amendment, so as not to delay the parts that can be implemented straight away, and in particular the part that the hon. Member is speaking about.

**Hon. T N Hammond:** Thank you. I am reassured.

**Clerk:** Clause 2, as amended.

**Mr Chairman:** Stands part of the Bill.

**Clerk:** Clauses 3 to 24.

**Mr Chairman:** Stand part of the Bill.

**Clerk:** The long title.

**Mr Chairman:** A fairly long title, stands part of the Bill.

**Magistrates' Poor Fund (Repeal) Bill 2016,  
Mental Health Bill 2016,  
Animals and Birds (Amendment) No. 2) Bill 2016,  
Employment (Amendment) Bill 2016,  
Traffic (Amendment) Bill 2016 –  
Third Reading approved: Bills passed**

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to report that the Magistrates' Poor Fund (Repeal) Bill 2016, the Mental Health Bill 2016, the Animals and Birds (Amendment) (No. 2) Bill 2016, the Employment (Amendment) Bill 2016 and the Traffic (Amendment) Bill 2016 have been considered in Committee and agreed to, some with and some without amendments, and I now move that they be read a third time and passed.

**Mr Speaker:** Since the Opposition have indicated that they support these five Bills, I am going to take them all together. So I now put the question, which is that the Magistrates' Poor Fund (Repeal) Bill 2016, the Mental Health Bill 2016, the Animals and Birds (Amendment) (No. 2) Bill 2016, the Employment (Amendment) Bill 2016 and the Traffic (Amendment) Bill 2016 be read a third time and passed. Those in favour? **(Members: Aye.)** Those against? Carried.

**Hon. Chief Minister:** Mr Speaker, can I suggest to the House this may be a convenient moment to recess for 10 to 15 minutes for light refreshment before we carry on?

**Mr Speaker:** The House will now recess for 15 minutes. We will be back at five.

*The House recessed at 4.45 p.m. and resumed its sitting at 5.09 p.m.*

**PRIVATE MEMBERS' MOTIONS**

**Public Accounts Committee –  
Amended motion carried**

**Clerk:** We now proceed with Private Member's motions. The Hon. R M Clinton.

**Hon. R M Clinton:** Mr Speaker, I have the honour to move the motion standing in my name, which reads as follows:

*This House notes the contents of the Principal Auditor's Report on the Audit to the Public Accounts of Gibraltar for the year 31st March 2014 and calls on the Government to address his findings. This House furthermore resolves that a Standing Committee be created designated as the Public Accounts Committee for the examination of the accounts showing the appropriation of sums granted by Parliament to meet the public expenditure, to consist of four Members, two Government Ministers and two Opposition Members, who shall be nominated at the commencement of every session and of whom two shall be a quorum, with the Chair to be held by the Opposition.*

Mr Speaker, every year the Principal Auditor is required to submit a report on his audit of the Public Accounts of Gibraltar and attach his certificate. This annual report is then submitted to the Speaker to be laid before Parliament, pursuant to section 74(2) of the Constitution of Gibraltar. This year, the report for 31st March 2014 was presented to you on 26th August 2015 and laid before Parliament on 20th January this year.

The Principal Auditor's Report and Associated Accounts for 31st March 2014 amounts to what is a very hefty report, running to 363 pages, and I can tell you it weighs in at over 1.5 kilos. Whereas I am sure that all of us in this House have actually read the report from cover to cover, I would ask them when was the last time the Principal Auditor's Report was actually debated in this Parliament – perhaps the Father of the House might know.

The report of the Principal Auditor, although laid before Parliament, serves, unfortunately, merely as a doorstop if no one in this House actively considers and debates its contents. I trust Members have brought their copies with them today, because I want to refer to one particular matter which the Principal Auditor makes reference to on page 107 in respect of the revision of audit legislation as follows, and I quote:

As I commented in last year's report, I am hopeful that the audit draft legislation, which provides an improved legal basis to secure a more modern and efficient public audit service and adequately addresses key issues of audit independence, will be taken to the Gibraltar Parliament during the coming year.

I examined the report for 31st March 2013, and under the same heading, on page 95, the Principal Auditor had the following to say:

In my report on the Public Accounts for the financial year 2008-09 I explained proposals made to Government over a number of years to revise the audit legislation contained in Parts 8 and 9 of the Public Finance Control and Audit Act, as no significant modifications have been made since its enactment in 1977. The prime aim of these proposals was to provide an improved legal basis to secure a more modern and efficient public audit service that is fully independent of the Government of Gibraltar.

I went back to the report for 2008-09 and found that this has been a recurrent theme, going back to 17th March 1998 when the proposals were first submitted by the Principal Auditor's predecessor. The Principal Auditor's frustration with Parliament is palpable. I trust this Government will consider the Principal Auditor's request so that if necessary legislation can be brought into place in the lifetime of this Parliament, that it be done.

There are, of course, many other detailed elements of the Principal Auditor's report that could be usefully debated if we had unlimited parliamentary time. For example, why is it that the Gibraltar Development Corporation has not submitted any accounts for audit for the last 18 years? Presumably if this Parliament passed a law requiring them to be audited by the Principal Auditor, then why on earth have they not been?

This is not a partisan issue, but goes to the heart of the management and scrutiny of our public finances, and it is scrutiny that is the key theme to my motion and the purpose of bringing this motion to the House. There are numerous reports and documents laid in Parliament, and yet these perhaps do not receive the attention and scrutiny that they should.

Mr Speaker, let me give you an example of why these documents need scrutiny. Only last month, on 9th September, the audited accounts for the Gibraltar Electricity Authority for the years ended 31st March 2012, 2013, 2014 and 2015 were laid before Parliament. For the year 2015, on page 9, of which I have a copy here, was the following comment in respect of the fuel hedge contract – and I know Mr Bossano will find this interesting – and I quote:

At the latest available fuel price it is expected that the fuel hedge contract cost will be approximately ...

– and again I am quoting –

£312.7 million in the financial year 2015-16.

Needless to say, I almost fell off my chair when I read this. It would mean that Gibraltar would be almost bankrupt, if it was true. Thankfully, I was able to deal with this matter bilaterally, on a non-partisan basis, with the Hon. Minister Dr John Cortes, who kindly investigated and wrote to me on 20th September to confirm that, and I quote:



The figure should have read £12.7 million and not £312.7 million. It appears that the pound sign became a three somewhere in the process. Thank you for pointing this out. I am sure we are both relieved.

Which indeed we are.

1070 Mr Speaker, with this illustration it goes to show how important it is to read the documents that are laid before this Parliament; and yet, giving our limited parliamentary time, how are we going to scrutinise financial reports and public finance audit reports as a Parliament in an effective and efficient manner?

1075 Thankfully, we do not have to reinvent the wheel, as the mother of all Parliaments faced the same problem in 1857 and addressed the problem by the creation of a standing select committee tasked solely with the scrutiny of public finances. In 2007, the committee celebrated its 150th anniversary and produced a booklet outlining its work and history. I have placed a copy of that booklet in the antechamber for Members' information, and it makes interesting reading. Let me read from its introduction. I quote:

Expectations about the proper stewardship and accountability for public money go back many centuries. Generations of politicians and public officials have recognised the significance of the proper handling of public funds, the need to combat fraud and corruption and the importance of getting the most from tax revenue. Such themes have been at the heart of relations between the Crown and Parliament, and then subsequently have featured in numerous Parliamentary debates.

The Committee of Public Accounts is a key part of our accountability arrangements to safeguard public money ... in 1857 – a select committee of the House of Commons recommended the creation of a committee to oversee government accounts. This was a crucial step in the already long running efforts to secure proper stewardship. In 1861, the Committee came into being and continues to this day to examine the use Government makes of public money. Over time, the role of the Committee has changed in line with the needs of the day – for example, widening the type of subjects considered from purely financial matters to broader concerns about the effectiveness of public programmes; increasing the number of hearings held and reports produced; and taking evidence from a wider range of witnesses, including from outside the public sector.

At times, there has been resistance to the expansion of the focus of the Committee's enquiries: in the late nineteenth century, for example, to the consideration of more than just the regularity of expenditure; in the 1940s to the desire for access to public corporations; and in the 1990s to its desire to examine public sector companies. Nevertheless, the mutual interest in the effective use of public money between Government and Parliament is clear ... 'The Committee has thus helped the Government to secure financial savings, raise the standards of public services and improve the quality of delivery.'

1080 And so, Mr Speaker, need I say more to convince Members of this House that we need a Scrutiny Committee, we need a Public Accounts Committee?

There may be some who think that in a Parliament of our size such a committee may not be practical, as was the view of the Commission on Democratic and Parliamentary Reform in January 2013. My views on this report have already been ventilated this morning.

1085 Mr Speaker, let me point out to this House that times have changed and continue to change, and we really risk falling behind with best parliamentary practice. In his report for 31st March 2013, again page 95, the Principal Auditor made the following remarks, and I quote:

The Assistant Principal Auditor and I were invited to participate in an Overseas Territories Auditor Generals conference and workshop organised by the United Kingdom's National Audit Office (NAO) and held at the NAO's offices in London at the end of January 2014. The theme of the conference or workshop was 'Strengthening Audits and Parliamentary Oversight in the Overseas Territories' and was sponsored by the Foreign and Commonwealth Office. The objectives of the conference workshop were to (1) provide an opportunity for Overseas Territories representatives to be updated on recent developments in public audit and parliamentary oversight; (2) develop a shared understanding of what makes a Public Accounts Committee effective; (3) examine current approaches to auditing major risk areas; and, finally, (4) develop ways to enhance the effectiveness of oversight systems in the Overseas Territories.

It is perhaps no coincidence that this conference was organised after the November 2013 communiqué of the Commonwealth Heads of Government meeting, which in paragraphs 45 and 46 stated, and I quote:

Heads of government recognise the contribution that strong, properly resourced and independent supreme audit institutions play in improving transparency, accountability and value for money to ensure that public funds are appropriately spent.

1090 And paragraph 46:

Heads of government further reaffirmed that strong and independent parliamentary oversight plays an important role in preserving the trust of citizens in the integrity of government through public account committees that are effective, independent and transparent.

1095 The topic of public accounts committees or scrutiny committees was the subject of a workshop in the 46th Commonwealth Parliamentary Association, British Islands and Mediterranean Region Annual Conference, which I attended in May earlier this year. I was taken aback to discover that Gibraltar was the only participant at that conference not to have a public accounts committee; and not only that but in fact the CPA had, following the Commonwealth Heads of Government meeting in November, actually created a parallel group just for public accounts committees. Let me quote from their dedicated website as follows:

In June 2014, Chairs and Members of Public Accounts and equivalent Committees of Commonwealth parliaments attending the 4th Westminster Workshop on Parliamentary Financial Scrutiny of Public Expenditure at Westminster constituted the Commonwealth Association of Public Accounts Committees (CAPAC) ... CAPAC is designed to support the work of Commonwealth Public Accounts Committees in promoting good governance, implementing the declaration on these committees contained in the communiqué of the November 2013 Commonwealth Heads of Government Meeting ...

The aims of CAPAC are as follows:

- making the case for the independence of Commonwealth PACs, and for implementation of all appropriate PAC recommendations, as key components of good governance
- defining, publishing and promoting standards of good practice, in line with Commonwealth principles, to assist CAPAC Member Committees in being effective, transparent and independent
- providing training ...
- acting as a clearing house of ... information ...
- carrying out peer reviews ...
- engaging ... stakeholders ...
- strengthening the capacity of small states' PACs.

1100 In November 2015 the CAPAC initiative was endorsed by the Commonwealth Heads of Government meeting, where their communiqué noted the establishment of the Commonwealth Association of Public Accounts Committees as a network for strengthening public financial management and accountability, these being vital in maintaining the trust of citizens and the integrity of governments and legislatures.

1105 The current members of CAPAC are Bangladesh, Barbados, Cameroon, Fiji, Ghana, Jamaica, Kenya, Malawi, Malaysia, Maldives, Malta, Mauritius, Namibia, Pakistan, Papua New Guinea, Rwanda, Sierra Leone, Sri Lanka, Swaziland, Tanzania, Uganda and the United Kingdom. Associate members are Anguilla, Jersey and Northern Island.

1110 Mr Speaker, as you can see, the concept of having a public accounts committee is now seen as best practice in the Commonwealth, and we now have an opportunity to leverage on this new institution, being CAPAC, which would not be too late to join perhaps as an associate.

1115 And, Mr Speaker, finally, despite what has been said this morning, I would like to emphasise that I presented this motion with Gibraltar's best interests at heart and on a non-partisan basis, and I hope that Members will consider my motion in that light, which I now commend to the House. **(A Member: Hear, hear.)**

Thank you, Mr Speaker. *(Banging on desks)*

**Mr Speaker:** I now propose the question, in terms of the motion moved by the Hon. Roy Clinton. Does anybody wish to contribute to the debate? The Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Well, Mr Speaker, I have a feeling of déjà vu. I thought we had debated a very similar motion this morning; in fact, of course, we have.

It is very clear to me that the hon. Gentleman comes to this issue relatively green – green in the context of how there has been debate on the Auditor’s Report. In the time that I have been here since 2003, there has been a lot of debate on the Auditor’s Report on specific issues. The Auditor’s Report gives rise to questions that are asked and then it gives rise to motions that are brought; it gives rise to questions that are asked at the Committee Stage and at the Second Reading of the Bill on the Appropriation when looking back at how things have been done in other years – a lot of debate, in fact, based around the Principal Auditor’s Report.

He seems to think that he is the only person who has had regard to it; I did not realise he had such a high regard for himself. As I told him today, there has been an economist in this House for quite some time and he taught those of us who have had the benefit of political tutelage, something which I know hon. political partisan virgins opposite are not having the benefit of in respect of someone who has had the longevity of Joe Bossano or even Peter Caruana in Parliament, but he taught us the importance of this document and the importance of being able to ask questions as a result of this document.

Of course, the difficulty that hon. Members have is that a lot of the issues that this document raises it raises about the time when the party that most of them still represent were in office, as I will demonstrate in a few moments.

The hon. Gentleman gets up and says, ‘Of course, I am not doing this on a partisan basis.’ He cannot do it on a partisan basis, because when he wants to ask about why the GDC has not filed accounts for 18 years in respect of 2014 he knows that he is asking questions of himself in political terms. He is asking questions of the GSD. I will give him the answer. Perhaps Mr Bossano later might agree to become involved in this debate and give us the benefit of his experience of these matters.

The GDC used to file accounts. The last accounts filed were (**Hon. J J Bossano:** 1996.) 1996. The practice of stopping the filing of the accounts of the GDC was initiated by the greatest Gibraltarian of all time, as the current Leader of what is left of the Opposition used to describe him. So it is quite something to hear a representative of the GSD get up and make those sorts of statements about the GDC.

He knows, Mr Speaker, that our position is that they will be filed. We agree with the Principal Auditor. The hon. Gentleman might have known that if he had been following the proceedings of this House for the 16 years between 1996 and 2011 when we were making those points. He might have recalled reading that in that magnificent weekly publication the *New People*, because those were issues that we constantly might read in that publication.

So the answer to how are we going to have a debate when this is such a fulsome report ... He has even taken the liberty of weighing it and telling us the weight in grams. Well, I will tell him how we are going to have the debate: in the way that we always do, because he can ask questions about what is in the report, those questions can lead to motions, those motions and questions can even lead to press releases, and we can have exchanges outside of this place if necessary, as we have often had in the past. But what is not going to be possible is to have a system like Westminster where you have 650 parliamentarians, when you have 17 here; because the Chancellor of the Exchequer, who is the Minister for Finance, is not a Member of the Public Accounts Committee of the United Kingdom. For many years it was chaired by Margaret Hodge, until recently. So, of course, if you have got 650 MPs and some of them are not Ministers – and this goes for the argument about whether you have backbenchers or not – then you can have 10 of them beavering away on that subject and asking civil servants questions, but if you only have Ministers and you do not have backbenchers, then what you are saying, if you are suggesting that you do not have time to debate the Principal Auditor’s Report in this

1170 Chamber, is that you are going to have a reduced meeting of this Chamber and have that lengthy debate.

For a retired banker with all the time in the world and nothing to do, that might be lovely; it might actually float his boat. But for actively engaged, not lazy, very hardworking Members of Parliament who are Ministers, this is to have a Budget debate every day that the hon. Member  
1175 wants to have a Public Accounts Committee. So, for all the reasons, therefore, that I gave this morning, it cannot happen and he cannot make a comparison with the Westminster Parliament for the reasons that I have illustrated to him.

When he says there should be two Members of the Government involved in the committee, he is calling for two Ministers to stop work on whatever it is they are doing to come here to look  
1180 with him at the price of Brooke Bond tea. It does not make any sense. If he does have the best interests of Gibraltar at heart, doesn't he realise that it is in Gibraltar's best interest that Ministers should be working on the subjects which deliver for Gibraltar?

And so, therefore, the history lesson is really quite irrelevant. The hon. Gentleman says we have to look after public money. Well, he has an opportunity a month – we will get back into the  
1185 rhythm of it from now – to ask us whatever question he likes about public money, and we will give him those answers that we think are appropriate, the same answers we would give him in the Public Accounts Committee. So changing the mechanism is not going to avail him of any assistance, and to suggest a committee that is two and two is to go against the practice of committees in this House as they have been in the past – and chaired by him.

When we look at history, Mr Speaker, I prefer the history of Joshua Hassan in 1972, of Joshua Hassan in 1976, of Joshua Hassan in 1984, of Joe Bossano in 1988, of Joe Bossano in 1992, of  
1190 Peter Caruana in 1996, 2000, 2003 – does he get my rhythm? – and 2007, and of Fabian Picardo in 2011, which is a robust parliamentary system where there is absolute freedom to ask any question an hon. Member wants, to get the information that the Government is prepared to give and to debate on it or to say that it has not been given, and to have that argument which  
1195 we are having in the most robust manner.

We have not really argued about anything else in the past four and a half years, almost five. The debate has been about public finance at every Question Time, at every meeting, in every  
1200 husting. All they want to talk about is public finance. How can they suggest that they do not have a forum to debate the public finances of Gibraltar? What they do not like is the conclusion that the public finances of Gibraltar are stronger than they ever have been.

But they cannot say that they have not got a forum for debate of the public finances; that we do not have a strong and properly resourced audit institution, which he says is one of the indicia  
1205 of good governance – of course we do, we have a Principal Auditor's office that has regularly and independently produced reports which have been debated in this House, even though he might not have been a retired banker then and not have had the time to note that we were debating issues which arise from the report in Question Time and in motions etc; that we should have a strong parliamentary oversight – well, strong parliamentary oversight does not have to happen in a committee, it can happen in a place like this, where we have the toughest and strictest  
1210 parliamentary oversight, and quite unlike other Chief Ministers I come here every month for that parliamentary oversight.

And to hear a Member of the Gibraltar Social Democrats say that we should be copying Westminster, when I spent 12 years in this House hearing, even when he was in opposition to me, the former Chief Minister, the Leader of the GSD – the most successful Leader of the GSD –  
1215 tell us that Westminster do not do everything right and that we should be doing things our way, to now be told 'this is the history of Westminster, this is what we should be doing' is really quite incredible.

The good governance I prefer is the good governance of Gibraltar as we have been doing it, as it was done in this respect by the Gibraltar Social Democrats and as it was done in this respect  
1220 by the first GSLP administration and by the AACR, except for one term when they had the Public Accounts Committee and they themselves decided not to have one.

And so, Mr Speaker, when he tells us that he has moved this motion in a non-partisan manner, proposing himself in effect as the Chairman of a Public Accounts Committee with two Members of the Opposition and two Members of the Government, forgetting the Independent Member, it really is quite incredible to hear, especially when he gets up and he makes speeches which are clearly partisan.

I am going to give notice that I intend to move an amendment to the motion, and I will give written notice in a moment, Mr Speaker, of the amendment that I intend to move, where I also intend to highlight other parts of this report. For example, the content of paragraph 2.12.2 – I hope the hon. Member has brought his with him. Paragraph 2.12.2 of the Principal Auditor's Report of 2014 says this:

I must once again report that no decision has yet been taken on how the outstanding amount owed by the defaulter of a loan ...

– these are the Public Accounts of Gibraltar –

issued on 16th January 2003, amounting to £48,000 plus interest, is to be treated. The total debt as at 31st May 2015 was £78,000, made up of £48,000 in respect of capital, £12,907 relating to the loan agreement interest and £17,133 in connection with default interest.

So, Mr Speaker, when I am asked by a motion to comment on and debate the Principal Auditor's accounts, surely if I am acting in a non-partisan manner with Gibraltar's best interests at heart, that is the issue that I want to highlight. *That* is the issue that I want to highlight, especially given everything that has been said in the context of the past four years in the past Parliament about Credit Finance Company Ltd granting loans. These are the Principal Auditor's accounts for 2014. These accounts are talking about a loan. This is a loan given with public money, with taxpayers' money, of £48,000. I have taken an interest in that, because the hon. Gentleman is not the only one who reads these accounts, and I found out a little bit more about it. It is a loan and a grant to a company, and I understand that a Minister in the former administration had an interest in that company, and I am continuing to research that.

And so the amendment that I intend to move is as follows, and I have written notice of it here ready to go. I will read it to the House and then circulate it. What I propose to do, Mr Speaker, is delete every word after the words 'This House' when they appear in the motion and replace them with the following:

*This House notes the contents of paragraph 2.12.2 of the Principal Auditor's Report on the Audit of the Public Accounts of Gibraltar for 31st March 2014; notes the information already provided to the House by the Chief Minister ...*

– what I have just said –

*in respect of the loan in question, which was granted by the former GSD administration and which appears to have been lost; commends the Chief Minister for bringing to the attention of this House the information on this loan granted by the former GSD and which appears to have been lost; seeks that the Government should ascertain greater information in respect of said loan and to make public such details as may be possible of the said impaired loan granted by the former GSD administration; and further notes and agrees with the findings of the Commission on Democratic and Parliamentary Reform which reported to Parliament in January 2013, which, as provided for in the motion standing in the name of the Chief Minister and approved this morning by the Parliament, unanimously expressed the view of the Commission that there is no need to establish a General Purpose Standing Committee nor a Public Accounts Committee given that the Opposition Members have every opportunity to*

*examine Government expenditure in detail as well as debating the report from the Principal Auditor on the Government's accounts for every financial year.*

I pass it now, Mr Speaker, so it can be copied and provided and written notice can be provided to you and to every Member. I will pause there whilst it is circulated.

1250 **Mr Speaker:** Is the Chief Minister proposing to say something further in support of the amendment?

**Hon. Chief Minister:** Yes, Mr Speaker.

1255 **Mr Speaker:** Very well.

**Hon. Chief Minister:** Mr Speaker, I think hon. Members have now received the written notice of amendment.

1260 The hon. Gentleman cannot get away with suggesting, as he does, that we do not have the opportunities for strong and properly resourced auditors to review the Government accounts, that we do not have strong parliamentary oversight and that we should copy Westminster, because I am reminded in the amendment that I have put of the actual words of the Commission which we debated this morning. The words of the Commission were that there is no need to establish a General Purpose Standing Committee nor a Public Accounts Committee, given that  
1265 Opposition Members have every opportunity to examine Government expenditure in detail as well as debating the report from the Principal Auditor on the Government's accounts for every financial year. It is clear that is the position of the Commission; we were referring to it this morning.

1270 What one is left with the view of is that a motion is moved clearly in an attempt to show a desire to lead on issues like this, but one is left with the impression that the mover is not just highly partisan in trying to do so, but, to adopt his nomenclature – not one which I would otherwise have thrown across the floor of the House as liberally as it was this morning – the mover must also be quite lazy, because if he wants to have a debate about this 1.5 kilo report and he wants to scrutinise public expenditure, but he does not want to bring to the attention paragraph 2.12.2, then he is either highly partisan and wants to hide away this very concerning  
1275 note about an impaired loan granted by the party that he represents, or he is very lazy and had not picked it up. What we need to be careful of is that when we are told that he is the one reading material, he is not either reading it through partisan spectacles or not reading it at all and just pretending to do so.

1280 So, Mr Speaker, on that basis I move the amendment as set out in writing, as required by the rules, and I commend the Bill as amended to the House. *(Banging on desks)*

**A Member:** Hear, hear.

1285 **Mr Speaker:** What is now before the House is the Chief Minister's amendment, and the mover of the original motion, apart from any other Member of the Opposition, including Mr Roy Clinton, are able to speak on the amendment.

**Hon. R M Clinton:** Thank you, Mr Speaker.

1290 I must say I am quite impressed with the Chief Minister's performance this afternoon in completely overturning my motion.

I note that he has not addressed the concern of the Principal Auditor in respect of modernising legislation – which he has obviously conveniently forgotten to take notes on – which, of course, the Principal Auditor himself has been chasing for years, regardless of the administration.

1295 I just find it incredible that the Chief Minister picks on one section of this 300-odd page  
report to support his own partisan issues. Perhaps I may ask the Chief Minister, while he is  
looking at that paragraph, could he also do me the favour of investigating, in section 2.14.5, on  
arrears of import duties, a significant decrease of £391,236 compared against previous years'  
arrears position decrease related to a company having paid all amounts due. Perhaps he could  
1300 investigate that for me as well.

Mr Speaker, the Chief Minister's approach to my motion is what it is. It lacks any form of  
consideration for what is best parliamentary practice. The Public Accounts Committee may have  
originated in Westminster, but the fact of the matter is Members of the Commonwealth have  
also adopted it, and I know for a fact the Falkland Islands have a Public Accounts Committee and  
1305 they manage quite well to survive with one. I cannot understand the Chief Minister's reluctance  
to add this additional level of transparency and checks and balances to this Parliament. It really  
will not cause him any offence.

And what he fails to tell this House is that the select committee is not just about questions  
and answers – and I note his rather guarded response when he said 'appropriate answers to  
1310 questions', which means he will be the arbiter of what he answers.

Mr Speaker, a select committee on public accounts will cover everything that concerns this  
Parliament in terms of public funds. It is not necessarily going to be a rod for the Government's  
back. It may be a mechanism to investigate areas in which Parliament wants some clarity. It may  
be independent contractors to Government. Who knows? But it is not something that the  
1315 Government should feel is going to be used to attack them. In fact, in Westminster it is used to  
great effect on a cross-party basis to get the best results for the taxpayer – and that is where I  
am coming from, Mr Speaker: the best result for the taxpayer.

The Chief Minister's amendment shows quite clearly he does not care about the taxpayer. All  
he cares about is a soundbite. There is no substance to this motion amending my motion. It is  
1320 utter nonsense. (Hon. D A Feetham: Hear, hear.)

Mr Speaker, I have made a perfectly cogent argument as to what is good parliamentary  
practice in the 21st century. If other countries round the world have Public Accounts  
Committees, if other territories in the Overseas Territories have Public Accounts Committees,  
why do we not? That is what I would like to know from the Chief Minister. If the Falkland Islands  
1325 can have one, if Jersey can have one, if Guernsey can have one, and they are much smaller than  
we are, why can't we have one? What is it that the Chief Minister finds so offensive about public  
accounts committees?

And no, I am not doing it because I am bored; I am doing it because I am here, and I am here  
because ... okay, we did not win the election, but I was still elected to sit here and hold the  
1330 Government to account, (*Banging on desks*) and for as long as I am on this side of this House I  
will do that – and of course he will have to accept that, whether he likes it or not. I am not here  
to create work for myself; I am here to work for the taxpayer and I will continue to do so. I have  
not heard a single comment from the Chief Minister as to why public accounts committees are  
of no value to Parliament.

And so, Mr Speaker, I will once again ask for a division of the House on this vote, because I  
would not want the Hon. Mr Costa to lose out on his buckets of transparency, to add to them  
with the Chief Minister kicking it over immediately. No more buckets of transparency, because  
the Chief Minister, frankly, is not interested in transparency. This Chief Minister wants to go and  
do whatever the hell he pleases.

1340 Mr Speaker, I have actually researched the subject. I have put the evidence before this  
House. If I cannot convince the Members of this House as to the utility of a public accounts  
committee, then alas I have failed, but I will continue to put the case.

And so, Mr Speaker, as I sit down I will ask for a division of the House. Thank you. (*Banging on  
desks*)

1345 **Mr Speaker:** Does any other Member wish to speak on the Chief Minister's amendment?

I call upon the Chief Minister to reply.

**Hon. Chief Minister:** Mr Speaker, the hon. Gentleman has not dealt with the subject of the amendment; he has replied as if he were replying on the main motion. But I have never seen in the time I have been in this Parliament, even when I was in Opposition and I had some Members opposite me who had such little ability that one of them was once seen to be reading *The ABC of Thinking* – you would have thought that somebody who would be a Minister would have worked out the ABC of thinking – I have never, even then, seen somebody squirm on a hook that they have created for themselves like I have seen the hon. Gentleman squirm today. To have come here proud to have read the Auditor's report, ready to deal with it and present it to us as something that only he reads, and not to have realised what a hook he was creating for himself and his party because of this impaired loan that they granted – which I have already given details of, and more to come – and not to address it in the context of his reply, demonstrates that the only person in this room who is now squirming and seeking to avoid transparency and clarity is the hon. Gentleman.

How can he not have said, 'Oh my goodness, that's true, it's a loan granted and money lost,' in the same breath as he says 'I only care about the taxpayer'? Well, where is your caring for the taxpayer and his loss, her loss, our loss of £78,000? Where is the care for the taxpayer? It is utterly ridiculous to get up and say that in the context of this debate without addressing the substance of the amendment, which talks about the loss that his party has put the taxpayer to of £78,000.

I am not surprised that when he sat down they all banged the table and he banged himself – he is the only artist I have ever seen clap his own performance. Because that is that it must be, a performance, to call a division on an amendment like this – which is absolutely his right – and not address, in the context of replying to it, the very serious matter that I have brought before the public today, the very serious issue of a loan granted by them and impaired and apparently involving a Minister in the Government that granted that very loan, and to say that they are somehow the champions of the taxpayer.

Mr Speaker, they are the losers for the taxpayer. Not only have they lost money on the estates that they developed, not only have we been left with that rotten legacy, we will be left with the rotten legacy of a GSD loan, lost, of £78,000. And he gets up and he pretends that he can talk about best parliamentary practice and that he cares about the interest of the taxpayer. Well, he cares so much about the interest of the taxpayer that the paragraph he wants me to read and comment on is 2.14.5, which is the one that says that arrears are down. That is the bit that he should have been banging the table on. Arrears are down. He should at least have said, 'Congratulations, arrears are down.' No, the bit he does not want to talk about is the loss of £78,000.

How can I take seriously a man who, in 10 months of being in this Parliament, thinks that he can tell us what is best parliamentary practice? Is there no element of humility about the man at all? Zero element of humility that he comes here and he goes against the Commission with a cumulative 44 years of experience. He comes here to speak against the Government, all of whom have more parliamentary experience than him, and says, 'I am speaking from the chair of best parliamentary practice.' Doesn't he realise that if between them they had one ounce of shame, he would be putting his leader to shame because his leader was a Member of Government for four years which did not have a public accounts committee? Well, maybe he does not think of him as his leader either; I do not know how bad things are on that side. For 16 years they were in Government and they did not do it, and now they are the arbiters of best parliamentary practice.

He says I have not dealt with the issue of why it cannot operate here. Of course I have. I told him. The other Parliaments he is talking about all have backbenchers. It is likely the backbenchers are the ones who make up the parliamentary public accounts committee.



Mr Speaker, there is no way that he is going to persuade us that we should spend our time ... apart from coming to Parliament once a month to answer all their questions, also to be here, in addition, in the public accounts committee, because what we are going to do is run Gibraltar and deliver our manifesto. That is what we have been elected Ministers to do, and to provide the accountability and transparency which is the pride of this Government, which is greater than any accountability and transparency provided by any Government, in particular the stitched up Government of the GSD between 1996 and 2011 that almost gave zero information and met in Parliament twice a year in an election year and three times a year when there was not an election. Does he understand that? Does he know that he is representing the political insignia of a party that came to Parliament to answer questions three times a year at most, two times a year when there was an election? And he pretends to be the champion of transparency! Mr Speaker, he should be banging the table when I sit down to thank this Government for having implemented the monthly meetings of the Parliament, despite the fact that in this particular session we agreed we would not meet every month because of the Referendum until now.

That is transparency and accountability, not deciding that he is going to go off on a bookwormish exploration of the history of public accounts committees and pretend in that way to be able to give people a lecture on what parliamentary best practice is, having been here for 10 months. That is utterly ridiculous. It is evidence of somebody with nothing to do during the day; and frankly, given that we spend our time delivering for Gibraltar, he should stop wasting our time.

He should ask his party to make a public statement about the loan they granted in 2003 and he should have realised that he should have addressed that in the context of the amendment to the motion that I have moved.

As for the legislation, I will have him know I have had a number of meetings with the Principal Auditor to fair that legislation in order to be able to bring it to the House, Mr Speaker, and I trust it will be possible to bring it soon and I trust that I will be the Chief Minister to bring it, despite the fact that the former Chief Minister, the one that they all used to adulate when he was around to hear them, did not do so.

To have heard a Member of Parliament – forget a GSD Member of Parliament, a Member of Parliament – be confronted with an amendment to a motion that raises this issue and not to have heard a word from him in response, betrays the reality of what he is trying to do in this House, betrays what his motivation was in respect of bringing this motion and betrays the huge embarrassment to which he has subjected himself by asking the Parliament to debate the Principal Auditor's Report that highlights the loss of money by the GSD, the utterly shameful loss of taxpayer's money by the GSD to such an extent that they should never be able to call themselves champion of the taxpayer at all. They are the losers for the Taxpayer, and the motion will stand with Government votes after a division to demonstrate that on *Hansard* for ever. *(Banging on desks)*

**Mr Speaker:** I will now put the Chief Minister's amendment to the vote. Is there a division required? Yes.

*A division was called for and voting resulted as follows:*

**FOR**

The Hon. P J Balban  
The Hon. J J Bossano  
The Hon. Dr J E Cortes  
The Hon. N F Costa  
The Hon. Dr J J Garcia  
The Hon. G H Licudi  
The Hon. F R Picardo  
The Hon. Miss S J Sacramento

**AGAINST**

The Hon. R M Clinton  
The Hon. D A Feetham  
The Hon. T N Hammond  
The Hon. Ms M D Hassan Nahon  
The Hon. L F Llamas  
The Hon. E J Phillips  
The Hon. E J Reyes

**ABSENT**

The Hon. A J Isola  
The Hon. S E Linares

1450 The amendment is now carried – my apologies – by 8 votes to 7, with two Members on the Government side absent.

Now before the House is the Chief Minister's amended motion. All Members may speak to it except Mr Clinton, who has already done so, and the Chief Minister himself. All the other Members may speak to the motion. *(Interjection)* The original motion, as amended, is what is  
1455 now before the House. The Hon. Mr Clinton will be able to exercise his right to reply, but he cannot contribute now in the body of the debate.

**Hon. D A Feetham:** He has the last word.

1460 **Mr Speaker:** Absolutely, but not in the body of the debate.

**Hon. D A Feetham:** Mr Speaker, just to say this in relation to the amended motion: I invite the Hon. the Chief Minister to make a full public statement about the loan that he alleges has been made to a company, and I think he used the words, which was apparently had a  
1465 connection with a Government Minister'. I think that it is a matter that the Chief Minister has got to make a full public statement, and I would also invite him to keep the House informed about the recovery of the loan, because certainly on this side of the House we have absolutely no information in relation to any loan that has been provided to a Minister or a company with which a GSD Minister had a connection, and quite frankly we are absolutely baffled as to why a  
1470 loan, which at the end of the day is a debt, cannot be recovered. Certainly from our point of view we would invite the Government to take every single measure possible and leave no stone unturned in the recovery of a loan, if a loan exists, because that is what a situation such as that calls for. If there is a debt it ought to be recovered, and it is as simple as that. *(Interjection)* But I think that the Hon. the Chief Minister should not approach this, with almost pussyfooting  
1475 around as to the identity of the GSD Minister, as to whether there is something that is possibly underhand. If there is a loan, he should say there is a loan. He should say why it is impaired, he should say who is the – *(Interjection)* No, he should say who is the Minister he says apparently was connected with the company and he should put all the facts in the public whom domain so that the public, who have an absolute right to know – because certainly we are not, on this side  
1480 of the House, going to do a Chief Minister with Credit Finance and say, 'It is commercially sensitive, we are not providing you with the information.' That is the view that the hon. Gentleman takes. We ask the questions on Credit Finance and the hon. Gentleman says, 'It is commercially sensitive, we are not going to be providing you with any information.'

I am telling him, on behalf of the GSD Opposition: tell us what the loan is about, provide the  
1485 public with as much information as possible and absolutely bring all the machinery of Government to bear on the recovery of that particular loan, because certainly on this side of the House we have absolutely nothing to hide – contrary, it has to be said, to the attitude that the hon. Gentleman takes in relation to Credit Finance. So that is my invitation to him, the Hon. the Chief Minister.

1490

**Hon. Chief Minister:** Mr Speaker, is he giving way?

**Hon. D A Feetham:** No, I am not giving way.

1495 **Hon. Chief Minister:** Well, he has invited me to do something – can I just respond to the invitation?

**Hon. D A Feetham:** No.

1500 **Hon. Chief Minister:** Oh, he wants to make an invitation and not give way – okay.

**Mr Speaker:** The Hon. Gilbert Licudi.

1505 **Hon. Chief Minister:** Mr Speaker, will the hon. Gentleman give way?

**Minister for Education and Justice & International Exchange of Information (Hon. G H Licudi):** I will indeed. *(Laughter)*

1510 **Hon. Chief Minister:** That is the sort of ridiculous activity to which one is put by the Hon. the Leader of the Opposition – the *current* Leader of the *current* Opposition.

Mr Speaker, I accept the invitation, but it is not an invitation that I have had to accept; it is what I have been telling the House for the past 15 minutes I am going to do. It is what the motion from Mr Clinton as amended requires me to do. So I hope he will vote in favour of it, because he has voted against the amendment but now that it is before the House and it requires me to do all of that, I will do so.

1515 Mr Speaker, what he does not seem to understand is that this book is the Auditor's Report in respect of the accounts of the *Government*, taxpayers' money. Credit Finance Company Ltd, when he puts his brain back in between his ears, he will remember is the company that has savers' money from the Gibraltar Savings Bank; it is not taxpayers' money. His own argument, is that it is saver's money –

1520 **Hon. D A Feetham:** He is wrong.

1525 **Hon. Chief Minister:** Mr Speaker, I am not going to engage in a shouting match across the floor with him. I am telling him the position, and when he thinks about it he will realise that it is right.

This is different: this is taxpayers' money lent by *his* party when they were in office, and I am telling him I have an indication to a company involving a GSD Minister. I will make a public statement when I have the full information, and I will remind him that it is a loan granted in 2003 and that the limitation period – which I think we may have now been able to do away with, as a result of the exchanges that we dealt with – expired when he was a Minister, six years later in 2009. But if this money is recoverable, I will very much make sure it is recovered and that everybody knows how it was lent by the GSD, to whom it was lent by the GSD out of taxpayers' money, how the GSD were able to lend to companies involving themselves when they were here, and why we think that is not right and why we think that a debate about the Principal Auditor's Report of 2014 and the comment on it is not a comment on a debate on it unless you zero in on that matter and you identify that issue and you deal with it.

1535 And so, being the completely and utterly transparent lot that we are, we will do everything that I said we would do, which is exactly what he then foolishly got up and invited me to do as well. But now that he has done that inviting he may want to go back and read the amendment and support the motion as now amended; because, if he does not, he will be voting against the

principle of the invitation that he has just put. So perhaps, Mr Speaker, he should engage brain before tongue on all matters, not just Credit Finance.

1545 **Hon. G H Licudi:** Mr Speaker, having given way to the Chief Minister and the Chief Minister having made the point that I was going to make (*Laughter*) – and he has done so very eloquently indeed – I will limit myself just to reiterate one of the points. (**A Member:** Sit down.) I was going to sit down, but having got up originally I will make the point that the Hon. the Chief Minister has already, to an extent, dealt with. And that is that the hon. Member opposite, the Leader of  
1550 the Opposition, has said – and he used these words – ‘the debt ought to be recovered’ and he has used very strong words urging the Government to do so. As the Chief Minister has pointed out, this is a 2003 debt, a debt which arose when the GSD was in Government. So, rather than urging us to take steps to recover this debt, he ought to be asking himself, ‘Why is it that my party never did anything to recover this particular debt?’ and ‘Why is it that my party allowed  
1555 the limitation period to elapse in 2009 without having done anything to recover that debt?’ and ‘Why is it that I’ – I am speaking for the Hon. the Leader of the Opposition – ‘in 2009, being Minister for Justice and realising that limitation periods come to an end after six years for the recovery of debt, did absolutely nothing, knowing that Government debt was being accumulated?’ And not just this, but other types of Government debt were being accumulated.  
1560 As Minister for Justice he did absolutely nothing to change the limitation period to allow Government debt to be recovered going back as much time as was necessary. It fell to us to do that. Not only was he Minister for Justice in 2009 at the time that this limitation period expired for this particular debt; he continued to be so until December 2011, for a further two years, and still he did absolutely nothing to do this. (*Interjection by Hon. D A Feetham*) Well, if it was a 2003  
1565 debt – (*Interjection by Hon. D A Feetham*)

**Hon. Chief Minister:** We are not 100% clear, but we almost are clear –

**Hon. G H Licudi:** Well, we almost are clear –  
1570

**Hon. Chief Minister:** – that there was no payment from the date the loan was granted, and that therefore the limitation period would have run from the date of the signature of the document.

1575 **Hon. G H Licudi:** Well, all things being equal – (*Interjections by Hon. D A Feetham and Hon. Chief Minister*)

Mr Speaker, subject to the investigation that the Hon. the Chief Minister is going to make, and subject to the public statement which the Hon. Minister said he was going to do before being challenged and asked to do so and the Chief Minister again confirming that that was the  
1580 original intention of what he was going to do, it is our belief at the moment that the limitation period would have expired in 2009. But even if it did not, if it had expired in 2010 or 2011, still the hon. Member was Minister for Justice and did absolutely nothing, and it did fall to us.

The reason that it can be recovered now, to the extent that it is recoverable – we do not know; we have to check the precise circumstances. The company, for all we know, might not  
1585 exist, might have become insolvent. We just do not know. That is something that needs to be looked at in terms of practical recoverability, quite apart from the issue of the legal right to recover. The reason we can do it now is because, as the Chief Minister has said, this is Government debt, this is pure taxpayers’ money, and the amendment that we have made to the limitation period allows the Government now to recover Government debt such as this is.

1590 Therefore, for all those reasons, the hon. Member should do what the Chief Minister has invited him to do and to vote in favour of the original motion as amended, because if he believes that this paragraph in the Principal Auditor’s Report raises a serious issue of recoverability and

everything possible should be done to recover that debt, then he should be supporting this motion together with the rest of his colleagues. *(Banging on desks)*

1595

**Mr Speaker:** Does any other hon. Member wish to speak before I call upon the mover to reply? The Hon. Joe Bossano.

**Hon. Chief Minister:** Hear, hear.

1600

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):** Mr Speaker, fond as I am of the hon. Member, I find it incredible that he comes here and tells us all the research that he has done because we are not keeping up with the times of what happened in 1857 – that is to say we are now in 1856 in Gibraltar and the rest of the Commonwealth is in 2016. Does he really think that, until he told us today, we did not know what is happening in the rest of the Commonwealth, or we do not know what is happening in Westminster, and that until he arrived here nobody knew? Everybody in this Parliament has known what the rest were doing from the day I arrived in 1972. Indeed, my particular involvement in the CPA has been such that I spoke first at a CPA conference before I spoke in this Chamber in 1972. So the research that he has brought to the House is hardly likely to impress me or make me change my mind, because everything that he has told us I have known since 1972. And certainly in 1972 when I was here it was not the view of the Government of the day or the view of the Opposition of the day that we necessarily had to do what was being done elsewhere simply because it was being done elsewhere.

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To suggest that it is essential to have a public accounts committee, otherwise the transparency and the control of the public finances is in danger, and then tell us all the people from Malawi to Swaziland that have a public accounts committee, when everybody knows they are in total chaos in their public finances and the public accounts committees in those countries have not moved one iota in improving the situation ... He must live in the real world, and in the real world there is a logical reason for this.

1620

I have been against the Public Accounts Committee in Government and in Opposition. I think that perhaps is something that he may feel is strange because he happens to be in a party that has got an Opposition view when they are in Opposition and a Government view when they are in Government. But in our case in the GSLP we said we would not support a public accounts committee in opposition and we said it in Government.

1625

No, I am not giving way, because bad habits catch on. *(Laughter)*

**Hon. D A Feetham:** You give way and I always give way. He never gives way to me.

1630

**Hon Chief Minister:** *Como que no!* I gave way to you before!

**Hon. J J Bossano:** I think my hon. colleague Mr Picardo gives too much way to you. *(Laughter)*

So the answer is that it is a conscious policy decision, as far as I am concerned. I can tell him to the extent that if we had had a free vote on the public accounts committee, the most that would have been voting for a public accounts committee would have been 16, because in that free vote I would have voted no. So I want him to be clear.

1635

And I can tell him that the logic of the Public Accounts Committee in the United Kingdom may be that it is not possible for a document ... If this weighs one kilo, theirs must weigh one tonne, because their budget is billions. Their deficit is billions, never mind anything else. So of course it may require a year to go through that.

1640

But of course the hon. Member can do what I did when I was there. When I arrived in this House, Mr Speaker, as you know, the finances of Gibraltar were de facto run by the Financial Secretary. The Financial Secretary, before the Constitution was changed and certainly in 1972, was the man who presented and defended the estimates, and because he was an official

1645 appointed by London there was no shadow – nobody ever questioned the figure. So the politicians argued about the policies but they did not argue about the numbers. The numbers were what the emissary of the colonial power told the colonials they were allowed to spend, and the Financial Secretary's role was not to allow the politicians elected by the people to spend money that the United Kingdom might think might be something that would create a continued liability for them. That was their role, and the first time somebody actually stood up and questioned the finances of Gibraltar and challenged the approach of the Financial Secretary was when I arrived in 1972 – and I kept on doing it for 32 years from the Opposition and defending it for eight years from Government.

1655 When I used to get the book, I used to use the book as my source of information to seek further clarification. But let us be clear: if we have a public accounts committee to go through the book, that is not going to do what he wants, which is to get answers to the things that are not in the book. So, in fact, if he thinks that he can come to the Public Accounts Committee and say, 'Ah, well, yes, there is a situation here where the Government has, from the Consolidated Fund, the money in two banks – I want to know why you chose those two banks and I want to know what day you put it in and I want to know what day you took it out,' which is the kind of information that he thinks is legitimate to question ... Well, look, the Principal Auditor is entitled to do that, because if the Principal Auditor does that he does not do it simply because he feels he wants more information but he might say, 'Why have you put the money ...?' For example, I can imagine that it would have been possible for a Principal Auditor to question – but it was not questioned; it was a policy decision – what was the logic of borrowing from Barclays Bank, for example, at 5% and then depositing the money back with them at 1% and losing 4% to the benefit of ... It was not questioned for a very simple reason, because the Government said, 'It is a policy decision because we want to be able to give more interest to pensioners, and therefore we want to give more interest to pensioners but we want to have the money readily accessible.'

1665 Well, that is the explanation that was given. It was an explanation that certainly politically I was not happy with, but it was an explanation which, as far as the Principal Auditor was concerned, was sufficient for him not to question it further, because it is not for the Principal Auditor to question the policies of Governments that have been elected by the people.

1675 If the hon. Member cares to analyse the way this book is written, he will realise that he does what he can do and what he should do, which is to ask the controlling officers, who are the people accountable for the expenditure. So, if we say in this Parliament we want to provide money to a particular institution, it might not be the most sensible thing to do from a fiscal point of view, it might not be the most sensible thing to do from the point of economic growth, but if it is the decision of the Parliament to put a sum of money for a particular institution, then that cannot be questioned. And if the policy of the Government of the day which was brought here and which was voted here and was included in the estimate ... So what the Principal Auditor does is he gets the report of the Accountant General and goes through every head of expenditure, and if he finds that, for example, there is a policy to collect the arrears of rent, then every year he says, 'What are you doing about the policy of collecting arrears of rent, which is not happening?' If there was a policy not to collect arrears of rent, then the answer to the Principal Auditor would be that the Government has taken a policy decision that people can live rent free. But as long as the policy is, in theory at least, to collect the arrears, then every year that policy is picked up by the Principal Auditor.

1685 In 1972, when I came in, I took the opportunity that this book gave me to do what I told him the last time he was doing already, a one man public accounts committee, which ... they all thought I was bestowing an honour by recognising that that was what he was doing. Well, look, I used to do the same when I was sitting there, and this book is in fact an opportunity that the hon. Member has and he will be doing a public service by doing that, because maybe we have not had the time to look at all the things that the Principal Auditor is telling the controlling officers to do, not the Ministers, but if the controlling officer has his attention drawn to something, then the Minister, if he has got any common sense, will look at it, because it is better

for him to look at it than have to be reminded from the Opposition benches. But if the hon. Member picks things up and then puts questions on it, which I used to do ... I felt, when I was doing it, that I was helping to improve the quality of the Government on the basis that it was very probable that the Ministers had not gone through the whole book because they had many other things to do. And therefore, from the Opposition I raised a lot of questions, and this is one way in which, in effect, we are adding in Parliament to the usefulness of the things that the Principal Auditor draws attention to. But I can tell him that he has drawn attention to things years after years after years, and certainly one of the fundamental flaws in what the hon. Member puts to us ... I know that he, having entered recently into politics and having recently been elected, may feel 'I cannot be held accountable for what has been done by the party that I have joined before I joined it and when that party was in Government' – except that the party that he has joined used to do it to us. The party that he has joined spent 15 years telling people who had not been there 15 years ago that they were responsible for everything that was being done by the GSLP. So, as far as they were concerned, the present Leader of the GSD was responsible for everything that the GSLP had done when he was in the GSLP. And then, in 2003 when they made this loan, he stopped being responsible for the GSLP because he was only responsible then for the so-called Gibraltar Labour Party, which had a very short life. And then, of course, he joined the other side, and when he joined the other side, by definition, applying the criteria that they introduced of political responsibility, he acquired responsibility in 2007 for all the things that he had criticised before 2007, which he defended subsequently.

So the situation, Mr Speaker, is that we know the history of the Public Accounts Committee, but he has to know the history of the Parliament of Gibraltar and of the decisions that have been taken. And for 15 years that the GSD was in Government, bringing the audited accounts to the House, I think there was only one occasion when there was actually a motion note in the audited accounts – not even a motion saying let's have a vote on approving, because the accounts do not need approval, the accounts are submitted to Parliament for their information and to provide an insight into what the Auditor thinks requires being looked at. Also, in the case, for example, of the clause that he mentioned, if the Auditor is saying £391,000 of arrears have been paid, you can argue, 'I want to know why the arrears existed in the first place; I am more interested in knowing why only £391,000 has been paid and there is still £130,000 that has not been paid.'

But the point, of course, is that the motion that was brought on the one occasion that it was brought motion, noting – with no vote, because by noting it all that we were seeking was that in fact we should have a debate about the book as a whole. But in practice it was something that only happened once because it was far more useful, given the level of detail that there is, to focus on something and then bring either as a particular motion or a series of questions on a particular area that was thought worth highlighting.

I can tell the hon. Members that another reason why I have always been against is because I believe, frankly, that people elect us either on that side or on this one to accept political responsibility for what happens because the Parliament is suffering, and therefore I do not think it is right that the onus of satisfying the Members of the Opposition or the public should fall on the civil servants. Certainly it may happen in the United Kingdom, but there is a level of anonymity in the United Kingdom because of its size, but I think that if a civil servant is doing his job and the Department is not working well, then the answer is not to grill the civil servant – you grill me, because it is my job to make sure that the public service is delivering the results. And if, therefore, there is evidence that the service can be improved and it is not being improved, that is the political responsibility that I have acquired when I stood for election and I promised the people that we would deliver a service and that I would deliver it with a prudential control of public finances. We have been elected to do that. If we do not do that, we have to answer to the Members opposite. If we do not do that because the machinery of the Government is not delivering it, then it is our responsibility to make that machinery deliver. If we tell the people in

the machinery to do it and they do not do it because they do not want to do it, then it is a different issue and there are disciplinary measures to be taken.

1750 So, really, I do not think it is in anybody's benefit – either the taxpayer, or the Parliament or the Civil Service – to go down a route which would simply create more aggravation and, in my view, no savings for anybody. But I certainly welcome anything that is in this book that the hon. Member wants to bring to the attention of the Government either in the Parliament or directly, and if we have not looked at it ourselves and we have not produced answers and it is brought to  
1755 the Parliament then we have got the obligation to do it. But I would be opposed, because I was in Government and in a position to say the civil servant who is in the office is the one who has got to come here. We are the ones who have got to sit down and defend it, and we are the ones who have decided to take a job where we can be sacked every four years. And look, they have not sacked me in the last 44 – I do not expect I am at risk.

1760

**Hon. Chief Minister:** Will the hon. Gentleman give way?

**Hon. J J Bossano:** I will give way.

1765 **Hon. Chief Minister:** I am grateful, Mr Speaker, just as the hon. Gentleman sits down, to advise the House that I have now had an opportunity of reviewing, with the assistance of the Clerk of the House and the hon. Gentleman, Mr Costa, the annual accounts of the Principal Auditor with the report of the Principal Auditor for the years 2007-08. I am going to limit myself to those years which are the years when the Hon. the current Leader of the current Opposition  
1770 was elected into the Parliament: 2007-08, 2008-09, 2009-10, 2010-11. All of them refer to the impaired loan, so I am afraid he is fixed with knowledge of the impaired loan for the period that he was a Minister – the loan given by the Government of which he became a Member.

**Hon. J J Bossano:** And so, Mr Speaker, having dealt with that side of it, I just want to put the  
1775 hon. Member in the picture on what happened to the GDC and the accounts of the GDC and the auditor of the GDC.

**Hon. D A Feetham:** Can I ask him a question before he moves, and then he can answer?

1780 **Hon. J J Bossano:** I will give way.

**Hon. D A Feetham:** Thank you very much, Mr Speaker, I am very grateful to the Hon. Mr Bossano.

1785 He has said during the course of his intervention – which I found extremely interesting, I have to say – that he has always been against the Public Accounts Committee. I have not looked at *Hansard*, but I have a recollection that Peter Caruana, as he then was, had on occasion stood up in this House when he was talking about ... and the recollection goes back to 2011, the debate that we had on parliamentary reform, where he I think said that he had offered or suggested a Public Accounts Committee to the hon. Gentleman but the hon. Gentleman had, in fact, never  
1790 been in favour, which is something that he has confirmed during the course of today. Is my recollection correct that between 1996 and 2000 – I was not here in Gibraltar at the time – there was a suggestion for the setup of a Public Accounts Committee by the then Government and the hon. Gentleman was not in favour of it?

1795 **Hon. J J Bossano:** Mr Speaker, I do not think there was a formal suggestion; I think there was a sounding out of whether the position of the GSLP had changed, and the answer was it had not changed post 1996, and it has not changed in 2016. He knows that in the GSLP we tend not to change, having been there himself.



I can tell him something that was suggested to us, given that my colleague the Chief Minister mentioned the frequency of questions that we have today. One of the things that was suggested at one stage by the Chief Minister which we rejected was that we should have a Prime Minister's Question Time equivalent with the caveat that there would be a limit to the time that we could spend on each question, and to the time that the whole session would last and to the number of questions. That is to say he was prepared to come and answer questions from the Opposition on condition that he said, 'Well, you can spend between ...' I do not know how familiar he was with what used to be before, or whether he ever took the trouble to listen, but the tendency was that the answers were frequently very, very long in respect to the questions. So he actually suggested that there should be a 15-minute limit to each question, which meant, in effect, that you would spend one minute asking the question and he would spend 14 minutes giving you the answer – and then it would be the next question. And there would be something like a three or four-hour session and there would be a limit to the number of questions. So, in fact, the price for being able to ask questions more frequently was a constraint on time. **(A Member: A guillotine.)** We said we would rather stay with the system we had, and that system meant that, okay, we were only able to ask questions once a year, or twice a year, or three times a year, and we just put 3,000 questions in at one time.

So that is an indication of the concept of transparency and of the rights of the Opposition to ask questions and of the obligations to him. I am not suggesting that he would behave like that if he was here, but he needs to understand, that when in Government, the party that he has joined felt that it was perfectly proper to have those views and to hold them. And why should we or the public or the electorate believe that what they say in Opposition is what they would do in Government, when the practice of the past 15 years shows the opposite – shows that they were saying certain things before they came in?

For example, in 1996 they came in and they said they were going to publish audited accounts of all the companies, and they did – of all the companies of the time of the GSLP. They came in and the companies of the GSLP were audited. The position of the GSLP was if a company is trading, why should we put a company, because it is state owned, in a position that a private company is not, and when we legislate so that everybody has to do it, then all the Government companies would have to do it and we had a commitment to do it for everybody and there would have been a level playing field. He came in and he then informed the House that he would bring in audited accounts, and he did – up to 1996, and then after 1996 nothing happened. So when he was saying 'I will make sure that the companies are audited' he should have said 'for the period before I was there, but I will stop doing it when I am there.' And when he came to the GDC he was critical of the fact that we tabled in this House audited accounts of the GDC, audited by an auditing firm from the private sector – the area where the hon. Member has come from – because we felt it was perfectly okay for the audit to be done by private auditors and we did not want to invest in making the Government Audit Department bigger and spend more money in order to get the accounts of the GDC Gibraltar Development Corporation, which was set up ... If he reads its constitution, it was set up not for what it was subsequently used for, which was to employ people and put them in Government Departments, but in order to effectively bring about the regeneration of the economy of Gibraltar, which needed regenerating because of the problem that we had with the MOD run down. In fact, when I was in Malta recently I was talking to a colleague of ours who is the chairman of what they now call Malta Enterprise, which was previously the Malta Development Corporation, which, like ours, was copied by them from the Welsh Development Corporation. So we took the Welsh Development Corporation as a model in 1988 and they had done the same thing 20 years before us. One of the things is that we are now going to be working very closely with them because we have got similar interests and the synergy between the two of us I think will be of benefit to their economy and to ours. And that corporation that had that function, which was really acting as the agency to promote inward investment, was audited by private auditors and brought to the House.

1850 This was a big crime, we were told by the GSD, this is a big crime. The greatest living  
 1855 Gibraltarian said, 'Oh, something has got to be done about this!' and he brought an amendment  
 to the legislation, to the Act, and removed the clause about the auditing and put in there that it  
 should be audited by the Principal Auditor 'when the Government so decides'. I voted against it  
 – we voted against it from that side of the House. We opposed it. We said, 'Look, there is  
 nothing to stop you using the Principal Auditor if you want to use it.' We chose not to use the  
 Principal Auditor; we chose to have a private auditor. We said they had to be audited every year.  
 You say you are going to be more transparent – presumably because he thinks you cannot trust  
 the auditors in the private sector. But we said, 'Well, look, if you want to do that, then that is  
 fine, but you should not make it mandatory – it should be left to the Government of the day  
 1860 whether they want to use a private auditor or whether you want to use a Government auditor.'

The reality of it is that the last accounts brought to the House audited were the 1996  
 accounts. They were brought here in 1997, audited by the private sector, and the change that  
 removed the private sector audit was not replaced by a public sector audit, it was replaced by  
 zero audit – *no* audit. Clearly, I can only suppose, knowing the greatest living Gibraltarian like I  
 1865 did, that he probably realised that it was not such a good idea, but rather than come back and  
 recognise that maybe I was right and maybe he was wrong and that perhaps it was not such a  
 good idea, rather than do that he just spent 15 years without doing an audit. I do not see how it  
 could be an improvement on what we had that there has been no audit since, and every year  
 the Principal Auditor has been saying, since it changed, 'When is it going to happen?' Well, the  
 answer is we told him from the beginning it is not going to happen because we do not want you  
 1870 to do it. We want any of the main principal audit firms that audit banks and audit gaming  
 companies. If they are good enough to audit those, they are good enough to audit the accounts  
 of the GDC.

That is the background. That is the research that the hon. Member should be doing, and then  
 1875 he would realise that he must not fall into the trap of thinking that everything that everybody  
 does on one side of the House must by definition be bad because you are on the other side of  
 the House. There may be things that are mistaken policies, but there is usually a logic and a  
 reason for doing those things, and frankly I think that with the best of intentions that he might  
 be doing it, as he claims, the reality of it is that it is not productive, and I agree with the Chief  
 1880 Minister that it is not a productive way to bring it about. But certainly if he wants to achieve a  
 contribution to the efficiency of the public sector, using this book to bring questions would be a  
 way of helping us.

Thank you, Mr Speaker. (*Banging on desks*)

1885 **Mr Speaker:** The Hon. Roy Clinton, exercising his right to reply.

**Hon. R M Clinton:** Mr Speaker, thank you. Marlene, do you want to?

**Hon. Mr Speaker:** Did you want to speak first?

1890

**Hon. R M Clinton:** No, I have got to be last.

**Mr Speaker:** Yes, certainly, the Hon. Marlene Hassan Nahon.

1895 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I am very concerned by the information that I have  
 just heard this afternoon and I would like to take some time to better understand the  
 information that has been disclosed. Until then I will abstain, but I do wish that Members on  
 both sides would be more constructive to their approach.

1900 **Hon. R M Clinton:** Mr Speaker, thank you.

I am always indebted to the Hon. Mr Joe Bossano for his contribution, which I always find instructive, (**A Member:** Hear, hear.) (*Banging on desks*) especially when it comes to the history lessons on this House, on which I am sure nobody can compete with him – other than you, Mr Speaker.

**Mr Speaker:** I found it instructive many years ago. (*Laughter*)

**Hon. R M Clinton:** Mr Speaker, if my motion today has achieved anything at all, it is perhaps in two or three areas.

Firstly, at last perhaps one of the Principal Auditor's wishes to have the audit legislation amended will now become part of the parliamentary agenda, and that I think at least I may have succeeded in convincing the Members opposite is something they may wish to consider doing.

The second thing is, it is remarkable we spent ... I was not keeping track of the time, but it certainly must have been at least an hour debating –

**Mr Speaker:** And a half.

**Hon. R M Clinton:** An hour and a half debating one particular clause of a 300-page report. I am sure if we all went through the report clause by clause we would have lots of things to say about what the Principal Auditor has or has not found. (*Interjection*) But, Mr Speaker, it goes to prove my point that if we spent an hour and a half on one clause, can you imagine how long we would be here if we had to go through the entire document clause by clause? This is why I have suggested constructively that a public accounts committee would be the best forum to do that. But the Hon. Mr Bossano has at least had the decency to lay out his thoughts and rational thinking behind why he is opposed to a public accounts committee, as opposed to just completely deleting my motion and asserting his own motion, as the Chief Minister has done. And for that I thank the Hon. Mr Bossano, because he has at least had the honesty and clarity of thought to set out what his position is.

Finally, Mr Speaker, I still stand by what I said when I stood up and presented my original motion, and that is I do not see there is any harm to Gibraltar – in fact, I see it as a benefit – to have a public accounts committee. It does not have to be exactly the same model as Westminster; we can come up with our own version. I am sure if other countries have managed to do so, we can do so as well.

With that, Mr Speaker, I cannot really commend the Chief Minister's motion but I will stand down. (*Laughter*)

**Hon. Chief Minister:** Mr Speaker, I call for a division in the vote.

**Mr Speaker:** I now propose the motion and a division will be called.

*A division was called and voting resulted as follows:*

**FOR**

The Hon. P J Balban  
The Hon. J J Bossano  
The Hon. Dr J E Cortes  
The Hon. N F Costa  
The Hon. Dr J J Garcia  
The Hon. G H Licudi  
The Hon. F R Picardo  
The Hon. Miss S J Sacramento

**AGAINST**

The Hon. R M Clinton  
The Hon. D A Feetham  
The Hon. T N Hammond  
The Hon. L F Llamas  
The Hon. E J Phillips  
The Hon. E J Reyes

**ABSTAINED**

The Hon. Ms M D Hassan Nahon

**ABSENT**

The Hon. A J Isola  
The Hon. S E Linares

The motion as amended is carried by 8 votes to 6, with one abstention and two Members absent.

**Definition of public debt –  
Amended motion carried**

**Mr Speaker:** The Hon. Roy Clinton.

1945 **Hon. R M Clinton:** Mr Speaker, I have the honour to move the motion standing in my name, which reads as follows:

*This House notes that section 73(1) of the Gibraltar Constitution Order 2006 defines public debt as all debt charges for which Gibraltar is liable. This House further notes that under the Public Finance (Borrowing Powers) Act, public debt is further defined as any borrowings of money by the Government. This House thus considers and resolves that borrowings by Government owned and controlled companies for Government purposes, whether secured on public assets or unsecured, should thus be considered and included in the measure of public debt and audited by the Principal Auditor, as ultimately Gibraltar is liable in the event of any default.*

And so, Mr Speaker, another déjà vu moment for the Chief Minister.

1950 I brought this motion to the House because I truly believe that the people of Gibraltar deserve to know once and for all what the true debt position of this nation is. The GSLP fought an election in 2011 on the basis that the then Government was addicted to debt, and now of course it really cannot bring itself to tell the people the truth of its financial position. It should be a matter of legal certainty and not a political football what the true state of our finances are.

1955 The Government, I note, has accepted the legal grounding for the first part of my motion, namely that public debt is, and I quote, ‘all debt charges for which Gibraltar is liable’. You would think that that is sufficient for the Government to accept the logic of the rest of my motion, in that you cannot then hide public debt behind public companies.

Mr Speaker, I rehearsed part of this argument when debating the increase in the public debt limit earlier this year when I gave an example of what had happened in the Cayman Islands, and I shall repeat what I said as follows, for the benefit of Members.

1960 In the Cayman Islands the finances became so dire that in November 2011 the Cayman Islands had to agree a so-called framework for fiscal responsibility with the United Kingdom government. This required the Cayman government to pass into law the Public Management of Finance (Amendment) Law 2012. As part of that law, they had to define what public borrowing was deemed to include, and in that Act the following was deemed to be included: conventional  
1965 borrowing from commercial and concessional institutions; the capitalised value of all alternative financing transactions, including PFI/PPP arrangements that would place future financial obligations in terms of increased expenditure or reduced revenue on the Cayman Island government; the risk-weighted debts and PPP/PFI arrangements of statutory authorities, government’s corporations and companies; borrowing that was contracted by the Cayman  
1970 Island government but then not lent; and any other debts guaranteed by the Cayman Islands government. That was pretty much a very tight definition that was handed to the Cayman Islands government by the United Kingdom, but there can be no doubt from that definition what is to be included in the definition of public borrowing. At the time I challenged the Government to adopt such a definition of public debt, as it would once and for all finish this discussion.

1975 Mr Speaker, all this is before the Chief Minister in his Budget address revealed a £300 million borrowing secured on public housing estates that, in the Government’s words, and I quote:

To clarify, the £300 million did not become part of the Government’s useable cash reserves but of the cash pool of the Government companies ... It has nothing to do with the Government’s direct borrowing or spending ...

I quote again: 'It has nothing to do with the Government's direct borrowing or spending'. Mr Speaker, I am baffled. If the Government did not borrow that money, then who did? Was it the Government's fairy godmother perhaps?

1980 Mr Speaker, I would like to quote from the Public Finance (Borrowing Powers) Act under the heading Section 12 'Loan agreements and interest rate swap agreements to be tabled', which states as follows:

12. Every agreement specified in section 11

– loans and interest rate swaps –

shall be laid on the table of the Parliament at the next meeting of the Parliament commencing after the date on which the agreement is made.

1985 Mr Speaker, we have learnt in this House that the agreement was finalised on 31st May 2016. In his Budget reply on 8th July 2016, the Chief Minister protested as regards its disclosure, and I quote:

In respect of the £300 million financing, we have disclosed that in a speech by the Chief Minister at the first sitting at Parliament after the transaction was closed.

Mr Speaker, is it me, or does the Chief Minister's language reflect that action required by the Public Finance (Borrowing Powers) Act, other than he has not tabled any agreements? Is this, then, not public debt?

1990 I am, as usual, grateful to the Editor of the *New People*, the Chief Minister's favourite publication, and indeed mine, who wrote the following on 29th September 2016 in his editorial, and I quote:

The Government has always argued that the main reason for raising a £300 million loan is that there was an opportunity to raise a public loan

– I repeat, public loan –

at a very reasonable rate and payable long term.

1995 The editor of the *New People* is therefore of the view that the £300 million is a public loan and thus a public debt. The editor of the *New People* then goes on to say:

Whether the Government then uses this loan to eliminate more expensive loan agreements or for capital projects is a different matter.

And then he goes on:

If a loan is not repaid, this would not happen in any circumstances given that should there be difficulties in meeting the repayments, which of course is a totally hypothetical situation because the Government has other assets and recourse to its rainy day funds, it can divert funds from other sources to pay this particular loan.

2000 Mr Speaker, a loan is a loan is a loan, as recognised by the *New People*, and a public loan at that. It is not a miraculous investment and it is a loan secured on public housing estate buildings, as the Chief Minister himself has admitted. I truly fear for the state of our public finances if the Government can pull off a stunt like mortgaging public assets and yet not increasing public debt. It is a magic trick worthy of Houdini. This is a public loan, pure and simple. As an accountant and former auditor, I was taught to consider the substance of a transaction over its legal form. The Government is trying to hide behind a strict legal interpretation of a loan and not call it public debt, when in substance there is no doubt it is a debt of Gibraltar and not a debt of the Government's fairy godmother.

2005

Mr Speaker, the Government has delighted in an official press release to call me sanctimonious. Well, let me illustrate my point by considering what would be their interpretation of a 10th commandment, which, for those who forget, starts off saying 'thou shall not covet thy neighbour's house'. The Government are, in effect, acting like commercial lawyers and saying, 'Okay, we understand the 10th, but if it's not your immediate neighbour that's okay, it's fine, because, strictly speaking, the law allows that – and besides, other people have done it before.'

Mr Speaker, the Government are missing the point. We are not sitting in this House as commercial lawyers trying to find clever ways of exploiting legal loopholes to suit political agendas, but as lawmakers. He himself said it earlier today. We are in this House here as lawmakers who are meant to set down the principles that govern us and bind us together as a nation.

Mr Speaker, the people of Gibraltar deserve to know where we, as a nation, stand financially, and thus I commend my motion to the House. Thank you, Mr Speaker. *(Banging on desks)*

**Mr Speaker:** I now propose the question in terms of the motion moved by the Hon. Mr Clinton. Does anyone wish to ...? The Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker déjà vu indeed, but actually, I am pleased to say, now I am presented with a slightly different argument than the ones that we were this morning, although a much less effective argument and one which is so considerably flawed that it will be easy even for my children – if they are watching, because it is obviously I am not going to make it for their bedtime – to understand.

Mr Speaker, the hon. Gentleman starts by saying we need to have legal certainty on what Gibraltar's debt is. Well, we have legal certainty on what Gibraltar's debt is. We had legal certainty between 1972 ... Well, let me start in 1969 under the old Constitution and the initial Borrowing Powers Act. We had legal certainty between 1988 and 1996, we had legal certainty between 1996 and 2011, and we have had legal certainty since 2011. Of course we have.

Mr Speaker, it is one thing to say 'I think that this is, in effect, public debt and if you add them together you would be exceeding ...' You can say that if you like, but you cannot say it is not certain. Of course it is certain, it is entirely certain; and if it were not certain, the Principal Auditor should have said so, because if the Principal Auditor were looking at substance above form and said, 'That should be captured', then it would be captured, because he is not the only person who is an accountant who has been told to look at substance over form.

Now his argument is going to be 'But this is in the company structure and the Auditor has no jurisdiction over that.' No no, it is that their argument is that this is not the company structure, because they start from the premise that this is a debt of Gibraltar. Mr Speaker, this is not trying to be an artful lawyer; it is that Gibraltar is the Exchequer of Gibraltar and if something is in a company, even if the shareholder is Gibraltar, then it is not a liability of Gibraltar. And this is not Picardo talking; this is everybody who has been dealing with the public finances of Gibraltar since 1969. AACR, IWBP, GSLP, GSD, all of them and all of the correspondent Principal Auditors and all of the correspondent Financial Secretaries that between 1969 and 2006 were appointed by the United Kingdom out of the National Audit Office and they all thought that this was the way to define Gibraltar, and between 1996 and 2006 in particular, where we had UK-appointed Financial Secretaries and we had the invention of company borrowing by the GSD.

And so the hon. Gentleman needs to understand. He might not, from what I detect of him, like lawyers. It is up to him whether he likes lawyers or not. I do not dislike accountants. I do not judge people based on what their profession is. I know there are some who do, *(Laughter)* but this is not just lawyers. This is auditors and accountants and Financial Secretaries who are accountants, who have all understood that there is clear certainty – until, in the past four or five years, even before he arrived, it is clear that somebody thought that the argument that they

thought they could make to salvage an unsalvageable political career, was to try and pretend that there was an issue with liability.

It is clear that there is legal certainty as to what the debt of Gibraltar is, and the best demonstration of it came in the course of his own speech, because in his motion he quotes the position under the Gibraltar Constitution and the Public Finance (Borrowing Powers) Act and then goes on to refer to the amendment in the Cayman Islands which actually specifically by law imposed by the UK – they came very close to direct rule for issues unrelated to any of the sort of thing that we are debating here, very close to direct rule – they have a specific law that provides the things that the hon. Gentleman provided for. We do not. So he cannot, by a motion, say to us ... impute that that definition adopted in the Cayman Islands is how we must read the different definition which has existed in our law. It is utter nonsense, and one does not have to be a lawyer, an accountant or more than a four-year-old to understand it. There is a specific provision in the Cayman Islands.

Let's be very clear: we consider that in this area we will continue to act as the Gibraltar Social Democrats did when they invented the concept of company borrowing not being a liability of Gibraltar and therefore not being part of the public debt – and they sit as Members of the GSD absent the hon. Lady. One of the things that they say to the public is judge them on their record and how well they did. Well, look, on this we agree they did well and we are continuing what they did. So what he is trying to persuade us to do, as I told him this morning, is to upend their practice, and he is trying to do it not even by an amendment to a law. He is trying to do it by a motion that the law should be interpreted in a particular way, which would be valueless even if we were to agree. Even if we were to agree, the Financial Secretary, the Principal Auditor and the Chief Justice, if something was challenged before them, would say, 'Look, this is nonsense – you have all had a spanking good time, you spent three hours debating it, you told us what you think it means, but you were not making law, you were having a debate on a motion.'

*Hansard* cannot be referred to when interpreting legislation because of something we debate in a motion. The rule is that you can look – I think it is *Pepper v Hart* – at *Hansard* when the Parliament that is making the law is debating the law if there is uncertainty in the law. There is no uncertainty. The only persons creating uncertainty as to the public debt of Gibraltar are the people who have now been elected for the GSD, because the people who were previously elected for the GSD are very clear as to what is public debt and what is company debt. It is the new GSD that is trying to undo the old GSD's certainties and is proposing that there is no certainty. But debating it in a motion would never change any of that.

The hon. Gentleman can bring an amendment to the Public Finance (Borrowing Powers) Act, and if it is not one that he has cleared with the Government he knows what the result is going to be; and if it is one that tries to overturn what we are saying now, that we support the way they used to do it, he knows what the result is going to be. We are going to stick with Peter Caruana's way of doing things. We want to be like the greatest Gibraltarian of all time.

So how can he be baffled when I told him that the £300 million that we borrowed was not public debt? It is very simple: it is borrowed through Government companies, therefore it is not a debt of Gibraltar even though the shareholder may be the Government of Gibraltar – because there is a very big difference between a company borrowing and the Government borrowing. He needs to understand it. The Government has not entered into an agreement. They themselves have produced documents, as if they were producing something secret out of a treasure trove, that demonstrate that the estates were in companies – and we will come back to that issue when we have the meeting. In companies. They were not held by the Crown. The Crown divested itself of ownership – we say in their time; for some reason they say in our time – in their time. Therefore, the borrower is the company, not the Government, and there is no Government guarantee. I do not know if the hon. Gentleman has understood that: there is no Government guarantee for Government company borrowing, because if there is the Government has to come here and by resolution of the House the guarantee has to be approved. So the Government companies trade without a guarantee.

But, of course, as the hon. Gentleman said during the course of the debate, it is unlikely that the Government is ever going to go bankrupt – I do not know whether they are going to row back from that – and the Government will stand behind its companies, because that is the way it does business. But it does not have to, because there is no Government guarantee. This is an issue of legal liability. Public finance works on the basis of legal liabilities.

He knows that there is a company called Credit Finance established with money from the Savings Bank, owned by the Government, etc. He knows that there is a Government company called Gibraltar Capital Assets. It does not come here immediately that it has to be tabled in that way; it comes here in the first debate, because it does not have to be tabled. It is not caught by the rules the hon. Gentleman is talking about. I am telling him because I believe that the people should know. That is how they found out, because I believe that the people should know, even though it is not on that part of the balance sheet which is public debt. That is why I told them at the first meeting of the Parliament in the Budget debate after we had done the transaction, but not because it is caught by the rule. He is confusing all of that.

Mr Speaker, the one thing that I am impressed about is that ... I have never seen the *New People* quoted so authoritatively in this House (*Laughter*) until the hon. Member was elected. I know that he got himself into a lot of trouble for quoting it at Peter Caruana. He will not get into any trouble for quoting it at me. But I must tell him that I speak for the Government, and not the *New People*. It is not the *Gazette*, although I am not entirely disabused of the idea that it might perhaps in future be the *Gazette*. Given that the hon. Gentleman is almost supporting that people should read it, perhaps it should be the *Gibraltar Gazette and New People* that we should issue in the future. So he is wrong to say, 'Ah, but the *New People* said this', as if that were one of the documents in the legal hierarchy of documentation which he can look at to make his case. I shall tell the editor of the *New People* of the fondness with which he regards everything that he writes, and if I ever have anything to say to him and I cannot find him or raise him by phone – he does not appear to have e-mail – I shall just put an article in the *New People* in my name and be sure that at least by Thursday morning he will have read it.

I am the Chief Minister of Gibraltar, we are the Ministers for Gibraltar, we speak for Gibraltar and the official documentation of Gibraltar is not the *New People*. It does teach you something though, Mr Speaker: if you ban someone from reading something, then the last thing they are going to do is stop reading it, and I know that the hon. Gentleman was banned by Peter Caruana from reading the *New People* – and look at the effect it has had. I should go round banning people from reading the *New People* and perhaps the circulation would increase, as it deserves to increase.

Then he says, Mr Speaker, a loan is a loan. Well, of course a loan is a loan and you look at substance and not at form, but whose loan is it? It is, frankly, infantile – and I say that despite being as fond of him as the Hon. the Father of the House is, although perhaps today that fondness might have been lost in the passion with which I field the arguments, but it is absolutely infantile to think that you can look through a company. The hon. Gentleman has made a career of being in banking and in Gibraltar and dealing with companies. The shareholder of a company is not the person with liability; it is the company. There is something called the doctrine of separate legal personality and the shareholder has a different personality to the company. And so for the hon. Gentleman to say 'I see straight through a company where the shareholder is the Government of Gibraltar' is really something that he knows is not the reality. There is no guarantee on public assets either, because they made the case that we had alienated the assets into the companies. There is the reality. And he says 'I fear what would happen if they get away with creating a mortgage over public assets and it is not public debt.' Well, then, he must be very fearful of going around telling people that he represents the Gibraltar Social Democrats, because they are the ones who showed us how to do it. They showed us. They sunk the estates into the companies, but more so they took a loan using Government assets, creating a mortgage over Government assets, to invest in the Midtown development when it was being carried out by one of their favourite developers. Remember that? That did not increase public



debt. They took a loan over Gibraltar Car Parks when they had cars parks in there, and that did not increase public debt.

So I am sorry to say that the wizard is the greatest Gibraltarian of all time, not me. I am no David Copperfield. I am no magician. But you can only make the arguments the hon. Gentleman is making if you look at it from the point of view of turning a complete Nelsonian blind eye to what they represent, to what they were trying to continue in 2011 and in 2015. We have no fairy godmother. We work very hard indeed for Gibraltar to ensure that Gibraltar is able to take advantage of the opportunities that present to it as Government.

I recognise the hon. Lady is leaving. I am sorry that we have to sit so late tonight, I genuinely am.

**Hon. Ms M D Hassan Nahon:** I appreciate that you normally *[Inaudible]*

**Hon. Chief Minister:** I am sorry about that.

We have to work very hard indeed, Mr Speaker, to create opportunities for Gibraltar and then decide whether those opportunities are taken by the Government itself or by the company structure which we inherited from the GSD.

It is because we are lawmakers that in this place we must respect the laws that are already made as well, unless we believe they should be changed. He obviously thinks we need to be going down a Cayman sort of road. I suggest he should speak to the Chief Minister of the Cayman Islands, the Premier, about what he thinks about what the UK did to him and to his country by the imposition of that definition of public debt. He might find that his advice might not be to pursue that sort of definition. We have to respect the laws that are made, and if we want to change laws we do not have to come with motions about how laws are interpreted, we have to come with amendments and win the 10-7 debate, and either pass it with 17 or 8-9 or in some other way.

People do deserve to know what the public debt is, and they do know what it is. When they made such a song and dance of what they said the public debt was before the election and they said that was the principle plank on which they were defending their manifesto, their pamphlet – that and the explosion that could happen at North Mole and take out most of Gibraltar ... Those are the two issues on which they fought the election, and they were so roundly rejected by the people they had to accept that the people had confidence about the way in which we are running the economy and the public finances and that their view was one which did not prosper.

Given all of that, Mr Speaker, and given the events of this morning in this House, I think the only appropriate way to deal with this motion is to propose an amendment to it. I therefore give notice that I move the following amendment to the private Member's motion presented by Mr Clinton, which dealt with section 73(1) of the Gibraltar Constitution, and that is namely to delete every word after the words 'This House' when they appear in the third paragraph of the motion, with the following words:

*This House thus further endorses the motion approved by the House already today and standing in the name of the Chief Minister, which approved the practice established under the former GSD administration under both the 1969 and 2006 Constitutions that borrowings by Government owned and controlled companies are not considered and included in the measure of public debt.*

Mr Speaker, I shall pause before I speak on the amendment whilst the Clerk kindly circulates it.

Mr Speaker, I understand hon. Members now have the proposed amendment. What this amendment does, obviously, is reflect what I have said during the course of the debate this morning and what I have said during the course of the debate this afternoon about the reasons why it is right to continue with the definitions as they are today, and why in fact just enjoying a

debate on a motion – the sort of thing that all of us enjoy, otherwise we would not be in this Parliament – is not going to avail us of an opportunity to change the definitions and interpretations of a law and a constitution, however much fun it may be to debate those definitions.

2210 Having dealt with all the things that the hon. Gentleman has said already, and having already this morning indicated why I believe this was the right conclusion for the House to reach on the similar motion which I brought standing in my name, I intend to say very little other than I commend the motion as amended to the House and I ask the House to support the amendment that I now put before it.

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**Mr Speaker:** I now propose the amendment moved by the Chief Minister, and therefore I invite hon. Members to speak on it.

2220 **Hon. T N Clinton:** Mr Speaker, the editor of the *New People* will be most disappointed this evening to hear that the Chief Minister disagrees entirely with his analysis. I am sure that Joe will appreciate what I am saying, yes?

2225 We have heard today, or in fact just now, the Chief Minister say, ‘Ah, well, look, this borrowing, this £300 million, is not on that side of the balance sheet.’ Well, what side of the balance sheet is it on, then? There are only two sides to it, and in this particular case it would be a liability; so if it is not on the balance sheet it is off balance sheet, as we have always maintained.

2230 Mr Speaker, in the 2015 General Election, the one in which the Chief Minister is so fond of reminding us that 70% of the electorate voted for him and his party, I wonder if they would have voted for him if he had been entirely honest with them – if he had told them the day before the General Election he had incorporated Gibraltar Capital Assets Ltd and it was his intention to mortgage the buildings, you will recall in that, on the Government housing estates, six of them, for £300 million. If you read their GSLP manifesto, there is not a word about it in there. And he has the audacity to say, ‘Well, look, it’s in a company, we cannot pierce the veil of incorporation – you should know that, even if you’re not a lawyer.’ Yes, of course I know that. I also know about sham companies and the cases where you do pierce the veil. And what he actually said just now, which I am sure will be in *Hansard* ... He said, ‘Mr Speaker, this Government stands behind its companies.’ Well, if that is not a guarantee, what is?

2240 So, Mr Speaker, at the end of the day, regardless of how he wants to amend my original motion – and yes, we have had the debate this morning – the fact of the matter is hiding behind public companies, regardless of the intention at the time to borrow money for public purposes, must be by definition public debt, no matter in what shape or form he puts it.

2245 I could have perhaps accepted it if he had said, ‘Mr Clinton, we need to borrow £300 million, we are going to reschedule the debt, we are going to set up an SPV, we are going to mortgage the estates and then we are going to transfer that money into the Government’s coffers.’ But he has not done that; he has kept it off the Government books. If that money had then found its way onto the Government books by way of additional borrowing, then we would not be having this discussion because then the official gross debt of Gibraltar would be somewhere in the region of, excluding Credit Finance, £700-odd million. Simple maths. If you add Credit Finance, it would be over £1 billion.

2250 And so, Mr Speaker, I really cannot accept this amendment to my motion, although of course he has the majority – although I did find it interesting when the Father of the House did say, ‘If I was not subject to the collective vote I would vote in whatever way I would wish,’ which begs the question ... well, I thought he did already. In any case, I think, no matter what I say, the general public will see this magic trick for what it is. It is nothing more than a sleight of hand: he has taken £300 million of public assets, raised money on it and he will have us all believe it is not public debt. Well, Mr Speaker, I wish him luck in trying to convince the public of that.

2255 Thank you, Mr Speaker. (*Banging on desks*)

**Mr Speaker:** Any other contributor to the amendment? The Hon. the Leader of the Opposition.

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

The hon. Gentleman has asked what has changed from the practice under the GSD administration and the practice now. Well, let me summarise – and I am reiterating some of the points that I have made before, but let me summarise: Greece in 2008; worldwide recession; the move to greater financial transparency across nations, particularly in Europe; Credit Finance has happened; and a £300 million mortgage of the six estates. That is what has happened – and, my hon. learned Friend Mr Phillips reminds me as well, Brexit – and in those circumstances we should be moving towards greater not lesser transparency, which is what we are advocating.

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Mr Speaker, it really does not, in our view, matter, nor should it matter to them, whether the position of the GSD pre 2008 was the fact that Government-owned companies and the debt of Government-owned companies did not count as Government debt. At the end of the day, since I have been the Leader of the Opposition in 2013, one thing that they cannot accuse me of not having been consistent on is this point, because from the very first moment that I stood up and I started talking about these things, I said two things: one, I actually think Credit Finance ...

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effectively, the Government, in what it is doing, is breaching the legal borrowing limits. That is one thing that I said, and the hon. Gentleman made some of the points that he is making today. And secondly, the point I made was that even if technically there is no breach of the legal borrowing limit, because technically it does not form part of the debt of the Government, the reality is that in a community like Gibraltar we ought to be looking at the substance – what is the indebtedness of the community, not just technically the Government, but the community and that includes Government-owned companies. The hon. Gentleman says Government-owned companies are a separate legal personality – yes, of course they are a separate legal personality – one of the most trite statements the hon. Gentleman has made, but of course the Government is a shareholder but the Government is also, effectively, through public servants, also controls

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those Government-owned companies and are directors of those Government-owned companies. Nobody is going to say to me that the Chief Secretary – when he was, because the position changed and they are now corporate directors, but the Chief Secretary and the Financial Secretary, when they were directors of Credit Finance Company Ltd, they were making decisions in relation to what loans would be made by that company devoid of the opinions and the guidance of Government. That is not how it operates, Mr Speaker. The reality is that at the heart of this debate what we have is an argument on this side of the House that we should be realistic about how we view the public indebtedness of this community, and therefore we ought to take into account the debt of Government-owned companies and their view, which is, 'Well, no, let's take the narrow, technical, legal view, hide behind corporate legal personality, just simply to

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argue that our gross debt is £446 million, when if you take into account the debt of Government-owned companies, it would be over £1.1 billion.'

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That is really the substance of the debate, that is the heart of this debate, and that is what really divides that side of the House from this side of the House, and of course I commend not only to this House but I commend to the community generally that our view is the correct view, because at the end of the day you cannot talk about the indebtedness, what this community owes, without taking into account that £700 million or £800 million that Government-owned companies actually owe. For that reason, we will be voting against the amendments, and for all the reasons that my hon. Friend very eloquently, I have to say, and in his usual erudite way has espoused in the course of his own intervention, Mr Clinton. We will be voting against the

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amendment by the Chief Minister. *(Banging on desks)*

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**Mr Speaker:** Is there any other contributor to the amendment?  
I will, then, call on the Chief Minister to reply.

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2310 **Hon. Chief Minister:** Mr Speaker, it is really, frankly, quite incredible to have to be dealing with these arguments. The Hon. the Leader of the Opposition says he has been consistent – well, as usual, he has been totally inconsistent, and I am going to start there, Mr Speaker.

He sat next to the former Chief Minister in this House during the course of the Budget debate of 2011 and subsequently on a motion brought by the former Chief Minister, saying that I was  
2315 unfit to govern Gibraltar because I said, ‘If you take the Gibraltar debt as it is today and you take the company debt and you bring it together, and the Savings Bank debt’ –

**Minister for Economic Development, Telecommunications & the GSB (Hon. J J Bossano):**  
No, you were asked about the gross debt.

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**Hon. Chief Minister:** In fact, the Hon. the Father of the House is right – he was arguing that we should not be dealing with the gross debt, we should be dealing only with the net debt. But on top of that, if you threw in the liability of the Government at the time in respect of what was not public debt –

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**Hon. J J Bossano:** Which we never criticised.

**Hon. Chief Minister:** – which we never criticised and I was very clear about, we would have exceeded the spending limit. And they all sat here and said it was terrible to even mention that.

2330 So, Mr Speaker, the idea that he can say that he has been consistent in anything – his politics in particular, let alone this issue – is completely undone. It is completely undone. But he says, ‘The community must know this and the community must know that.’ Well, this is the argument he was making in the election and seven out of 10 people in the community told him, ‘No, actually, we do not think you are right about that – we want to pursue the GSLP Liberal approach instead.’  
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So when he starts talking about Brexit and Greece and those things being the reason why we should shackle ourselves even more and we should put ourselves into more strictures, not give ourselves more flexibility, I am left thinking in the words of that song, that this must be ‘a life of elusion, a life of control mixed with confusion’ and ask myself what we are doing here, because I cannot be hearing these things from the people who were doing them for 16 years, when he was  
2340 sitting here like one of those puppy dogs that nods at the back of a car, nodding at everything that Mr Caruana said when he was doing exactly these things, and then saying, ‘Well, you would be breaching the borrowing limits if this were taken together, even if technically they are not to be taken together.’ He is a lawyer; he spends his life arguing technicalities. At least Mr Clinton can allege that he is not a lawyer and he does not argue technicalities – although much of what  
2345 he has said is technically completely wrong. (**Hon. J J Bossano:** Yes.) But he is not just accusing us of getting this wrong; he is accusing us and every auditor and every Financial Secretary at least since 1996 of getting it wrong.

To hear the Hon. Mr Clinton say that he knows about sham companies, as if this were a sham company – is that the spectre he was trying to raise by saying, ‘I know about companies and I know about the doctrine of separate legal personality and I know about sham companies’? How dare he even pretend to even raise that spectre about a company and a structure established by the Royal Bank of Canada, which has wanted to become involved with Gibraltar, by Stocks & Co, by Hassans, the law firm that were advisers ... of a company that has James Levy QC and John  
2355 Collado and Charles Serruya as its directors – that is what he is saying is a sham company – and about a structure on which we were advised on by Peter Montegriffo, who I understand was always the man *he* supported for the leadership of the GSD, the founder of the GSD. That is what he is calling a sham company, or trying to pretend to use that language to raise that spectre of. For goodness sake, Mr Speaker, they really do need to engage brain before tongue – or, in his  
2360 case, abacus before tongue if he is going to start making any sensible points.

Mr Speaker, this is not magic, this is not sleight of hand, this is not an area where there is a lack of disclosure. This is an area where I have told him that through the Government company structure we have borrowed £300 million, where I have told him what the security is. That is what we have told them. There is no sleight of hand when what you do is say, 'This is what I have done.' Now, if you try and hide it, if you try to pretend it is not there, the hon. Gentleman might then want to accuse somebody of sleight of hand, which would be exactly what happened under the GSD when they mortgaged public assets, through the Government company structure that they created, to raise a loan by a mortgage to invest in the Midtown development. That was sleight of hand, applying his definition, not somebody saying, 'I have done this, I think it is a very good thing; I have done it through the company structure,' and saying it in this Parliament.

That is the problem that they have. I do not have the problem of getting away with anything. I am not trying to get away with anything; I am doing what I think is the right thing for Gibraltar and I am explaining it. The problem that they have is that they have to create the spectre that I am somehow trying to do something which is sleight of hand, although we have spent the better part of the three months since we have done it talking about it and I have invited them to a meeting to see it all. (*Interjection*) Yes, I know you are waiting for it. I have been to New York to defend Gibraltar's sovereignty, which is more important than sitting round the table with you and helping you to understand something that most people would have understood already. (**Hon. Miss S J Sacramento:** Hear, hear.)

And so, Mr Speaker, what needs to happen is that people need to not fall into the trap – and I think very few ever will, perhaps less now than even in December last year – of thinking that there is somehow a lack of certainty in the calculation of Gibraltar's debt liability, because that does not exist. However hard the hon. Gentlemen might try to create that uncertainty, they cannot do so, because when people come to make the determinations as to debt they look at the law, not at press releases. They do not even look at *Hansards* of motions. They look at what the Constitution says in section 73, they look at what the Public Finance (Borrowing Powers) Act says, and that is how they make determinations which are certain – the way that they have been making them for the past 20 years.

Mr Speaker, I understand that hon. Members feel very hard done by at being caught out again on a motion that they should have given more thought to. I understand that they do not like the fact that I am amending their motions to reflect reality on what is proper and appropriate and not the foolishness that they would rather lay on the *Hansard* for eternity and perpetuity. On this side of the House we are keen to ensure that we continue to provide legal certainty and that nothing starts to, in any way, even bring a dew or a dust over it, and for that reason I have proposed this amended motion, and nothing I have heard, whether it was the Hon. the Leader of the Opposition singing us 'Grease' or whether it was the Hon. Mr Clinton lamenting that once again his labour of love, which is his motion of July, is being amended, none of that moves me away from the importance to this community of having the legal certainty it needs, and for that reason I ask the House to support the motion, as amended, although the amendment should be made so that the motion as amended now goes forward. (*Banging on desks*)

**Mr Speaker:** I will now put the Chief Minister's amendment (*Interjection*). The hon. Member has spoken on the amendment. He is able to speak at the end of it all. We are going to take a vote. (*Interjection*) Call a division, yes.

*A division was called and voting resulted as follows:*

**FOR**

The Hon. P J Balban  
The Hon. J J Bossano  
The Hon. Dr J E Cortes  
The Hon. N F Costa  
The Hon. Dr J J Garcia  
The Hon. G H Licudi  
The Hon. F R Picardo  
The Hon. Miss S J Sacramento

**AGAINST**

The Hon. R M Clinton  
The Hon. D A Feetham  
The Hon. T N Hammond  
The Hon. L F Llamas  
The Hon. E J Phillips  
The Hon. E J Reyes

**ABSENT**

The Hon. Ms M D Hassan Nahon  
The Hon. A J Isola  
The Hon. S E Linares

2415 **Mr Speaker:** There are 8 votes in favour of the amendment, 6 against, and there are 3 Members absent. The amendment is carried.

Does anybody wish to speak now on the motion, as amended, standing before the House?

**Hon. R M Clinton:** Mr –

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**Mr Speaker:** If the Hon. Mr Clinton speaks now, then he is exercising a right to reply and that would preclude anybody else from speaking. Does any other Member of the House want to take part in the debate before I ask Mr Clinton to reply?

2425 **Hon. D A Feetham:** Mr Speaker, I am just going to, by way of my last contribution, read from the motion that the hon. Gentleman referred to during the course of his own intervention on the amendment, which was a motion that was brought by the then Chief Minister, Sir Peter Caruana, in relation to a video podcast that had been posted by the hon. Gentleman on I think it was Facebook – in actual fact, his Facebook page. There is a transcript of what he said, and he said this. *(Interjection)* No, there is a transcript of what he... The then Chief Minister referred to a transcript of what he said in the podcast.

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**Hon. Chief Minister:** Read into *Hansard*?

2435 **Hon. D A Feetham:** Read into *Hansard*, absolutely – which just illustrates the remarkable role reversal that we find ourselves in during the course of this debate this evening. This is what the hon. Gentleman said during the course of the podcast. He was talking about gross debt at the time; it was not net debt:

Gross debt, in other words the amount owed by the Government of Gibraltar, is now up to £480 million. The ceiling is £500 million. It is already £480 million. Well, the gross debt borrowing limit is £500 million. If you add the £480 million that we have already borrowed in respect of gross debt and the £20 million that Mr Caruana has borrowed from banks, using Government buildings which he has put in a company, then you have reached a total of £500 million. That second £20 million, for technical reasons, does not count as Government borrowing, but in fact the Government now owes more than the law allows them to owe.

2440 End quote, Mr Speaker. *(Banging on desks)* End quote, Mr Speaker. *(Interjection by Hon. Chief Minister)* End quote, Mr Speaker.

I have to say, Mr Speaker, that I do not think that I have enjoyed quoting from the hon. Gentleman as much as I have enjoyed quoting from that very famous infamous podcast from 2011.

2445 **Hon. Chief Minister:** I am saying exactly the same thing, so quote it as often as you like because I will be very happy with great satisfaction.

**Mr Speaker:** Is there any other contribution before I call on the Hon. Mr Clinton to exercise his right? The Hon. Joe Bossano.

2450 **Hon. J J Bossano:** So I take it, Mr Speaker, that what the hon. Member is saying is that my friend and colleague was wrong when he said that – which is what he is saying now, but it is now right when he is saying it.

**Hon. Chief Minister:** Exactly.

2455 **Hon. J J Bossano:** Well, at least that argument I understand, although I do not share the argument. I think they were both wrong: he is wrong now and he was wrong then! (*Laughter*)

2460 But I have to tell him that what I find frightening is the level of ignorance about the accounts and the public finances of Gibraltar demonstrated by Members opposite, and I might understand it if people have been here a short time but I cannot understand how the Leader of the Opposition, who spent four years in Government, following four years when he campaigned on public debt as one of the key issues –

**Hon. D A Feetham:** In 2003 remember what I said.

2465 **Hon. J J Bossano:** In 2003 he was saying that the debt was too high at £100 million and he was accusing me – (*Interjection by Hon. D A Feetham*) No, Mr Speaker, we can go back and search it, but I do not need to search because my memory is not yet failing me.

2470 Independent of the PFI he was saying that in fact he was criticising the fact that the debt would have to be rolled over because the bulk of it was held by Community Care. There was a debate on the radio in the election campaign, where he actually accused me of siding and agreeing with the then Chief Minister because I was saying £100 million is not high debt. The moment that he changed sides – this was before the start of the love affair – when they started flirting together, then he changed his tune (*Interjection by Hon. Chief Minister*) and he moved from saying that the debt of £100 million is too high and you are going to have to borrow to repay it, to the argument that came on later in 2011, which was the argument that was being defended by the then Government, including him, he subscribed to that argument, and that argument, for example, was the result of what happened the first time they breached the limit. Forget the PFIs and forget whether they borrowed £20 million on the car park, because, as far as I am concerned, when we were in Opposition we did not oppose it, we did not accuse him of anything. It might have been said on that particular occasion by my Learned Friend the Chief Minister, but I can tell him that it is not something that we discovered then – we knew it before. In fact, one of the explanations that we were given the first time that it happened was that, because it was not Government debt, there was assumed to be a higher level of risk by the lender and that the rate of interest was higher than the rate would have been on Government debt. That is a record in *Hansard* he can go back and search for. He will find that the definition used by the GSD Government included the interest that they paid on what was not Government debt, was higher than they would pay on Government debt because it was assumed that it was secure on the asset and not on the results of the Government.

2490 But the kind of arguments that they have put today are incredible. The hon. Member has told us that if they add the £300 million the debt would be so much – and that was excluding Credit Finance from the balance sheet, because if they included Credit Finance to the balance sheet the debt would be even higher. Is it that they do not know that the Government does not have a balance sheet? Haven't they even discovered that much after four years? Does he not know that there is no balance sheet? That these are cash accounts? That every time you spend money in buying an asset it does not appear on a balance sheet as an asset, it disappears, it is non-existent? So you could not put Credit Finance on the balance sheet of the Government because there is no such balance sheet, but if the balance sheet existed it would not go on the liability side; it would be an asset worth £400 million. You have got a company, that is worth £400 million, which is not on any balance sheet, but if you put it on a balance sheet it is an asset not a liability. The liability rests with the borrower of the money, not with the owner of the

company. So what is he saying? That if we lend money to somebody in a business it becomes a Government debt if it is from Credit Finance? And if it is from the Gibraltar International Bank, what does it become? Or is it that because one has got a moneylender's licence and the other one has a credit institution licence the story changes? Is he saying that every time somebody puts money into the International Bank as a deposit our public debt grows? Is he saying that every time they make a loan on a mortgage our public debt grows? This is an insane definition of public debt. *(Laughter)* There is no limit to it. Never mind Greece: we will have more money than the entire world.

There was a headline, Mr Speaker, that I noticed in yesterday's paper, and, given the importance that is attached to debt by the Members opposite, when I saw that the IMF was worried about the level of debt I began to say to myself, 'I have to read this', because it says 'Global debt record risks economic stagnation', and I said, 'Could it be that they have been persuaded by Clintonian economics?' Not so. The concern of the IMF is not about the record size of the debt, but the consequences of debt being reduced. The concern of the IMF is that, notwithstanding everything that Governments are doing to stimulate economies, the level of debt which is predominantly private debt is being run down and therefore the stimulus of borrowing and spending by the Government is being contradicted and negated by the fact that people are not in a spending mood and people are actually reducing their exposure to debt. That is the risk of stagnation. Stagnation can be brought about because you go into a situation which is deflationary. Does he not know that the response to the crisis has been that the debt of every single member state in the European Union has grown after the crisis? Does he not know that? Where does he get his analysis from?

Does he not know that, notwithstanding what they used to say in Government when they came and told us here that the borrowing limit that they were setting was for net debt because that was what was the standard of the EU, they were not telling the truth. The Maastricht Treaty clearly says that the monetary union and the single currency require that member states keep their gross debt at 60% of their GDP. And the GSD, the first time that they decided to link debt to GDP – because they did it, nobody else. I know the Members opposite think that it should not be linked to GDP now that they are in opposition, but when they were in Government they first linked GDP to gross debt and they put in the formula 40% of the GDP. They could have put 60%, because that is what is required by the EU. If they had put more than 60% they would have been in breach of the requirements of the EU, but they put 40%. But what happened is that within a year of putting 40% of gross debt they breached it and they had to change it retrospectively. They did more than change it retrospectively – they actually redesigned the accounts, and if I wanted to be less generous I would say they did not redefine them, they cooked them. The accountant/auditor should have a look at that, Mr Speaker. They cooked it, because do you know, Mr Speaker, what they did? In order to ensure that the GDP was not caught out by the revenue, the one element that the hon. Member was reluctant to change ... I explained that to him before. The problem with the ratios is that if you have got 40% of the GDP and the biggest thing that pushes GDP back up is company profits and you are taking 10% of company profits in revenue, then every time your GDP goes up by 100 your company profits pay 10% tax. So the GDP goes up by 100 and the Government revenue goes up by 10. So the ratio of 40:80 fails to work the moment you change the tax system, and instead of addressing that problem what they did was inflate the revenue. And how did they inflate the revenue? By having the same money cycled twice, in and out of the authorities. You pay rates to yourself. And they did it retrospectively. They brought an amendment to the Budget law backdated to change the accounts, backdated because they had breached their ceilings.

We did not make a song and dance about it and accuse them of anything. This is what they did. They created a rod for their own back because they did not know what they were doing and they put in things which then they could not breach. They could not work, they could not borrow the money they needed, and if the Government wanted to invest in doing things that were good for the economy and good for Gibraltar we were not going to say on a technicality, 'What you



are doing is wrong, because you are not doing it ...' They created a law that they thought would allow them to borrow certain amounts of money and they discovered in practice they could not do it.

So the next step, after they had put through the cycle everything they could think of and they ran out of things to do, the next step was to come back having argued that the rest of the world was being far less prudential than we were, because they all linked it to net debt but we were doing it as gross debt. The greatest Gibraltarian said, 'We are better than any of the guys anywhere else because we are being more conservative.' And a year later he came back and he said the very opposite. He said, 'No, no, no, it is not gross debt, it is important that it is net debt – you are all wrong when you keep on...' Well, look, I had been talking of gross debt for all the time that he has been talking of gross debt. He decided in one year it was no longer convenient, because he could not balance the books, to talk of gross debt, so the new correct version was the net debt, and anybody who had been talking about gross debt had now to move to the new conversion to net debt.

Well, the reality of it is that I actually think gross debt is a better marker, but we moved to net debt this year and I think the first thing that the hon. Member opposite did was congratulated us. At least we were both now in agreement to use the net debt. Fine. If they want to talk about the net debt, on the eve of the election what the GSD did was they hired somebody from the London School of Economics to tell us – and appear on GBC – that in fact the net debt at 25% of GDP was enough to make the rest of the planet green with envy. No mention of anything that was not debt as defined in the law. Well, it is now 20%, so should the rest of the world be greener? No. Dr Cortes would be very happy if they were greener, but greener with envy, because now we are 20% and we have got a manifesto that is designed to bring us to 12.5%, half of the 25% that the professor from the London School of Economics was brought to Gibraltar to say that everybody would be green with envy if they could have 25% of GDP. Nobody uses a percentage of revenue anywhere else. I explained that before as well. The only people who use it are the people who have it rammed down their throat – like the Cayman Islands, who get told by the UK, 'Either you do that or you can go independent.' They cannot say it to us, they cannot say 'Either you do it or you go independent', but is what they do to the other colonies.

The fact is that the level of debt is the debt of the Crown. The debt in the book is the debt of the Crown and if the debt of the Crown – which is the £447.7 million gross, £460 million aggregate and £366 million net – is so irrelevant, then why did they have a press conference to kick up a fuss about not being given the relevant figures? Why, if it does not matter? It does not matter whether he knows it is £450 million or £350 million, because it is not relevant. It is a billion – it is £1.1 billion according to him. Well, it is not £1.1 billion. It is insane to suggest that every time you have got a business that is Government owned, the Government debt goes up. Should the Government debt have included the ship repair yard? Should it have included the sand company that they had in the 1970s, where Maurice Featherstone was the chairman of the company and they would not answer any questions in the House because it was a commercial entity and they did not have to give information here as to the debts that the company had? Is the Gibraltar International Bank, which is 100% Government owned, increasing the public debt every time there are deposits in it?

Don't hon. Members understand that if it is a question of arguing something logically their arguments do not hold water? Not only are they not consistent with everything they have said before ... They may be consistent in the case of Mr Clinton, who has not said anything else in the short time he has been here, but he sometimes gives me credit and I am grateful to him that he learns something from it. Well, look, he has got to learn that this is not an issue that we are saying we have chosen not to call something Government debt because we are borrowing money that we do not want to show. Government debt is defined in a particular way in the Constitution and in the law. It is the debt of Gibraltar. Gibraltar is the Crown. If Gibraltar buys a business, the indebtedness of that business does not become a debt on the liability of the

Crown. In fact, the asset does not even show. So every time we have invested in something through the Improvement and Development Fund there is no asset showing the investment we have made.

Therefore, Mr Speaker, I have to say that they have not been able to make a case for what they want us to do. In fact, I think it is a disaster. If we followed what they wanted us to do it would be a disaster. What they wanted to do in the election would have been a disaster. Can they think of anything worse that they could do to this country, to the economy, to our ability to survive, to our ability to counteract Brexit and our ability to counteract Spain if they went round telling everybody that we have got a £1.1 billion debt, which nobody would understand was being calculated in the bizarre way that they want to calculate it? Everybody would think that the £1.1 billion debt was the debt on the books. That is what they would think. How many investors do you think are going to come to Gibraltar if you say there is a crisis like Greece? There is a crisis in the whole of Europe because of Brexit and we have got an additional crisis because Spain has made clear that anything that the UK manages to negotiate for itself they will try and block applying to us. They have made that clear and we should be under no illusions about that; and the answer to deal with that is that we must have more transparency.

Shall we send all our books to La Moncloa, so that they can get on with the job of destroying us? More transparency. We are going to tell them, 'No, we are indebted to our eyebrows and we are going to go bankrupt.' And this is the way we are going to defend ourselves! I have to say to the hon. Members: with friends like that who needs enemies? That is the last thing we want to be saying to them. Even if what they were saying were true, we should be keeping quiet about it, not parading it – and it is not true. This is like an issue that we have had in this House for years: since 1972 and between 1998 and 1996, figures on imports of certain commodities were provided and never mentioned in public. They were provided to me confidentially and I provided them to the Leader of the Opposition confidentially. Why? Because it is not in our interest to provide ammunition to our enemies. We are not enemies of each other. We have got different views, but we are not enemies of each other because we are all in the same boat. If the boat sinks, we all sink with it. The enemy is outside, and therefore our sense of responsibility, Members should know, requires us at the very least to be accurate, and if we really believe that something is right when it is not right, then at least do it in a manner which is not something that can create ammunition for those who want to see us disappearing from the face of the planet. And that is all I have to say on the subject, Mr Speaker. *(Banging on desks)*

**Several Members:** Hear, hear.

**Mr Speaker:** Any other contribution?

I call upon Mr Roy Clinton to reply.

**Hon. R M Clinton:** Mr Speaker, we are indeed getting a veritable lesson in economics this afternoon and this evening from the Father of the House. I do not dispute a word of what he said about Keynesian economics, but we are not here to talk about Keynesian; we are here to talk about what is in fact our true level of borrowing.

He has just said effectively that we on the Opposition benches should turn a blind eye because it is in the collective interest of the community not to ask awkward questions – it would appear to be the case. Mr Speaker, it puts me in a quandary, because how can I on the one hand not ask questions, which is what I am here to do, and on the other hand turn a blind eye? I am afraid I cannot do either in terms of reconciling that position.

He spoke about the press conference that we gave about him not giving me an answer on even the aggregate debt figure, only to hear this morning that the Chief Minister will be putting it on a website for everybody to see, and for that I guess I am grateful to the Chief Minister. But the Hon. Mr Bossano also said, 'It was an absurd press conference because, hey, you know, you're not interested in the £400 million, you think it is a bigger number.' Well, in fact, this is

what we are debating right now here today. Furthermore, in his answers he did not give any information on gross debt, and so when I speculated, 'Well, perhaps they are going to borrow more,' he immediately issued a press release saying, 'No, that's incorrect, we're not going to borrow more – that's nonsense,' which is fine, because he would not tell us in this House whether he was going to borrow more or not, or what the aggregate level of debt was, which is why we need to know what the aggregate level of debt is when we ask the question, because otherwise, we can only speculate. But I am grateful to the Chief Minister, who it would appear will be publishing this information on a timely basis on a Government website, and I will obviously be following that avidly.

Coming back to my motion, even though it is now amended beyond recognition, there is one particular phrase the Chief Minister used, and I am sure when we get *Hansard* we can all look it up. He said, and I quote, 'We have borrowed £300 million.' Well, Mr Speaker, who is 'we'? Is 'we' the GSLP, 'we' the Crown, 'we' Hassans, 'we' Crown agents? *Who* is 'we'? 'We the people', I guess. And if it is 'we' who have borrowed it, then it is the Government and nobody else. He can structure it any way he wants, but at the end of the day it is a debt of this community and we cannot get away from it.

He took great exception to the use of my word a 'sham' company. In *Hansard* you will find that when I asked about Credit Finance and who made the decisions for Credit Finance it has no employees. Treasury officials act on it. Not even the directors of the company make decisions for Credit Finance, it would appear. And Mr Bossano made it quite clear, when I asked, 'Well, who controls Credit Finance?' He said, 'It's the outfit.' I asked, 'Well, who is the outfit?' and he said, 'We are the outfit.' So, Mr Speaker, it is a sham company. It has no substance. It is those Ministers opposite who, the lawyers amongst them will probably appreciate, they are all shadow directors according to that contribution by the hon. Member, because – (*Interjection*) Yes.

And so, Mr Speaker, it really is unforgivable of this Government for the way they have dealt with my motion. As I have said before, the people of Gibraltar will see this £300 million for what it is: it is a public borrowing, pure and simple.

With that, Mr Speaker, I stand down. Thank you.

**Hon. Chief Minister:** Mr Speaker, I call a division on the vote.

**Mr Speaker:** Right, I now put the Chief Minister's amended motion to the vote and the Clerk will call a division.

*A division was called for and voting resulted as follows:*

**FOR**

The Hon. P J Balban  
The Hon. J J Bossano  
The Hon. Dr J E Cortes  
The Hon. N F Costa  
The Hon. Dr J J Garcia  
The Hon. G H Licudi  
The Hon. F R Picardo  
The Hon. Miss S J Sacramento

**AGAINST**

The Hon. R M Clinton  
The Hon. D A Feetham  
The Hon. T N Hammond  
The Hon. L F Llamas  
The Hon. E J Phillips  
The Hon. E J Reyes

**ABSENT**

The Hon. Ms M D Hassan Nahon  
The Hon. A J Isola  
The Hon. S E Linares

The motion as amended by the Chief Minister is carried by 8 votes to 6 with 3 Members absent.

The Hon. the Chief Minister.

**Hon. Chief Minister:** Mr Speaker, I have the honour to move that the House do now adjourn *sine die*.

## Matter of Urgent Public Importance

### Procedural

2700 **Mr Speaker:** I now have to inform the House that on 27th July – and this was the first occasion that Parliament met after the Budget debate – the Hon. Roy Clinton gave me notice of his intention to seek leave under Rule 24B for the purpose of discussing a definite Matter of Urgent Public Importance in respect of the Gibraltar International Bank Ltd.

I did not inform the Chief Minister about this notice that I had received until lunchtime today, because it was going to be pertinent today. I did that because I was following the practice of Mr Speaker Vasquez during the years when I was a Member of this House, and he only informed the House – Mr Bossano will correct me if I am wrong – of the notice that he had received when the Chief Minister of the day moved the amendment.

2710 On reflection, however, having regard to the fact that here we have a matter for which the Minister responsible from Government is Mr Albert Isola, who is unable to be present this afternoon, I wonder on reflection – and it is a matter ultimately for me to decide – whether the correct thing would not be to actually inform the Government at the time that I received notice, because then that will enable arrangements to be made for the Minister who is responsible for answering to the debate to do so.

2715 The Rules of the House are very unhelpful, because when I receive notice of the intention by a Member to raise a Matter of Urgent Public Importance on the amendment, it cannot be taken until the end of all public business – in other words, for all intents and purposes until the Chief Minister moves the adjournment of Parliament *sine die*. This is why I have been advocating, since I became ... in fact, before I became Speaker, when I was the Chairman of the Commission and the Commission so recommended that the Rules should be amended as a matter of urgency, so that a matter can be raised when the House adjourns – from 27th July, let us say it adjourned until 9th September. If the rule had allowed that, the debate which we can now have would have taken place on 27th July. That would have been much more logical and the likelihood is that the Minister responsible would have been here.

2725 The requirement under Rule 24B is ... first of all, there is no formal motion and therefore there is no debate. A maximum time allowed is 40 minutes. Members of the Opposition, not just the person who has given me notice but other Members of the Opposition can speak, and obviously what they desire is that someone from the Government should reply. Therefore, although there is no rule about it, the practice here during the years when Members invoked this rule was to give the Government a reasonable period of time out of those 40 minutes to be able to reply.

2730 So, before I call on the Hon. Mr Clinton, is there anything that is not clear in what I have said? Is there anything that Members require clarification on? If not, it is now 8.12, so 40 minutes ... I will allow until 8.52.

### Gibraltar International Bank Ltd

2735 **Mr Speaker:** I call upon the Hon. Mr Roy Clinton.

**Hon. R M Clinton:** Thank you, Mr Speaker.

Mr Speaker, first of all, thank you for allowing me to raise the matter of the Gibraltar International Bank on the adjournment.

2740 The Gibraltar International Bank Ltd is, as you yourself, Mr Speaker, stated in Parliament on 26th February 2016, and I quote:

A National Bank. It is going to play an important role in the economy.

The creation of the bank was something that was supported by the Opposition at the time in order to fill the void left by the departure of Barclays Bank from the local retail market. Being a national bank with a taxpayer funded capital of £25 million, it is naturally a Government-owned bank in which is a legitimate and real public interest.

2745 When I enquired politely of the Hon. Minister for Financial Services and Gaming whether he would make available the full audited financial statements of the bank to all Members of Parliament when they were completed, his response was, and I quote:

The full audited financial statements of the bank will be filed at Companies Registry and available for public inspection in accordance with the Companies Act. It will therefore not be just for Members opposite but for the whole community to see.

2750 Mr Speaker, you will of course recall the subsequent comical exchanges with the Chief Minister offering to pay the £30 fee to obtain a copy from the Registry for me and then to hand deliver it personally. I am pleased to advise the House that, as I stated I would, I wrote to the board of directors of the bank, who have kindly sent me a copy of their audited financial statements at 31st December 2015 with their compliments. I will place a copy of this document in the antechamber of the House for all Members to read with my compliments. In any event, 2755 the Government can also obtain a copy from Companies House for £30, these having been filed on 22nd July 2016.

The bank was incorporated on 23rd April 2013 and I will, for the benefit of Members who have not yet had sight of the bank's audited results, read an extract of the directors' report for 31st December 2015 as follows. I quote:

The bank obtained its full regulatory authorisation on 20th April 2015 and opened its doors for business on 5th May 2015. As a result of the announced closure of one of the main international retail banks in Gibraltar and the urgency to open a retail bank within a limited period of time, the bank had previously sought, as authorised by the Financial Services Commission in October 2014, to open current accounts online for customers on condition that these accounts would remain inactive and unfunded until the bank obtained its full regulatory authorisation and had opened for business.

The purpose of this exercise was to alleviate a potential situation whereby, upon the bank opening, thousands of customers would require current accounts and the bank would have been overwhelmed and unable to cope with the situation from an operational perspective. As a result of the exercise, the bank held 3,500 accounts in its books ready to be funded and utilised by clients on the first day of opening for business.

Although a success, a considerable number of personal and corporate customers applied to open accounts post bank opening, to the extent that appointments were being taken for months in advance. Simultaneously, in excess of 400 mortgage loan appointments were taken for the Government's housing scheme purchases, although none of these lendings would be drawn in 2015.

As at 31st December 2015, 5,286 client accounts had been opened with an aggregate deposit balance of £119.6 million. From the outset it was envisaged that the sheer volumes of opening and mortgage loan applications would stretch the bank's resources to the limit, and in order to reduce the waiting times for customers wanting to open accounts staff members were redeployed from other departments to assist the operational workload. During the eight months from opening to December, and as stated in its business plan, the bank concentrated its efforts and all its resources in establishing and consolidating its client base.

2760 Well, Mr Speaker, I think this House now has an appreciation of the challenge that the bank, its board, senior management and staff faced. I think it only right that we offer them our collective congratulations.

2765 All, however, is not entirely peachy. The Minister was able, at the Budget in June, to give the House an update, in that as at 30th June 2016 the bank had achieved deposits of £224 million with over 7,000 accounts and a lending book of £43 million with 450 mortgages. However, the most important piece of information was omitted, namely being its financial results.

I will now quote from the directors' report again as at 31st December 2015, under the heading 'Profits and Dividends':

As anticipated in the business plan, the bank reflected a loss for the year after taxation which amounted to £6,029,288 with a comparable number of £1,404,674 in 2014. Again in respect of the available for sale financial asset of £549,370 comparable number nil has been recognised in other comprehensive income, resulting in a total comprehensive loss of £5,479,918 compared to a 2014 loss of £1,404,674.

The bank has no accumulated distributable profits. Accordingly, the directors do not recommend a dividend for the year ended 31st December 2015.

2770 In other words, Mr Speaker, the bank, as at 31st December 2015, has lost a cumulative total of £7 million or 28% over a quarter of its original £25 million taxpayer fund of share capital.

Before the Government Ministers opposite turn blue in the face with screams of scaremongering, this is now public information, and I accept that the bank has always said it would take three years to break even. Furthermore, I would point out that, per note 20.5 of the financial statements, I quote:

The bank's capital ratio as at 31st December 2015 was 40.82% (the minimum is in fact 8.625% regulatory requirement) with a surplus capital of £15,700,225.

2775 So, Mr Speaker, the bank is soundly capitalised as at 31st December 2015. However, this is the capital position before the drawdown of mortgages, which reached 450 as at 30th June 2016, and no doubt the ratio will have inevitably decreased.

2780 I would encourage the Minister to provide more regular updates to this House, and not just at Budget time, as evidently he has access to information from senior management as and when he deems it appropriate to report to Parliament. In addition, it would be useful if he would also provide this House with annual audited financial results and capital ratios, as I have just done, because this House and the taxpayer both have a legitimate interest in the bank's performance and expect more than a 'get it yourself' attitude in respect of such information. I would expect the Minister to stand up each year and make a statement in respect of the bank's performance.

2785 Mr Speaker, for the avoidance of doubt, I once again congratulate the bank's board, senior management and staff for the hard work and trust that in years to come this community will reap dividends, not just in financial terms, but in the products and services that are offered and much needed by all.

Thank you, Mr Speaker.

2790

**Mr Speaker:** Does any other Member from the Opposition benches wish to speak?  
Then I invite the Government to reply, if they so wish.

2795 **Chief Minister (Hon. F R Picardo):** Well, Mr Speaker, I do not think I have detected absolutely anything in what the hon. Gentleman has said that could be described as urgent on 27th July or urgent on 7th October. All that we have been treated to is the hon. Gentleman giving us what is his own analysis of the accounts of the bank, of a document that is public which he says was sent to him by the bank because he wrote to them, and which he has now had an opportunity of reading out – and which any member of the public could also have had an opportunity of seeing.

2800 Frankly, I do not detect that there is absolutely any reason, therefore, why the people who are listening and who are considering the debate in Parliament today, would have been persuaded that there is anything urgent to consider – except, of course, if there was a loss which needed to be made good, but the hon. Gentleman has said it is well capitalised, so there is no need for that. We do not deal in sham companies or in sham banks, Mr Speaker, although he  
2805 was the manager of a bank that invested with Mr Madoff, and that got him into court on a number of occasions and that was clearly a sham, but the companies that we operate do not deal in sham. And because there is a three-year business plan, it is clear that this is not a loss that was unexpected. This is not an urgent matter that needs to be brought to the attention of

the public because there is a sudden loss. If you do a business plan and you say we are not going to be profitable until the third year, it is not urgent to say in the first year that you are not profitable. So, it seems to me that the argument of urgency is entirely unavailable to avail the hon. Gentleman of any assistance whatsoever.

But, Mr Speaker, what the Hon. Mr Isola, who is not here today for the reasons you have indicated, and I would have thought the easiest thing for the hon. Member was to say, 'Well, I will deal with this motion next time that we adjourn and Mr Isola is here ... What he said was this. This was in the context of his Budget speech:

I start by congratulating the Gibraltar International Bank for making a complete success of its first year in operation. Since it opened last year the Bank, led by Lawrence Podesta and Derek Sene, the staff and the Board of Directors have worked tirelessly and deserve the congratulations and thanks of this House and of the community at large for the fantastic start the bank has made in its first 12 months of operation.

Over 7,000 accounts opened; £244 million in deposits; and an increasing loan book, with some 450 mortgages, is a testament to the work of the team at GIB. Many spoke of the doom and gloom at the departure of Barclays in late 2013 and yet today it is a distant memory, with a seamless transition to this modern, innovative and digital bank. There is, of course, still work to be done but I believe that the target date for break even and profitability after three years trading will be met.

As we speak, they are working on new areas in terms of products and functions, including of course, mobile banking which I much look forward to seeing in operation. My sincere thanks to Lawrence, Derek, the Board of Directors and of course the staff at GIB for their professional commitment in delivering the quality and service we asked of them.

Mr Speaker that is what the Hon. the Minister said at the time of the Budget. I think that might have been 26th July, if not 27th July or earlier in the month. So it is not even necessary to get up to represent thanks, because we have already given them on behalf of the Government and on behalf of all of the Parliament in what the Hon. the Minister said at the time. It is not necessary to give the same figures that the Hon. the Minister gave now in this Parliament again, because he gave them when he stood up and gave the information that he gave at the time of the Budget.

But we are now asked to give *more* information *more* often. Well, Mr Speaker, we are going to give the information in relation to the bank that we consider is appropriate, in exactly the same way as we give information about Gibtelecom only when it is appropriate and they, when they were on this side of the House, gave information about Gibtelecom only when it was considered to be appropriate. We are not going to stand up whenever the hon. Gentleman likes, to give him information about the bank, because that is not the way that it is possible to operate in the context of Gibraltar's democracy. And we *are* going to tell him to go and get it himself when it comes to accounts that are going to be public. That is the position that he is going to find: we are going to tell him to go and get them himself, or we are going to put them on websites. And if he wants to go and get them from the bank to save himself £30, despite the fact that he is paid £36,000 to turn up here once a month, or if we are going to require him to get them free of charge from a website, that is the way we are going to continue to operate. That is the greatest level of transparency that this community has ever seen, because he is able to have access to this information. Nobody is preventing him from having access to the information. As he can see when he wrote to the Directors, they were not being told not to send him anything.

He says that we exercise control of the bank and therefore we must say more. Well, look, if they sent him copies of the accounts because they know him from his time as a banker – as a sham banker, to apply to him the standard that he applies to the directors of Credit Finance, who are upstanding members of the community, civil servants who are the controllers of the corporate controller of Credit Finance – it is fine, we have absolutely no difficulty with that. He went out and he got them himself and he saved himself 30 quid. Good for him. The taxpayer's salary that they pay him can be saved in respect of that amount.

Mr Speaker, I am conscious that the accounts were filed at Companies House with a date of 22nd July, so if he did not have them before then – I do not know whether he said on what he

date he got the accounts – he certainly had them or was able to access them by then, and they set out in 36 pages of detail everything that might want to be known about a company like the Gibraltar International Bank and that it is appropriate to know about a company like the Gibraltar International Bank if it is going to operate like an independent commercial entity, fulfilling the function that we all wished to see it fulfil in the context of the departure from Gibraltar of Barclays Bank.

There is a report from the chairman which sets out a lot of detail of what it is that the bank is doing, there is a directors' report which is very detailed also and signed by the company secretary, and then there is the independent auditor's report to the members of the Gibraltar International Bank, which is filed on behalf of Ernst & Young. How can hon. Members suggest that this is not all of the information that they might wish to have in respect of the operation of a bank like the Gibraltar International Bank, which is an independent bank and which we said from the beginning would be operated like an independent bank and would be allowed to operate like an independent bank? Mr Speaker, one thing is to say one thing and then do another, because that is political hypocrisy. If we had said, 'This is going to be an independent bank', and then we were exercising control over every step that the directors took – for example, saying to them, 'Don't send Roy Clinton, the sham banker, the audited accounts when you have them,' well then we could be accused of political hypocrisy. But when we say that a company is going to operate as an independent commercial entity it is quite something, given that that is one of the things that the Opposition say they agree with us on, that what they should seek that we should do is that we should interfere with the running of the company, obtain information which is not the information that a commercial company has to by law comply with, and bring it here to satisfy the thirst for raw data that the hon. Gentleman seems to display. We are not going to fall into the trap of being lured into political hypocrisy, because that is to pretend to trap us into doing the opposite of what we have said we would do, which was what they had originally asked us to do as well.

So, Mr Speaker, this very detailed report – which is 36 pages, setting out all of the accounting policies and all of the detail of what the bank has done and the financial statements in considerable detail for 2014, which is the year that the bank started operation, and 2015 – in the view of the Government sets out absolutely all the detail and data that the public can want to have if they also want to have the confidence that the bank that we call the Gibraltar International Bank is operating at an entirely arm's length from the Government and in a way that is entirely commercially free standing and not being interfered with.

But it is clear, in the context of what the bank has done and is doing, that the capitalisation of the bank is not just designed to deal with the regulatory requirements, it is also designed to deal with the bank's need for capital in the context of its trading, and if there is something which is clear about the way in which the accounts have been filed and what the Hon. Minister said in the context of the debate in Parliament, it is that the bank is acting in a manner that is entirely consistent with what the Parliament has been told. I think the hon. Gentleman has recognised that in what he has said, which just leaves me completely adrift in terms of what it is that he is trying to raise as an issue on an adjournment debate. I do not know whether it is just an attempt to say, 'Ah, you see, I did not have to travel down to Companies House, I did not have to put my hand in my pocket in order to obtain the annual audited accounts; I was able, by dint of a letter' – no doubt marked 'Urgent Parliamentary Business' – 'to obtain a copy of the accounts myself.'

I do not know if that is the point that the hon. Gentleman is trying to make, but he needs to remember the point that I was making when I was telling him that we would not treat him in a way that was privileged. The point I was making at the time – and hon. Members will recall that this is a point that comes up very often at Question Time, when people who are asking questions and answering questions fall into the trap that you always seek that we should not fall into, Mr Speaker, which is debate, and we fall into the trap of arguing over whether it is right to have to bring things here or whether in fact it is more appropriate in the modern technological age in which we live to simply be able to make things accessible online on the world wide web, so that



2900 every member of the community can have access to it. Well, Mr Speaker, the position of the Government remains that that is the better way to proceed and that the better thing to do is not to provide privileged access to Members opposite, in particular Mr Clinton, to documentation but to provide that documentation in a way that is accessible to all of the community in Gibraltar.

2905 That is what transparency is about. Transparency is not about giving them information; transparency is about making information available to the general public and a better way of making information available to the general public – who may not have, let's face it, the patience to sit through some of the debates that we have in this House in order to pick up a morsel of information that may pass between us – is to put it online. And so the Government's  
2910 approach has consistently been that things which can be put online should be put online. The bank in this case files its data and its information, its audited accounts, as required by law – and, by the way, a Government wholly owned company filing its accounts on time, something which hon. Members are not able to boast of in respect of the party the initials of which they represent in this House – and those accounts are filed at Companies House in a manner that, by the way, is  
2915 also accessible online to those who happen to have an account with Companies House or those who are able to go down there.

I have yet to understand what the hon. Member's great objection is. I would have understood him perhaps today if at the end of the evening he were to say to me, 'Fabian, given that you have acceded to my totally unreasonable request to establish a Public Accounts  
2920 Committee, which is now going to take a lot of my time, I am no longer going to be able to be retired and putting my feet up in the afternoon, I have no time to go down to Companies House and still not the inclination to spend £30 in obtaining a document,' then I might have understood that he would have suggested that we should send him the account. But this is not the situation, we have not acceded to his totally unreasonable request to create the Public Accounts  
2925 Committee, and so therefore I think it is entirely appropriate that we should report to this House in the way that we are committed to do in the context of all of the companies, in the way that has traditionally been the case during the course of the Budget debate. During the course of the Budget debate what we will do is we will provide the sort of headline information that we think it is appropriate for the public to have about the company, which will be very much in keeping  
2930 with what is going to be filed publicly in the company's accounts.

I do not know whether that is going to completely dissatisfy him. Given what he is saying today, it appears that it might completely dissatisfy him. Well, he is going to end up having, in the words of Mick Jagger, no satisfaction, Mr Speaker, because we are not going to allow him to in some way, ruin or spoil the chances of Gibraltar International Bank to make a success of itself  
2935 by in some way requiring us to give more information than is given about banks like Gibraltar International Bank, or by any competitor of Gibraltar International Bank. Because in respect of the bank of which he was a manager, nobody got a blow by blow account of how the profits were going, of how many people he was employing, of how many mortgages he was giving or how much was invested in Madoff. It was only when the requirement to file accounts was a legal  
2940 one that bit that people would be able to go for payment of the same £30 to Gibraltar's Companies House – if they were established here, if they had a branch – and see those accounts and see those investments. Why should we put the taxpayer's investment in Gibraltar International Bank at risk by creating for Gibraltar International Bank a less level playing field than the one that applies to all of the other banks which operate in the same jurisdiction? It would be foolish to in some way allow the opportunity that is being dangled in front of us to be presented to members of the public as an opportunity for the bank to do better. This is actually an opportunity for the bank to find itself in a difficult situation when it comes to its competitors and in a way that would not, frankly, avail the taxpayer of any advantage, because at the end of the day the moneys that have been used to capitalise this bank – like the moneys that have been  
2945 used to establish the University, another great building block of nationhood that we established in the course of the last Parliament – is taxpayers' money, which is voted by this House for those  
2950

specific purposes and which we have an obligation to protect. We can have arguments about whether other amounts of money that we have been debating today are taxpayers' money or savers' money or not, but we have no argument that the amount which creates the capitalisation of Gibraltar International Bank is taxpayers' money, and given that it is taxpayers' money we have an obligation – and again this is a subject, I have no doubt, on which we do not disagree – to ensure that that money is protected and that we make the most of it going forward.

Mr Speaker, in that context, understanding how the bank has been created and the purpose for which the bank has been created, it would seem to me that it is not possible to accede to a request from the hon. Gentleman which, as I say, would, in effect, unlevel the playing field for the bank that we have created. He has just spent a moment trying to ingratiate himself to the directors and to the employees of the bank by giving them the thanks that he should have given them before, and which Mr Isola gave them at the time of the Budget, the fulsome thanks that it is absolutely right that this community should give them for the work that they have done in the establishment of the bank, and yet at the same time he is trying to entice us to unlevel the playing field in a way that might result in all of those people finding that the bank which they have created and for which they have been so fulsomely thanked fails because it is providing public information quite beyond the obligations that apply to all of its competitors. In fact, I should pause there, Mr Speaker, and refer to the fact that some of its competitors are also owned by governments, but not governments that are required to give the sort of information that the hon. Gentleman is suggesting that we should give about Gibraltar International Bank, because I cannot imagine that he would have survived very long if he were opposite George Osborne and not Fabian Picardo and he had told George Osborne to please send him a copy of the annual audited accounts of the Royal Bank of Scotland, which is majoritarily owned by the United Kingdom government, or of Lloyds Bank PLC because he did not want to go down to the Companies Registry or online in order to obtain for himself a copy of the accounts of that bank.

It seems to me, Mr Speaker, therefore, that given he was earlier telling us that the way that things are done in Westminster, some of the things that we should be copying and we should be doing things in the same way, that if he were at Westminster he would find that his entreaties during the course of the budget debate would have fallen not on deaf ears but in a great cry from the Chancellor of the Exchequer of 'Who does he think he is to get better treatment than any other member of the public!' Indeed, he would have been seen to be endangering the operation of Royal Bank of Scotland and of Lloyds Bank, that operate in a highly competitive banking environment, just like GIB in the context of Gibraltar, given that the products that it offers in the Gibraltar market are products which can be more or less attractive depending on the competition, and of course for us the requirement is that this is a bank that should succeed in its own right. We do not want to be pumping more money into a bank, unless of course it is that the bank does so well that it requires greater capitalisation because it is growing to such an extent that it is the right investment for our community to capitalise it further. That could, of course, become the case. It could be that Gibraltar International Bank grows beyond our own expectations and quicker than our own expectations, and if that is the case I am sure that initially we will hear them complaining and then eventually when they come to their senses they will come back to this place in order to thank and congratulate those they should have thanked and congratulated earlier.

Mr Speaker, the same, for example, is entirely true of the University. When we established the University, one of the other things that the hon. Gentleman was asking for was copies of annual reports, etc. Well, again, the commitment that we entered into in respect of the University is that it would operate entirely independently, and Members who were present may have detected that at the installation of the Chancellor and the Vice-Chancellor, one of the things that I said was I referred back to the mantra of 'Joe Bossano, no ordinary Joe' in the context of Gibraltar's political emancipation when he talked about the road to self-determination being paved by self-sufficiency. And in the context of the installation of the Vice-

Chancellor I think it was also important to ensure that we made the point not just of recognising the sterling work that Gilbert Licudi had done in the establishment of the University, the 'political Father of the University', as I described him at the time, but also the importance for the University of standing on its own two feet and being a commercially viable entity that we could be proud of being not just academically independent but also commercially independent.

In the context of the bank, Mr Speaker, the same of course is true. Of course it is entirely independent from a regulatory point of view and it is entirely independent as an entity. It must also be financially independent, and unless what happens is that the community finds that its bank has grown so successfully that it requires further capitalisation, the business plan is what we must ensure we see compliance with, and in that context we would otherwise need to have good explanations why the business plan has been failed.

But what the hon. Gentleman has come today to tell us as a matter of urgency on an adjournment debate is that the bank is doing exactly what he was told the bank was doing. In other words, the bank has lost money in its first year, exactly as he had been told, and is therefore likely also to lose money in its second year, exactly as he has been told, because he has been told it is a three-year business plan and it will be in the third year of operation that the bank will operate at a profit. (*Interjection by Hon. G H Licudi*) Break even, sorry.

So, Mr Speaker, I have yet to understand what it is that the hon. Gentleman has tried to achieve by his 24B statement today in his letter to you. And if I may say so, Mr Speaker, dealing with the mechanics that has brought this debate today, I think it is important, even if it is not necessary, that as a matter of courtesy if a Member of the Opposition wishes to raise an issue on the adjournment then they should tell the Government, so that if they want to have a real opportunity to question or to debate, the Government should be able to reply. Otherwise it is very easy to simply say, 'On the adjournment I am going to raise whatever I like without telling you,' and the Government will then reply and say, 'Well, given that you have not given us notice of what it is that you are going to be dealing with, it is not possible for us to do anything other than say that we will look into the things that you are talking about, or that we will counter the things that you are talking about from our general knowledge of the particular subject matter that may have been raised, but without the ability to bring to the House the benefit of the information that might otherwise have been obtained in the context of putting something across to Members of the Government is an issue that Members wish to raise.'

The hon. Member, as he has told the House, has written me three letters. I do not know whether it is three or four, or more, or whatever it is, but he seems to take great gusto, every time he writes me a letter, in CC-ing the Speaker and CC-ing the Leader of the Opposition and CC-ing anybody else whom he thinks might have an interest in reading our correspondence. I have absolutely no difficulty ... If he wants, what he can do next time is he can post a letter that he would like me to read on Facebook and as long as he sends me a link to it in an appropriate e-mail address that he knows I will read, then I can read the letter on Facebook. I have absolutely no difficulty, because it is not as if he is going to be telling me anything sensitive or I am going to be responding in respect of a letter, whether it is posted publicly or posted privately, marked 'Urgent Parliamentary Business' or not, in a way that is different.

So I am surprised, Mr Speaker, that in the context of this opportunity which he has to raise an issue on the adjournment he should choose to communicate only to you and that it should be down to you, Mr Speaker, out of your desire to see the operation of Parliament to be more effective, so that none of us waste any of our time, to have alerted us to the issue that there was going to be an adjournment debate. Because given the practice that the hon. Gentleman has of copying all and sundry in respect of the correspondence that he has with us, if only he had given us notice that he had wished to raise this issue on the adjournment, then what we would simply have done is to advise him that Albert was not going to be here, which particular area was it that he wished to raise, and one of us would have been perhaps better prepared to deal with it. Of course, that is before we heard him, and it was not as if he wanted to raise anything of any particular concern which would have required us to go back to look into something and be able

to respond to him in a particular way, because all that he has done is get up and give a speech about the bank. That is literally all that we have been treated to.

The hon. Gentleman has said, 'Adjournment motion: I would like to get up and speak about the bank,' and he has spoken about the bank and he has told us the things that are public about the bank and the things he was told about the bank in the Budget debate, and he has told us all of that again – and then he has told us that he wants to be told more about the bank. Well, Mr Speaker, none of that is, with the very greatest of respect, what this mechanism that you have rightly been pointing us all towards since you became Speaker, long before Mr Clinton became a Member of this House, none of that is what this particular part of the Standing Orders and Rule 24B is about or is for, and I would commend hon. Members to use, on both sides of the House, as you often do, the mechanism of the opportunity to raise matters on the adjournment but when they are urgent. Otherwise, all that happens is that we are going to be here for 40 minutes talking about things (*Interjection and laughter*) that are not urgent and are simply keeping us away from our families, our friends, or whatever it is that we might be prepared to do.

As I say repeatedly, I am in politics because I am a parliamentarian. I love Parliament and I have relished the opportunity today to debate with hon. Members on all of the subjects on which we have debated. As far as I am concerned, they can consider that, despite the vehemence with which I argue my point, it does not change the fondness that I have for some of them – I cannot say all of them, but I am hoping that one day it will be all of them. But when it comes to the adjournment debate, Mr Speaker, I think it is important, for the purposes of ensuring compliance with the rules and ensuring that we do honour by the rules and respect them, that we do only raise on the adjournment issues which are urgent. That is not to say that there could not in future be something which becomes urgent and which has to be raised in this way.

I see that the rule says that something has to be brought to your attention by five o'clock. That makes sense to me, Mr Speaker. It is sufficient time, I think, for one to be able to obtain information, as I was able to obtain, once I knew what the subject matter of what the hon. Gentleman wanted to speak about. To, in order to be able to reply to any urgent point that he made I have now had an opportunity of reading the Gibraltar International Bank Ltd Annual Accounts Report of 31st December 2015, filed, as the hon. Gentleman has said, on 22nd June, and would have been ready to reply to anything that he might have raised in any part of the 40 minutes that he might have spoken, which might have been urgent and requiring my attention. But I think, given where we are and given that it is 8.52 and that he raised nothing else, I should just move that the House do now adjourn *sine die*. (*Banging on desks*)

**Hon Members:** Hear, hear.

**Mr Speaker:** I also love Parliament, but I was within a minute of behaving like the Chairman of the Fourth Committee!

The House will now adjourn *sine die*.

*The House adjourned at 8.53 p.m.*