



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 4.05 p.m. – 6.26 p.m.

Gibraltar, Thursday, 22nd December 2016

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The Gibraltar Parliament

The Parliament met at 4.05 p.m.

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

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

Tribute to Solomon ‘Momy’ Levy GMD, MBE, ED, JP, FRICS, former Mayor of Gibraltar

Chief Minister (Hon. F R Picardo): Mr Speaker, I am afraid I bring the sad news to the House, which I think all hon. Members are now aware of, that Momy Levy has passed away after a
5 blessedly short illness.

Momy will be remembered by everyone in this place for all the reasons that he touched all of us. But indeed, he will also be remembered of course professionally, if I may put it that way, for being the first of the Mayors under the new Constitution; the first of the Mayors that in 2006 were able to take that important municipal and civic post without having to be Members of this
10 House. I think there was widespread admiration for the way that he took that role and made it his own for the year that he was able to call himself Mayor of Gibraltar.

I think that there is, in the context of how a person discharges the office that he may be elected or appointed to, one thing that comes across to me as perhaps most striking and most important, and that is whether that person is proud to hold the post. Momy was somebody who
15 was proud indeed to be able to say that he was Mayor of Gibraltar and he said so explicitly every opportunity that he had.

His work in trying to bring religions together did not start when he was Mayor, but he used the time that he was Mayor to try and use that office to once again demonstrate the great respect that there is in Gibraltar between all religious denominations and all cultures. I cannot
20 think of a more beautiful tribute to him than to say that he did a sterling job and a photographic representation of that exists with all the religious denominations smiling around Momy with the robes of office that you now bear.

Mr Speaker, I have heard Momy described as a local character, I have heard him described as an all-round good egg and I cannot think of Momy ever having stopped me being irate; most of the time he was just happy to be alive – and on Gibraltar whilst he was alive. But there was one
25 thing that would make Momy very, very irate indeed and that was the idea that anybody might get in the way of the Gibraltarians choosing who their sovereign might be and that we might not be able to freely and democratically wish to continue to stay British. That really did bring out the strength of character of the man, whether down Main Street or in the letters of national
30 newspapers, or international newspapers, where he was never afraid to make the point.

He is a man who was proud to have been in the GDF, then the Gibraltar Regiment and now the Royal Gibraltar Regiment, and was always proudly remembering that and demonstrating the service that he had given; and, in that way, demonstrating the service that so many in Gibraltar had given around the world with Her Majesty’s Armed Forces. He was not just proud to have
35 been Mayor, he was not just proud to have been in the Armed Forces, he was above all else a proud father and grandfather and a proud Gibraltarian and this place will miss him.

I would ask that the House observe a minute’s silence on his passing, Mr Speaker.

A minute's silence was observed.

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Hon. Chief Minister: Mr Speaker, I know that Momy had many other friends in this Chamber, and indeed I recognise that the hon. Lady is a relative of Momy, and through her I extend to the whole family the condolences of the Government; and not just of the Government, I have no doubt of all Members of this House, and I am sure others will want to join in tribute.

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Indeed it is my honour and privilege to extend condolences to her and to Momy's family on behalf of the people of Gibraltar. *(Banging on desks)*

Hon. D A Feetham: Mr Speaker, may I start by associating myself with the words of the Hon. the Leader of the House.

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Momy was quintessentially British but he was also Gibraltarian to the core. I think that he was a microcosm of what it is to really be a British Gibraltarian in Gibraltar. But he was above all, Mr Speaker, a very, very close friend of mine and I just want to share with this House one of the most beautiful experiences in my life that involved Momy Levy.

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In 2006, I received a phone call from Momy and he said to me that it was his 70th birthday and he was having a large bash at the Rock Hotel. He said to me, 'I am going to have you at the top table with the Governor and with the Chief Minister, Peter Caruana. It is going to cause me all end of problems but you are going to be on the top table.'

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A few days later I travelled to Toledo with my wife and we went to the Synagogues in Toledo which are now museums – there are two Synagogues. And of course, being in that Synagogue made me think about my friend Momy, and as I was coming out I said to Julia, 'I just do not know what I am going to get Momy for his birthday.' There I am, I am going to be at the top table creating him all sorts of problems and I do not know what I am going to get him for his birthday.

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There is an antique shop just next to the Jewish Synagogue there and Julia said to me, 'Let's go into that antique shop and see what there is.' I went into the antique shop and explained to the owner of the antique shop that I wanted to get something for a Jewish friend of mine, and he said, 'Well, I think I have got just the thing. I have got a silver cover of a Torah, of the Jewish Holy Book, which had been produced in 1850. It had been produced by somebody whose family had been forcibly converted into Judaism by the Catholic Monarchs, somebody who travelled Europe in the 19th Century just copying pieces from museums, coming back to Toledo and then reproducing them in silver in Toledo.' And I said that was the perfect gift.

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I came back to Gibraltar with this gift for Momy's 70th birthday. I opened it in front of him in his office and when he saw it he started crying, and he said to me, 'I have just spent thousands of pounds having a Torah transcribed by hand for my 70th birthday and I did not have the cover for the Torah!' I think that was one of the most beautiful moments in my life, that a chance visit to a Synagogue in Toledo and a chance visit to an antique shop in Toledo had actually made me buy this gift that dovetailed with what was to him an extremely important thing that he had bought for his own 70th birthday.

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Both the Torah and its silver cover are now on display there at Momy's Jewish Synagogue. I think it is one of the moments in my life where if I felt that there was something like destiny that was it, and I think it illustrates the strong bond and the friendship that I held with Momy. He will certainly be sadly missed by me, as I know he will be sadly missed by a lot of people here in Gibraltar, and may his soul rest in peace, Mr Speaker. *(Banging on desks)*

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Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, I would like to add a personal tribute to the words that have already been spoken.

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Momy was I think one of Gibraltar's great characters. He was a personal friend and also a family friend – my family and my parents – so he is somebody we have known for very many years. I think it is a mark of the affection and the regard with which he is held by the community

90 generally, that the event that was held at Grand Battery to mark his birthday a few months ago was so packed and so well attended by all sectors of the community.

I know that, as a present, my wife painted a portrait of him and my daughter painted a lesser, smaller portrait and I know that he appreciated them both because he stopped me only a few weeks ago to remark on how much he was touched by the fact they took the time to actually
95 paint pictures of him.

He was a person who was larger than life, I think. He had a genuine passion for Gibraltar and a passion for Her Majesty the Queen in particular. I remember the huge banner he had outside his office to mark the Jubilee of Her Majesty the Queen a few years ago.

I think he will leave a huge gap to those who know him and particularly, obviously, to his
100 friends and certainly to his family. I would like to add my most sincere condolences on his loss.
(*Banging on desks*)

Hon. E J Reyes: Mr Speaker, sir, may I at a personal level as well make a contribution in memory of our friend, Momy.

105 It was in the mid-1970s, where a very young Captain Solomon Levy was serving in the Volunteer Reserve Branch of the Gibraltar Regiment and, much to Momy's amazement, the MOD in its wisdom disbanded the Heavy Troop – that is the big 9.2-inch guns in the Upper Rock. But Momy was Momy and therefore the Regiment really wanted to find a role for him and they gave him a more admin task in making him the PR Officer for the Gibraltar Regiment.

110 So on trainee evenings like Thursdays, Momy would have to report to Regimental Headquarters, where I was a junior NCO at the time, and he in a typical Momy style came along with his hand of friendship and said, 'You know, we officers are just the show part, it is you ordinary soldiers who are the ones that are real workers.' He said, 'As my introduction of friendship to you ...', and he introduced me to the first of many cigars which became a very
115 regular thing on a Thursday evening.

Momy, being of the Jewish faith, had a strict dietary requirement, that is after dinner he could only have black coffee, without milk; but the cookhouse would only produce ready-made coffee with milk and so on. So in exchange for a cigar I used to secretly feed Momy his coffee every Thursday evening.

120 Of course, as Mr Speaker knows, like us he was a supporter of the Arsenal Football Club, (**A Member:** Very much.) for good or for bad, like in a marriage. But Momy, despite his love for the Queen and everything, he even found a spot outside his offices to have the Arsenal banner so I hope it will stay there for many, many years to come.

As a last memento, only a week ago, Minister Sacramento and myself were in attendance at
125 the CPA Conference just on the South Bank of Westminster. During the formal dinner on the Wednesday night the slides were coming up on the screen showing all the different participating countries and when it came to Gibraltar's turn, not only was there a picture of John Mackintosh Square which showed this Parliament and City Hall where Momy, during his ten years as Mayor had his seat, as such, but there was one particular photograph – a close-up of Momy dressed in
130 his Gibraltarian colours.

So unknown to all of us, that is the memory that I wish to treasure, Momy through and through a Gibraltarian and a loyal subject to Her Majesty. May he rest in peace. (*Banging on desks*)

135 **Hon. Ms M D Hassan Nahon:** Mr Speaker, today Gibraltar has lost its most loyal Briton and Gibraltarian. Momy Levy has worn every hat that there is to be worn to represent Gibraltar. First Civic Mayor, Justice of the Peace, Chairman of the Jewish Community Association, Royal British Legion President, auctioneer, estate agent, and the list goes on and on. But what people will remember him most for was his love for his community and his desire to bring it together. This
140 was his passion and his strongest mission statement during his time as Mayor.

Momy was Gibraltar's true ambassador. His family and friends will miss him dearly and I think it is safe to say that Gibraltar will be a lot emptier without Momy walking up and down Main Street. His radiant smile and his larger-than-life personality will be sorely missed.

145 For me, I have lost my eldest first cousin and my father's eldest nephew who supported and loved him like a son throughout his life and his career. I spent my childhood in his house which was a haven for me, away from the busy politically charged household I lived in, where I would move from the political world to the world of soldiers and the pride for the Crown.

I take with me the warmest memories of my dear cousin, who will be sorely missed.

150 His Excellency the Governor gave me some words a few moments ago which I would like to share with this House, 'A true and fabulous British Gibraltar gentleman that has given us so much and now he leaves *us* with the example to follow.'

Rest in peace, my dear cousin and passionate Gibraltarian, Momy. (*Banging on desks*)

155 **Mr Speaker:** Momy Levy was a man of deep and profound faith. More than once he told me that he was still waiting for the coming of his Messiah, and I have no doubt it is my firm conviction as a believer, something that I share with him, that earlier this afternoon he came face-to-face with his Creator.

160 I had a lot of regard and affection for Momy, as we all did, but there is something above all that I also had for him and that was great admiration. Great admiration about the way that he bore his very serious illness with all that chemotherapy implies, and also by the way in which he also faced life as one must, having lost a daughter as he did.

This evening at his funeral, I will also paying a tribute to him by my presence wearing that other hat which he also wore, that of Mayor of the City of Gibraltar. (*Banging on desks*)

165 **Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):** Mr Speaker, I imagine you and I are the ones – other than his family – that shared most of what Momy represented in Gibraltar. He was there when we started in 1972 and it is difficult to think of Gibraltar without Momy. He has been an omnipresent individual in our community; and the one thing that can be characterised above all else is that his views on the relationship between Gibraltar and the United Kingdom, and his commitment to ensuring that there would be no betrayal of our relationship with the UK by people in London, was there from the first day I met him to the last day I spoke to him. It has been a constant theme in his life.

175 There are so many things that he did that other Members can point to, but in the area where we are all committed to defend Gibraltar's rights, the rights of the people of Gibraltar and the relationship with the UK, he was the one that did that almost as a one-man operation, single-minded, never-ending, telling everybody – you could not cross his path ... And if anybody came here in any delegation, CPA or whatever, the one person they remembered when they left, and I am sure have never forgotten since, was Momy.

180 Gibraltar has lost a fantastic advocate and I doubt that we will ever have anyone like him again. So may he rest in peace and I am sure that his family are consoled by the knowledge of how much we all loved him. (*Banging on desks*)

185 **Mr Speaker:** I think it would be appropriate if the *Hansard* of these expressions were to be conveyed to his family. We will arrange for that to happen.

Hon. Chief Minister: Mr Speaker, I agree and I think that what we have seen today is a rare moment of true unity in this House, which I think is therefore a demonstration of the value in which Mr Levy was held by all.

**Employment issues –
Statement by Hon. J J Bossano**

190 **Mr Speaker:** Before I call on the Chief Minister, I think the Hon. Mr Bossano wished to make some clarification arising from a question.

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):
195 Yes, Mr Speaker, the Leader of the Opposition raised, when we were dealing with employment issues in Question Time, a particular case that he had asked me to look into and which I thought had been resolved.

I undertook to go back and check and I am glad to say that in fact I was right that he had already been seen and found employment, and that the only delay was because we are using EU funding in his case. What I have been told is that he actually started work yesterday.

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Hon. D A Feetham: Mr Speaker, I am very grateful to the hon. Gentleman. In actual fact, that same afternoon after Question Time, the gentleman in question sent me a message telling me that he had been called up and that he was starting the next day. So I do not know whether it was as a consequence of the hon. Gentleman's statement, or whether it was already in the pipeline, but he started the day after the exchange that we had. I am very grateful to the hon. Gentleman that he has been able to employ this young kid just before Christmas, because really he was having a very, very tough time. I commend the hon. Gentleman for his kindness.

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Order of the Day

GOVERNMENT MOTIONS

Standing Order 19 suspended to proceed with Government Motions

Clerk: (ix) Order of the Day – Government Motions. The Hon. the Chief Minister.

210 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move the motion standing in my name which is as follows.

I beg to move under Standing Order No. 59 to proceed with the suspension of Standing Order No. 19 in order to proceed with Government Motions.

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

Select Committees on Parliamentary Reform, Constitutional Reform and 'Brexit' – Amended motion carried

Clerk: The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move the motion standing in my name which reads as follows.

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'THIS HOUSE:

RECALLS the establishment of Select Committees on Parliamentary Reform, on Constitutional Reform and on the UK and Gibraltar's planned departure from the EU known as "Brexit";

HEREBY notes that the composition of these Select Committees shall now be as follows:

(a) in relation to the Select Committee on Parliamentary Reform, the appointment of The Hon F R Picardo, The Hon Dr J J Garcia, The Hon N F Costa, The Hon S Sacramento, The Hon D Feetham, The Hon R Clinton and The Hon M Hassan-Nahon;

(b) in relation to the Select Committee on Constitutional Reform, the appointment of The Hon F R Picardo, The Hon Dr J J Garcia, The Hon G Licudi, The Hon J J Bossano, The Hon D A Feetham, The Hon E Philips and The Hon M Hassan-Nahon;

(c) in relation to the Select Committee on "Brexit", the appointment of The Hon F R Picardo, The Hon Dr J J Garcia, The Hon Dr J Cortes, The Hon A Isola, The Hon D Feetham, The Hon T Hammond and The Hon M Hassan-Nahon.'

Mr Speaker, this motion is a motion simply providing the names of those who will serve on the Select Committees that have already been established and I have given notice that I intend to move an amendment to limb (b) of the motion which is to replace the Hon. G Licudi where that names appears, with the Hon. Dr J Cortes, given that when we have looked at the possibility of setting the first meeting and looked at the diaries for next year, and given that Mr Licudi now holds the portfolio of Tourism which requires him to travel considerably, and conversely the Hon. the Deputy Chief Minister and I tend to travel together, it was starting to become very difficult indeed to find dates when we would all be in Gibraltar.

So with reluctance we have had to agree that Mr Licudi will not be able to serve as a named member of that Committee. As all members of the Government they will be able to provide input in the context of the work of that Committee, but it is therefore going to be Dr Cortes who will also form part of that Committee with Dr Garcia, with myself and with Mr Bossano on behalf of the Government.

Other than that, this is just a naming motion to set out who will serve on those Committees.

Mr Speaker: Without further ado, I am going to put to the House the Chief Minister's amendment, namely that in paragraph (b) the name the Hon. G Licudi be deleted and substituted by the Hon. John Cortes. Those in favour? (**Members:** Aye.) Those against? Carried.

Does anybody wish to speak on the Chief Minister's motion? Okay. I will therefore put the motion in the terms moved by the Hon. the Chief Minister. Those in favour? (**Members:** Aye) Those against? Carried.

PRIVATE MEMBER'S MOTION

Public sector senior executive pay – Amended motion carried

Clerk: Private Member's Motion, 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 that the Government in the 2016/17 Budget estimates indicated that both the office of Chief Secretary and the office of Principal Auditor were to be awarded pay increases of 28.21% from £123,219 to £157,978 each.

This House further notes that other office holders originally on the same pay scale namely the Attorney General, the Financial Secretary, the Commissioner of Police and the Chief Technical Officer have been given the standard civil service increase of 2.75% in 2016/17 from £123,319 to £126,608.'

I think there may be a typo there, it should be £123,219.

'Notes that the Government has in recent months created a department for Public Sector Efficiency and such an award seems inconsistent and potentially inflammatory to the wider Civil Service.

Calls on the Chief Minister to explain to this House why the offices of Chief Secretary and Principal Auditor merits pay increases that equate to more than ten times that of the agreed Civil Service pay award of 2.75% in 2016/17.'

250 Mr Speaker, the subject of senior executive pay, whether in the Government sector or private sector is rightly an area of public concern and public interest. Invariably the UK press has focused on the pay of FT100 Chief Executives who it is said can earn more than 129 times the average UK annual salary.

255 Mr Speaker, it is an area of focus to the extent that Theresa May herself pledged that she would consider the findings of a high pay centre, which is a UK think tank monitoring pay at the top of the income distribution scale. The political thinking of this group is that the growing gap between rewards for those at the top and everyone else is hard to justify at a time when economic uncertainty is intense and UK corporate performance mixed.

260 We live in increasingly uncertain times and the concerns in the UK and elsewhere on the level of executive pay relative to the average worker is just as relevant in Gibraltar, especially as regards the public sector and its most senior grades. The question as to the management of senior pay awards in our Civil Service only came to my attention during the Committee Stage of the 2016/2017 Appropriation Bill debate on 8th July when I asked the Chief Minister if it was correct that the Chief Secretary was getting a pay rise of 28% from £123,219 to £157,978.

Mr Speaker, the Chief Minister's response as per *Hansard* paragraph 295 was as follows, and I quote:

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 are 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 continue:

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 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.

265 Mr Speaker, I wrote to the Chief Minister on 31st August 2016 asking for that information justifying the 28% pay rise, not just as it first appeared to me for the Chief Secretary, but also for the Principal Auditor. Alas, Mr Speaker, despite reminding the Chief Minister in this House of unanswered letters as recently as 24th November this year, I still have had no response and thus I have seen fit to bring this motion to the House to elicit a response.

270 Mr Speaker, let us put into context these two senior Civil Service pay rises. As per the GSLP Liberal Manifesto on page 13, the public sector pay increases agreed historically were described as follows: 2.7% in 2012/13; 2.9% in 2013/14; 2.5% in 2014/15; and 2.75% in 2015/16. With inflation running at around half a percent at the time of the Budget, the 2016/17 increase of 2.75% was, of course, above inflation.

275 The increase in the minimum wage for the private sector announced during the Budget was just half a percent or barely just inflationary. And again, Mr Speaker, to put this into context in the wider world, the Korn Ferry Hay Group 2017 global salary forecast, which was published only recently on 6th December this year, was that for workers around the world it would see a real wage increase of 2.3% – which, to be fair, more or less matches that for the public sector in
280 Gibraltar of 2.25% after we adjust for inflation.

Mr Speaker, the 2015 Employment Survey reports the average gross earnings in Gibraltar as of October 2015 as being £28,090.78. Against this backdrop the percentage increases for these two senior grades seems out of line by a factor of ten for the public sector and represents a ratio of 5.6 times the average Gibraltar salary.

285 I have undertaken an analysis of the pay awards for seven of the most senior civil servants and the Chief Justice going back six years including 2016/17. The results were revealing and, Mr Speaker, I have available copies that with your permission I would ask the Clerk to distribute. It will be easier for Members to have these numbers in front of you when I talk about them.

Thank you, Mr Speaker and thank you to the Clerk.

290 This analysis which I have extracted from the Annual Estimates Books clearly shows that seven senior civil servants were on the same pay grade since 2013/14. Namely, the Chief Secretary, the Principal Auditor, the Attorney General, the Financial Secretary, the Commissioner of Police, the Puisne Judge and the Chief Technical Officer in the sort of grid referred to by the Chief Minister in the *Hansard* of July this year.

295 Mr Speaker, what I find puzzling is that if the Chief Secretary argued as the Chief Minister stated, that his pay had to increase because it was the same grade as the Principal Auditor, then why not the other five including the Financial Secretary, Attorney General, Commissioner of Police, Puisne Judge and the Chief Technical Officer who, this year, just obtained the public sector standard increase of 2.75%? Are they no longer on the grid, somehow less worthy civil
300 servants and downgraded relative to the Chief Secretary and the Principal Auditor?

Mr Speaker, what is the merit for a 28% pay rise in this day and age? Do these two civil servants have recently increased responsibilities or have they perhaps committed to markedly increased productivity over and above that expected of their grade? Who benchmarked these salaries, and against what? These two Civil Service grades at £157,978 now earn more not just
305 than our Chief Minister who earns a paltry £132,696, but also that of the UK Prime Minister who, it was reported in *The Times* today, she earns £149,440. How is this justified? They also earn more than the Chief Justice who gets a miserly £135,771 in comparison. The margin of increase over and above the public sector pay increase of 2.75% which equates in real terms to an amount of £31,370 *each* would pay, together, the annual salaries of at least two teachers or
310 three nurses.

Now, Mr Speaker, the Chief Minister makes reference to promises made by the previous Chief Minister and yet, if true, it has taken him five years to implement. Why is that, I ask? Now, there is obviously a lack of transparency in the pay award process at the very top of our Civil Service and it may be that this Parliament should consider introducing some form of semi-
315 autonomous body to make recommendations to Government on pay awards and benchmarking and performance targets for the most senior grades, since we have obviously moved beyond parity.

Mr Speaker, we could perhaps be persuaded by the Chief Minister that the incumbents deserved the increases because they are jolly nice fellows and they were about to retire anyway.
320 But, Mr Speaker, from my reading the Estimates Book, these are not personal to holder awards. These are a permanent change in the pay structure that will benefit future holders and distort

the sacred grid at the top of the Civil Service. But I could be entirely wrong because I have read today in today's *New People* – my favourite publication, which the Chief Minister assures me always speaks the truth – and I quote:

Roy Clinton is moving a motion this week on the pay rise of the Chief Secretary, etc. We understand that these arrangements are personal to holder to the individuals.

325 So, Mr Speaker, I have seen no evidence of that in the Estimate Book and certainly the Chief Minister made no reference when I first asked about it, but maybe we will hear more about that in due course.

But I have gone through the Estimates Book on the appendix pages and there are 19 grades which are quite clearly marked PTH or 'Personal to Holder'. There is no such marking against the Chief Secretary or the Principal Auditor. And so in the absence of any contrary evidence, I can only assume that these are permanent changes in pay grade for these particular posts.

330 Now, Mr Speaker, I have had occasion to read the UK Guidance on Civil Service Pay for 2015-16 and it had this to say in respect of senior staff under Section 5.4 of Appendix B and I quote:

Senior civil servants ... are not included within the civil service pay guidance. However, senior staff have an important leadership role in demonstrating the need for pay decisions to follow public sector pay policy. Therefore any annual pay increase or decision to award performance-related pay to such staff must be considered alongside and according to the same principles as the pay remit of the rest of the organisation.

Mr Speaker, I repeat, 'according to the same principles as the pay remit of the rest of the organisation' – 28%, 2.75%, I do not know that they are the same. The public sector pay award of 2.75% for 2016-17 and these two grades have obtained 28.21%, ten times more. Are these really awarded according to the same principles?

335 And so, Mr Speaker, it would appear that some civil servants are more equal than others when it comes to the senior grades. The sole decision on pay awards would appear to be in the Chief Minister's gift. In the glaring light of the newly created Department of Public Efficiency, the taxpayer needs to be assured of the added value to the public service that these 28% pay rises will afford. Such awards seem inconsistent and in fact potentially inflammatory to the wider Civil Service, if not the public.

340 So I bring this motion to the House not in any form of censure, but a request for transparency from the Chief Minister as to the merit of these 28% pay awards which this House needs to know, the taxpayer has a right to know and the public wants to know.

And so, Mr Speaker, I commend my motion to the House. (*Banging on desks*)

Mr Speaker: I now propose the question in terms of the motion moved by the Hon. Roy Clinton. Does anyone wish to reply?

The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Well, Mr Speaker, I have never in the time that I have been in this House read, or rather heard, such an unveiled imputation of ill motive to senior civil servants as I have in the context of what I have heard today; because the hon. Gentleman may want to go back and reflect on some of the ways that he has put his motion.

355 I will accept of course that he has not had a detailed answer to his letter, but to have jumped from that to the things that he has said during the course of this intervention about the two most senior civil servants in the hierarchy of the Civil Service is really quite something.

360 In fact, Mr Speaker, this is a strange attempt to single out individuals. Strange, because I do not think in the history of the House there has been such a spotlight shone on a particular set of individuals, these two individuals. The post holders, of course the hon. Gentleman will say, are not the people he is concentrating on, he is concentrating on the posts, but he has attempted to zero in and magnify that issue. He has done so on the pretext that he is attempting to ensure

365 that something which might be inflammatory to the Civil Service should not occur, when in fact what he is doing is trying to light the match of inflammation under the Civil Service.

Now look, Mr Speaker, if he wants to do that it is perfectly alright, it is a matter entirely for him, but he should not pretend to be doing the opposite. He should be getting up here and say, 'I want the Civil Service to revolt against these two salaries', because that is what he is attempting to do, and he should not try and hide behind a veil of pretence that he is doing otherwise. But he does so from the position of defending a political party that gave willy-nilly 16% pay rises on the basis not of the whim of the former Chief Minister, but on the cusp of a general election. As far as I know, Mr Speaker, Mr Clinton is not someone who has joined the GSD in the last few years; Mr Clinton has been a card-carrying member through thick and thin from the days of 23% to the heady days of just about over 50%, and Government and not Government.

Therefore during the General Election campaign of 2011 he was very much a part of the GSD – in fact I understand he was not thrown out of Europort for reading the *New People* until well into that campaign. And the 16% pay rise given to GJBS after the General Election had been called on a visit of the former Chief Minister to their premises was not done just as a whim, it was done in utter desperation. But there had been previous 12% pay rises given on the creation of authorities and agencies, and nobody from that side of the House got up and said when they were in Government, 'This is an inflammatory measure in respect of the rest of the Civil Service.' No, no, in those days double-digit pay rises were a very good thing in the interests of the Taxpayer.

Today's article in *The Times* that the hon. Gentleman refers to, Mr Speaker, sets out the pay for the Prime Minister of the United Kingdom and he is right to say it is £149,000. It also sets out – and the reason for the article – the pay of two senior political advisors, not civil servants, which is £140,000. It also sets out – but it is not in his interest to make his case and that is why he has not told you, Mr Speaker – that there are 400 members of the public service in the UK who earn more than the Prime Minister. Some of them as much as £275,000 because they are experts in their field, but that does not fit into what he wants to try and conject today so he does not pretend to have read that part of the article, Mr Speaker. I can guarantee him it is there, I read it this morning on the Privy Council.

The fact is that when he comes here and talks about prudence, the only prudence he can represent is the prudence of the party opposite, the prudence of the GSD as he represents it, and that is what we are going to look at this afternoon. That trail of alleged prudence which is in fact a trail of Hansel- and Gretel-like treats and largesse and excesses which will lead us to the pay of the Principal Auditor and the Chief Secretary as it is today.

It will then lead us to where it will be in the future and will perhaps lead him, Mr Speaker, to that other 'p' – patience. Because he might in future want to wait for an answer to his letters, unless of course he thinks because he sends his letters with little stickers that say 'Urgent Parliamentary Business'. I mean if something is urgent you tend to get it electronically these days, Mr Speaker, not brought by a donkey to your front door.

There is some very urgent parliamentary business going on and that is the small matter of the United Kingdom having decided to leave the European Union and, since 31st August, I have been dealing principally with that issue and not with satisfying his desire for bean-counting data that he can go away and add to his abacus. But I am going to tell him all the things that I would have put in that letter if I had had time to reply to it.

Mr Speaker, I was going to start telling the House a story of what happened in 2006 in the Gibraltar Health Authority. In fact, the hon. Gentleman's speech has enticed me a little further back to 1998, I think, when this House dealt with a motion on Members' remuneration. Everything we have heard is about executive pay and how you set executive pay and all the rest of it. The hon. Gentleman has not reflected on what some non-executives get paid ... aka *them* and the Leader of the Opposition, none of which are executive positions by any stretch of the imagination.

Mr Speaker, if the hon. Gentleman cares to produce a grid like the one he has produced this afternoon that looks at the pay of Members of this House before the GSD arrived and the pay of Members of this House once the GSD was in office by a motion changed by them here, I think by his standards of 'brown-hair-shirtiness' he would be scratching all afternoon.

Mr Speaker, the pay of the Chief Minister when Peter Caruana brought a motion to this House, a motion which is now on the website of this Parliament, saying it was not enough, the pay was £41,175, it had been less when Joe Bossano was Chief Minister but by then it had gone up to £41,175. It went up as a result of the motion in this House overnight and contrary to the vote of Members from the GSLP who were opposite, it went up to £56,000. Not overnight, over a show of hands where the people who got the pay rise were the ones who voted in favour of it – a 36% increase. That is the prudence he represents in this House. That is the prudence that Members opposite represent in this House, except of course for the hon. Lady who cannot be fixed with those sins.

Ministers, and it is widely recognised that the first GSLP Government was one of the most motivational and aspirational that changed Gibraltar; and even the greatest Gibraltarian of all time, as the Leader of the Opposition sometimes calls him, recognised in his last speech here that Joe Bossano had transformed the Gibraltar economy with his team of Ministers after 1988. Well, that transformation was carried out for a sum that would have been less than, but in the region of, £27,450 each of them.

The morning after the GSD's vote in this Parliament against the GSLP, that salary went up to £42,000 an increase of 53% a few hundred times – *a few hundred times* – the increase granted to the Civil Service in that year. Of course this largesse was not limited just to the Government, this was a largesse for everyone in the House. The Speaker went from £20,500 to £21,900 an increase of 6%, and Opposition Members went from £13,735 to £15,000 an increase of 9%. Well, I suppose not bad if you can get it, Mr Speaker, but hardly 36% or 53%. And that is the prudence that the GSD represents, that the hon. Member is defending in this House, and that I am now going to deal with.

I was going to start in 2006 as I said, but I thought it was important for the community to be reminded of who it is that is now making speeches about pay rises, and what they consider to be excessive, although they pocketed 36% for their top bloke and 53% *each* for their Ministers. Inflammatory to the Civil Service you might have thought, Mr Speaker. Yet the salaries in question today are salaries, which this House unanimously voted for in the Budget and in the estimates in July.

So Mr Clinton is giving a speech about something he voted for. He has in fact this afternoon spoken against something that he voted for. If we go back and look at the *Hansard*, Mr Speaker, we will find that the Opposition did not vote against the estimates or the Appropriation Bill, did not vote to abstain on the Appropriation Bill, they voted in favour of the Appropriation Bill and it was the Appropriation Bill that approved that figure. So it is not the Chief Minister who is the only arbiter of what these salaries should be, this House voted unanimously that that should be the salary going forward. He did ask me for an explanation, but he voted in favour of it, Mr Speaker.

Now, before I get into the substance of what I am going to say next, I think the best way to ensure that the House understands the argument is not to give it a grid but to give it an amended motion. If the usher could kindly distribute these to hon. Members, I am moving an amendment to the motion which I will read out to the House and which will explain the argument that I am going to make. I will wait for Mr Speaker and Members to have it. I think Members on this side have not yet had it. There we are.

Mr Speaker, I am going to move that the motion should be amended by the deletion of every word after 'This House', and the inclusion of the following words therefore:

'This House considers it is appropriate to set in context the increase in salary of the Chief Secretary and Principal Auditor.'

Notes and entirely condemns the decision of the GSD when in Government to raise the salary of the top official at the Gibraltar Health Authority from £55,986 in 2004 to the sum of £106,000 plus rent and rates amounting to £8,549 which was paid by the Gibraltar Health Authority, paid to Dr David McCutcheon when he was recruited in 2005 which amounted to a percentage increase in remuneration of 104.6%.

A Member: And entirely useless.

Further notes, that on that salary, the GSD further agreed that Dr McCutcheon should be taxed at the reduced special rate applicable to the taxation category of a higher executive possessing specialist skills, PEPS.

Additionally notes that this sum did not include the cost of annual return flights to Canada for Dr McCutcheon and his family which may be quantified as a further sum of several thousand pounds per annum.

Considers that the creation of the role of the Chief Executive Officer of the GHA added cost but no other value to the front line of care affecting patients and nurses, doctors, consultants or allied health professionals.

Welcomes the approach of the GSLP Liberal Government in reducing the pay of the Chief Executive Officer of the GHA when the post was taken by a civil servant, by 15% to £133,770 upon the departure of Dr McCutcheon in August 2012 when the latter was earning £153,713 being a salary of £144,164, plus rent and rates amounting to £8,549, totalling the £153,713 which would have amounted to a 174.5% increase in salary from the former remuneration of the most highly paid official in the GHA whilst in addition continuing to be taxed at the rate applicable to the taxation category of a higher executive possessing specialist skills and having annual return flights to Canada for himself and his family. (Hon. N F Costa: Que poca verguenza!)

Notes that it has also long been historically agreed under successive administrations, that the Principal Auditor was an officer that should be pegged at the same salary as the Chief Secretary and further notes that the agreed position changed in 2003 when it was agreed by the former GSD administration that the Chief Secretary would be the highest remunerated officer in the Civil Service by a 4% differential from all other Civil Service officers including the Principal Auditor.

Recognises that in agreeing that the salary of the Chief Secretary and the Principal Auditor should be above the already reduced salary of the civil servant who became the Chief Executive Officer of the GHA, the GSLP Liberal Government has been giving effect to a historical agreement.

Further agrees that it is right that given the retirement of the last Chief Executive Officer of the Gibraltar Health Authority, that the said post should not be replaced and that any necessary legislative changes be effected as may be required in this respect and therefore considers and accepts as absolutely correct, the decision of the Chief Minister that the adjusted salary of the Chief Secretary and Principal Auditor should revert upon the retirement of the existing post holders, to that formerly provided for as annually adjusted and which will then once again be at those rates, the highest remunerated officers in the Civil Service.

And condemns the insensitive and improper statement on the City Pulse programme on the Gibraltar Broadcasting Corporation by the Leader of the Opposition, that the sum of £59,831 which is the salary paid by him, to him, is tantamount to a part-time salary for a full-time job, given his commitment is on average to be in Parliament no more than 30 days a year which results in a remuneration of approximately £2,000 per day or, in this calendar year 2016 when the House has met only on 20 full days, although he was absent on some occasions, approximately £3,000 per day.

And therefore considers an unpardonable insult to those who work in the public sector every working day of the year for lower remuneration, the statement by the Leader of the Opposition as to his almost £60,000 salary.'

Well, Mr Speaker, in that very fully argued amendment, hon. Members will see the reality of what happened and where the link is occasioned. They imported to the Gibraltar Health Authority a Chief Executive who was paid an eye-watering 104% more than the person he replaced. Not 28% – we have heard what 28% is, we have heard all sorts of adjectives describing how huge 28% is. Well 104% is almost four times 28%, so four times – yes sure, yes work it out, get the calculator. Because it must be four times worse, Mr Speaker, four times worse than everything that he has said.

But, Mr Speaker, not for the Principal Auditor and for the Chief Secretary, for a new post brought in above everyone else and frankly a post that it is absolutely right we should discontinue. The existence of a Chief Executive in the Gibraltar Health Authority has added nothing but cost, but it has added nothing in the context of front line care for patients and assistance to professionals, nurses, doctors, consultants and those allied health professionals who should be getting the resources of the Gibraltar Health Authority. And by the time that person left, his salary would have been 174.5% more than the amount of the person he replaced. Why do I say that, because of course all salaries would have gone up at the time, because the only way you can get to a 28% increase, Mr Speaker, is if you do the calculations wrongly, incorrectly, and you do not apply to the other categories of salaries which you are comparing, the 2.5% or the 2.75% increases.

Mr Clinton has taken the figures he wants and compared them to the salaries he wants and not in the year in which he should have compared, if he had he would have realised that he would have worked out a 24% increase not a 28% increase, and 104% is *more* than four times 24, Mr Speaker. Perhaps a calculator might assist him with that also.

In June 2012 I met with the Chief Secretary and the Principal Auditor, so in other words it is not that during a General Election campaign I went to their offices, I told them all I loved them and gave them a 16% increase. It is that they had been asking to see me and I agreed to a meeting. The request for the meeting had come about by the fact that the Chief Executive of the GHA had become a civil servant. A civil servant had taken the post and therefore the commitment which they had from third parties, from the former Chief Minister in particular, and historically from even before the first GSLP administration, then kicked in.

In fact I am reminded that there were instances in the Department of Education, where some officer's salaries had been frozen, because if they had not been frozen they would have gone above the Chief Secretary, Principal Auditor, Financial Secretary and one other, I will come to that in a moment – and the Attorney General. Mr Speaker, this is therefore an entrenched principle and one that I was persuaded had to be respected. The four posts, Mr Speaker, were that of Chief Secretary, Financial Secretary, Attorney General and Principal Auditor, only two of those are presently not on contract. Only two of those are presently civil servants.

So we were able to agree looking at the salaries as they were, the £133,000 plus the on-call allowance, that after the increase of 2.75 in that year would be close to over £145,00 I believe, and the additional four percentage point differential between the Chief Secretary and others, that the salary should be pegged at £150,000.

Mr Speaker, the concession that the Chief Secretary himself should have a 4% differential between him and the next senior civil servant – the next group which was Principal Auditor, Financial Secretary and Attorney General – was a concession not extracted from me, or indeed from Joe Bossano. In fact, Mr Speaker, my abiding memory of a good photograph of Joe Bossano is him clutching a banner which says 'No Concessions', so you are unlikely to ever get a concession from him, in particular, on pay.

That concession was made in 2003, and in case hon. Members have not worked it out in 2003 it was the GSD that was in Government. So you have a historic situation where four are agreed

515 to be at the top of the pegging order of salaries in the Civil Service and a GSD situation where
the Chief Secretary earns 4% more and the GSD situation where they bring in a Chief Executive
at 104% more than the previous incumbent, and then a civil servant taking that post with a
520 reduced salary under the GSLP Liberals. So if you just keep that picture in your mind, Mr
Speaker, all of the increases are agreed by the GSD, the hammer falls with the GSLP Liberals and
the salary of the Chief Executive of the Gibraltar Health Authority goes down under the GSLP
Liberals but a civil servant takes the post. Therefore the commitments to these gentlemen kick
in.

So again, not just the Chief Minister, but the Chief Minister in consultation with the Chief
Secretary and Principal Auditor who sought the meeting, and with full disclosure to the Attorney
525 and to the former Financial Secretary and the Financial Secretary, agreed to peg the salary of
those civil servants at £150,000 at that time and the figure quoted now by the hon. Gentleman is
that figure with the increases since then. Because of course the book for this year does not carry
increases because the increase is calculated in August. So if he goes to the book which is the
Draft Government of Gibraltar Estimates for 2016-17 he will see that that figure does not carry
530 the 2.75% increases.

So, Mr Speaker, cut forward to a date after August, in fact probably less than a month and a
half ago when we receive the news that the current incumbent, a civil servant, of the post of
Chief Executive of the Gibraltar Health Authority wishes to retire. The House will be very happy
to know and will have seen from my amendment to the motion, that the Government has taken
535 the decision that we will not replace the Chief Executive of the Gibraltar Health Authority for all
of the reasons that I have already indicated, and I have already hinted that it may be necessary
to make an amendment to a piece of legislation which creates the post in order to ensure that
we are able to remove it.

The situation you have is that, with a civil servant taking the post of Chief Executive, the
commitment to these civil servants that they will earn the most kicks in, the Chief Secretary has
540 a 4% differential but importantly – *importantly*, and to the great credit to the person who is
presently in the post of Chief Secretary, a man known to all of us and highly appreciated by
every Member on this side of the House at least – he says, ‘I am prepared to forego this 4% lead
because I consider that the role I discharge under the new Constitution is as important as the
roles discharged by others.’ And so, when the hon. Gentleman sees the Principal Auditor and the
545 Chief Secretary earning the same, already the Chief Secretary has foregone a further 4% in doing
so.

And so, Mr Speaker, having been accused of so many things in the context of the hon.
Gentleman’s speech, I am left thinking, ‘Well, hang on a minute, what has really happened
550 here?’ What has happened here is that when they took the reins of Gibraltar in 1996, the first
thing they did was put up their salaries, Ministers by 53% and Chief Minister by 36%. They took
the Gibraltar Health Authority and added to the cost of it by taking somebody who earned
£55,000 and putting their salary up 104% and then increased that until the increase in salary was
about 174%. Wow, that must surely have been inflammatory to the Civil Service.

555 We then arrive ... oh, by the way, they agreed a 4% differential for every Chief Secretary
going forward, and we have all inherited from the mechanisms that were in place and the
structure of the Civil Service that these four postholders should be the four highest paid, and
they then give a distinction to a Chief Secretary.

560 So what is it that I am guilty of, Mr Speaker? I am guilty of giving effect to historic agreements
that every Chief Minister has given effect to. I am guilty of accepting the Chief Secretary
honourably handing in a 4% differential which the former Chief Minister had awarded them. I
am guilty of reducing with my parliamentary colleagues – John Cortes was the Minister for
Health at the time – the pay of the Chief Executive from over £150,000 down to £133,000.

565 I am guilty therefore, of accepting a calculation done not by the length of my foot on the
shop floor of a company the days before an election, but by the Principal Auditor – *by the
Principal Auditor*, Mr Speaker – with the consent and oversight of the current and former

Financial Secretary and the Attorney General, none of whom had anything to gain because I will come to the book in a minute; and now, having saved the GHA at least £20,000 in respect of the salary of the Chief Executive, getting rid of the post and being able to say now that the post goes, the two postholders that were civil servants that held the issue of having the right under the agreements done previously to be paid the same or more than the highest paid civil servant, will revert when the current incumbents leave the post to the salary scale that would have been their salary scale which is Attorney General, Financial Secretary, Principal Auditor and without differential – *and without differential*, that is the humility of the man – the Chief Secretary. That salary will be £130,000 which is the salary set out for Attorney General and Financial Secretary in the book, plus the 2.75% increase which is calculated in August, not before. So the four will be back to where they were.

Now, Mr Speaker, salaries have gone up in Gibraltar, we are at parity plus, but that was not of our doing, that was of their doing and they persuaded us that in the interest of the Gibraltar economy it was a good thing. But I hear that the Hon. Mr Clinton is in effect telling us that parity plus seems to be a bad thing, that he thinks salaries are too high. Well, Mr Speaker, that may be his position, that may be his position and I would be interested to hear what he has to say.

But, Mr Speaker, all of this self-flagellation that salaries are too high from the party that brought the motion to raise *their* salaries by 53%; and if they come back at me, Mr Speaker, saying, 'Well, that was 1998, that was not us, that was the old GSD not the new GSD' – because one no longer knows which GSD one is dealing with, even when one has them sitting in front of one!

I was put in mind of a quote I cannot quite get rid of, Mr Speaker, and in order not to be unfair to the Leader of the Opposition, I thought I would get the whole quote out. But what we have heard today from Mr Clinton, we have heard from the GSD led by Daniel Feetham the current GSD, the new GSD, that does not like the things that were unpopular about the old GSD, but likes the things that they think were popular. So if he is going to tell me that he would not have agreed with the salary increase, I am going to read him what the Hon. the Leader of the Opposition said on *City Pulse* and why it is therefore absolutely apposite and relevant that it should be in the amended motion because that is absolutely and without doubt certainly inflammatory to the rest of the public sector and to the Civil Service as a whole.

Johnathan Sacramento was having a chat with the Hon. the Leader of the Opposition. Mr Sacramento has now become the News Editor of GBC for which he has no doubt been congratulated. I have congratulated him personally, but I take the opportunity of putting on the record of *Hansard* my congratulations to him. He said this, 'I mean, you could be in a way a full time Leader of the Opposition if you wanted to,' he asked. Mr Feetham says 'Yes, but ...'. Mr Sacramento comes back, 'You can survive on the salary of a Leader of the Opposition.' 'Yes', says Mr Feetham, 'but it would be very difficult'.

Mr Sacramento, no doubt in that moment with a flash of that banner that I sometimes see Joe Bossano holding, the 'No Concessions' banner, says 'And like Joe Bossano did it for 15 years, he was a full-time Leader of the Opposition.' And Mr Feetham said this, 'That is true, that is true, on a part-time salary. And that is true. But of course then if you get into that argument, you are never going to be able to get a professional to leave his profession to go into a job on a full-time basis being paid on a part-time salary, it is very, very, difficult.' Well, Joe Bossano did not find it very difficult and Joe Bossano is a professional; and what a professional he is, Mr Speaker.

Mr Sacramento comes back and says, 'It is a big pay drop', and Mr Feetham comes back, 'I mean I think it is something that in the future, since this has to be looked at because if you really want to attract good people, you have got to sort of, look, accept what is the reality of the situation and the reality of the situation is that certainly the Leader of the Opposition is not part-time it is full-time'. Well it is also true that we have not got good people I suppose, Mr Speaker.

Full-time, Mr Speaker? Three days a month? Three days a month, an average of two days a month this year, perhaps a few more; £2,000 a day for three days a month for ten months of the year, £3,000 a day this year. Well look, Mr Speaker, if that is not inflammatory to civil servants to

620 public sector workers, what is? Most civil servants and public sector workers ... nay, everyone
under the rank of SEO, goes to work these days full-time – *full-time* for less than £60,000 a year.
I think they are very good people and we get very good professionals, people who have gone
and done degrees, some of them two, just like him, and they give their best for Gibraltar.

625 So if I am going to be told that it is inflammatory of the Civil Service to have given effect to
agreements of former Chief Ministers, to have reduced the salary of the Chief Executive when
we first got our chance to do so, to have abolished the role of the Chief Executive now which will
produce a huge saving, and to make these salaries revert to where they should be when the
postholders leave ... well then, Mr Speaker, I know that history when it gets out its calculator,
will see that our figures speak for themselves and that we have acted entirely properly. I think
630 the hon. Gentleman now realises that, it has dawned on him, and he wishes he had been patient
and waited for my letter.

In particular, Mr Speaker, it has dawned on the Leader of the Opposition that he has to be
more careful with what he says is a part-time salary and a full-time salary, with who he says is
good is not good; and with the motions that the hon. Member to his left might shoot off, that
might at first blush seem attractive, but actually have a sting in the tail that come back to bite
635 them.

So, Mr Speaker, I think that the only way for the House to really reflect on the record of
Hansard, the reality of what has happened in this situation, to realise that we have moved
always to save money for this community to ensure that we get value for money, and that we
put resources at the GHA on the front line for the nurses, the doctors, the allied health
640 professionals and the consultants and *not* at the hands of Chief Executives ... is this Government,
that is what we have done.

That must be reflected on the record of *Hansard*, not the motion that the hon. Member has
moved; and the way to do that, Mr Speaker, is for the House to adopt the amendment that I
now move in the terms of the notice that I have given.

645 I commend the amendment to the House. (*Banging on desks*)

Mr Speaker: I now propose the amendment in the terms moved by the Hon. the Chief
Minister.

Does anybody wish to speak on this amendment? The Hon. Roy Clinton.

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Hon. R M Clinton: Sorry, Mr Speaker, can you just clarify the rules of speaking on this
amendment? Could you clarify for our information the order of speaking?

Mr Speaker: You are able to speak on the amendment and then once the amendment is put
655 to the vote, assuming that it is carried, then you also have the right to reply because you moved
the original motion. So you can have two bites at the cherry.

Hon. R M Clinton: I am sorry, just to clarify, the Chief Minister as mover of the motion would
also have a final say on this motion, then? The Chief Minister as the mover of this amendment
660 would also have a right to reply?

Mr Speaker: The Chief Minister has a right to reply on the amendment but then not on the
original motion, yes. (*Interjections*)

The Hon. Marlene Hassan Nahon.

665 There is one other thing of course, that sometime over the years has happened and perhaps I
should explain. Sometimes Members rarely speak on both, obviously they do not get two bites
of the cherry but there have been occasions when this happens: you get an original motion, it is
amended in the terms which we have seen today and an hon. Member speaks from one to the
other and, provided he does not pretend to come back again, the Speakers have exercised their
670 discretion and will allow that to happen, and I will do the same. Okay?

Hon. Ms M D Hassan Nahon: Mr Speaker, today's argument I am afraid, reminds me of that expression 'two wrongs do not make a right' and this is what much of what we have heard today reflects.

675 I think Gibraltar is truly fed up with the, 'You did this, so I can do that'. The real integral question still remains and has not been answered in a way which will be clear and accepted by the public. The question is: why is it that the Chief Secretary and Principal Auditor have been singled out for a colossal pay rise of 28%? Why them, why not others, why just them and why this year? Because, Mr Speaker, with all the surrounding digs and jibes at the GSD record we still have not heard the real reasons why these particular increases to these particular individuals
680 have been awarded away from ... 'because Peter Caruana did it like that and now Fabian Picardo does it like this'.

Gibraltarians, including myself, are simply none the wiser right now and, Mr Speaker, respectfully, who cares what the Chief Executive at the GHA once got erroneously, unjustifiably or otherwise? Who cares, Mr Speaker? That was then and this is now. A new dawn Government,
685 a stronger foundations administration, reminding us constantly of the last six years in a motion which is absolutely unnecessary and inappropriate for the purposes of this discussion, in the same way as was the statement of what the Leader of the Opposition may have said on a chat show a few weeks back.

Personally, I remain flabbergasted by the lack of substance and huge waste of ink on spin on this amendment to the original motion, which does not go far at all to justify in real terms this
690 increase for these two individuals.

Thank you. (*Banging on desks*)

Mr Speaker: Any other contributor? The Hon. Trevor Hammond.
695

Hon. T N Hammond: Mr Speaker, I have to thank the hon. Lady for her contribution there (*Laughter*) because it echoes my own feelings on the substance of what the Chief Minister said; and to some extent I have to thank the Chief Minister for his intervention also, because it does demonstrate how out of touch he has become (*Laughter*) with what the people are thinking in
700 Gibraltar.

Yesterday we had the intervention where £400,000 for the Hong Kong office, and £250,000 salary package associated with that office, was described as peanuts. Well, of course, certainly to most people, it would not appear to be peanuts. Today we have this nonsense amendment, quite frankly, which goes into all kinds of ridiculous details in which numbers do not even add up
705 or are not realistic. I am not going to go into the detail as I am sure my hon. Friend, Mr Clinton, will go into the detail on that.

One point that does need to be made is with reference to the salaries of the Chief Executive, although why it is raised in this particular motion I do not know. The Chief Minister has omitted the fact that when the Chief Executive of the GHA became a civil servant, whilst he includes his
710 salary, he does not include what his pension package is also. As a whole I suspect that, combined with his salary, would be considerably more than the previous incumbent would have been earning as Chief Executive of the GHA.

Then the Chief Minister also said it is strange that the Hon. Mr Clinton should choose to single out individuals which, I might add, is precisely what he has done; not only singled out but
715 named individuals in his own motion. The reason why the Hon. Mr Clinton singled out these individuals is because the Chief Minister effectively singled them out himself by permitting this pay award to proceed, a 28.21% pay award.

I must admit when I read it I thought it must surely be a typo, perhaps the decimal point is in the wrong place but no, sure enough, it is not a 2.821% pay award it is a 28% pay award. It is
720 utterly obscene. People do have the right to know why these individuals were awarded a pay award of that level; the taxpayer has a right to know that it is getting value for money for this. I really wish that the Chief Minister had stood up and just answered the motion with an

725 explanation. Perhaps workload has increased, perhaps terms and conditions increased, perhaps something has changed to warrant such a pay award, but nothing in the Chief Minister's intervention, nor his motion, have indicated that.

As I say those pay awards may indeed be merited, I do not know. It would have been a far better tactic, and shown much more that the Chief Minister is in touch with what people are thinking, if he had adopted that approach rather than the tactic that has now become usual, which is to rake over 20-odd years of history as he sees it and decisions that were made in the past.

730 The hon. Lady is right, we do not live in the past, we live in the present and people want to know why these pay awards were made to these individuals on such a scale, bearing in mind, as has been stated already, that the minimum wage was increased this year by half a percent. So the lowest earners received virtually nothing and certainly as part of the monthly salary, it really is virtually nothing; and yet the very highest earners in our community receive, effectively, a £34,000 increase. Do not quote me on that because my maths... I have just worked that out very quickly, but what looks to me like a £34,000 increase.

735 So when we are talking about the alleged part-time salaries of those on these Benches, well for most of us that equates to precisely almost what we earn on these benches. And the reality is, as the Chief Minister and those in the Government benches know, the work of Opposition does not just take place on two days of the month in Parliament or three days of the month in Parliament. The work of Opposition is ongoing all the time.

740 We do work hard, as I am sure the hon. Gentleman worked hard when he himself was in Opposition. It is a fact and it is an important part of our democracy that we do. We do not just work on the days that we are here in Parliament, we work every day of the week – *every day of the week* – to deliver as strong an opposition as it is possible to deliver.

745 So I would ask that the Chief Minister consider the motion that he has laid before this House and consider actually giving an appropriate response to the original motion which will satisfy the general public and the taxpayer of Gibraltar, and will demonstrate to this community that he is genuinely transparent and that he does want people to know the reasons why certain things are the way they are – rather than trying to hide that in a raft of statistics which are, frankly, historical and largely meaningless.

Thank you, Mr Speaker.

755 **Mr Speaker:** Does anyone else wish to speak on the amendment?

The Hon. Roy Clinton.

760 **Hon. R M Clinton:** Mr Speaker, bean counting data indeed! I am sure the Financial Secretary would be delighted with that use of terminology by the Chief Minister.

We are talking about the real pay of real people with real money, which is extracted from the taxpayer. All I have heard from the Chief Minister today in his amended motion is a smoke screen, a complete diversionary tactic by the Chief Minister.

765 I recall, and the Hon. Joe Bossano will be able to correct me, that when he first came into power, and I remember this because it made an impression on me, one of the first things he did when he got into No. 6 was he cancelled the lift that had been ordered on the basis that it was a waste of money and could not be justified.

770 **Mr Speaker:** May I correct that? That is incorrect. I cancelled it during the three months that I was Chief Minister. *(Laughter and banging on desks)* **Hon. Chief Minister:** It was fitted the minute the GSD arrived!

Hon. R M Clinton: Well, Mr Speaker, I apologise if that was indeed the case, my memory is obviously hazy. In any case, unnecessary expenditure when it is identified is obviously where you can not incur it and certainly where you do not see the justification or the logic for it.

775 All the Chief Minister has argued in his motion is that a particular logic should be followed because that was the logic of the previous administration and he is only following that logic. He has no discretion. But, Mr Speaker, as you have just demonstrated there is discretion for administrations that come in. Who says these grids are set in stone? Who says that whatever is said before is what has to go in the future?

780 There is only one thing in his motion which I found of value, and only one other thing that he said, in fact. He said, in his motion:

therefore considers and accepts as absolutely correct, the decision of the Chief Minister ...

– the decision of the Chief Minister, mark you –

... that the adjusted salary of the Chief Secretary and Principal Auditor should revert upon the retirement of the existing post holders, to that of their formerly provided for as annually adjusted ...

785 Now that, to me, Mr Speaker, and the Chief Minister no doubt will correct me, means that the *New People* was in fact correct today, that these salaries are personal to holder, which is not evident from the Estimates Book. And for that, if he confirms that, I am grateful. But then again it still raises the question, why pay them these higher salaries for the remaining period of the time they are in the Civil Service? I believe both of them have indicated they are going to retire. I do not see the value to the taxpayer in this.

790 All I have heard today is what appears to be wage inflation driven by jealousy and nothing else. Why has the Chief Minister not referred to the Head of Gambling Regulation who earns £204,000? Okay, he is employed by GDC. What about the Finance Director of the Gibraltar Development Corporation? He gets £156,000. And what about one of the other Jimmys, as we all know in the Finance Centre – Senior Finance Centre Executive, Insurance – and this is on the Government, £165,000? So where is the linkage to them, what is the logic, why pick on the GHA? Why say hey, I have abolished the post therefore we are going to go back? It is a constructed logic; this is the fabrication of an argument and he knows it.

795 I have not heard a single word in his motion or today, that actually justifies to the taxpayer why these two postholders should, albeit for a limited period of time, merit these pay awards. If he had come to us and said, ‘Well, this House should recognise the exceptional effort these postholders have made and therefore just for them, personal to holder I am going to give them an extra amount because they are such great people’.

800 But no, he has not said that. All he has said is, ‘Well, the GHA Chief Executive got this, and now he is a civil servant and he got that; and these guys did not like it so they came to me and said, “No, no, we want more than him”, and therefore I thought okay that is fine’. Mr Speaker, that is completely ridiculous. It does not happen in the private sector, I do not see why it should happen in the public sector.

805 The one comment he made, and perhaps he could clarify to this House, when he said, ‘Well, I consulted with the Financial Secretary and the Attorney General and they were fine with it, because the other two were not on contracts’. What does he mean, ‘not on contracts’? Is the Attorney General on a contract? Is the Financial Secretary ... although we know he is on secondment? But is the Attorney General on a contract? What does he mean by that? Is that the reason why they are not jealous because they have got signed contracts and therefore for them they do not care?

815 So, Mr Speaker, this motion is absolute bunkum and in fact, in a peculiar kind of way, I am grateful to the Chief Minister because he has just made a complete pig’s ear of addressing my motion, in that all he has done is demonstrate that the pay of the Civil Service is complete nonsense. There is no merit to these increases; all it is, is relativity. ‘He gets more, I want more; he gets more, I want more too’.

820 The taxpayer does not live in this world, at the top of the Civil Service where they feel automatically entitled just because ‘A’ gets this I should get this too. What world are they living

in? This is not the world that the average Gibraltarian lives in. Somebody on the average salary cannot go to his boss and say, 'Well, the next company down the road gets this and I want much more'. This is just does not happen. And if they are so unhappy well let them leave, frankly. If they are not happy with their salaries, go get a job in the private sector and let's see how much
825 they get paid. (*Interjection*) Yes, yes. These posts are the most senior civil servants, or one of the most senior civil servants in Gibraltar, and they should be setting an example, and not basically encouraging wage inflation based on what would appear to be relativity and jealousy.

So, Mr Speaker, I would be grateful if the Chief Minister would just address two points for me, because I obviously cannot support this motion. Two points, Mr Speaker. One is: are these
830 increases personal to holder for both those grades? Secondly, what were these two contracts he referred to in respect of the other senior civil servants?

Thank you, Mr Speaker.

Mr Speaker: Is there any other contributor to the amendment? If not, I will ask the Chief
835 Minister to reply.

Hon. Chief Minister: Well, Mr Speaker, I was going to start by replying to the hon. Lady. In order to take the contributions as chronologically as possible, I want to reply to the hon. Lady who delivered the speech that she had written before I had spoken magnificently well, with
840 passion and with eloquence. She is growing into the role but, Mr Speaker, I had actually and fortunately dealt with all the points in her speech during the course of my contribution.

Now it is all very well to say it is just the GSD versus the GSLP, etc. and it is populist to say that. But actually I had addressed all of the points that the hon. Lady raised, and I addressed all of the points that arose in respect of how we had brought *down* the salaries of the Chief
845 Executive of the GHA and how we have removed the Chief Executive of the GHA.

And frankly therefore, when she looks back on her contribution today and she looks at what I said before she got up to speak, I think she will find that I did not engage just in, 'GSD did, well
850 GSLP Liberals will do now'. I engaged in, 'GSD did, historically all Governments have agreed, this is what the GSLP did to undo and reduce the cost to the taxpayer'. Because we are the ones who represent the working classes of Gibraltar; we are the ones who want to reduce the cost of doing business in Gibraltar for businesses and reduce the bill where it is unnecessary.

I have given an example, Mr Speaker, of how we have done that in respect of this particular post of the Chief Executive of the Health Authority in the context of everything I said before she got up to reply to me. And I explained why it was that these two – in fact, four, but I will come to
855 the issue of why it is only two – had to have, in honouring an agreement, and the Government must always honour its agreements, whether it likes them or not, if there is an agreement, and with the civil servants the agreements are sometimes conventions, and why these two had to get those increases.

But I will tell her, Mr Speaker, although I thought she was eloquent in the way she did it, I
860 was very disappointed in the logic that she brought to it because it fails to understand everything that I had put. But she demonstrated one thing: she demonstrated that the next person I am going to address was utterly foolish in the things that he said about her on Monday, because I did not see her bringing out the pompoms to support me. In fact I thought that she probably did a better job of attacking us than he did.

Mr Speaker, to have heard Mr Hammond say that we are out of touch ... well, absolutely
865 everything that Mr Hammond says in the context of the political debate in Gibraltar has to be seen through the eyes of the campaign he led – and I say he led it because the Hon. the Leader of the Opposition has given him the credit for leading it – in respect of the LNG facility at the North Mole. He was telling us before the last election that we were out of touch with the
870 concerns of people in the area, that we were putting our community at risk, that we were creating a terrorist threat for our community.

Well, Mr Speaker, it is clear that the person who was completely out of touch was him. He was so out of touch, he is now out of touch with himself, because I think he has been told either by his leader or by his priest, never to say the words 'LNG' again – or maybe by his conscience. Because if anything that he had said before the last election rang true to him, he would be the first one to have been chained by the gates of the facility before it was erected. Yet we do not hear him utter the words 'LNG', so he does not have a clue about LNG and he goes off and pontificates about it. It seems to me that he lives in a world where it is possible to hold down a job and come here and say that you are doing politics as a full-time job and not see the contradiction! (*Laughter*) Well, Mr Speaker, look, his employers might have something to say for it. (*Interjection*) I know he is not employed by the MOD, but there are lots of people who are employed by the MOD who were Members of the GSLP in Opposition in this House, who were able to marry both jobs and they were trade unionists to boot.

But in all of what they have done, and the hon. Lady is not guilty of this, but they are. In all that they have done, he comes back and on top of that exacerbates matters and says, 'Yes, actually we are not well paid'. It just does not make any sense. He says, 'This is a full time job, we work so hard it is not just three days a month'.

Well, Mr Speaker, I just do not understand, he is left having to traduce what we say in order to try and win the argument. He is left having to suggest that we said that £400,000 was peanuts. Those words did not cross our lips. We said it was probably the lowest cost to any government to operate an office in China. It does not mean it is peanuts, it does not mean that we are not going to look after every single penny. But you cannot go to China and set up a barraca (*Laughter*) with a white sheet and four rods and say, 'This is the Gibraltar office'. It is hugely representative of us and the beach that we all love, but that is not what the Gibraltar office can be, Mr Speaker. And if you want an office and you want someone to man it and you want a secretary it is going to cost you that sort of money. Peanuts come into it, Mr Speaker, but only in the context of, if that is what you pay you get monkeys.

Peanuts were first mentioned in this House by him in relation to that cost, not by us; and he is not going to get away with suggesting that we have said that £400,000 is peanuts. We have not and we never would, Mr Speaker. *We never would*. We said it was the cheapest cost of any government operating in China, probably. Because if you think, that the offices of other overseas territories in China cost less than that from the discussions we have had, they cost much more than that.

Hon. Members try and catch us in a vice which moves so illogically and so slowly that it never catches us. They tell us to do things but then they tell us those things should not cost money. 'When are we going to have the lifts in Rodney House; and in here, and in there?' 'Why are you spending so much on lifts?' I mean, Mr Speaker, if Benny Hill had had any dialogue in his sketches he might have been able to borrow it from the *Hansards* of what they have said in this House.

The hon. Gentleman mentioned the gold-plated pension of civil servants and said, 'You have not added that to the calculation'. No, I have not added that to the calculation because if we add it to the calculation, we have to add it to the calculation of every single salary in this book in respect of the Civil Service. So if he wants to talk about that, let's take any salary in this book and let's calculate what the pension is in respect of that. Let's calculate it just at the rates that Joe Bossano has rightly brought in in respect of commutations; let's multiply it by 12, that is the value of the Civil Service Pension Scheme. One, by the way, that I will not forget them trying to claw their way into less than a year ago (*Laughter*) although they got rid of it for everybody else – *they had got rid of it for everybody else*; and I am sorry to say that to the hon. Lady, but they got rid of it, Mr Speaker. One day I am not going to mention what the GSD did in Government and she is going to get up and accuse me on that day and say, 'The hon. Gentleman behaves as if history will teach him nothing.' Well, look, Mr Speaker, in some instances history teaches me what the political trajectory of this community has been.

925 The hon. Gentleman is right, I may have failed; I may have failed in one particular respect. I could have made an even better argument if I had calculated the 25% gratuity in respect of Mr McCutcheon's wage, which I did not calculate. I did not look for that and I will look to see whether he was entitled to it, because every single officer that they recruited from outside was also entitled to an annual 25% gratuity. So I may have got my figures wrong, the increases may have been even higher that they presided over!

930 He says that we are out of touch because people do not care about this. Well look, Mr Speaker, we know different people. It appears that I know 68% of the people and they know 32% of the people, and the 68% of the people that I know are very interested indeed every time that we uncover some of the things that they got up to whilst they were in Government ... the things that their Leader, who was a Minister in the Government, was responsible for doing.

935 The hon. Gentleman talked about the minimum wage and what the increase in the minimum wage has been, only 0.5%, hardly nothing in the pay packet, and I am grateful that he did that. Not because it embarrasses me but because I had forgotten to deal with it in the context of the opening speech by Mr Clinton. I have done the exercise, Mr Speaker, in the context of a question that the hon. Lady asked me. She rightly has not raised that issue because she had the answer from me that in the five years since I have been Chief Minister the minimum wage has gone up 15%, and public sector salaries have gone up 14%.

940 I do not know if the hon. Gentleman was not here that day, maybe that day he could not marry his other full-time job with this full-time job and did not get the memo about the answer I had given. Well, look, Mr Speaker, it is one thing to cancel a lift ... you want a lift or you do not want a lift. These days in a Government building you are probably likely to need a lift because the building has to be accessible to people with disabilities. There could be a disabled Chief Minister in the future, there is no reason why there could not be and he needs to get to his office.

950 Adolfo Canepa decided that there should not be a lift when he was Chief Minister, Mr Speaker now. Joe Bossano when he was Chief Minister, the hon. Member thinks that it was also put to him. (*Interjection by Hon. J J Bossano*) The Civil Service is sometimes relentless, Mr Speaker, when it wants a lift (*Laughter*) and he said no too. I did not have the choice, Mr Speaker, when I arrived at No. 6 Convent Place there was a lift. Now I do not mean to incur the hon. Lady's wrath, but if it did not happen when the GSLP was there and it was there by the time the GSLP got back, it must have happened when the GSD was there.

955 Look, what you cannot do is be accused of things and then not say, 'Well, hang on, you did them too!' And the hon. Lady needs to understand that in the context of this reply I am not saying, 'You did it too and that is why I can get away with it', which is what she was implying. I am saying as much in a reply to Mr Clinton as to her, they did it and we are undoing it. But in the context of undoing it we are obliged to comply with the agreements entered into by former Governments.

960 I have given effect to agreements when I was elected with which I did not agree except for one particular instance. One instance where I believed that there was bordering an illegality. I took the matter to Cabinet and I told them this has been promised to a person who has been a former Minister and it is outside the policy rules; but there is a signed agreement and I am not prepared to give effect to it. And the Cabinet agreed that we should not. I went back to that person and I was threatened with legal action, but we prevailed because we were right. But where there is *an agreement* with the Civil Service, we have given effect to those agreements. We represent trade unionism and these agreements have sometimes been won by trade unions and it has got nothing to do with Luis Montiel, Mr Speaker, it was another Minister.

970 And that is why this is not a case of, 'You did it, therefore we will do it too'. This is a case of, 'You did it; we are undoing it'. We are getting rid of the Chief Executive, we are getting rid of that huge cost but there is this agreement in respect of civil servants and therefore we must honour it – and this answers Mr Clinton's question, although I had answered it already – but only on a personal to holder basis. And that kicks in after the book is printed, because the Chief

975 Executive is going to retire much, much earlier than expected, and therefore we have the
opportunity of undoing the increases for future postholders of the posts of Principal Auditor and
Chief Secretary, and therefore they *are* personal to holder. The Principal Auditor has already
indicated that he is retiring, the Chief Secretary has not yet done so, but these salaries are
personal to holder. Another thing that the hon. Gentleman can notch down to the *New People*
980 having told the community correctly.

When the hon. Gentleman talks about the Head of Gambling and the Finance Centre
representative, these people are not civil servants, Mr Speaker. Therefore the civil servants have
not made the argument based on the agreement that equates them with other civil servants.
That is why we are not making it with the £204,000 salary of the Gambling Commissioner. That is
985 why we are not making it with those who work in the Finance Centre Department; and that is
why we are not 'picking on' the GHA, we have a situation in the GHA where a Civil Servant took a
salary in a job that had to be equated.

But for him to say, that it does not happen in the private sector is an absolute joke. It is an
absolute joke, Mr Speaker. It might not happen in public companies with activist shareholders
990 but I can tell him it happens in very many private companies, some of which I am aware, some of
which I have been involved in, people get huge pay rises. But I am not surprised that in all his
time in the private sector he never had one.

I am not surprised because if this is the standard of work that one can expect, this sort of lack
of research, this apparent opportunity of having a shot which then turns out to be a blank, well it
995 is a dud. Frankly it is unfair, Mr Speaker, in particular for him to have got up because he is angry
with me, and said that this is wage jealousy; to have spoken as badly of the Civil Service, at least
of senior civil servants as he has, to have declared himself as he has ... and I have no doubt that
once I sit down the Hon. the Leader of the Opposition is going to get up, he is going to get up,
they are going to try and have a go and they are going to try and undo all the damage. But he
1000 has declared himself today an enemy of the Civil Service.

And, Mr Speaker, frankly, to have said that two people of the calibre, postholder and
individuals in post, of the Principal Auditor and Ernest Gomez, have acted out of wage jealousy,
is absolutely unbecoming of who I thought he was. We may be at political loggerheads but I
really did not think that the bitterness of losing an election had corroded him to such an extent
1005 that he would get up here and say that those two postholders, those two individuals, had acted
out of wage jealousy. I have only seen a tongue so out of control before in the mouth of the
current Leader of the Opposition, and it does not behold him to continue down that path.

To say that I have made a pig's ear of a debate where I have demonstrated that the things
that he wanted to prove are unprovable, shows to me that the frustration and the desperation
1010 has got to him to such an extent that he has nothing left in the tank. He has carried out a direct
attack on these two senior civil servants to such an extent that it has culminated with what I
think is the most disgraceful suggestion I have heard in this House since I have been here, and I
have heard many – because the man they sometimes call the greatest Gibraltarian of all time,
sometimes said some things that I think even he regretted when the red mists lifted.

1015 He has said let them leave if they do not like their salaries. Well, look, Mr Speaker, the world
today is full of argument about why populism in politics is the wrong thing. If he thinks he is
going to ride a wave that is going to lead him into Government simply by agitating on the
salaries of these two senior civil servants and saying senior civil servants act out of wage jealousy
and they do not live in the real world, that is not the Gibraltar that there is out there. Mr
1020 Speaker, he and I live in a different Gibraltar.

In a different Gibraltar because most of the people I know are on very low salaries. None of
them disrespect the Chief Secretary and the Principal Auditor when they are in the Government
service in the way that he has today. Because it is also true, Mr Speaker, that apart from Mr
Llamas who is himself a civil servant, and I think that Mr Reyes is now a pensioner, the only
1025 Member on the benches opposite who is actually entirely full time is him. Now, Mr Speaker, he
gets to work a couple of days a month, does what he wants as a Member of the Opposition the

rest of the time, when I happen to see him it is usually enjoying a coffee, whilst the Chief Secretary is hard at work and whilst the Principal Auditor is hard at work at their relatively high salaries, and whilst the people who are less than him and less than the Principal Auditor are either opening up a road or doing the work that they do hard at their desk. And he says, if they do not like it and they are acting out of wage jealousy let them leave, the whole of the Civil Service pay scale is just based on relativity.

Well, Mr Speaker, I think that the contempt he reflects for the Civil Service is a contempt that the Civil Service will reflect to him. I think it will reflect to him and this *Hansard* will mark a seminal point in his political career, one from which I predict he may never recover.

So the position that I have set out in the amendment to the motion is the only position that I believe accurately reflects the position, not just because it shows what the GSD did and why therefore we are able to do what want to do, which is to reduce salaries, but why it is right, proper and appropriate to do what we have done; and why the hon. Lady, if she took an objective view and was sitting on this side of the House after the 2011 election, in delivering a new dawn and building the strongest foundations, would find that she would have done exactly the same thing.

For that reason, Mr Speaker, I commend the amended motion to the House. (*Banging on desks*)

Mr Speaker: I now put the amendment in the terms moved by the Chief Minister, to the vote.

Those in favour? (**Several Members:** Aye.) Those against? (**Several Members:** Nay.) The amendment is carried by a Government majority.

So we now have the motion as amended before the House –

Hon. Chief Minister: Can I rise on just a point of order?

I am loath to do so, but I said something and I now have the answer and I will just tell the House that in fact Mr McCutcheon *was* entitled to a 25% gratuity on top of the amounts that I have delivered.

I will just say that by way of information. Tax-free.

Mr Speaker: So I will now put the motion as amended, that is now before the House. Anyone who has not spoken on the original motion may now speak.

As there is no contributor, I will call on the Hon. Roy Clinton to exercise his right to reply.
The Hon. Roy Clinton.

Hon. R M Clinton: Thank you, Mr Speaker.

Today we have seen the proof that has been long sought as to whether Father Christmas exists; I believe we have him personified in the Chief Minister himself.

The issue I raised in terms of the senior pay grades of the Civil Service, he has completely failed to address, and in this amended motion which completely sidesteps the issues I raised. These are issues not of my imagination, these are issues which also in the UK Civil Service has obviously exercised their brains because they realise that the most senior civil servant sets an example to the rest of the Civil Service. And it is a bit rich for those at the top of the pyramid, so to speak, I will quote *Hansard* where the Chief Minister said on 24th November 2016 at paragraph 345:

Since the representations made by the Principal Auditor ...

So these civil servants went to the Chief Minister, cap in hand, and said, 'Well, Mr Chief Minister, you know this is grossly unfair I believe I need to have more, please will you give effect to this?' And yet the Chief Minister tells us that this is something that was agreed by a previous

administration and it has taken him five years to get to it – five years, Mr Speaker. (*Interjection*) Mr Speaker, may I continue?

Mr Speaker: Yes, of course, continue.

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Hon. R M Clinton: – five years, Mr Speaker, and his only excuse for that is, ‘Oh, well, there was a civil servant who took up a post in the GHA and somehow that threw everything out of kilter.’ Mr Speaker, in terms of the pay of the senior civil servants what difference does it make? Are they going to do more in their current job, what is it that they are going to give to the taxpayer to justify this pay increase?

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It may be that the Chief Executive, the current incumbent civil servant who took over the role of GHA Chief Executive, and funnily enough the Chief Minister has chosen this very peculiar route to announce to the GHA that he has just abolished their chief. I do not know what the world will be like tomorrow in the GHA without their chief. But frankly, perhaps this civil servant had specialist skills for the GHA, as indeed perhaps the previous incumbents had; as indeed perhaps the various people employed within the Gibraltar Development Corporation. And I would point out to the Chief Minister that the Finance Centre Insurance Executive is actually listed as a civil servant in the Estimates Book, at £165,000.

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I have not heard anything that the Chief Minister has said in recommending this motion as to why these types of pay increases are merited. There is nothing that tells the taxpayer what it is that they are getting in return. What is the return to a taxpayer of this increase? I have not heard it. Neither has the Chief Minister, or perhaps he has conveniently forgotten to tell the House, what were these other two contracts he referred to in respect of the four senior civil servants and they did not mind about this type of increase? Presumably they had contracts, but he has not come back on that. No doubt it is a subject that perhaps we will come back to at some future point in time.

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Mr Speaker, he then goes on to muddy the waters with his motion and his speech by talking about, ‘Well, the Members opposite get this, and they did this, and this was done then.’ But, Mr Speaker, that has nothing to do with my original motion. And besides, the subject of remuneration will be discussed in the Select Committee which we have set up this afternoon, on parliamentary reform. It is my personal view that the salaries of Members of this House should not be set by ourselves. It is obviously a huge conflict of interest and it should be done on the basis of external recommendation, without pre-empting the work of the Select Committee.

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By the same measure I would argue that those at the top of the Civil Service should accept the same yardstick, and there should be somebody set up to determine what it is that these people should be paid, benchmarked against perhaps posts in the private sector or in the public sector in the UK, some other means of measuring what it is that the job they are doing is worth.

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Mr Speaker, in a way I am grateful that the Chief Minister has clarified that these posts are now personal to holder and yet on the other hand with one the Chief Minister has already admitted to is going to retire, it does seem rather convenient. And I say that with measured words.

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I have not attacked the Civil Service. (*Interjection*) I have not and I will have it on *Hansard* that I have not attacked the Civil Service. What I have attacked is the lack of a meritocracy at the top of the Civil Service; whereas it is the Chief Minister’s gift, and I use that word loosely, to give whatever salary he sees fit to whoever walks into his office. He says, ‘Oh, well, this House approved these salaries’. Well, Mr Speaker, we may have approved the Budget as a whole but I did raise in Committee a question about this salary increase and he offered to give me the information. I wrote to him and he did not give it to me. He did not give it to me in the House then, he has not given it to me subsequently and he has not given it to me now. So the only way to get the Chief Minister to somehow react to my letters, which he so much loves, is to present a motion to this House.

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I put him on notice now, that for every letter I write to him and he does not reply I will bring a motion to this House. *(Interjection)*

1130 **Mr Speaker:** Order.

Hon. R M Clinton: Because he loves my letters so much. In fact he loves my letters so much I can just imagine him handling them with such love and looking at the envelope and saying, 'Oh, look, Parliamentary, Urgent – ha, ha, ha'. Well, no, Mr Speaker, if he asks me to write to him and I write to him, I expect a response. And if he cannot write and give a response then he should not be Minister for Finance, resign that position and let somebody else do it who can, because obviously he cannot. **(Several Members:** Ooh!) He may not have the time to do it, so give it to somebody who can. *(Interjections)*

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1140 Mr Speaker, the public will remember that he has not given an answer today and I want *Hansard* to reflect that he has not given an answer. He just said, 'Well, the GSD did this, the GHA did that ... blah, blah, blah ... the Members opposite get paid this'. No answer. He has set up a perfect smoke screen, a barrage of completely irrelevant information in respect of the original motion.

1145 Well, Mr Speaker, if that is what he wants to do, if that is what he believes the people of Gibraltar will believe and are happy to accept from this magnificent Chief Minister we have opposite, this worker of miracles – then fine, let him try. But I can tell you it will not be me who will go down in history today as having attacked the Civil Service. It will be him who will go down in history as having been the Chief Minister who has taken the taxpayer for a ride.

1150 Thank you, Mr Speaker. *(Banging on desks)*

Mr Speaker: I will now put the motion as amended to the House. Those in favour? **(Several Members:** Aye.) Those against? **(Several Members:** Nay.) Carried by Government majority.

ADJOURNMENT

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that the House should now adjourn, but I do so conscious that we started on a sorrowful note today, conscious that this is a festive season, it is the Christmas of the Christian, Catholic religion, it is the Hanukkah of the Jewish religion, it is a time for us of Merry Christmas and for them of Happy Hanukkah, and for many others of Season's Greetings and I extend sincere Season's Greetings to all Members of the House.

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1160 I extend all the very best for Christmas and for Hanukkah and for whatever relevant season, to all members of the community and I wish that we all have the opportunity of enjoying this joyful time with our families.

I shall look forward, Mr Speaker, to meetings next year, a year that I hope will be a very good year indeed for Gibraltar, although that is not to say that it is not going to be a complex and difficult year that we will navigate together.

1165 Mr Speaker, I extend all of those wishes also to the Chief Secretary and the Principal Auditor, at least on behalf of this side of the House and I move that the House do now adjourn *sine die*.

Mr Speaker: May I ask hon. Members to sit for a moment because I would like to extend my best wishes and those of the members of my staff to all hon. Members. May they have a very happy and peaceful Christmas and I wish them every blessing in the New Year. In spite of whatever headaches they may sometimes give me which sometimes elicit a loss of temper, I do enjoy being here enormously and I really look forward to seeing you all again in 2017.

1170 Thank you very much. *(Banging on desks)*

Several Members: Hear, hear.

1175

Mr Speaker: The House will now adjourn *sine die*.

The House adjourned at 6.26p.m.